

US
SELECT
PRIVATE
OPPORTUNITIES
FUND II

(ARSN I 62 057 089)

Product Disclosure Statement

**PRODUCT DISCLOSURE
STATEMENT FOR THE**

OFFER OF 25,000,000 FULLY PAID
ORDINARY UNITS AT AN OFFER
PRICE OF \$1.60 TO RAISE UP TO
\$40,000,000 WITH THE ABILITY TO
ACCEPT OVERSUBSCRIPTIONS

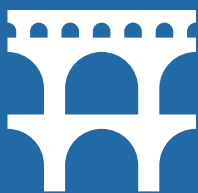
**THIS OFFER IS NOT
UNDERWRITTEN**

RESPONSIBLE ENTITY

WALSH & COMPANY
INVESTMENTS LIMITED

**Walsh & Company
Investments Limited**

(ACN 152 367 649) (AFSL 410 443)



US
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DIRECTORY

US Select Private Opportunities Fund II

(ARSN 162 057 089)

Level 15, 100 Pacific Highway
NORTH SYDNEY NSW 2060

T 1300 454 801

F 1300 457 349

E info@uspof.com

www.usselectprivateopportunitiesfund.com

Responsible Entity

WALSH & COMPANY INVESTMENTS LIMITED

(ACN 152 367 649)

(AFSL 410 443)

Level 15, 100 Pacific Highway
NORTH SYDNEY NSW 2060

T 1300 454 801

F 1300 883 159

E info@dixon.com.au

www.dixon.com.au/walshandco

Investigating Accountants', Auditor & Tax Advisor

INVESTIGATING ACCOUNTANTS' AND AUDITOR: DELOITTE TOUCHE TOHMATSU

TAX ADVISOR: DELOITTE TAX SERVICES PTY LIMITED

Grosvenor Place, 225 George Street
SYDNEY NSW 2000

T +61 2 9322 7000

F +61 2 9322 7001

www.deloitte.com.au

Australian Legal Advisor

WATSON MANGIONI LAWYERS PTY LIMITED

Level 13, 50 Carrington Street
SYDNEY NSW 2000

T +61 2 9262 6666

F +61 2 9262 2626

E mail@wmlaw.com.au

www.wmlaw.com.au

US Legal Advisor

BLANK ROME LLP

405 Lexington Avenue
NEW YORK NEW YORK 10174

T +1 212 885 5000

F +1 212 885 5001

www.blankrome.com

Share Registrar

BOARDROOM PTY LIMITED

Level 7, 207 Kent Street
SYDNEY NSW 2000

T 1300 737 760 (Australia)

T +61 2 9290 9600 (International)

F 1300 653 459

www.boardroomlimited.com.au

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IMPORTANT NOTICES

General

This substitute Product Disclosure Statement (**PDS**) is dated 22 February 2013 and was lodged with the Australian Securities & Investments Commission (**ASIC**) on that date. This PDS replaces the product disclosure statement dated 8 February 2013 which was lodged with ASIC on that date. Neither ASIC nor any of its officers take any responsibility for the contents of this PDS.

This PDS was prepared and issued by Walsh & Company Investments Limited (ACN 152 367 649) (referred to in this PDS as “**Walsh & Co**”, “**Responsible Entity**”, “we”, “our” and “us”). Walsh & Co is the responsible entity of the US Select Private Opportunities Fund II (**Fund**).

This document is important and requires your immediate attention. It should be read in its entirety. You may wish to consult your professional advisor about its contents.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this PDS. Any information or representation not so contained or taken to be contained may not be relied on as having been authorised by Walsh & Co in connection with the Offer.

This PDS contains general information only. It has not been prepared having regard to your investment objectives, financial situation or specific needs. It is important that you carefully read this PDS in its entirety before deciding to invest in the Fund and, in particular, in considering the PDS, that you consider the risk factors that could affect the financial performance of the Fund and your investment in the Fund. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional advisor before deciding whether to invest.

Information relating to the Fund may change from time to time. Where changes are not materially adverse, information may be updated and made available to you on the Fund's website at **www.usselectprivateopportunitiesfund.com**

or by contacting **1300 454 801**. A paper copy of any updated information is available free on request.

No Guarantee

None of Walsh & Co, its respective subsidiaries or any other party makes any representation or gives any guarantee or assurance as to the performance or success of the Fund, the rate of income or capital return from the Fund, the repayment of the investment in the Fund or that there will be no capital loss or particular taxation consequence of investing in the Fund. An investment in the Fund does not represent a deposit or any other type of liability of the above parties. An investment in the Fund is subject to investment risk. These risks are discussed in Section 9.

Restrictions on the distribution of this PDS

This PDS does not constitute an offer of Units in any place in which, or to any person to whom, it would not be lawful to do so. The distribution of this PDS in jurisdictions outside Australia may be restricted by law and any person into whose possession this PDS comes (including nominees, trustees or custodians) should seek advice on and observe those restrictions.

This document is not an offer or an invitation to acquire securities in any country. In particular, this document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States of America (**US**) or to, or for the account or benefit of, any “US person”, as defined in Regulation S under the US Securities Act of 1933 (**Securities Act**) (**US Person**).

This document may not be released or distributed in the US or to any US Person. Any securities described in this PDS have not been, and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the US, and may not be offered or sold in the US, or to, or for the account or benefit of, any US Person, except in a transaction exempt from, or not subject to, the registration requirements under the Securities Act.

Electronic PDS

An electronic version of this PDS is available from the Fund's website at

www.usselectprivateopportunitiesfund.com.

The Offer to which this PDS relates is available to persons receiving this PDS (electronically or otherwise) in Australia. It is not available to persons receiving it in any other jurisdiction.

If you download the electronic PDS, please ensure you have received the entire PDS accompanied by the Application Form. The Units offered under the Offer to which the electronic PDS relates will only be issued on receipt of a printed copy of the Application Form.

Copy of this PDS

The Responsible Entity will give you a copy of the PDS free of charge if you ask during the offer period and in any event within 5 days after receiving such a request.

Exposure Period

The Corporations Act prohibits the issue of Units in the exposure period which is scheduled to end 1 March 2013. This period is an exposure period to enable this PDS to be examined by market participants prior to the raising of funds. Applications received during the exposure period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the exposure period.

Application for Units

To apply to invest in the Fund, you must complete the Application Form attached to the back of this PDS and return it to us at the address provided on the Application Form, together with a cheque for your investment. Please refer to Section 2 for further details on how to apply for Units in the Fund.

ASX Listing

We will apply within 7 days after the date of this PDS for the Fund to be admitted to the Official List of the Australian Securities Exchange (**ASX**) and for the Units to be issued pursuant to this PDS to be quoted on the ASX.

The fact that the Units may be quoted on the ASX

is not to be taken as an indication of the merits of the Fund or the Units. Neither the ASX nor its officers take any responsibility for the contents of this PDS. If granted admission to the ASX, quotation will commence as soon as practicable after holding statements are dispatched.

We do not intend to allot any Units unless and until the Units have been granted permission to be listed on the ASX on terms acceptable to us. If permission is not granted for the Units to be listed for quotation before the end of three months after the date of this PDS or such longer period permitted by the Corporations Act or with the consent of ASIC, all Application Monies received pursuant to the PDS will be refunded without interest to Applicants in full within the time prescribed by the Corporations Act

Allotment

We will not allot Units until the minimum subscription has been received and permission has been granted for quotation of the Units unconditionally or on terms acceptable to us. It is expected that allotment of the Units will take place by 28 March 2013.

An Application constitutes an offer by the Applicant to subscribe for Units on the terms and subject to the conditions set out in this PDS. Where the number of Units allotted is less than the number applied for or where no allotment is made, the surplus Application Monies will be returned by cheque within 7 days of the Closing Date. Interest will not be paid on the refunded Application Monies.

CHESS

The Fund will apply to participate in the Clearing House Electronic Subregister System known as CHESS. CHESS is operated by the ASX Settlement Pty Limited (**ASX Settlement**) in accordance with the Listing Rules and the ASX Settlement Operating Rules. Under CHESS, the Fund will not issue certificates to Investors who elect to hold their Units on CHESS. After allotment of Units, Unitholders will receive a CHESS statement.

The CHESS statements, which are similar to bank account statements, will set out the number of Units allotted to each Unitholder pursuant to this PDS.

The statement will also advise holders of their holder identification number and explain for future reference the sale and purchase procedures under CHESS.

Further statements will be provided to holders which reflect any changes in their shareholding in the Fund during a particular month.

Taxation implications

Taxation implications of investing in the Fund depend on each Investor's circumstance. Walsh & Co and its advisors, directors and officers do not accept any responsibility or liability for any tax consequences. You should consult your own professional tax advisors before subscribing for Units pursuant to the Offer.

A general summary of certain of the Australian and US tax implications for certain Investors who subscribe for Units pursuant to the Offer is included in Section 11.

Application Form

Applications and Application Monies for Units under the Offer received after 5:00pm (AEDT) on the Closing Date will not be accepted and will be returned to Investors. Interest will not be paid on Application Monies which are returned. Applications must be accompanied by payment in Australian currency. Cheques in respect of Applications should be made payable to "Walsh & Company Investments Limited ATF US Select Private Opportunities Fund II Trust Account" and crossed "Not Negotiable". No brokerage or stamp duty is payable by Applicants.

Completed Application Forms, together with Application Monies, should be forwarded to one of the following addresses:

POSTAL

US Select Private Opportunities Fund II Units Offer
c/- Dixon Advisory
GPO Box 575
CANBERRA ACT 2601

HAND DELIVERED

Canberra

US Select Private Opportunities Fund II Units Offer
c/- Dixon Advisory
Level 1, 73 Northbourne Avenue
CANBERRA ACT 2601

Sydney

US Select Private Opportunities Fund II Units Offer
c/- Dixon Advisory
Level 15, 100 Pacific Highway
NORTH SYDNEY NSW 2060

Melbourne

US Select Private Opportunities Fund II Units Offer
c/- Dixon Advisory
Level 2, 250 Victoria Parade
EAST MELBOURNE VIC 3002

When to Apply

Completed Applications under the Offer must be received by 5:00pm (AEDT) on the Closing Date.

The Responsible Entity may close the Offer at any time after expiry of the exposure period without prior notice or extend the period of the Offer in accordance with the Corporations Act and the ASX Listing Rules.

The Responsible Entity reserves the right to allocate any lesser number of Units than those for which the Applicant has applied. Where the number of Units allotted is fewer than the number applied for, surplus Application Monies will be refunded without interest.

Enquiries

Applicants with enquiries concerning the Application Form or relating to this PDS and the Offer should contact Walsh & Co on **1300 454 801**.

Glossary of Terms

Defined terms and abbreviations included in the text of this PDS are set out in the Glossary in Section 14.





LETTER OF INTRODUCTION

Dear Investor

Last year the US Select Private Opportunities Fund (**Fund I**) was established to provide investors with access to a family office style of investing in United States private investments. Family offices are typically established and managed by ultra-high net wealth families, which are often able to access private investment opportunities normally beyond the reach of many investors and also source creative investment opportunities often overlooked by many large institutional investors.

Dixon Advisory Group partnered with Cordish Private Ventures, the private investment funds arm of The Cordish Companies, a fourth generation US-based family business, to provide investors with an exciting opportunity to invest alongside a family office that has had a long and successful experience investing in US private investment markets.

Fund I's investment strategy, through a limited partnership, targets US small-to-mid-market private investment funds, and seeks to replicate Cordish Private Ventures' investment strategy of focusing on this attractive investment niche. We believe private investments offer superior long-term returns relative to public market asset classes such as listed equities and that, within the private investment universe, smaller and more nimble private investment funds outperform their larger counterparts. It should be noted that private investments should be considered a higher risk asset class than traditional equities, with an increased potential for loss of capital and an increased volatility of returns. See Section 4 for details.

In July 2012, Fund I invested US\$60 million, with the Cordish family investing an additional US\$10 million of its own capital in the limited partnership alongside, and on the same terms. Since then, Fund I (through its limited partnership) has committed approximately 91% of its capital across six of what we believe to be highly attractive US small-to-medium sized private investment funds.

US Select Private Opportunities Fund II (**Fund**) is an extension of the strategy of Fund I and reflects the exciting market opportunity that currently exists for investors seeking equity exposure to US-based operating businesses via high quality, US-focused private investment fund managers.

As a result of the global financial crisis, private investment fundraising has been extremely challenging for the past several years, even for high-quality managers. Many private investment fund managers are now in the market looking to raise capital for new funds. At the same time, recent regulatory changes in the US have restricted many of the key investors that would traditionally invest in private equity investments, such as banks, from making further private equity investments.

This combination of high-quality firms looking to raise capital and the diminished pool of traditional investors in the asset class is creating what we believe to be excellent and exciting conditions for private equity investors to access best-of-class managers. The Fund is being established to take advantage of this opportunity and to continue Fund I's experience of accessing compelling investment opportunities.

The Fund's investments will be made through a limited partnership to be known as the U.S. Select Private Opportunities Fund II, L.P. (**LP**), which has been established in the Cayman Islands, to pursue a fund-of-funds strategy targeting US-based small and mid-market private investment funds. The Fund and Cordish Private Ventures will be the limited partners in the LP. The general partner of the LP, with responsibility for selecting and managing investments of the LP is U.S. Select Private

Opportunities Fund II GP, LLC (**GP**), a Delaware limited liability company which is jointly held by DGP Inc. (a wholly owned subsidiary of Dixon Advisory Group) and an affiliate of Cordish Private Ventures. Accordingly, due to the limited partnership structure, the Responsible Entity will have no control over the underlying investments undertaken by the GP on behalf of the LP, subject to the investment restrictions. See Sections 5.1 and 5.7. An entity formed by the principals of Cordish Private Ventures, Pratt Street Services Corporation LLC (**Cordish Services**), will also provide administrative services to augment the Fund's capabilities.

We are excited by the attractive potential investment opportunities that have already been identified for the Fund, through the LP, with the assistance of Cordish Private Ventures' comprehensive assessment of the US private investment landscape. We believe the Fund has a strong visibility of both the potential investment opportunities available and also the timing of commitments, which, following the Fund's successful capital raising and listing, will enable the Fund to commit capital quickly and efficiently.

The competitive advantage of a local presence and the ability to respond swiftly to potential investment opportunities has led Dixon Advisory Group to establish Dixon Asset Management USA, Inc., a Delaware incorporated company, to provide investment management services to the LP (**Investment Manager**). See Section 12.3 for details.

As with Fund I, Jonathan Cordish, President of Cordish Private Ventures, will serve as Chairman of the Advisory Board of the Investment Manager. Mr Cordish has been managing the investments of Cordish Private Ventures for over 10 years. The Cordish family will invest up to US\$10 million alongside, and on the same terms as, the Fund, demonstrating their continued commitment to, and belief in, the investment strategy. The Fund will be the first private equity investment for the Responsible Entity and the Investment Manager is a newly established subsidiary of the Dixon Advisory Group.

It is important to note that private investments are illiquid and require a long-term investment horizon and patient capital; however, it is intended that the Fund will be ASX-listed. Further, the Fund's strategy will be focused on generating long-term returns through capital appreciation and capital gains distributions.

We commend the Offer to you and look forward to welcoming you as an investor in the US Select Private Opportunities Fund II.

Yours faithfully



Maximilian Walsh

On Behalf of the Advisory Board



Alex MacLachlan

Chairman of the Responsible Entity

KEY DATES AND GENERAL INFORMATION

Date of PDS	22 February 2013
Opening Date	4 March 2013
Closing Date	19 March 2013
Allotment of Units	28 March 2013
Despatch of holding statements	2 April 2013
Trading of Units expected to commence	4 April 2013

The dates are indicative only and may vary subject to the requirements of the Listing Rules and the Corporations Act.

The Responsible Entity may vary the dates and times of the Offer (including closing the Offer early) without notice. Accordingly, Investors are encouraged to submit their Applications as early as possible.

OFFER STATISTICS

Offer price per Unit	\$1.60
Minimum Application amount	\$2,000
Minimum Offer size	\$20,000,000
Minimum number of Units available under the Offer	12,500,000
Maximum Offer size	\$40,000,000
Maximum number of Units available under the Offer (if no oversubscriptions are taken up)	25,000,000
Maximum Offer size with oversubscriptions	\$65,000,000
Maximum number of Units available under the Offer (if all oversubscriptions are taken up)	40,625,000
Pro forma net asset value (NAV) backing per Unit (based on pro forma statement of financial position set out in Section 8)	\$1.53

KEY INVESTMENT BENEFITS

1. Access to family office style of investing in private investment opportunities

Family offices are typically the domain of ultra-high net wealth families with net worth in excess of \$100 million. These family offices often operate like corporations and their purpose is to preserve and transfer established wealth across generations. Their investment goals are focused on creating consistent and superior long-term, risk-adjusted returns while preserving generational wealth and protecting capital. Given the personal nature of the capital being invested, family offices are often highly selective in how they invest their money, and their investments are typically diversified beyond the domain of public equities and fixed income to include private investment opportunities such as private equity and venture capital opportunities. These private investments tend to be focused on market segments that are inefficient (that is, have incomplete information) and illiquid to achieve higher long-term, risk-adjusted returns with limited correlation to other asset classes.

In addition, family offices often have superior access to many private ventures and investment opportunities that are typically beyond the reach of many individual investors. They are also often at the vanguard of sourcing more focused, niche investment opportunities that are typically too small for larger institutional investors to access.

The Fund is focused on selective private investment opportunities that seek to generate superior long-term returns, adopting an investment style consistent with that of a family office. In so doing, it opens up a new asset class for its investors. Until it is fully invested, the Fund may hold cash and cash equivalents but will not invest in public equities or fixed income investments.

2. Opportunity to invest alongside a highly successful family office with extensive experience investing in private markets

An affiliate of Cordish Private Ventures, the private investments arm of The Cordish Companies of Baltimore, Maryland, USA has agreed to partner with DGP Inc., a wholly owned subsidiary of Dixon Advisory

Group, to jointly own U.S. Select Private Opportunities Fund II GP, LLC (**GP**), the general partner for the LP. The Cordish family is the founder, owner and manager of The Cordish Companies, now a fourth generation family business. The Cordish family will invest up to US\$10 million of its own capital alongside, and on the same terms as, the Fund.

Jonathan Cordish, President of Cordish Private Ventures, has been managing the investments of Cordish Private Ventures for over ten years and is actively involved in all aspects of Cordish Services, as its Executive Chairman. Prior to Cordish Private Ventures, Mr Cordish was a Vice President and Partner at Riggs Capital Partners, a private equity firm based in Washington, D.C. Mr Cordish will Chair the Advisory Board of the Investment Manager.

Cordish Private Ventures has experience investing its own capital using an investment strategy which is generally consistent with the investment strategy to be implemented by the Fund and has been instrumental in investing Fund I's capital (through the underlying limited partnership). A significant portion of the Fund's underlying investments are targeted to be with managers with whom Cordish Private Ventures has either previously successfully invested or has an established relationship. It should be noted that performance of Cordish Private Ventures is not necessarily an indicator of the future performance of the Fund.

3. Superior long-term returns available in private investments

The Responsible Entity believes private investments offer investors the potential for superior long-term returns relative to other traditional public market asset classes such as equities and bonds. Over the past 5-year, 10-year, and 15-year periods, US private equity funds have, on average, generated annual net returns of 7% to 14% and outperformed public equities by 6% to 7% per annum¹. In periods of downturn, private equity outperformance has been even more pronounced, outperforming public equities by 15% during the "tech crunch" (Q2 2000 to Q1 2003) and 21% during the global financial crisis (Q3 2007 to Q1 2009)². The funds whose performance is used to compile this index includes funds which have an investment strategy, size,

scale or leverage model which differs from the target investments for the Fund. Accordingly, this data may not be illustrative of the performance expected for the Fund and its underlying investments. See Section 3.7 for details. It should be noted that private investments should be considered a higher risk asset class than traditional equities, with an increased potential for loss of capital and an increased volatility of returns.

1. Based on Cambridge Associates LLC US Private Equity Index at 30 September 2012 and S&P 500 Index as at 30 September 2012, sourced from Bloomberg.

2. Based on Cambridge Associates LLC US Private Equity Index at 30 September 2012 and S&P 500 Index as at 30 September 2012, sourced from Bloomberg.

4. Focus on the highly attractive small-to-mid-market private investments segment

Industry analysis and academic research have shown that smaller and more nimble private investment funds have materially outperformed larger private investment funds. Over a 10 and 20-year period, funds smaller than US\$750 million have, on average, delivered returns that are almost double those of their larger counterparts. See Section 4 for details.

5. Access to private investment funds otherwise not available to Australian investors

Given their smaller size and superior performance, small-to-mid-market private investment funds typically offer very selective access to investors. Top performing small and mid-market private investment funds are particularly difficult to access because they are usually oversubscribed and new clients are rarely accepted.

Cordish Private Ventures has longstanding relationships and previous investment experience with numerous strong performing US-based small-to-mid-market funds, and the association of Cordish Private Ventures, its affiliates and Jonathan Cordish with the LP, GP and the Investment Manager, is expected to assist the Fund with access to this lucrative segment.

Additionally, a wholly owned subsidiary of Dixon Advisory Group has actively managed the investments of Fund I over the past nine months by executing an investment strategy that is generally consistent with that of the Fund. In particular, Fund I (through its LP) has invested in six US small-to-medium market private equity investments totalling US\$63 million in commitments.

The Fund's LP and Investment Manager will be able to leverage on the expertise, market intelligence and access gained through Fund I through executives of Dixon Advisory Group and the Advisory Board.

6. Opportunity to take advantage of unique current market conditions in the private investments market

After a period of limited private investment fundraising largely due to the global financial crisis, many high quality private investment fund managers are currently in the market looking to raise capital for new funds. However, certain investors that traditionally invest in these types of funds, such as banks, are now restricted from making further such investments due to recent regulatory changes in the US. The Investment Manager believes there is a large number of top-performing private investment fund managers currently in the market raising capital. Additionally, with a smaller pool of available investors, many of the best private investment fund managers are entertaining new investors and affording them longer time periods to undertake due diligence.

The Investment Manager estimates that globally there are currently around 1,900 private investment funds raising capital, of which approximately 85 are in the Fund's target geography and size, and 40 to 50 of those fit the Fund's investment criteria and were top quartile performers through the downturn. With the confluence of abundant high quality supply and reduced competition from traditional investors, the Investment Manager believes current market conditions present the Fund with an excellent opportunity to be highly selective and invest with best-in-class private investment fund managers. We believe the Fund, through the LP, has identified attractive potential investment opportunities and, following the Fund's successful capital raising and listing, can deploy capital quickly and effectively.

7. Respected management team

Dixon Asset Management USA, Inc., a wholly owned subsidiary of Dixon Advisory Group, (**Investment Manager**) will act as investment manager for the LP, the investment vehicle for Cordish Private Ventures and the Fund. The Fund, through the LP, will have access to the full-time services of Jonathan Sinex, a Principal of Cordish Private Ventures, who will be seconded to the Investment Manager.

The Investment Manager has established an advisory board consisting of executives from Dixon Advisory and Cordish Private Ventures to provide it with expert advice, including portfolio and investment strategy. Jonathan Cordish will chair the Advisory Board and has committed to serving on the Advisory Board for a minimum of five years. In addition, the GP has contracted the services of Cordish Services, an affiliate of Cordish Private Ventures, which has extensive experience in successfully investing its own capital in the small-to-mid-market segment. Through these relationships, and the ability to leverage on the expertise built up from managing Fund I, the LP is expected to have access to typically difficult-to-source funds such as those invested in by Fund I. Cordish Services will provide the necessary back office infrastructure to administer the LP and monitor the LP's activities on an ongoing basis. See Section 6 for details.

The Dixon Advisory Group has substantial experience in the management of listed and unlisted investment funds, including more than \$1.2 billion of funds in a variety of asset classes including US private investments and residential property, domestic fixed income, natural resources, Asian equities, emerging market equities and Australian equities. This includes Fund I, which was established in July 2012 by a wholly owned subsidiary of the Dixon Advisory Group and has pursued the same investment strategy and objectives as the Fund intends to pursue through the LP. Dixon Advisory Group and its subsidiaries also have experience in advising on individual Australian-based private equity transactions and applying a fund-of-funds investment strategy. See Section 6 for details.

8. Highly attractive potential opportunity identified

The Investment Manager believes it has identified attractive potential investment opportunities. In particular, the Investment Manager has identified RFE Investment Partners VIII, L.P., the most recent fund offering from RFE Investment Partners (**RFE**), for potential investment. RFE's funds specialise in small-market growth companies with leading market positions and outstanding management teams looking to grow their businesses. RFE has over 30 years of experience operating in the small-market space and typically targets businesses that are easy to understand in niche manufacturing, specialised business services and health care services.

The Investment Manager is currently reviewing a potential investment opportunity with RFE to be undertaken during the first quarter of the calendar year of 2013. The size of any such investment will depend on market conditions at the time and the final Offer size.

The Investment Manager continues to evaluate a number of further opportunities.

9. Exposure to a potential recovery in the US economy

The Responsible Entity believes in the long-term resilience of the US economy. While the global financial crisis has negatively impacted the US economy, the Responsible Entity believes that fundamentals for the US economy are showing signs of improvement. In particular, this nascent recovery has been supported by the US manufacturing sector, which has been one of the greatest beneficiaries of the current low energy cost, low labour cost and weak US dollar environment. In fact, the US manufacturing sector expanded at its fastest pace in nine months in January 2013 and US exports, which have climbed 45% over the past four years, are at their highest level ever as a percentage of gross domestic product (GDP). This has contributed to record US corporate profits as a percentage of gross GDP and strong corporate balance sheets with ample cash reserves.

10. Diversification benefits

Private investment returns have historically demonstrated low correlation with public equities and fixed income and have tended to outperform most asset classes in difficult economic times. See Section 3.7 for details.

The Responsible Entity believes the Fund offers investors the opportunity to diversify their investment portfolio beyond public equities and fixed income while increasing their return potential.

The Fund, through the LP, will seek to provide exposure to a range of different private investment fund managers specialising in different markets, industries and/or investment strategies.

11. Strong Australian dollar

At 31 January 2013, the Australian dollar was trading at levels which are materially higher than the average of approximately 76 cents achieved since the adoption of a floating exchange rate in 1983. The Offer allows for Australian dollar-denominated investors to capitalise on the current high level of the Australian dollar and provides potential upside should the exchange rate return to its historical averages. See Section 3.9 for details.

12. Convenient investment platform

The Fund (through the LP) provides investors with easy access to a diverse range of private investment opportunities, circumventing the usual size and access restrictions required to invest in such opportunities directly.

Private investment funds typically have minimum investment requirements ranging from \$1 million to \$5 million, and often higher, putting the best performing private investment funds out of reach of most investors.

Listing the Fund on ASX will provide investors with liquidity beyond that available for unlisted vehicles.

KEY INVESTMENT RISKS

Private investments risk	Private investments should be considered a higher risk asset class than traditional equities, with an increased potential for loss of capital and an increased volatility of returns. Investments in this asset class should be considered a long-term investment.	Section 9.2(d)
Private investment market risks	Despite the recent market recovery, in light of difficult financial and economic conditions in the US in recent years, there is a risk that underlying investment managers may be unable to secure appropriate investments or realise existing investments in a manner that will generate acceptable returns for investors (such as the Fund).	Section 9.2(e)
No direct supervision of investments of the Fund	<p>While the GP is jointly owned by DGP Inc. (a wholly owned subsidiary of Dixon Advisory Group) and Pratt Street Private Ventures, LLC (an affiliate of Cordish Private Ventures), under Cayman Islands law, a limited partner will lose the benefit of limited liability if it becomes actively involved in management of the limited partnership. Accordingly, while the Responsible Entity may be consulted on investments that are inconsistent with the investment strategy agreed with the GP and Investment Manager, it does not have the ability to give directions regarding investments.</p> <p>The Investment Manager has confirmed to the Responsible Entity that it will exercise its discretion as investment manager and the GP has confirmed that it will exercise its discretion as general partner of the LP to make investments consistent with the investment strategy of the Fund outlined in this PDS.</p>	Section 9.2(a)
Limited experience of Responsible Entity and Investment Manager	<p>While neither the Responsible Entity nor the Investment Manager have established or managed a private investment fund, Dixon Advisory, through its directors and executives, has experience in managing Fund I, a private investment fund using a fund-of-funds style of investment which is consistent with the investment strategy to be implemented by the Fund.</p> <p>The limited experience of the Responsible Entity and Investment Manager may adversely affect the financial and operating performance of the LP and the Fund.</p>	Section 9.2(b)
Cordish ability to assist in securing investments	While it is anticipated that the investment by Cordish Private Ventures and the involvement of its affiliates and personnel will assist the Investment Manager in securing access to private investment funds for investment, there can be no certainty that this will eventuate.	Section 9.2(c)

Interests of shareholders of GP and limited partners may not align	Pratt Street Private Ventures, LLC is a shareholder in the GP and an affiliate of Cordish Private Ventures (one of the limited partners). Though the GP remains subject to the fiduciary duty to act in the best interests of all limited partners, there is the potential for a conflict to arise between the interests of the Fund (as a limited partner) and Cordish Private Ventures. There are presently no procedures in place to address any such conflicts of interest arising. Should an actual conflict arise, investors are presently dependent on the remaining shareholder of the GP exercising its right to veto any transaction which it considers is not in the interests of limited partners (including the Fund). The GP has committed to developing appropriate protocols to address any such conflicts.	Section 9.2(u)
Investment exit risk	Interests in private investment funds are not commonly traded among investors. Such investments usually carry no entitlement for investors to withdraw from or otherwise realise their investment in underlying funds except at the discretion of the relevant fund manager. The Fund, the GP and the Investment Manager can exercise no control over the decisions of the underlying fund managers. Accordingly, the Fund may not be able to readily realise its investment in underlying funds.	Section 9.2(h)
Unlisted investment risk	The underlying investments of private investment funds are typically unlisted investments. As a result there may be no open market to establish an independent value for certain investments and no assurance that a determination of fair value will be obtainable in the market. Individual investments made by private investment funds are typically held for a duration of three to five years, but some investments can be held for up to 10 years. Any gains from these investments will only be realised when they are sold. There can be no certainty that any gain on an investment will be made by the investment fund.	Section 9.2(g)
Long time horizon	Investing in private investments requires a long-term commitment to the asset class, typically five to 10 years, and this will mean that realisation of value through capital growth may be similarly timed.	Section 9.2(i)
Substantial uncommitted funds	Under the Offer, the Fund will receive new funds which at the time may be uncommitted to any specific private investment fund. It may take longer than expected to identify sufficiently attractive investments for the Fund to fully invest any capital raised.	Section 9.2(r)
Valuation risk	There is a possibility that the realisable value of the underlying investments is less than the private investment fund manager's valuation. This may affect the Fund's performance and may result in increased unit price volatility.	Section 9.2(k)
Concentration risk	The Fund, through the LP, may invest in a relatively small number of investments (although no investment may be more than 33% of the aggregate capital commitment of the LP), and as such, concentrations in sectors, geographies or other groupings may occur. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss in the Fund than if a larger number of investments were made.	Section 9.2(f)
Foreign exchange risk	The Fund's investments will be primarily in US small-to-mid-market private investment funds with assets and liabilities being denominated in US dollars. The value of the Units may be affected by increases and decreases in the value of the US dollar relative to the Australian dollar. This will affect the value, in Australian dollars of any income or capital distributed by the Fund. The value of the Australian dollar has been subject to significant fluctuations in relation to the US dollar in the past and may be subject to significant fluctuations in the future. The Fund's current policy is not to hedge against exchange rate fluctuations.	Section 9.2(p)

Macroeconomic risks	The value of investments and underlying company assets can be affected by changes in various macroeconomic conditions including economic, technological, political or regulatory environment, as well as inflation and market sentiment.	Section 9.1(a)
Stock market risk	There are pricing and other risks associated with any investment in a publicly listed trust. The price of Units may rise and fall due to numerous factors that may affect the market performance of the Fund, such as variations in the local and global markets.	Section 9.1(b)
Regulatory risk	<p>Changes in government legislation, regulation and policy may affect future earnings and values of investments. Changes in accounting standards may affect the reported earnings and financial position of the Fund in future financial periods.</p> <p>The GP and Cordish Services are not registered as investment advisors and so are not subject to regulatory supervision in relation to the business activities they undertake for the benefit of the limited partners (including the Fund).</p> <p>The Investment Manager will apply for registration as an Investment Advisor by the New Jersey Bureau of Securities. While the Investment Manager anticipates that its application will be successful, there can be no certainty that the application will be granted. In the unlikely event registration is not completed, the Investment Manager may continue to manage the investments of the LP. However, the GP may seek to replace the Investment Manager. The GP will require the investment manager to act consistently with the investment objectives, policies and restrictions adopted by the GP from time to time and may remove the investment manager at its sole discretion.</p>	Section 9.1(c)
Taxation risk	<p>A general summary of certain of the Australian and US taxation consequences for certain Investors subscribing for Units under the Offer is contained in Section 11. This is a general summary only and is not intended to provide specific tax advice to any particular Investor. It is recommended that Investors seek their own independent tax advice before subscribing for the Units under the Offer.</p> <p>In particular, the Fund may be liable to pay US withholding tax at a maximum rate of 30% (subject to reduction pursuant to the Double Tax Treaty for certain qualified tax residents and other exceptions) on certain income. Alternatively, if the Fund is treated as directly or indirectly engaged in a US trade or business for US federal income tax purposes, the Fund may be required to file a US federal corporate income tax return and to pay US federal income tax on a net basis at the same rates that are generally applicable to US corporations (currently 35%) in respect of its share of effectively connected income derived from that trade or business. In addition, if the Fund were treated as being engaged in a US trade or business, the Fund may also be required to pay an additional tax equal to 30% of the “dividend equivalent amount” (as defined in Section 11.2 for these purposes) for the taxable year, subject to reduction pursuant to the Double Tax Treaty for certain qualified tax residents.</p> <p>It should be noted that any changes to the taxation laws in Australia, the Cayman Islands and the US, may affect the tax treatment of the Fund and result in taxation consequences for Investors that are different to that described in the taxation summary contained in Section 11.</p>	Section 9.1(d) and Section 11

Poor investment performance	None of the Fund, Responsible Entity, the GP, Investment Manager or any other person gives a guarantee as to the amount of income, distribution or capital return of Units or the performance of the Fund, nor do they guarantee the repayment of capital.	Section 9.1(f)
Unit liquidity risk	Liquidity refers to the ease with which an asset can be traded (bought and sold). As the Units have not yet traded, there can be no guarantee that a liquid market for securities in the Fund will develop within an acceptable period of time or at all. Applicants in the Fund should be aware that this may limit their ability to realise a return or recover their capital.	Section 9.1(g)
Litigation risk	In the course of its operations, the Fund, the GP, the Investment Manager and/or the LP may become involved in disputes and litigation that may adversely affect the Fund.	Section 9.1(h)
Key personnel risk	There is a risk that the departure of key staff that have particular expertise in funds and private investments, whether they are the staff of the Fund, Responsible Entity, the GP, Investment Manager or the underlying fund managers may have an adverse effect on the earnings and value of the Fund.	Section 9.1(j)
Deposit risk	The Fund will have US denominated cash deposits. These cash deposits will not be insured and in the event of bank failure, the Fund's deposits may not be recoverable in full, which will have an adverse effect on the value and investment activity of the Fund.	Section 9.2(m)
Interest rate risk	If the Fund, underlying investment funds, LP and/or subsidiaries of the LP (if any) are geared vehicles, changes in interest rates may have a positive or negative impact directly on the Fund's income. Changes in interest rates may also affect the market more broadly and positively or negatively impact on the value of the Fund's underlying assets.	Section 9.2(n)
Counterparty risk	<p>There is a risk that counterparties with the Fund (including the GP) do not perform their obligations, which may affect the value of, and returns from, an investment in the Fund. The Fund seeks to reduce these risks by engaging only with reputable parties.</p> <p>The Fund will be operated as a fund of funds and positions in underlying funds will be minority positions only. The Fund will not be in a position to disclose information to Investors regarding such underlying investments until that investment has been made and the information provided to Investors will depend on the nature of the underlying fund and its reporting structure.</p>	Section 9.1(e) & 9.2(q)
Capital return	Income from the Fund will be mostly by way of capital growth as opposed to income based. Payment of any distributions will be based on the realisation of private investments.	Section 9.2(s)
Potential for increased costs	The Investment Manager will invest on behalf of the LP in private investment funds as delegate of the GP. These underlying fund managers are also entitled to receive fees associated with performance of their management function. The fund-of-funds style of investment may result in the Fund paying a higher level of fees than if the Fund invested directly in the assets held by the underlying funds because fees are payable at two separate levels of management.	Section 9.2(t)
Borrowing risk	The Fund's policy is not to undertake borrowings but the Responsible Entity has the discretion to gear up to 10% of the value of total assets of the Fund. There is a risk that any loan will need to be repaid at short notice or cannot be replaced post expiry.	Section 9.2(m)

1. SUMMARY OF THE OFFER

About the Offer

Question	Summary	More info
Who is the issuer of this PDS and the Units?	This PDS and the Units are issued by the Responsible Entity.	Section 6
What is the Offer?	The Offer is for Units at an issue price of \$1.60 per Unit. The Fund will issue up to 25,000,000 Units to raise up to \$40,000,000, with the ability to accept oversubscriptions for a further 15,625,000 Units. The Offer is subject to the Fund raising a minimum of \$20,000,000.	Section 2.1
What is the purpose of the Offer?	The Fund is seeking to raise funds to invest in US small-to-medium sized private investment funds, employing a fund-of-funds investment strategy.	Section 5.1
Is there a cooling-off period?	No, there is no cooling-off period for Investors. This means that once you have submitted an Application Form you will not be able to withdraw your Application, other than as permitted by the Corporations Act. However, you will be able to offer your Units for sale on ASX once the Fund is listed.	Section 2.9
How do investors obtain further information?	<p>Please contact Walsh & Company Investments Limited (Walsh & Co) on 1300 454 801 or visit the website at www.usselectprivateopportunitiesfund.com if you have questions relating to the Offer.</p> <p>If you are uncertain about whether an investment in the Fund is suitable for you, please contact your stockbroker, financial advisor, accountant, lawyer or other professional advisor.</p>	

About the Fund

Question	Summary	More info
What is the structure of the investment?	<p>The Fund will invest as a limited partner in U.S. Select Private Opportunities Fund II, L.P. (LP), a limited partnership that has been established in the Cayman Islands. The other limited partner in the LP will be Cordish Private Ventures, LLC.</p> <p>The general partner of the LP, with responsibility for selecting and managing investments of the LP (including investments to be made by the Fund), is U.S. Select Private Opportunities Fund II GP, LLC (GP), a Delaware limited liability company. The GP is jointly held by DGP Inc. (a wholly owned subsidiary of Dixon Advisory Group) and an affiliate of Cordish Private Ventures. See Section 12.4 for details.</p> <p>The GP has in turn engaged Dixon Asset Management USA, Inc. (Investment Manager), a Delaware company wholly owned by Dixon Advisory Group, to provide investment management services. The Investment Manager will have discretion to undertake investments on behalf of the GP and so in turn for the LP. The Responsible Entity will hold no interest in the GP or the Investment Manager. Under the terms of the Investment Advisory Agreement, all decisions regarding investment and divestment by the LP will be made by the Investment Manager subject to investment objectives, policies and restrictions adopted by the GP from time to time. The GP reserves the right to replace the Investment Manager at its sole discretion. The Investment Manager will exercise its discretion to make investments consistent with the investment strategy of the Fund outlined in this PDS.</p>	Section 5.1

Question	Summary	More info
What will the Fund invest in?	<p>The net proceeds of the Offer will be invested by the Fund in the LP to acquire equity stakes in private investments consistent with the investment objectives and guidelines of the LP.</p> <p>Until the Investment Manager identifies opportunities for investment, funds raised will be invested by the Fund in cash, cash equivalents and interests in cash management trusts.</p> <p>The Investment Manager is subject to the following restrictions:</p> <ul style="list-style-type: none"> a) it may not make any investment other than acquiring limited partnership interests in private investment funds; b) it may not invest more than 33% of the aggregate capital commitment of the LP in any one private investment fund; c) it may not invest more than 25% of the aggregate capital commitment of the LP in any private investment fund whose primary investment objective is to invest in companies located or that conduct their business outside of the US; d) it may not invest in any private investment funds whose primary investment objective is to invest in companies located in, or that conduct their principal business in, emerging markets; and e) it may not invest in any private investment funds whose primary investment objective is to make venture capital investments. 	Section 5.7
What are the Fund's investment objectives?	<p>The Fund's investment objectives are to provide Unitholders with:</p> <ul style="list-style-type: none"> a) exposure to a portfolio of investments in small and mid-market private investment funds predominantly focused in the US; and b) capital growth over a five to 10-year investment horizon. <p>The Investment Manager will exercise its discretion as investment manager of the LP to make investments consistent with the investment strategy of the Fund outlined in this PDS.</p>	Section 5.3
What is the Fund's distribution policy?	<p>The Fund will focus on investments with the potential to deliver capital growth rather than delivering income. However, it is the Fund's intention to distribute 100% of any distributable income, including realised capital gains it receives subject to the Fund's working capital requirements consistent with good fiscal operating policy and management and such other needs as the Investment Manager, in its reasonable discretion, deems necessary. Any distributions will be paid on an annual basis.</p>	Section 5.14

Question	Summary	More info
What is the Fund's foreign exchange policy?	It is intended that a substantial amount of the net proceeds of the Offer will be converted to US dollars within a period of six months, commencing on Allotment Date. Until capital calls are made by the Investment Manager, through the GP, for investments, the Fund's policy is for funds raised by the Offer to be invested in cash, cash equivalents and interests in cash management trusts. It is not expected that the Fund will earn significant interest on such monies due to the present low interest rate environment in the US. The Fund's current policy is not to hedge against currency risk.	Section 5.11
Will the Fund undertake borrowings?	The Fund's policy is not to undertake borrowings, but the Responsible Entity has the discretion to gear up to 10% of the value of total assets of the Fund.	Section 5.9
What is the investment term?	<p>The Fund does not have a set investment term; however, because of the nature of the underlying investments in private investment funds, an investment in the Fund should be viewed as long-term in nature.</p> <p>Investors are cautioned that an investment horizon of less than 10 years in the Fund may not provide sufficient opportunity for an increase in the value of underlying investments of the Fund.</p>	Section 5.5
What are the significant tax implications of the Fund?	<p>There are significant tax implications for Investors with respect to an investment in the Fund. A general summary of certain of the Australian and US taxation consequences for certain Investors is provided within this PDS.</p> <p>Investors should seek independent tax advice based on their specific circumstances before making a decision to invest in the Fund.</p>	Section 11

Investing in the Fund

Question	Summary	More info
Who can participate in the Offer?	Only members of the general public who have a registered address in Australia can participate in the Offer.	Section 2.8
Can superannuation funds invest?	Superannuation funds can invest subject to the investment mandate of the particular fund and the trustee's general powers and duties	
How do Investors apply for Units?	<p>The procedures for making an investment in the Fund are described in Section 2.</p> <p>The Responsible Entity may be required to obtain identification information from Applicants. The Responsible Entity reserves the right to reject an Application if that information is not provided upon request.</p>	Section 2.3
What are the fees and costs of the Offer?	<p>The Responsible Entity will charge a structuring and arranging fee of 2.20% (including GST) and a handling fee of 2.20% (including GST) of the gross proceeds raised under this PDS.</p> <p>The Responsible Entity will pay start-up costs of the Fund such as legal, accounting, marketing and other associated costs of the Offer under this PDS.</p>	Section 7.1
What are the ongoing fees and costs payable by the Fund?	<p>The fees payable directly by the Fund will be management fees payable from the Fund to the Responsible Entity comprising an administration fee of 0.275% per annum (including GST) and a responsible entity fee of 0.088% per annum (including GST) of the gross asset value of the Fund.</p> <p>The Fund will also be responsible for ongoing expenses such as registry services, listing fees, investor communications, taxes and bank fees, preparation of financial statements and tax returns, audit, legal, insurance, compliance costs and other expenses.</p> <p>The limited partners (including the Fund) will pay a management fee of 2.00% of the capital committed by limited partners to the GP. This fee will only be payable for a 10-year period from the Fund's inception.</p> <p>Fees may also be charged by underlying fund managers of private investment funds in which the LP invests.</p>	Section 7.1 & 7.2
Is the Offer underwritten?	The Offer is not underwritten.	Section 2.4



2. INFORMATION FOR APPLICANTS

This is a summary only. This PDS should be read in full before making any decision to apply for Units.

The performance of the Fund is not guaranteed by the Responsible Entity or any advisor to the Fund.

2.1. The Offer

Walsh & Company Investments Limited (**Walsh & Co**), as the responsible entity of the Fund, is the issuer of Units under this PDS. The Responsible Entity will offer for subscription a minimum of 12,500,000 Units and maximum number of 25,000,000 Units. The Offer comprises an offer of Units at \$1.60 per Unit. To participate in the Offer, your Application Form must be received by 5:00pm (AEDT) on the Closing Date. The Closing Date may be brought forward by the Responsible Entity, and accordingly, Investors are urged to apply for Units early.

Under the Offer, the Responsible Entity reserves the right to accept oversubscriptions of up to a further 15,625,000 Units at \$1.60 per Unit.

The Offer will only be made to members of the general public who have a registered address in Australia.

2.2. Minimum subscription

The Minimum Subscription for the Offer is \$20,000,000, being receipt of valid Applications for not less than 12,500,000 Units. If this Minimum Subscription is not achieved and the Application Monies for these Units are not received by the Responsible Entity by the date three months after the Opening Date, the Responsible Entity will repay all money received from Applicants within 7 days after that date or such later date as may be permitted by the Corporations Act with the consent of ASIC.

2.3. Applications

You must use the Application Form issued with, and attached to, this PDS and complete the Application Form in accordance with the instructions contained within the Application Form.

Applications and Application Monies for Units under the Offer received after 5:00pm (AEDT) on the Closing Date will not be accepted and will be returned to Investors.

The minimum investment is 1,250 Units for a total of \$2,000.

Applications received during the exposure period will not be processed until after the exposure period.

Applications must be accompanied by payment in Australian currency.

Cheques should be made payable to "Walsh & Company Investments Limited ATF US Select Private Opportunities Fund II Trust Account" and crossed "Not Negotiable". Payments by cheque will be deemed to have been made when the cheque is honoured by the bank on which it is drawn. The amount payable on Application will not vary during the period of the Offer and no further amount is payable on allotment. No brokerage or stamp duty is payable by Applicants.

Completed Application Forms and accompanying cheques may be lodged with:

A) POSTAL

US Select Private Opportunities Fund II Offer
c/- Dixon Advisory
GPO Box 575
CANBERRA ACT 2601

B) HAND DELIVERED

Canberra

US Select Private Opportunities Fund II Offer
c/- Dixon Advisory
Level 1, 73 Northbourne Avenue
CANBERRA ACT 2600

Sydney

US Select Private Opportunities Fund II Offer
c/- Dixon Advisory
Level 15, 100 Pacific Highway
NORTH SYDNEY NSW 2060

Melbourne

US Select Private Opportunities Fund II Offer
c/- Dixon Advisory
Level 2, 250 Victoria Parade
EAST MELBOURNE VIC 3002

A binding contract to issue Units will only be formed at the time Units are allotted to Applicants.

Application Forms will be accepted at any time after the issue and prior to the Closing Date.

The Responsible Entity may close the Offer at any time after expiry of the exposure period without prior notice or extend the period of the Offer in accordance with the Corporations Act.

2.4. Offer not underwritten

The Offer is not underwritten.

2.5. Listing

Application will be made to ASX for admission of the Fund to the Official List of ASX and for official quotation of all Units including Units issued pursuant to this PDS.

The fact that the Fund may list is not to be taken as an indication of the merits of the Fund or the Units. Quotation, if granted, will commence as soon as practicable after holding statements are despatched.

2.6. Allotment

No Allotment of Units will be made until the minimum subscription has been received. It is expected that Allotment of the Units under the Offer will take place by 28 March 2013. Application Monies will be held in a separate account until Allotment. This account will be established and kept by the Responsible Entity on behalf of the Applicants. The Responsible Entity may retain any interest earned on the Application Monies held on behalf of the Fund pending the issue of Units to successful Investors.

The Application constitutes an offer by the Applicant to subscribe for Units on the terms and subject to the conditions set out in this PDS. Where the number of Units allotted is less than the number applied for, or where no Allotment is made, the surplus Application Monies will be returned by cheque within 7 days of the Closing Date. Interest will not be paid on refunded Application Monies to Applicants.

2.7. CHESS

An application will be made for Units to participate in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Limited in accordance with the Listing Rules and the ASX Settlement Operating Rules. Under CHESS, the Fund will not issue certificates to Unitholders. After allotment of Units, Unitholders will receive a CHESS statement.

CHESS statements, which are similar to bank account statements, will set out the number of Units allotted to each Unitholder pursuant to this PDS. The statement

will also advise holders of their holder identification number and explain, for future reference, the sale and purchase procedures under CHESS. Further CHESS statements, which reflect any changes in their Unitholding in the Fund during a particular month, will be provided to holders.

CHESS provides clearing house electronic subregister system services to prescribed markets that are also Recognised Market Operators. An application to CHESS should not be interpreted to infer which prescribed market the Responsible Entity will apply to for listing.

2.8. Overseas Unitholders

Only members of the general public who have a registered address in Australia can participate in the Offer. The Offer does not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer. It is the Fund's intention, and, to the extent within its control, the Fund shall use its commercially reasonable efforts to ensure that the Units not be resold, whether through the ASX or otherwise, to any persons, including US Persons (as defined below), other than members of the general public who have a registered address in Australia.

This document is not an offer or an invitation to acquire securities in any country. In particular, this document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States of America (**US**) or to, or for the account or benefit of, any "US person", as defined in Regulation S under the US Securities Act of 1933 (**Securities Act**) (**US Persons**).

This document may not be released or distributed in the US or to any US Person. Any securities described in this announcement have not been, and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the US, and may not be offered or sold in the US, or to, or for the account or benefit of, any US Person, except in a transaction exempt from, or not subject to, the registration requirements under the Securities Act.

2.9. No cooling-off period

There is no cooling-off period for Investors. This means that once you have submitted an Application Form you will not be able to withdraw your Application, other than as permitted by the Corporations Act. However, you will be able to offer your Units for sale on the market, once the Fund is listed.

2.10. Transfer of Units

The Fund's Constitution provides that while the Fund is listed, Unitholders may make transfers in any manner permitted by CHESS, which may include off-market transfers of Units.

You may instruct your stockbroker or financial advisor to sell any, or all, of your Units on any trading day in which the Fund is trading.

2.11. Privacy

When you apply to invest in the Fund, you acknowledge and agree that:

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

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

A copy of the privacy policy of the Fund is available to Applicants on request.

2.12. Anti-Money Laundering / Counter-Terrorism Financing Act 2006

The Responsible Entity may be required under the Anti-Money Laundering/Counter-Terrorism Financing Act 2006 (Cth) or any other law to obtain identification information from Applicants. The Responsible Entity reserves the right to reject any Application from an Applicant who fails to provide the required identification information upon request.

3. OVERVIEW OF FAMILY OFFICE INVESTING AND PRIVATE INVESTMENTS

3.1. Brief introduction to family offices

Family offices are private companies that are typically established for the purposes of managing the financial portfolio of individual ultra-wealthy families. The financial capital of these companies is the family's own wealth, often accumulated over many generations. With the cost of running a family office typically in excess of \$1 million per annum, families need to be exceptionally wealthy to consider setting up their own offices. According to research published by the Wharton School, it is estimated there are approximately 1,000 single family offices in operation around the world catering to individual families with at least US\$100 million in assets. More than half of these family offices manage family wealth of more than US\$1 billion.

The original family offices were set up by wealthy family groups such as the Rockefeller and Vanderbilt families. In Australia, most family offices are relatively new and have often only been created by the first generation in the last 10 to 20 years. There are, however, some older Australian families such as the Fairfax and Myer families, who have more than five generations of wealth and have their own family offices. Some of the largest Australian family offices include the Smorgon, Lowy, Rinehart and Pratt family offices.

The purpose of the family office is to transfer established wealth across generations. Typically, these organisations employ professional staff including an investment team that invests the family's money, manages all of the family's assets and disburses payments to family members and beneficiaries as required.

3.2. Family office approach to investments

In general, the investment objective of family offices is to create long-term, risk-adjusted returns and generate consistent income while preserving generational wealth and protecting capital. Given the personal nature of the capital being invested, family offices are extremely selective in their investments. To achieve their investment goals, family offices typically hire well-connected and respected investment managers who bring investment experience and skills. These investment professionals ensure all investment decisions are carefully planned and in line with long-term strategic objectives.

The investment horizon of family offices tends to be long-term in nature, and the central tenet to their investment thesis is broad diversification across a range of asset classes beyond public equities and fixed income to include private investments (such as private equity, venture capital and hedge funds), real estate and commodities. Specifically, there is a bias towards private investments that are inefficient and illiquid, where it is possible to achieve higher risk-adjusted returns that have limited correlation with other asset classes. This method of investing often adopted by family offices is also widely used by endowment funds, which have similar goals to family offices and similar long-term investment horizons.

Family offices, through their employees or family members, often have unique access to many private ventures and investment opportunities that are beyond the reach of even the most established and respected institutional asset managers and funds.

3.3. Introduction to private investments

Private investments are investments primarily in unlisted companies at various stages of their development. They are typically a transformational, value-added, active investment strategy.

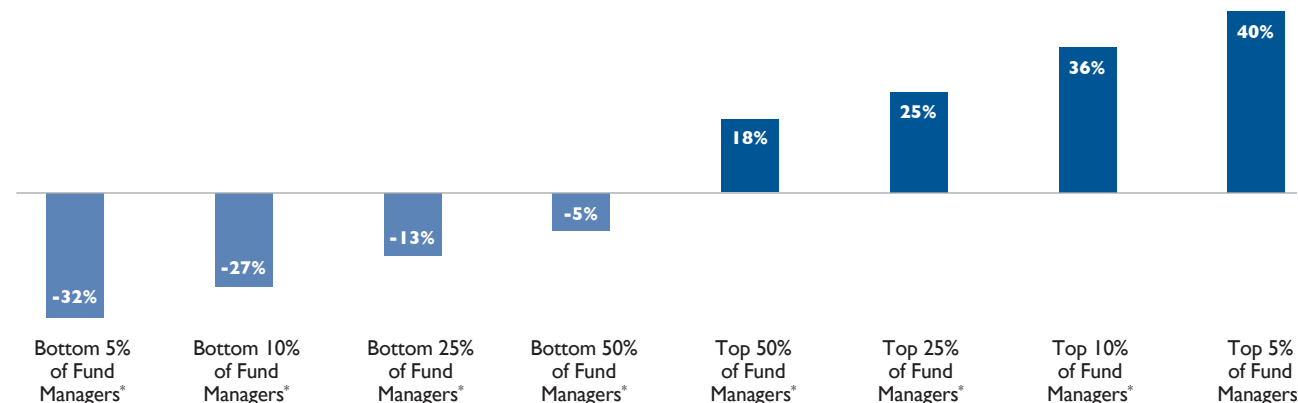
Private investments involve a range of investments in companies ranging from investing in companies looking for start-up capital to investing in those needing expansion capital as well as buying-out completely existing companies. Private investments are often in the form of direct equity but may include mezzanine financing (unsecured debt sitting between equity and senior debt) or a combination of equity and debt. The returns from private investments are typically realised in large part when the underlying companies in the investment funds are sold or listed on a stock exchange.

In private investments, unlike other asset classes, private investment manager selection and track record is critical to achieving superior returns. The

outperformance in returns achieved by top performing investment managers compared with bottom performing investment managers is significant and this performance tends to persist. This is supported by empirical studies which show that private investment managers who outperform the industry in one fund are likely to outperform the industry in their next fund, and vice versa. For example, a study published by McKinsey in 2007 which examined 3,400 funds managed by 1,159 private investment companies found that the private investment managers who managed top quartile performing funds had a 43% probability of achieving a top quartile performance in their next fund.

Separately, in a study by HEC and Golding Capital Partners (Private Equity Study: Finding Alpha 2.0, 7 November 2011) which analysed over 4,200 transactions in Europe and the US from 1977 to 2010, a significant difference in performance by top performing managers compared with bottom performing managers was found to exist. See Figure 1.

FIGURE 1: RETURN COMPARISONS - TOP VS. BOTTOM PERFORMING FUND MANAGERS



* Weighted by investment volume, only fund managers with at least 10 realised transactions

Source: Prof. Oliver Gottschalg (HEC) and Golding Capital Partners, Private Equity Study: Finding Alpha 2.0 November 7, 2011

3.4. Types of private investments

Depending on the stage of the business and its individual needs, the different types of private investments can be broken down as follows:

VENTURE CAPITAL

Venture capital involves investment in start-up and early-stage companies, often those engaged in developing cutting-edge technologies and products but without a proven history of generating revenues and profits. Venture capital investments are generally in the form of equity into a business without security and represent a higher risk category of private investments but also offer higher potential returns. Examples include Cochlear, eBay, Google and Facebook.

EXPANSION CAPITAL INVESTMENT

Expansion capital investment is used to grow and expand an established company that is capital constrained but has good growth or profit improvement prospects. These companies are usually at or near profitability and have some history of cash flow. Examples include JB Hi Fi and Austal.

MANAGEMENT BUY-OUTS (MBO)

MBOs usually involve purchasing an existing mature business, usually alongside management. These businesses have a strong history of profits and cash flows. Examples include Myer, Just Group, Austar and Pacific Brands.

Other types of private investments include:

- distressed/turnaround: investments in a business with liquidity or solvency problems, often conditional on a business implementing a restructuring programme
- mezzanine financing: unsecured debt financing provided to companies that are in growth phase but may not have access to equity finance

All these various styles of private investments share an opportunistic character, seeking to exploit inefficiencies in the capital markets.

3.5. Key characteristics of private investments

Key characteristics of the type of underlying private investments to be targeted for the Fund include the following:

CONTROL

Many private investment deals involve controlling stakes in target companies and, critically, include an active operational role in setting policy and strategy in partnership with management. It requires a long-term commitment to deploy capital to enhance the value of the company.

EXPERTISE

Private investment managers utilise their expertise in the identification, due diligence and selection of investments and also in the management of these investments, bringing expertise across management, finance, marketing, strategic direction and business networks.

ALIGNMENT OF INTEREST

Board representations and management agreements allow private investment managers to be directly involved in the decision-making process of their underlying investment companies as they seek to protect and grow their investment. Typically, significant equity stakes by the underlying portfolio company management teams in the businesses they manage strongly incentivises these operating management teams and ensures alignment of interest.

PERFORMANCE

The alignment of interests and the ability to add value to the business means specialised private investment managers may generate higher returns than those available from a traditional passive investment in listed shares.

UNCERTAIN CASH FLOWS AND ILLIQUIDITY

Unlike investment in public companies, private investments are generally illiquid and investors do not have access to their capital during the lifetime of the private investment fund, nor can they sell their shares on a liquid capital market. Private investment funds have a limited lifespan and are typically self-liquidating, meaning capital (if any) is returned to investors over that time frame.

MEDIUM-TO-LONG-TERM HORIZON

Given private investors cannot easily enter and exit the market, investing in private investments requires a longer term commitment to the asset class, typically around 10 years.

However, this longer time horizon allows businesses (portfolio companies) to undertake transformational ownership (including through mergers, acquisitions, store roll-outs, restructuring) to significantly enhance cash flows and returns within a five-to-10-year period.

3.6. Time horizon of private investment funds

Investing in private investment funds usually involves making a commitment to invest a specified amount of capital (**committed capital**). However, only a small percentage of the committed capital is typically required at the start, if at all. As the fund identifies and invests in opportunities, the manager of the fund will then “call” or “draw down” the committed capital in tranches, as needed. It can typically take up to two years for an individual fund to fully invest its capital commitments. Most private investment funds have an investment term of around 10 years.

Individual investments made by private investment funds are usually held for a duration of three to five years, but some investments can be held for up to 10 years. Any gains from these investments will only be realised when they are sold. Typically, distributions from private investment funds to their investors only commence three to five years into the fund. Capital is generally returned via distributions from the sale or recapitalisation of individual investments. In some cases, investors may also receive earnings-derived distributions.

3.7. Key benefits of private investments

The Responsible Entity believes that investing in private investments improves the risk and reward characteristics of an investment portfolio. It offers investors the opportunity to generate superior long-term absolute returns while improving portfolio diversification beyond public equities and fixed income investments.

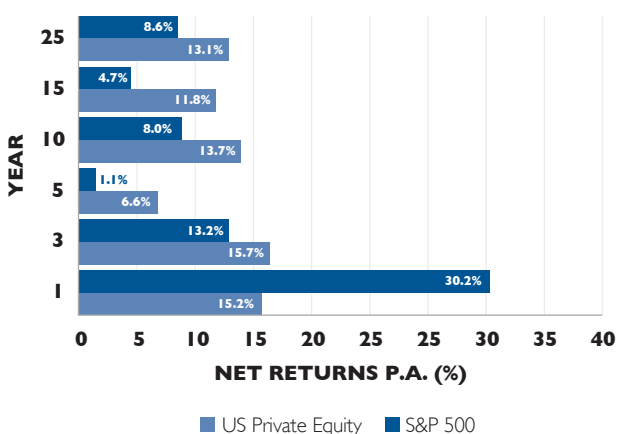
SUPERIOR LONG-TERM OUTPERFORMANCE

Many market studies confirm that the average long-term returns from private investments have consistently outperformed public equities. For example, a comparison of the performance of the

Cambridge Associates LLC US Private Equity Index (**PE Index**) shows that over the past 10 years, the average annualised returns for the PE Index has been 13.7% compared to 8.0% for the S&P 500 Index. The PE Index outperformed the S&P 500 Index over a 5, 10, 15 and 25-year period to September 2012. This is reflected in Figure 2.

The PE Index reflects the annualised returns (being the pooled end-to-end return net of fees, expenses and carried interest for constituent funds) of 1,017 US private equity funds formed between 1986 and 2012. The funds whose performance is used to compile this index includes funds which have an investment strategy, size, scale or leverage model which differs from the target investments for the Fund. Accordingly this data may not be illustrative of the performance expected for the Fund and its underlying investments. It should be noted that private investments should be considered a higher risk asset class than traditional equities, with an increased potential for loss of capital and an increased volatility of returns.

FIGURE 2 : AGGREGATED NET RETURNS – PE INDEX VS. S&P 500 INDEX



Source: Cambridge Associates LLC.

Importantly, this outperformance is sustained in both positive and difficult macroeconomic environments. In fact, in periods of downturn, average private equity returns have outperformed the relevant index by an even larger margin than described above. In the two most recent public equity downturns – the “tech crunch” (Q2 2000 to Q1 2003) and the recent global financial crisis (Q3 2007 to Q1 2009), the PE Index has, on average, outperformed the S&P 500 Index by 15% and 21%, respectively.

PORTFOLIO DIVERSIFICATION

Returns from private investments have historically demonstrated low correlation with other asset classes such as public equities and fixed income. The Responsible Entity believes that the introduction of private investments within a balanced portfolio can further improve portfolio diversification, improving risk and volatility characteristics of the portfolio.

In addition, the investment universe in the private company space is extensive and offers greater opportunities for diversification. In the US, public equity markets comprise a universe of approximately 4,800 companies with revenues in excess of US\$10 million. In contrast, there are estimated to be approximately 48,000 privately owned companies in the US with revenues in excess of US\$10 million.

3.8. Fund-of-funds investment style

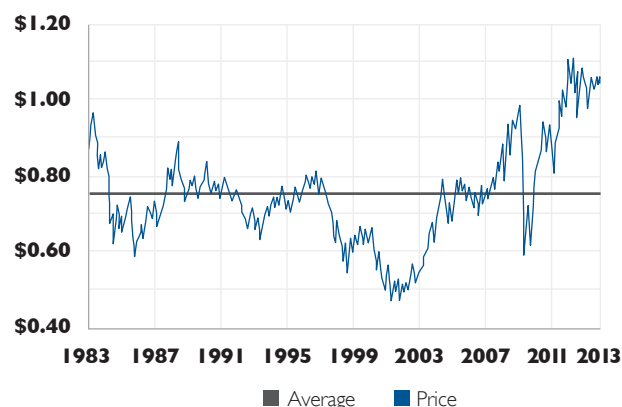
The Investment Manager will employ a fund-of-funds style of investment where capital contributed will be applied to acquire interests in investment vehicles managed by third party fund managers. They are referred to as “underlying funds” in the PDS. By adopting this investment style, the Fund will hold indirect rather than direct investments.

Investors in a fund-of-funds receive the benefit of the expertise of the managers of the underlying funds in which the investments are made. It provides the Fund with an opportunity to manage risks associated with a particular investment strategy by investing across a number of funds which may have different risk profiles. This is particularly useful for smaller investors who may not have the means to otherwise invest in a diversified portfolio of funds. However, this investment strategy may also carry the potential for comparatively higher fees than direct investments and the potential for diminished liquidity.

3.9. Australian dollar exchange rate

As at the date of this PDS, the current level of the Australian dollar against the US dollar is significantly higher than the average level of approximately 76 cents since the Australian dollar was floated in 1983. The Responsible Entity believes that the current high level of the Australian dollar provides a unique opportunity for Australian-based investors to gain exposure to the US private investment market.

FIGURE 3: AUD VS. USD



Source: Bloomberg. Bloomberg has not provided consent to the inclusion of trading and index data attributed to it in this PDS.



4. SMALL AND MID-MARKET PRIVATE INVESTMENTS

US private investment funds range in size from tens of millions of dollars in total capital to tens of billions of dollars. The US small and mid-market private investment segment consists of funds that manage less than US\$1 billion of capital and target investments/companies with total values of less than US\$300 million. There are several hundred funds in this segment, many of which specialise in specific regions, sectors and/or investment strategies.

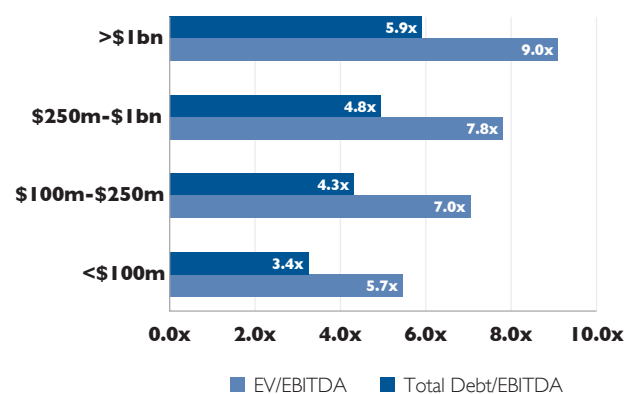
4.1. Why focus on small and mid-market?

Private investments are an extremely diverse asset class, encompassing a wide range of investing styles. The experience of Cordish Private Ventures is that superior performance is found by investing in private investment funds that manage smaller pools of capital in focused investment strategies.

In the private investment space, exceptional returns can stem from investing in overlooked companies with superior growth prospects within market niches and investing in them at compelling valuations. As funds grow in size, they generally tend to focus on larger companies where the universe of available opportunities is smaller, resulting in greater competition and more efficient market pricing.

In contrast, the Responsible Entity believes that the small and mid-market segment has a rich pool of target investment opportunities which tend to be less efficiently priced than their larger counterparts. This creates opportunities for funds in the small and mid-market segment to capture undervalued companies with less competition from peers, enabling them to acquire these companies for lower valuation multiples. Additionally, these smaller funds in comparison to their larger competitors typically use lower levels of debt for their investments. This is illustrated in Figure 4 which sets out the average purchase price paid and leverage levels for investments made by US private equity funds of differing size for investments made in the period 2001 to 2010.

FIGURE 4: AVERAGE PURCHASE PRICE (EV/EBITDA) AND LEVERAGE LEVELS (TOTAL DEBT/EBITDA) FOR DIFFERENT FUND SIZES (PAST 10 YEARS)



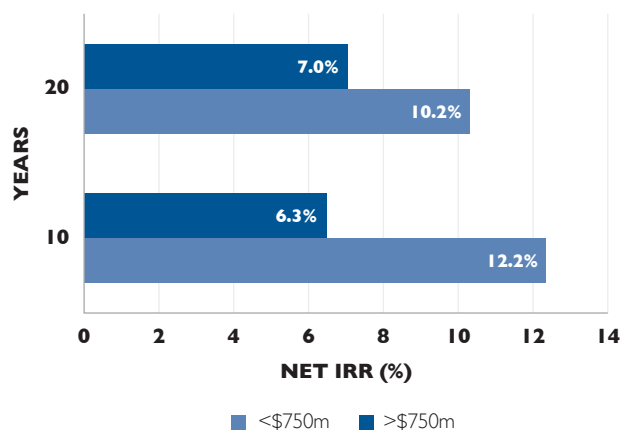
Source: Flag Capital Management, LLC

Importantly, companies in the small and mid-market segment, by virtue of their size, are typically more nimble and have stronger alignment of interests with private investment fund managers. Compared with businesses often purchased by larger investment funds, these small and mid-market companies typically tend to benefit more from private investment fund managers' expertise and also from operational changes that improve margins and drive top-line growth. Funds focused on the small and mid-market segment have historically tended to outperform their larger peers.

Several studies also point to the outperformance of small-to-mid-market private investment funds over larger private investment funds.

Research by Thomson Venture Economics, which looked at US private equity funds raised between 1990 and 2010, determined that over the 10 years to 2010, small-to-mid-market funds (with total assets of less than US\$750 million) had, on average, achieved annual net internal rates of return (**IRR**) of 12.2%, almost double their larger peers, while over the past 20 years, small-to-mid-market funds achieved IRRs of 10.2% as compared to 7.0% for larger funds. This is illustrated in Figure 5.

FIGURE 5: PERFORMANCE BY FUND SIZE OVER TIME

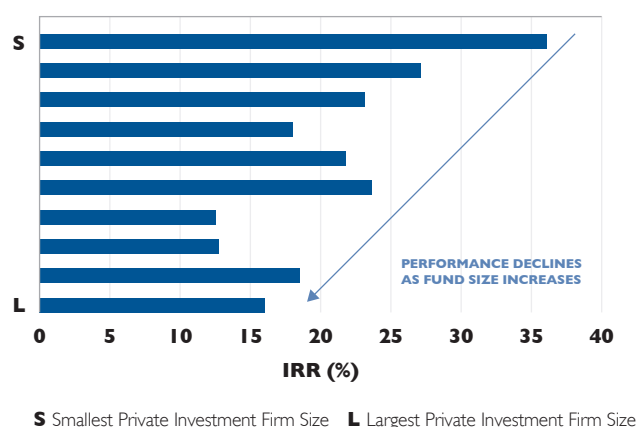


Source: Thomson Venture Economics

Also of particular interest in this regard is a study published in November 2010, titled “*Giants at the Gate: On the Cross-Section of Private Equity Investment Returns*”, by leading academics Florencio Lopez-de-Silanes of EDHEC Business School and the National Bureau of Economic Research, Ludovic Phalippou of the University of Amsterdam Business School and Tinbergen Institute, and Oliver Gottschalg of HEC Paris.

The paper studied the performance of more than 7,453 investments made in 81 countries by 254 private equity firms over a 34-year period. The conclusion was that firm scale is a robust and consistent driver of returns of private equity investments, with small funds delivering average annual returns of 36%, twice that of the 16% annual returns for the largest funds surveyed. See Figure 6.

FIGURE 6: PE FUND SIZE VS. IRRs



Source: Lopez-de-Silanes, Phalippou and Gottschalg

Investors are reminded that past performance is no guarantee of future results.

The performance data used to compile the above includes performance from non-US based private investment funds as well as US-based funds. Accordingly, this data may not be illustrative of the performance expected for the Fund and its underlying investments.

4.2. Access to small and mid-market private investment funds

Given the superior performance of small and mid-market private investment funds, these funds tend to be heavily oversubscribed and have strict access limitations. Access to these funds is typically confined to smaller endowment funds and family offices, which are the preferred investors for many of the best performing funds.

Cordish Private Ventures has experience investing portions of its own capital using an investment strategy that is generally consistent with the investment strategy to be implemented by the Fund, through the LP. With Cordish Private Ventures' investment in the LP and Jonathan Cordish's role on the Advisory Board of the Investment Manager, the Fund (through the LP) expects to leverage this experience to access top performing private fund managers.

Additionally, Jonathan Sinex, a Principal of Cordish Private Ventures, will be seconded to the Investment Manager on a full-time basis and will focus solely on private equity investments for the Investment Manager. Through Mr. Sinex, as well as the ability to draw upon the investment experience from Fund I through executives of Dixon Advisory Group and the Advisory Board, the Investment Manager believes it has accrued the track record, in-house experience, due diligence capabilities and credibility to source, analyse, invest in and monitor these private investment funds. It is anticipated that a significant portion of the underlying investments the Fund will make, through the LP, are targeted to be with managers with whom Cordish Private Ventures has previously successfully invested with or with whom the Investment Manager has an established relationship and already engaged in active due diligence.

5. OVERVIEW OF US SELECT PRIVATE OPPORTUNITIES FUND II

5.1. Overview of the Fund

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

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

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

The GP will act as general partner of the LP. The GP is a Delaware limited liability company and jointly owned by DGP Inc. (a wholly owned subsidiary of Dixon Advisory Group) and an affiliate of Cordish Private Ventures. Details of the responsibilities of the GP to manage and operate the LP are set out in the LP Agreement. See Section 12.1. Details of the relationship between the shareholders of the GP are set out in the LLC Agreement. See Section 12.4.

The GP has in turn engaged the Investment Manager to act as investment manager. The Investment Manager is a wholly owned subsidiary of Dixon Advisory Group. The Investment Manager has discretion to undertake and realise investments for the benefit of the LP as a delegate of the GP. However, the GP remains subject to a fiduciary duty to act in the best interests of all limited partners (noting that the shareholders of the GP include a wholly owned subsidiary of Dixon Advisory Group and an affiliate of Cordish Private Ventures). Accordingly, the GP retains the right to replace the Investment Manager at its sole discretion. The Investment Manager must also act consistently with the investment objectives, policies and restrictions adopted by the GP from time to time. Details of the responsibility of the Investment Manager are set out in the Investment Advisory Agreement. See Section 12.3.

The Investment Manager will apply to the New Jersey Bureau of Securities for registration as an investment advisor. Registration is expected to be completed prior to the issue of Units under this PDS. In the unlikely event registration is not completed, the Investment Manager may continue to manage the investments of the LP. However, the GP may seek to replace the Investment Manager.

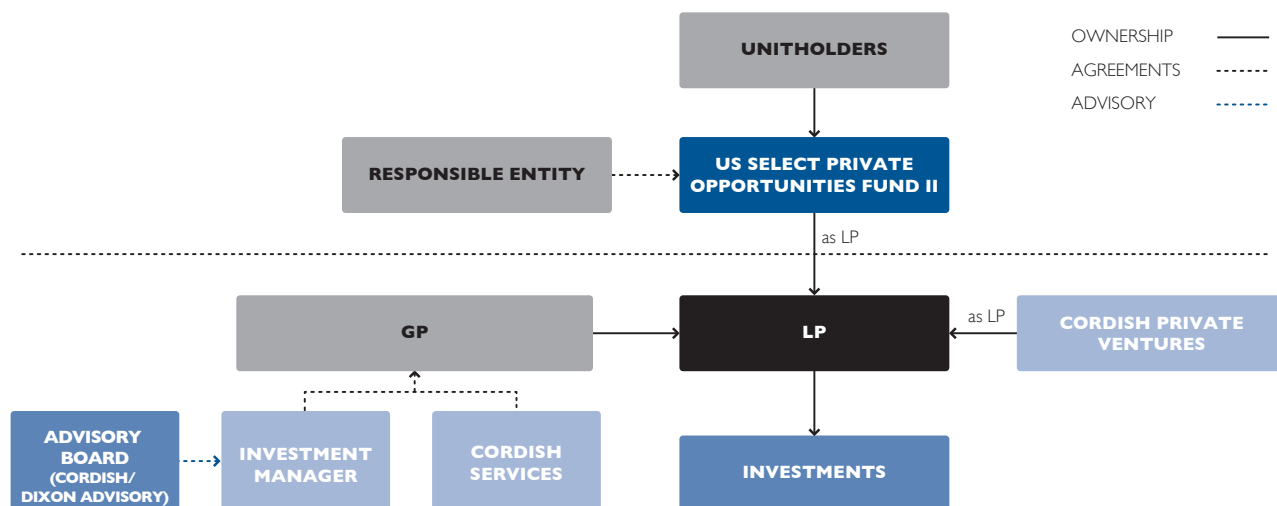
Under Cayman Islands law, the liability of a limited partner for debts incurred by the partnership is limited to the capital committed by that limited partner. The limited partners (including the Fund) have no ability to direct the GP or the Investment Manager regarding investments. This structure has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

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

The Fund and Cordish Private Ventures will be the initial limited partners in the LP. Cordish Private Ventures will invest 20% of the total capital contributed by the Fund to the LP up to a maximum of US\$10 million. The Fund's proportional interest in the LP will increase above 83.33% if the Fund's commitment to the LP exceeds US\$50 million.

This structure is illustrated in the diagram below:

FIGURE 7: US SELECT PRIVATE OPPORTUNITIES FUND II STRUCTURE DIAGRAM



5.2. Overview of The Cordish Companies and Cordish Private Ventures

The Cordish Companies is a Baltimore, Maryland US-based fourth generation family business that has grown into a conglomerate of businesses since it was founded in 1910. The company's core business is a large and well-respected real estate development business that is widely recognised as a developer of large-scale urban revitalisation projects and entertainment districts. Many of the company's developments involve public and private partnerships and are of unique significance to the cities in which they are located. Other divisions of The Cordish Companies include a highly successful casino and resort development company, an operating division that owns and operates leading entertainment venues throughout the US, a media division and a private investment division.

Cordish Private Ventures is the part of the non-real estate investment arm of The Cordish Companies. It was founded in 1999 and invests in a range of private investment funds including venture capital, leveraged buyouts and hedge funds, as well as making non-controlling direct equity investments. In particular, it has significant experience of successfully investing the Cordish family capital in small and mid-market private investment opportunities. Cordish Private Ventures is focused on continuously seeking superior investment opportunities in emerging growth areas, with a long-

term investment horizon. Cordish Private Ventures invests with private investment fund managers that have not only delivered outstanding financial returns but have also exhibited high levels of personal integrity and with whom it can develop long-term direct relationships. It should be noted that performance of Cordish Private Ventures is not necessarily an indicator of the future performance of the Fund.

5.3. Investment objectives

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

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

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

As the Fund and the LP are newly established, there is no track record of performance.

The GP and Investment Manager have confirmed to the Responsible Entity that each will exercise its discretion to make investments consistent with the investment strategy of the Fund outlined in this PDS which will employ an investment strategy that seeks to replicate both Fund I's and Cordish Private Venture's investment strategy of

focusing on small and mid-market private investment funds. The LP will invest in a discrete number of underlying private investment funds, a significant portion of which are targeted to be with investment managers with whom either Cordish Private Ventures has previously successfully invested or with whom the Investment Manager has an established relationship and has already engaged in active due diligence. The Responsible Entity believes that selecting private investment fund managers that have a sustainable strategy for adding value to their investments is critical to achieving a successful investment strategy.

Within the universe of small and mid-market private investment funds, the Investment Manager, will generally seek to apply both Fund I and Cordish Private Venture's investment strategy to focus on funds that exhibit the following characteristics:

- a) consistent focus on niche investment opportunities: funds that have an expertise in specific industries, geographic region(s) and/or investment strategies typically overlooked by larger funds. This consistency in the fund's investment strategy allows for specialised expertise to grow over time, enhancing long-term performance;
- b) operating businesses with existing cash flows: funds that avoid higher risk start-up businesses and businesses with significant technology risk but instead focus on assets with existing proven cash flow and

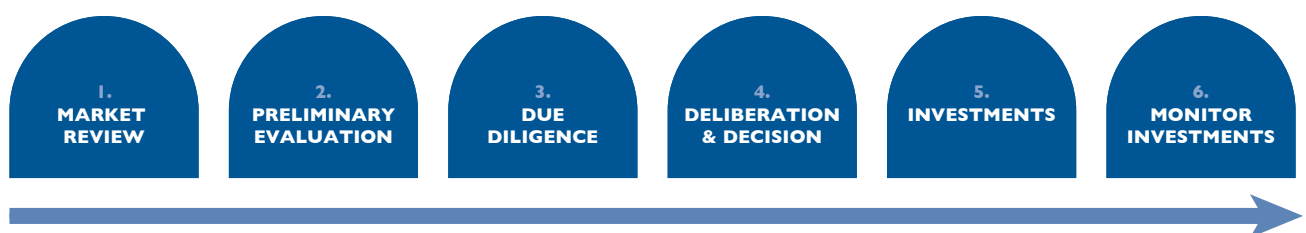
potential for growth;

- c) appropriate size: funds that only seek to manage pools of capital sized appropriately for the opportunities on which they focus;
- d) judicious and limited use of leverage: by principally focusing on expansion based primarily on equity rather than debt funding. Funds that seek to generate returns through investments in high-quality private businesses with limited debt rather than financial engineering through the use of leverage; and
- e) hands-on approach: all aspects of the fund's investment process is managed directly by senior fund executives that are intricately involved in the operations of the underlying businesses in which they invest.

5.4. Investment process

The Responsible Entity believes the key to achieving superior returns in private investment funds lies in the capabilities and performance of the management teams of these funds. The selection of these managers is of critical importance and the in-depth analysis of each potential investment opportunity involves a series of steps that evolve into a judgement about the manager.

The Investment Manager will employ a six-stage investment process when investing the LP's capital in private investment opportunities as illustrated below:



STEP 1: MARKET REVIEW

The investment process begins with a review of the market, involving identification of small-to-mid-market private investment fund managers that are raising money and the timing of their fund raising. The LP already has access to numerous opportunities passed on from Cordish Private Venture's network. Private investment market analysts estimate there have been approximately 825 funds created by experienced US private investment managers since 2000 with assets under management of less than US\$750 million, which forms the initial set of investable opportunities for the LP.

STEP 2: PRELIMINARY EVALUATION

During the preliminary screening, the Investment Manager will apply its four broad investment criteria:

- a) fit with the Fund's investment strategy and target investment characteristics as listed in Section 5.3 (that is, focused investment strategy on niche opportunities, operating businesses with existing cash flows, appropriate fund size, limited use of leverage and hands-on approach by senior fund executives);
- b) performance record of the private investment fund manager and any previous experience of the Investment Manager or Cordish Private Venture with them;

- c) strength of the management team of the fund including skills and experience in executing their strategy, and motivation and commitment of key people; and
- d) structure of the private investment fund and fit with the Fund's desire to maximise after-tax returns.

This step is designed to provide a short list of investment opportunities so the focus is only on high quality, smaller niche funds. Despite a smaller universe of shortlisted funds, the opportunity set remains sufficiently large.

STEP 3: DUE DILIGENCE

Once a private investment opportunity is shortlisted, comprehensive due diligence is undertaken on the potential investment. As part of the process, particular attention is given to:

- a) management team expertise, including their track record in private equity investments and experience as business operators;
- b) quality of the fund's business model, including business plans, financial analysis and appropriateness of proposed management fees;
- c) ability to support future investments and provide assistance in company growth – value-adding strategies;
- d) investment sourcing and structuring experience;
- e) exit experience and strategy.

The Investment Manager's focus on the track record of the private investment fund manager means that a large amount of time will be spent discussing the sourcing of their investment opportunities and understanding their individual investee company experience and the role of the manager in the growth of the business.

STEP 4: DELIBERATION AND DECISION

When the due diligence review has been completed and the investment opportunity has passed all the relevant criteria, the investment opportunity is considered in the context of the LP's portfolio and investment strategy, and a decision to invest is made subject to final negotiation of investment documentation.

STEP 5: INVESTMENT

As part of the investment process, the Investment Manager may negotiate specific terms with the private investment fund manager and structure its holding in the opportunity accordingly.

STEP 6: MONITOR INVESTMENTS

Part of the ongoing investment process is to monitor all investments and foster a close involvement with the private investment fund managers through regular visits and investment updates throughout the term of the investment. Once a commitment is made, the Investment Manager will remain apprised of the fund's investment activities, the overall risk levels of the fund, ongoing integrity of the fund manager's investment strategy, staff turnover and market environment.

5.5. Investment term

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

Investors are cautioned that this should be viewed as a long-term investment. An investment horizon of less than 10 years in the Fund may not provide sufficient opportunity for an increase in the value of underlying investments of the Fund.

5.6. Initial investments

The investments of the Fund, through the LP, will depend on prevailing market conditions and available investment opportunities following the Fund's successful fundraising and listing. Due to the dynamic nature of the private investments market, an accurate indication of the Fund's investments cannot be given as at the date of this PDS. However the investments will be consistent with the investment objectives and guidelines of the LP and, subject to the investment restrictions (see Section 5.7), the underlying investments may be in any sector or region.

A wholly owned subsidiary of Dixon Advisory Group has managed the investments of Fund I, a fund with investment objectives and investment strategy that are generally consistent with those of the Fund. Fund I was established in July 2012 and at the date of this PDS, is substantially fully committed through its investments across six private investment funds (through the underlying limited partnership). For illustrative purposes only, the private investments that Fund I has made as at the date of this PDS are set out in Table I.

Due to the nature of the private investments market, the Fund's investments may differ substantially to those invested in by Fund I.

TABLE 1: INVESTMENTS OF FUND I

Investment	Commitment (US\$m)	Portfolio weighting (%)	Sector	Comments
Prometheus Partners IV	10.0	14%	Restaurants	Invests in Taco Bell, Pizza Hut and IHOP nationally franchised restaurants in the US, especially in southeast US
Trivest Partners V	10.0	14%	Industrial & Business Services	Focuses on well-run family/founder-owned businesses that are seeking to transition ownership and have never accessed institutional funds. Businesses are across a broad range of sectors and are typically located in southeast US
KarpReilly Capital Partners II	10.0	14%	Retail	Invests in premier small-to-mid size growth companies, primarily in the consumer sector, where the entrepreneurs/founders are seeking a value-added financial partner to help them implement long-term plans
Encore Consumer Capital Partners II	10.0	14%	Consumer	Focuses on proven consumer product companies (which sell through supermarkets) in the lower middle market with highly attractive growth prospects
Incline Capital III	10.0	14%	Industrial & Business Services	Invests in lower middle market businesses in three core business sectors: value added distribution, outsourced business and industrial services, and specialised light manufacturing
US Select Direct Private Equity	13.0	19%	Various	Platform to invest directly in small and mid-market private companies alongside leading, specialist private investment funds

The Investment Manager will invest in private investment funds which it believes offer superior risk adjusted returns while preserving and protecting wealth, and are managed by top performing fund managers.

With an unprecedented number of top quartile private equity funds currently looking to raise new funds in 2013, the Investment Manager believes it has identified attractive potential investment opportunities. The Investment Manager has a high level of visibility on the timing of both potential investment opportunities and commitments.

As at the date of this PDS, the Investment Manager has identified a number of very attractive opportunities for investment, including RFE Investment Partners VIII,

L.P., the latest fund established by RFE Investment Partners (**RFE**). RFE focuses on “easy to understand” small businesses in the niche manufacturing, business services and health care services sectors. The Investment Manager is currently reviewing an investment with RFE to be undertaken during the first quarter of the calendar year 2013, following the Fund’s successful capital raising and listing. The size of any potential investment will depend on the size of the Fund and market conditions at the time and final Offer size.

The Investment Manager is also currently in active due diligence with a number of further funds looking to raise capital in 2013.

5.7. Permitted investments

The LP is restricted to making investments by acquiring interests in private investment funds.

In addition, the LP may not:

- a) make any investment other than acquiring limited partnership interests in private investment funds;
- b) invest more than 33% of the aggregate capital commitment of the LP in any one private investment fund;
- c) invest more than 25% of the aggregate capital commitment of the LP in any private investment fund whose primary investment objective is to invest in companies located or that conduct their principal business outside of the US;
- d) invest in any private investment funds whose primary investment objective is to invest in companies located in, or that conduct their principal business, in emerging markets; and
- e) invest in any private investment funds whose primary investment objective is to make venture capital investments.

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

The Investment Manager aims to substantially commit the cash raised by the Offer within 12 months of the issue. However, it may take up to 24 months to identify suitable investments and to commit the cash raised.

The GP and Investment Manager confirm they will act in accordance with the investment strategy set out in this section. However, if requested, the limited partners may authorise the GP and Investment Manager to make investments outside the investment strategy. The Responsible Entity and Cordish Private Ventures, as limited partners, together with the GP may agree to review and amend the strategy and permitted investments without Unitholder approval.

5.8. Affiliate managed funds

To achieve its investment objectives, the Investment Manager may invest in funds managed, in partnership, by affiliates of Dixon Advisory Group and Cordish Private Ventures. Any investment in these funds will satisfy the LP's criteria of permitted investments as defined in Section 5.7. The general partner of these affiliate-managed funds will be entitled to receive market-based compensation for their services.

5.9. Borrowings policy

The Fund's policy is not to undertake borrowings directly or through the LP. Underlying funds in which the Fund has invested as limited partner may borrow from time to time. As the Fund will not hold a majority interest in these funds, it will not be in a position to exercise any control over such borrowings.

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

5.10. Risk management policy

The Responsible Entity has a risk management process in place that includes maintaining a compliance plan (which is audited every year) and a compliance committee. The compliance plan sets out how the Responsible Entity will ensure compliance with both the Corporations Act and the constitution when operating the Fund. The compliance committee, comprising a majority of members who are independent of the Responsible Entity (one representative from the Responsible Entity and two external representatives), monitors compliance with the compliance plan.

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

5.11. Foreign exchange hedging policy

The Fund will receive income streams and indirectly holds assets which are denominated in US dollars. The Fund's current policy is not to hedge these for currency risk. The Fund may re-evaluate the hedging policy in the event of changes to prevailing exchange rates and economic conditions. It is intended that the net proceeds (excluding minimal working capital requirements for managing the Fund) raised by the Offer will be converted into US dollars within a period of six months, commencing on the date Units are allotted.

As the majority of the underlying assets of the Fund will be denominated in US dollars and will continue to be denominated in US dollars, the value of the assets held by the Fund expressed in Australian dollars will fluctuate with changes in the exchange rate between the Australian dollar and the US dollar.

5.12. Cash policy

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

5.13. Capital Management Policy

Subject to any restrictions imposed under the Corporations Act, Listing Rules and the Constitution, the Fund will aim to apply active capital management strategies.

The Fund may undertake a buyback of its Units in the event that they trade at a sizable discount to net asset value (**NAV**) backing. The Fund will need to obtain Unitholder approval for the buyback and comply with any Corporations Act, Listing Rules and Constitution restrictions if it intends to buy back more than 10% of the smallest number of Units on issue over the previous 12 months.

5.14. Distribution policy

The Fund will focus on investments with the potential to deliver capital growth rather than delivering income. Nevertheless, it is the Fund's policy to distribute 100% of its distributable income for each income year, including realised capital gains, that it receives subject to the Fund's working capital requirements consistent

with good fiscal operating policy and management and such other needs as the Investment Manager, in its reasonable discretion, shall deem necessary. The Fund intends to make yearly distributions, if any, but may make more regular distributions if appropriate.

The ability of the Fund to distribute income received from investments made by the Investment Manager will depend on the receipt of income from the underlying investments of the LP as well as payment of distributions authorised by the Investment Manager to the limited partners in the LP. The Responsible Entity is unable to give specific assurances to investors concerning the future payment of distributions because the timing of realisation of private investments is uncertain.

5.15. Valuation policy

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

5.16. Raising further capital

The Fund may, at a future date, decide to raise further capital in the Fund. A further issue may be contemplated if there is significant demand for investment in the Fund, there remain attractive opportunities for investment which the Responsible Entity can pursue with additional capital and it is beneficial to existing Unitholders.

5.17. Reports to Unitholders

The Responsible Entity will provide at least:

- monthly NAV reports (in accordance with the ASX Listing Rules)
- half-yearly reports;
- annual reports;
- yearly distribution advice statements (as applicable); and
- regular income tax statements.

The Responsible Entity will also comply with all laws and the Listing Rules as they relate to reports to be provided to Investors.

6. THE RESPONSIBLE ENTITY AND INVESTMENT MANAGER

6.1. Role of the Responsible Entity

Walsh & Company Investments Limited (**Walsh & Co**) is the issuer of Units under this PDS and the Responsible Entity of the Fund. The Responsible Entity is responsible for the protection of Unitholder interests and overall corporate governance of the Fund. The Responsible Entity will manage the Fund in accordance with its duties to Unitholders. The Responsible Entity is also subject to numerous duties under the Corporations Act, including duties to act honestly, exercise care and diligence and act in the best interests of Unitholders. Further details of the Constitution and the Responsible Entity's obligations are specified in Section 13.

Under the Corporations Act, a responsible entity is required to either have a board of directors, not less than half of which comprises external directors, or to appoint a compliance committee with a majority of external representation. Walsh & Co complies by having a compliance committee with a majority of external representation. Further details on the external members of the compliance committee are set out later in Section 6.9.

The Responsible Entity is responsible for the overall management of the Fund, including the determination of its strategic direction with the aim of increasing Unitholder wealth through the performance of the Fund.

The role of the Responsible Entity includes:

- a) providing strategic direction and deciding upon the Fund's business strategies and objectives;
- b) monitoring the operations, financial position and performance of the Fund;
- c) identifying the principal risks faced by the Fund and monitoring the effectiveness of systems designed to provide reasonable assurance that these risks are being managed;

- d) taking steps to ensure the Fund's financial and other reporting mechanisms result in adequate, accurate and timely information being provided to the Board; and
- e) taking steps to ensure Unitholders and the market are fully informed of all material developments.

6.2. Background of the Responsible Entity

Walsh & Co holds Australian Financial Services Licence Number 410 443.

Walsh & Co is a wholly owned subsidiary of the Dixon Advisory Group, which provides a comprehensive administration service and, where requested, financial advice to more than 4,000 self managed super fund clients with a combined superannuation asset base of over \$4.0 billion. Dixon Advisory Group also provides financial advisory services, full service investment advisory, corporate finance, estate planning, residential property, mortgage and insurance advisory, and funds management services.

Walsh & Co is currently the responsible entity for Emerging Markets Masters Fund, an ASX-listed fund of funds that invests across the emerging markets universe targeting global emerging market investments funds. At 31 January 2013, the Emerging Markets Masters Fund had a market capitalisation of approximately \$73.1 million. In addition, Walsh & Company Asset Management, an authorised representative of Walsh & Co, manages Australian Masters Yield Fund No 5 Limited, which closed in December 2012 raising approximately \$101.1 million and at 31 January 2013, the Australian Masters Yield Fund Series had approximately \$430 million in funds under management.

The Fund represents the first private market investments fund for Walsh & Co. However, core members of the Dixon Advisory Group executive and management team will be made available as officers or executives of the Responsible Entity to ensure it can perform the functions outlined in this PDS.

6.3. About the Dixon Advisory Group

The Dixon Advisory Group has experience investing in private investment opportunities through a fund-of-funds investment strategy. In July 2012, Dixon Advisory, a member of the Dixon Advisory Group, launched US Select Private Opportunities Fund (**Fund I**). Fund I follows an investment strategy that is generally consistent with the Fund, providing Unitholders with the opportunity to benefit from a family office style of investment focused on small and mid-market private investment opportunities in the US. At 31 January 2013, Fund I had a market capitalisation of approximately \$61.6 million. The Dixon Advisory Group also has experience advising on individual Australian-based private investment transactions. Since 2007, Dixon Advisory has facilitated the investment of over \$45 million through the offer of shares and convertible notes in four privately held companies by its clients.

Dixon Advisory currently manages US Masters Residential Property Fund, a registered managed investment scheme listed on the ASX. This fund is the only Australian-listed trust with a primary strategy of investing in the US residential property market. At 31 January 2013, the fund had a market capitalisation of approximately \$300.5 million. Dixon Advisory also manages the investment portfolios of Global Resource Masters Fund Limited and Asian Masters Fund Limited, which are both ASX-listed investment companies, adopting a fund-of-funds investment approach. These companies give Australian investors the opportunity to gain access to leading global fund products and managers, and as at 31 January 2013, each had a market capitalisation on the ASX of approximately \$102.3 million and approximately \$135.2 million, respectively.

Further, Dixon Advisory currently manages Australian Masters Corporate Bond Fund No 5 Limited. This fund is part of a series that has previously included Australian Masters Corporate Bond Fund No 1 Limited, Australian Masters Corporate Bond Fund No 2 Limited, Australian Masters Corporate Bond Fund No 3 Limited and Australian Masters Corporate Bond Fund No 4 Limited. (**Australian Masters Corporate Bond Fund Series**). These companies invest in primarily high grade fixed income securities and completed issues of shares to raise approximately \$54 million in June 2008, approximately \$36 million in September 2008, approximately \$42 million in February

2009, approximately \$72 million in June 2009 and approximately \$77 million from December 2009 to December 2010.

Dixon Advisory is also the investment manager of Australian Masters Yield Fund No 1 Limited, Australian Masters Yield Fund No 2 Limited, Australian Masters Yield Fund No 3 Limited and Australian Masters Yield Fund No 4 Limited (**Australian Masters Yield Fund Series**), which are diversified fixed income funds.

Dixon Advisory also manages Australian Governance Masters Index Fund Limited, a listed investment company on the ASX. This company tracks entities included in the S&P/ASX 100 with a corporate governance overlay, excluding companies with poor corporate governance ratings. At 31 January 2013, Australian Governance Masters Index Fund Limited had a market capitalisation of approximately \$62.0 million.

6.4. Directors of the Responsible Entity

The directors of the Responsible Entity have considerable experience in funds management. Details of the directors of the Responsible Entity are set out below.



ALEX MACLACHLAN, BA (CORNELL), MBA (WHARTON); CHAIRMAN

Alex MacLachlan is currently Chairman of the responsible entity for Emerging Markets Masters Fund, Managing Director of Global Resource Masters Fund Limited and a director of the Australian Masters Yield Fund Series, the Australian Masters Corporate Bond Fund Series, Asian Masters Fund Limited, and of the responsible entity for US Masters Residential Property Fund and Fund I.

Before joining Dixon Advisory, Mr MacLachlan 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, Mr MacLachlan 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, Mr MacLachlan worked in the Japanese Government Bond derivatives markets in London, New York and Sydney.

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



KEVIN SMITH, BSC (ECON) (HONS) (BRUNELL); DIRECTOR

Kevin Smith is an internationally respected investment expert with over 25 years' experience in global finance and asset management. Mr Smith's previous roles include managing 50 investment teams (in 17 countries) responsible for more than \$115 billion in equity, listed property and alternative investments as Global Chief Investment Officer, Equities at ABN AMRO Asset Management in London. He has also previously managed investment and business development activities in the Asia region as Chief Executive Officer, Standard Life Investments (Asia) Limited.

Working for Foreign & Colonial in London in the early 1990s, he managed Asian portfolios worth \$5 billion and advised on asset allocation for global pension client portfolios worth \$50 billion.

Mr Smith is currently Managing Director, Chief Investment Officer of Dixon Advisory Group, Chairman of Australian Masters Yield Fund No 4 Limited and Australian Masters Yield Fund No 5 Limited and a Director of Asian Masters Fund Limited and of the responsible entity for Emerging Markets Masters Fund.

As Chief Investment Officer of Dixon Advisory, Mr Smith is responsible for driving investment returns and delivering investment outcomes that meet clients' needs. He ensures all the funds are of the highest standard (from an investment and corporate governance perspective), that there is access to the best investment managers and products and that operations, systems and reporting are of the highest quality.

Mr Smith was awarded a first class honours degree in Economics from Brunel University in London.



TRISTAN O'CONNELL, BCOM (ANU), CPA; DIRECTOR

Tristan O'Connell 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 Emerging Markets Masters Fund and of the responsible entity for US Masters Residential Property Fund and Fund I.

Mr O'Connell's previous roles included 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. Mr O'Connell returned to Australia to be responsible for the financial management and growth of Dixon Advisory.

Mr O'Connell 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.



TOM KLINE, BCOM LLB (HONS) (ANU); DIRECTOR

Tom Kline is the Chief Operating Officer of the Funds Management division of Dixon Advisory. He works closely with the Dixon Advisory Investment Committee and Corporate Finance teams to deliver investment opportunities for Dixon Advisory clients. He is also a Director of Australian Masters Yield Fund No 4 Limited, Australian Masters Yield Fund No 5 Limited and of the responsible entity for Emerging Markets Masters Fund.

Before Dixon Advisory, Mr Kline was an Associate Director at UBS AG in Sydney. During his time at UBS, Mr Kline 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, Mr Kline 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.

Mr Kline has a Bachelor of Commerce and Bachelor of Laws (with honours) from Australian National University.

6.5. Role of the GP

The GP is jointly owned by DGP Inc. (a wholly owned subsidiary of Dixon Advisory Group) and an affiliate of Cordish Private Ventures, and will be based in the US. See Section 5.1 for details. It is responsible for:

- investing and disposing of investments to be made by LP;
- opening, having, maintaining and closing bank and brokerage accounts;
- bringing and defending actions and proceedings;
- hiring external advisors, agents and employees as required;
- making all elections, investigations, evaluations and decisions binding the LP that may be needed for acquiring, holding or disposing of investments;
- entering into, performing and carrying out contracts and agreements for the offer and sale of interests in the LP or to accomplish the LP's purposes; and
- carrying on any other activities, as required, in connection with the LP's business.

The GP will act as general partner of the LP. As general partner, the GP owes fiduciary duties to all limited partners of the LP to act in the best interests of the partners. The relationship

between the GP and the limited partners of the LP (including the Fund) is regulated by the LP Agreement. See Section 12.1 for details. The Responsible Entity has no ability to direct the GP regarding the acquisition or divestment of investments. This will continue irrespective of whether there is a change in the responsible entity of the Fund.

The GP has confirmed to the Responsible Entity that it will exercise its discretion as general partner of the LP to make investments consistent with the investment strategy of the Fund outlined in this PDS.

6.6. Role of the Investment Manager and its Advisory Board

The GP has engaged the Investment Manager to act as investment manager. The Investment Manager is a wholly owned subsidiary of Dixon Advisory Group. The Investment Manager has discretion to undertake and realise investments for the benefit of the LP as a delegate of the GP. The GP remains subject to a fiduciary duty to act in the best interests of all limited partners. Accordingly, the GP retains the right to replace the Investment Manager at its sole discretion. The Investment Manager must also act consistently with the investment objectives, policies and restrictions adopted by the GP from time to time. Details of the responsibility of the Investment Manager are set out in the Investment Advisory Agreement. See Section 12.3.

The Investment Manager has established an Advisory Board to provide it with expert advice, on a non-binding basis, in relation to portfolio and investment strategy, evaluation of investment opportunities and potential disposals, fund administration and other commercial matters for the LP and its limited partners, including the Fund. Jonathan Cordish and Margaret Cordish have each committed to serving on the Advisory Board for a minimum period of five years.

See Section 12.2 for information regarding the operation of the Investment Manager.

Members of the Advisory Board



JONATHAN CORDISH, BA (BRANDEIS UNIVERSITY), MBA (WHARTON); CHAIRMAN

Jonathan Cordish, President of Cordish Private Ventures, shall serve as the Chairman of the Investment Manager's Advisory Board. Mr Cordish will also serve as Executive Chairman of Cordish Services, which will provide administrative services to the GP and leverage the expertise of other key Cordish executives to assist in administration of the Fund.

Since 2001, Mr Cordish has managed the finances and investments of the Cordish family and The Cordish Companies of Baltimore, Maryland, USA, and is a Partner at The Cordish Companies, the operating business of the Cordish family (for more information on The Cordish Companies, see www.cordish.com). Mr Cordish currently serves as President of Cordish Private Ventures, LLC, which he has built into a comprehensive private equity investment company that has successfully invested in a variety of private equity and venture capital funds, as well as made direct equity investments in high-growth companies. Jonathan also currently serves as Chairman of the advisory board for Fund I.

Mr Cordish had significant experience in private equity and venture capital finance prior to his tenure at Cordish. From 1999 to 2001, he served as a Vice President and Partner at Riggs Capital Partners, a private equity firm based in Washington, D.C. that deployed over \$130 million across more than 30 private equity and venture capital funds, as well as direct equity investments to privately held companies. Mr Cordish has also served on the advisory board of Spring Capital Partners, LP, a mezzanine capital fund based in Baltimore, Maryland. Prior to Riggs Capital Partners, Mr Cordish received a Masters in Business Administration from the Wharton School, where he graduated with Distinction with a concentration in Private Equity Finance.

Mr Cordish also serves as Chairman of Cordish Media Inc., a company he founded in Los Angeles in 1994, and served as the CEO from 1994 to 1997. Cordish Media remains one of the longest operating and consistently profitable independent film distribution companies in the US. Focusing primarily on documentaries, the company has distributed multiple Academy Award nominated films, including the 1998 Academy Award winner for Best Documentary, "The Long Way Home".

In addition to his MBA from Wharton, Mr Cordish received a B.A., summa cum laude and with highest honours, in English and American Literature from Brandeis University in 1990, where he also graduated Phi Beta Kappa. While at Brandeis, Mr Cordish was also a nationally ranked collegiate tennis player, and was awarded an NCAA Post-Graduate Scholarship.



MAXIMILIAN WALSH AM, BEC (SYDNEY)

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

Mr Walsh has been editor and managing editor of The Australian Financial Review and Editor-in-Chief of The Bulletin. He also served on the board of Northern Star TV (predecessor to Channel Ten) and is presently the Deputy Chairman of the responsible entity of US Masters Residential Property Fund.

Mr Walsh currently serves as Chairman of Australian Masters Yield Funds 1-3 and the Australian Masters Corporate Bond Fund Series, as well as Non Executive Chairman of Asian Masters Fund Limited, Global Resource Masters Fund Limited and of the responsible entity for Fund I. Mr Walsh also serves as a director of Australian Governance Masters Index Fund Limited and sits on the advisory board of Emerging Markets Masters Fund.



ALAN DIXON, BCOM (ANU), CA

Alan Dixon has been providing financial advisory services to corporations, institutions and individuals for more than 15 years. Until December 2000, he worked for various investment banks, including ABN AMRO, where he was an Associate Director in Mergers and Acquisitions and Equity Capital Markets, and Ord Minnett Corporate Finance. Since January 2001, he has operated as Managing Director of the Dixon Advisory Group, before becoming Managing Director & Chief Executive Officer of Dixon Advisory USA, Inc in 2012.

Mr Dixon currently serves as a director of Australian Masters Yield Funds 1-3, the Australian Corporate Bond Fund Series, and of the responsible entity for US Masters Residential Property Fund and Fund I.

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



MARGARET CORDISH, BA (UPENN), MBA (COLUMBIA)

Margaret Cordish is primarily responsible at The Cordish Companies and Cordish Private Ventures for sourcing and evaluating potential alternative investments across a wide variety of asset classes, but with a particular focus on private equity investments. Prior to this, Ms Cordish was an Equity Analyst at Telsey Advisory Group focusing on specialty stores. Her role involved comprehensive fundamental analysis, financial modelling and liaising with senior company management. Ms Cordish also serves on the advisory board for US Select Private Opportunities Fund.

Previously, Ms Cordish was instrumental in the development of Basel Asset Management, where she served as a Hedge Fund Research Analyst. She was also responsible for evaluating and reporting on the firm's investment strategy and operations. Ms Cordish has also previously worked at HSBC Private Bank in the Alternative Advisory Group, where she was on the research committee responsible for fund ratings and credit approval.

Ms Cordish has a Bachelor of Arts from the University of Pennsylvania and a Masters of Business Administration from Columbia Business School, Columbia University. She currently serves on the advisory board of New Markets Education Partners LP, a Maryland-based private equity firm.

6.7. Investment Professionals

The Investment Manager will have access to staff of the Dixon Advisory Group and Cordish Private Ventures for the provision of various investment management services. In particular, Jonathan Sinex, a Principal of Cordish Private Investments, will be seconded to the Investment Manager on a full time basis. Alex MacLachlan will also render investment management services to the Investment Manager.

A) ALEX MACLACHLAN, BA (CORNELL), MBA (WHARTON)

Refer to Section 6.4



B) JONATHAN SINEX, BA (ECON) (MIDDLEBURY), MBA (DARDEN)

Jonathan Sinex has nearly a decade of investing, finance and operating company experience. Mr Sinex joined The Cordish Companies in 2012 as Principal of Cordish Private Ventures, where he is responsible for sourcing and evaluating private investment fund opportunities, as well as direct co-investment opportunities.

In 2011, Mr Sinex served as the interim Chief Financial Officer for Enviroscint, Inc., a portfolio company of the private equity firm Alerion Partners. Prior to Enviroscint, Mr Sinex worked as a Vice President at Devonwood Investors, a New York based private investment fund manager. Before Devonwood, Mr Sinex was a Financial Analyst at Goldman Sachs in the Real Estate Principal Investment Area, where he concentrated on evaluating potential acquisitions for the Whitehall funds. In this capacity, Mr Sinex helped deploy more than \$1 billion of equity capital.

Mr Sinex began his finance career with Bear, Stearns & Co. Inc. as an Analyst in the Global Industries Investment Banking group. During his time at Bear Stearns, Mr Sinex focused on providing mergers and acquisitions, capital raising and advisory services to public and private companies.

Mr Sinex received his Bachelor of Arts from Middlebury College and received a Masters of Business Administration (with highest honours) from the University of Virginia's Darden School of Business.

6.8. Registration of Investment Manager

The Investment Manager will apply to the New Jersey Bureau of Securities for registration as an investment advisor. Registration is expected to be completed prior to the issue of Units under this PDS. In the unlikely event registration is not completed, the Investment Manager may continue to manage the investments of the LP under exemptions available to it under US Federal and State laws. However, the GP may seek to replace the Investment Manager.

6.9. Compliance Committee

A compliance committee comprising a majority of members who are independent of Walsh & Co will monitor compliance of the Fund with the compliance plan. Membership of the compliance committee comprises:

A) TRISTAN O'CONNELL (INTERNAL MEMBER)

Refer to Section 6.4.

B) BARRY SECHOS (INDEPENDENT MEMBER)

Barry is one of two independent members of the compliance committee. 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. Barry is also a member of the compliance committee for Fund I.

C) MICHAEL BRITTON (INDEPENDENT MEMBER)

Michael is one of two independent members of the compliance committee. Michael has over 35 years of commercial and financial services experience, initially with Boral Limited and culminating in 12 years as General Manager of the corporate businesses of The Trust Company Limited 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. Michael is also a member of the compliance committee for Fund I and a member of the compliance committee for Emerging Markets Masters Fund.

6.10. Key corporate governance policies

(A) CORPORATE GOVERNANCE

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

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

(B) CONTINUOUS REVIEW OF CORPORATE GOVERNANCE

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

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

(C) EMPLOYEE TRADING POLICY

The Responsible Entity has adopted a Unit Trading Policy that regulates dealings by Directors and key employees involved in the management of the Fund in Units. The purpose of the Policy is principally to ensure that all Directors and key employees understand the law in relation to 'insider trading' (under the Corporations Act) and the legal and Fund imposed restrictions on trading in Units while in possession of price-sensitive information.

(D) CONTINUOUS DISCLOSURE POLICY

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

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



7. FEES AND COSTS

Government regulation requires the inclusion of the following standard consumer advisory warning as set out below. The information in the consumer advisory warning is standardised across all product issuers and does not provide any specific information on the fees and charges in this Fund.

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial advisor.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a superannuation calculator to help you check out different fee options.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

This section shows fees and costs you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund's assets as a whole. Taxes are set out in Section 11 of this PDS. You should read all the information about fees and costs because it is important to understand their impact on your investment.

7.1. Fees and Costs

TABLE 2: FEES AND COSTS

Type of Fee or cost	Amount	How & when paid
FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE FUND		
Establishment Fee The fee to open your investment	Nil	Not applicable
Contribution Fee The fee on each amount contributed to your investment – either by you or your employer	Nil	Not applicable
Withdrawal Fee The fee on each amount you take out of your investment	Nil	Not applicable
Termination Fee The fee to close your investment	Nil	Not applicable
MANAGEMENT COSTS – THE FEES AND COSTS FOR MANAGING YOUR INVESTMENT		
Initial Costs		
Structuring & Arranging Fee¹ The fee for structuring and arranging the Fund	2.20% (inclusive of GST) ⁵ of the gross proceeds raised by the Offer	A one off payment, payable after the close of the Offer out of the Application Monies and due on allotment by the Fund
Handling Fee² The fee for handling and arranging Applications for the Offer	2.20% (inclusive of GST) ⁵ of the gross proceeds raised by the Offer	A one off payment, payable after the close of the Offer out of the Application Monies and due on allotment by the Fund
Ongoing Costs		
Responsible Entity Fee³ The fee payable to the Responsible Entity by the Fund	0.088% per annum (inclusive of GST) ⁵ of the gross asset value of the Fund	The fee is charged on the gross asset value of the Fund and is payable quarterly in advance by the Fund
Administration Fee³ The fee payable to the Responsible Entity by the Fund for the administration of the Fund	0.275% per annum (inclusive of GST) ⁵ of the gross asset value of the Fund.	The fee is charged on the gross asset value of the Fund and is payable quarterly in advance by the Fund

Type of Fee or cost	Amount	How & when paid
GP Fee⁴ The fee is payable to the GP by the LP	2.00% per annum of the total funds committed by limited partners to the LP Note: this fee will only be payable for a ten year period from the Fund's inception	The fee is charged on the total capital commitments made by partners of the LP. The fee is payable quarterly in advance from funds of the LP
Underlying Fund Management Fee⁶ The fee payable to the managers of underlying funds by the LP	2.00% per annum of the total funds committed by the LP to underlying funds. Dependent on the composition of underlying funds and size of investment with each constituent fund	Paid directly out of the assets of the LP
Other expenses The fees and costs associated with the administration of the Fund and its investments that are paid by the Responsible Entity including registry fees, custodian fees, tax and audit fees	Dependent on costs and size of the Fund. All external administration fees and expenses are paid by the Fund	Paid directly out of the assets of the Fund
Service Fees Investment switching fee. The fee for changing investment options	Nil	Not applicable

1. This fee is an amount payable to the Responsible Entity (see "Application Fees" under the heading "Additional Explanation of Fees and Costs"). 2. This fee is an amount payable to an advisor or the Responsible Entity (see "Application Fees" under the heading "Additional Explanation of Fees and Costs"). 3. This fee is an amount payable to the Responsible Entity (see "Management Fees" under the heading "Additional Explanation of Fees and Costs"). 4. This fee is an amount payable to the GP (see "GP Fee" under the heading "Additional Explanation of Fees and Costs"). 5. These amounts include GST but it is anticipated that the Fund will be able to recover at least 55% of any GST component of fees charged to it under the reduced credit acquisition provisions of the GST Act (see "GST" under the heading "Additional Explanation of Fees and Costs"). 6. This fee is an amount payable by the LP to the underlying fund managers in relation to the performance of their management function. These fees may include entry fees, transaction fees, exit fees, ongoing management fees and performance fees. These management fees are commonly in the range of approximately 1% to 2% depending on rebates.

TABLE 3: EXAMPLE INVESTMENT OF ANNUAL FEES AND COSTS FOR AN INVESTMENT IN THE FUND

This table gives you an example of how the fees and costs for this product can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

Example investment	Amount	Investment of \$50,000
Contribution Fee	Nil	Not applicable
Plus Management Costs¹	4.36%	AND, if you had an investment of \$50,000, you will be charged \$2,180 (inclusive of GST, where applicable) ¹ each year
Equals Cost of Fund	4.36%	If you had an investment of \$50,000 during a year and your balance was \$50,000, then for that year, you would be charged fees of: \$2,180 (inclusive of GST, where applicable) ^{*2} .

*Additional fees may apply – initial fees include a structuring and arranging fee of 2.20% (inclusive of GST)² of the gross proceeds raised by the Offer and a handling fee of 2.20% (inclusive of GST)² of the gross proceeds raised by the Offer will be payable after the close of the Offer – see Section 7.2 for further details of additional ongoing fees that may apply.

1. Includes Responsible Entity Fee (including GST), Administration Fee (including GST), GP Fee and Underlying Fund Management Fee. This assumes a 2% ongoing Underlying Fund Management Fee payable on all investments in underlying funds and all LP capital commitments have been invested. 2. These amounts include GST in respect of the Responsible Entity Fee and Administration Fee but it is anticipated that the Fund will be able to recover at least 55% of any GST component of fees charged to it under the reduced credit acquisition provisions of the GST Act. (See “GST” under the heading “Additional Explanation of Fees and Costs”).

7.2. Additional explanation of fees and costs

A) APPLICATION FEES

The Constitution of the Fund provides that the Responsible Entity may charge application fees (referred to as a structuring and arranging fee and handling fee above) of up to 5.50% (inclusive of GST) of the price at which Units in the Fund are issued, and accordingly, the Responsible Entity can increase the application fees it charges, up to that amount without seeking Unitholder approval.

In respect of this Offer, the Responsible Entity will only charge 4.40% (including GST).

B) MANAGEMENT FEES

The Constitution of the Fund provides that the Responsible Entity will charge management fees (referred to as the responsible entity fee and administration fee, in aggregate, above) of up to 2.20% per annum (inclusive of GST) of the gross asset value of the Fund and accordingly, the Responsible Entity can increase the management fees it charges the Fund up to that amount without seeking Unitholder approval. The current fees to be charged by the Responsible Entity will be a responsible entity fee of 0.088% (inclusive of GST) per annum and an administration fee of 0.275% (inclusive of GST), charged on the gross asset value of the Fund and payable quarterly in advance.

C) GP FEE

The LP Agreement provides that the GP will receive a management fee equal to 2.00% per annum of the total capital committed by the limited partners to the LP. This will comprise the capital commitment of the Fund and Cordish Private Ventures. This GP fee is payable irrespective of whether the capital committed by the partners has in fact been drawn by the GP and applied to investments for the limited partners through the LP. The GP Fee is only payable for a 10 year period from the Fund's inception.

The Fund will nominate its capital commitment to the LP within 5 business days of the issue of Units under this PDS. This commitment will be equal to the net proceeds of the Offer less an amount equal to the anticipated ongoing costs of operating the Fund. Cordish Private Ventures will make a capital commitment equal to 20% of the capital of the Fund, up to a maximum of US\$10 million.

A summary of the LP Agreement which documents this fee is included in Section 12.1.

D) UNDERLYING FUND MANAGEMENT FEE

The GP is entitled to be reimbursed, out of the assets of the LP, for all out-of-pocket expenses it properly incurs in operating and administering the Fund. This includes the fees charged by underlying fund managers associated with the performance of their management functions. These fees may include entry fees, transaction fees, exit fees, ongoing management fees and performance fees. These management fees are commonly in the range of approximately 1% - 2% depending on rebates. The exact quantum of these fees will depend on the composition of underlying funds and the size of the LP's investment with each constituent fund.

E) EXPENSES RELATING TO THE MANAGEMENT OF THE FUND

The Responsible Entity is entitled to be reimbursed, out of the assets of the Fund, for all out-of-pocket expenses it properly incurs in operating and administering the Fund. This includes expenses such as taxes and bank fees, preparation of financial statements and tax returns and compliance costs.

F) FORM OF PAYMENT OF FEES

Fees may be paid in cash or, in the case of fees paid under the Constitution, subject to the Corporations Act, in the form of ordinary Units.

G) FORM OF PAYMENT OF FEES

Fees may be paid in cash or, in the case of fees paid under the Constitution, subject to the Corporations Act, in the form of ordinary Units.

(H) ADVISOR REMUNERATION

The Responsible Entity may pay commissions to advisors who introduce Applicants to the Offer. The Responsible Entity will pay these commissions from the handling fee it is entitled to receive if it chooses to do so or out of its own resources.

(I) GST

It is anticipated that the Fund will be able to recover at least 55% of the GST component of fees charged to it under the reduced credit acquisition provisions of the GST Act. There may be circumstances where the GST recovery rate may be higher or lower.

7.3. Expenses of the Offer

The Responsible Entity has elected to incur the costs and expenses associated with the Offer. This includes expenses such as legal, tax and accounting advice costs, printing and other expenses.

7.4. Unitholder administration

If asked to do something outside our normal administration function, there may be a fee. The fees vary depending on the request by a Unitholder.

7.5. Benefits to the Responsible Entity

Except for the interest, fees and remuneration disclosed in this PDS, the Responsible Entity and its Directors and employees have not received, and are not entitled to, any benefit in relation to this Offer. Subject to law, Directors may receive a salary as employees of the Responsible Entity, consulting fees, directors fees, dividends and may from time to time hold interests (directly or indirectly) in the Units in the Fund or shares in entities making up the Dixon Advisory Group.

8. FINANCIAL INFORMATION

8.1. Pro forma unaudited Statements of Financial Position

The pro forma Statements of Financial Position set out below have been prepared to illustrate the financial position of the Fund following completion of the Offer and expenditure of funds associated with the Offer and to reflect the private investment fund partnership which has been established. These pro forma Statements of Financial Position are intended to be illustrative only and will not reflect the actual position and balances as at the date of this PDS or at the completion of the Offer.

The pro forma Statements of Financial Position have been prepared in accordance with the significant accounting policies set out in Section 8.3.

The pro forma Statements of Financial Position are presented in summary form only and do not comply with the presentation and disclosure requirements of Australian Accounting Standards.

A\$ Assets / liabilities	Minimum subscription \$20,000,000 raised	Maximum subscription \$40,000,000 raised	Oversubscription \$65,000,000 raised
Cash	19,094,821	38,240,011	62,177,455
Interest in private investment fund partnership (refer 8.2 (e) below)	–	–	–
Liabilities	–	–	–
Net assets / Equity	19,094,821	38,240,011	62,177,455
NAV per unit	1.53	1.53	1.53

A reconciliation of the pro forma cash balances is shown below:

A\$	Minimum subscription \$20,000,000 raised	Maximum subscription \$40,000,000 raised	Oversubscription \$65,000,000 raised
Pro forma adjustment – Proceeds of the Offer	20,000,000	40,000,000	65,000,000
Pro forma adjustment – Expenses of the Offer (refer 8.2 (f) below)	905,179	1,759,989	2,822,545
Pro forma net cash position	19,094,821	38,240,011	62,177,455

8.2. Assumptions

The pro forma Statements of Financial Position have been prepared on the basis of the following assumptions:

- a) Application of the significant accounting policies set out in Section 8.3;
- b) The column headed "Minimum subscription \$20,000,000 raised", has been prepared on the basis of subscriptions of 12,500,000 units by Applicants under this PDS at an issue price of \$1.60 per unit;
- c) The column headed "Maximum subscription \$40,000,000 raised", has been prepared on the basis of subscriptions of 25,000,000 units by Applicants under this PDS at an issue price of \$1.60 per unit;
- d) The column headed "Over subscription \$65,000,000 raised", has been prepared on the basis of subscriptions of 40,625,000 units by Applicants under this PDS at an issue price of \$1.60 per unit;
- e) "Interest in private investment fund partnership" represents a limited partnership interest held by the Fund, in U.S. Select Private Opportunities Fund II, L.P. (**LP**), a limited partnership established in the Cayman Islands with a primary strategy of investing in US small-to-mid-market private investment funds. The other limited partner in the LP will be Cordish Private Ventures, LLC;

The General Partner of the LP, with responsibility for selecting and managing investments of the LP, will be U.S. Select Private Opportunities Fund II GP, LLC (**GP**), a limited liability company incorporated in Delaware. The GP will be 50% owned by a wholly owned subsidiary of Dixon Advisory Group and 50% owned by an affiliate of Cordish Private Ventures, LLC;
- f) Expenses related to the Offer to be paid by the Fund include a Structuring & Arranging fee of 2.20% (including GST) and a Handling fee of 2.20% (including GST), both of the gross proceeds raised by the offer and ASX listing fees (including GST), less the portion of the full input tax credit entitled to; and
- g) No interest is earned by the Fund during the offer period.

8.3. Significant accounting policies

The accounting policies set out below represent the significant accounting policies which have been adopted in the preparation of the pro forma Statements of Financial Position and which will be adopted prospectively for the Fund.

A) FOREIGN CURRENCIES

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

Transactions in foreign currencies are initially recorded in Australian dollars by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies that are outstanding at the reporting date are retranslated at the rate of exchange ruling at the Statement of Financial Position date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

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 intends to elect to early adopt "AASB 9 - Financial Instruments", which was issued on 7 December 2009. AASB 9 includes requirements for the classification and measurement of financial assets.

i) Financial assets

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

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

- where a financial asset is held within a business model for the objective to collect contractual cash flows; and
- contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

At initial recognition of equity instruments measured at fair value, the Fund intends to irrevocably elect to present subsequent changes in fair value (gains and losses) of equity positions not held for trading in other comprehensive income through an asset revaluation reserve. The Fund's interest in the investment fund partnership is regarded as an equity instrument which is not held for trading (refer note (E)).

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

ii) Financial liabilities

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

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

iii) Derecognition

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

iv) Fair Value

Fair value is the amount for which an asset could be sold or a liability settled, between knowledgeable, willing parties in an arm's length transaction. 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, including recent arm's length transactions, and reference to similar instruments and valuation techniques commonly used by market participants.

C) 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 changes in value.

D) TAXES

i) Income tax

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

ii) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except to the extent the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the unrecoverable 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.

E) INTEREST IN PRIVATE INVESTMENT FUND PARTNERSHIP

The Fund has entered into a partnership arrangement with Cordish Private Ventures, LLC with a primary strategy of investing in US small-to-mid-market private investment funds. The interest held by the Fund is regarded as an equity instrument which is recorded at fair value. Subsequent changes in fair value (gains and losses) are presented in other comprehensive income through an asset revaluation reserve (refer note (B)).

The carrying value of the interest in the private investment fund partnership is tested for impairment at each reporting period (refer note (F)).

F) 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 the statement of comprehensive income.

G) REVENUE RECOGNITION

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

H) 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) DIVIDEND INCOME

Dividend income is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

J) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Fund's accounting policies, management is required to make judgments, 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 determination of the fair value of the interest in the private investment fund partnership, and impairment of assets.



9. RISKS

Prior to investing, you should consider the risks involved in investing in the Fund and whether the Fund is appropriate for your objectives and financial circumstances. Some of the risks are outside the control of the Responsible Entity and you should read this PDS in its entirety to fully understand the risks associated with an investment in the Fund.

This PDS contains forward-looking statements based on certain assumptions that are inherently uncertain. Actual events and results of the Fund's operations could differ materially from those anticipated. Some of the risks may be mitigated by the use of safeguards and appropriate systems and actions, but some are outside the control of the Responsible Entity and cannot be mitigated.

The Responsible Entity does not guarantee any rate of return in terms of income or capital or investment performance of the Fund. The value of the Units will reflect the performance of the investments made by the Fund and current market conditions. There can be no certainty that the Fund will generate returns or distributions to the satisfaction of the Investor.

Investors can undertake several steps to help minimise the impact of risk. First, seek professional advice suited to your personal investment objectives, financial situation and particular needs. Nothing in the PDS can replace or offer that. Second, invest for at least the time frame recommended by your professional advisor.

This section describes the areas believed to be the major risks associated with an investment in the Fund. These risks have been separated into general investment risks and specific investment risks. Investors should note that this is not an exhaustive list of the risks associated with the Fund.

9.1. General investment risks

A) MACROECONOMIC RISKS

The US private investment market and the value of the assets within the Fund can be affected by changes in various macroeconomic conditions. Changes in the US or international economic, technological, political or regulatory environment, as well as inflation and market sentiment, can have a negative or positive impact on asset values.

The Fund will always try to minimise these risks by drawing on the experience of the Responsible Entity and the Investment Manager as well as leveraging its contacts and research in the marketplace.

B) STOCK MARKET RISK

There are pricing and other risks associated with any investment in a publicly listed Fund. The price of Units may rise and fall due to numerous factors which may affect the market performance of the Fund, such as variations in the local and global markets for listed stocks in general.

In the future, the sale of large parcels of Units may cause a decline in the price at which the Units trade. No assurances can be made that the performance of the Units will not be adversely affected by any such market fluctuations or factors. None of the Fund, the Responsible Entity, the GP, the Investment Manager or any other person guarantees the performance of the Units.

C) REGULATORY RISK

Changes in government legislation, regulation and policy may affect future earnings and values of investments. Changes in accounting standards may affect the reported earnings and financial position of the Fund in future financial periods.

The GP and Cordish Services are not registered as investment advisors and so are not subject to regulatory supervision in relation to the business activities they undertake for the benefit of the limited partners (including the Fund).

The Investment Manager will apply for registration as an Investment Advisor by the New Jersey Bureau of Securities. While the Investment Manager anticipates that its application will be successful, there can be no certainty that the application will be granted. In the unlikely event registration is not completed, the Investment Manager may continue to manage the investments of the LP. However, the GP may seek to replace the Investment Manager.

D) TAXATION RISK

Changes to the taxation laws, policies and administrative practices in Australia, the US and Cayman Islands may affect the tax treatment of the Fund and the tax consequences for the Unitholders.

A general summary of certain of the Australian and US taxation consequences for certain Investors is provided at Section 11. It is a general summary only and is not intended to provide specific tax advice to any particular Investor.

Investors should seek their own independent tax advice based on their specific circumstances before making a decision to invest in the Fund.

E) COUNTERPARTY RISK

There is a risk that counterparties with the Fund, the Investment Manager, GP and/or LP do not perform their obligations which may affect the value of, and returns from, an investment in the Fund. The Fund will seek to reduce these risks by engaging only with reputable parties.

F) POOR INVESTMENT PERFORMANCE

None of the Fund, Responsible Entity, GP, Investment Manager or any other person gives a guarantee regarding the amount of income, distribution or capital return of Units or the performance of the Fund, nor do they guarantee the repayment of capital.

G) UNIT LIQUIDITY RISK

Liquidity refers to the ease with which an asset can be traded (bought and sold). As the Units have not yet traded, there can be no guarantee that a liquid market for securities in the Fund will develop within an acceptable period of time or at all. Applicants in the Fund should be aware that this may limit their ability to realise a return or recover their capital.

H) LITIGATION RISK

In the course of its operations, the Fund, the Investment Manager, the GP and/or LP may be involved in disputes and litigation. The extent of such disputes and litigation cannot be ascertained at this time, but there are risks that costly disputes or litigation may adversely affect the profitability of the Fund, value of its assets or market price of the Units.

I) FORCE MAJEURE

Force majeure is the term generally used to refer to an event beyond the control of any party, including acts of God, fire, floods, earthquakes, wars and strikes. These events may affect returns to Investors.

J) KEY PERSONNEL RISK

There is a risk that the departure of key staff that have particular expertise in funds and private equity investments, whether they are the staff of the Fund, Responsible Entity, the GP, Investment Manager or the underlying fund managers, may have an adverse effect on the earnings and value of the Fund.

9.2. Specific investment risks to the Fund

A) NO DIRECT SUPERVISION OF INVESTMENTS

The GP acts as general partner of the LP. As a general partner, the GP owes fiduciary duties to all limited partners of the LP to act in the best interests of the partners. The relationship between the GP and the limited partners of the LP (including the Fund) is regulated by the LP Agreement. See Section 12.1 for details. The GP has engaged the Investment Manager to act as investment manager with discretion to undertake and realise investments for the benefit of the LP as a delegate of the GP. While the GP is jointly owned by DGP Inc. (a wholly owned subsidiary of Dixon Advisory Group) and an affiliate of Cordish Private Ventures, under Cayman Islands law, a limited partner will lose the benefit of limited liability if it becomes actively involved in management of the limited partnership. Accordingly, while the Responsible Entity may be consulted on investments that are inconsistent with the investment strategy agreed with the GP and Investment Manager, it does not have the ability to give directions regarding investments. This will continue irrespective of whether there is a change in the responsible entity of the Fund.

The Investment Manager has confirmed to the Responsible Entity that it will exercise its discretion as investment manager and the GP has confirmed to the Responsible Entity that it will exercise its discretion as general partner of the LP to make investments consistent with the investment strategy of the Fund outlined in this PDS.

B) LIMITED EXPERIENCE OF INVESTMENT MANAGER

While Dixon Advisory Group, through its directors and executives, has experience in managing Fund I, a private investment fund using a fund-of-funds style of investment which is generally consistent with the investment strategy to be implemented by the Fund and advising on individual private investment transactions in relation to

Australian-based private companies. However, neither the Investment Manager nor the Responsible Entity has established or managed a private investment fund. See Section 6 for details.

The limited experience of the Investment Manager may adversely affect the financial and operating performance of the LP and the Fund.

C) CORDISH ABILITY TO ASSIST IN SECURING INVESTMENTS

The Investment Manager is a wholly owned subsidiary of the Dixon Advisory Group. It will receive the full-time services of Jonathan Sinex, a Principal of Cordish Private Ventures, and the support of members of the Advisory Board including Jonathan Cordish and Margaret Cordish, who have experience in investing in private investment funds using a style similar to that proposed for the Fund. However, the role of the Advisory Board is advisory only and has no authority to bind the Investment Manager. The Cordish representatives have committed to serving on the Advisory Board for a minimum of five years but there is no certainty that the support of the Cordish representatives will be retained for the duration of the Fund.

Additionally, Cordish Services has entered into an administrative services agreement with the GP but the services to be provided do not include investment management services.

While it is anticipated that the investment by Cordish Private Ventures in the LP and the involvement of its affiliates and staff will assist the Investment Manager in securing access to private investment funds for investment, there can be no certainty that this will eventuate.

D) PRIVATE INVESTMENTS RISK

Private investments provide exposure to smaller and less well-developed companies where business activities are less well established and are at a higher risk of failure. Private investments may also take a relatively long time to become profitable. Given these characteristics, the private investments asset class should be considered a higher risk asset class than traditional equities, with an increased potential for loss of capital and an increased volatility of returns. Investments in this asset class should be considered a long-term investment.

E) PRIVATE INVESTMENT MARKET RISKS

In light of difficult financial and economic conditions in the US in recent years, there is a risk that underlying investment managers may be unable to secure

appropriate investments or realise existing investments in a manner that will generate acceptable returns for investors (such as the Fund).

F) CONCENTRATION RISK

The Fund may invest in a relatively small number of investments (although no investments may be more than 33% of the aggregate capital commitment of the LP), and as such, concentrations in sectors, countries, or other groupings are more likely to arise. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss in the Fund than if a larger number of investments were made.

G) UNLISTED INVESTMENT RISK

The underlying investments of private investment funds are typically in unlisted investments. As a result there may be no open market to establish an independent value for certain investments and no assurance that a determination of fair value will be obtainable in the market or that there will be a market for the unlisted investment.

The underlying investments of private investment funds are not commonly traded amongst investors. Individual investments made by private investment funds are typically held for a duration of three to five years, but some investments can be held for up to 10 years. Any gains from these investments will only be realised when they are sold. There can be no certainty that any gain on an investment will be made by the investment fund.

H) INVESTMENT EXIT RISK

Interests in private investment funds are not commonly traded among investors. Such investments usually carry no entitlement for investors to withdraw from or otherwise realise their investment in underlying funds except at the discretion of the relevant fund manager. The Fund, GP and the Investment Manager can exercise no control over the decisions of the underlying fund managers. Accordingly, the Fund may not be able to readily realise its investment in underlying funds.

I) LONG TIME HORIZON

Investing in private investments requires a longer term commitment to the asset class, typically five to 10 years, and this will mean that realisation of value through capital growth may be similarly timed.

J) US SPECIFIC RISKS

The US private investments industry is sensitive to macroeconomic shifts, credit market and equity market volatility and US specific regulations governing the private investment sector.

A number of risks regarding an investment in the US private investments market, without limitation, include:

- a downturn in the US economy or a further recession that may place downward pressure on investment returns achievable in the marketplace and future capital growth prospects;
- US interest rate fluctuations, which may impact on performance of underlying investments; and
- any other factor which may impede the recovery of the US, and specifically, the US private investments market.

The Investment Manager is required and will apply to be registered as an Investment Advisor by the New Jersey Bureau of Securities. Once registered, if the Investment Manager is found to have violated any laws or regulations applicable to investment advisors, it could be subject to significant penalties and sanctions and the management of the LP's investment portfolio could be impaired, thereby negatively affecting the Fund.

K) VALUATION RISK

It is generally the responsibility of the underlying fund managers to determine the value of each underlying investment in their portfolios. Should the realisable value of the underlying investments be less than the underlying fund manager's valuation, or should there be a material change in the underlying fund manager's valuation, this may affect the Fund's performance and may result in increased Unit price volatility.

L) US TAXATION LAWS

Depending on the characterisation of the Fund's direct and indirect investments for US federal income tax purposes, all or a portion of the income therefrom may be subject to US federal income tax. Any tax liability incurred by the Fund generally could reduce the Fund's overall economic returns and materially reduce the amount available for ultimate distribution to Unitholders. See Section 11.2 for a discussion of certain material US income tax considerations. Prospective Unitholders should consult their own tax advisors regarding the US federal income tax consequences of investing in, holding and disposing of Units in the Fund.

M) BORROWING AND DEPOSIT RISK

The Fund's policy is not to undertake borrowings but the Responsible Entity has the discretion to gear up to 10% of the value of total assets of the Fund. There is a risk that any loan will need to be repaid at short notice or cannot be replaced post expiry. The main reason for this would be if the Fund breached its obligations to the lender or a new facility was not available in a timely way. The Fund may need to sell holdings in its investments if a new facility could not be secured. This could be at a less than favourable time and/or terms. The Fund would explore obtaining replacement loans, but this may prove more difficult in some circumstances. There is also a risk that the provider of any loan may not meet its obligations or may suffer financial difficulty. The Fund will endeavour to borrow only from reputable large financial institutions to minimise this risk.

The Fund will manage these borrowing risks by following strict investment and risk guidelines and dealing with respected lenders. It is important to note that borrowing may increase the potential return of the Fund but may also increase its potential losses.

The Fund and LP may also have US dollar-denominated cash deposits. These cash deposits will not be insured and in the event of bank failure, the Fund's deposits may not be recoverable in full, which will have an adverse effect on the value and investment activity of the Fund. The Fund manages this deposit risk by only dealing with financial institutions that passes its rigorous due diligence process and credit risk analysis.

N) INTEREST RATE RISK

Should the Fund be able to obtain borrowings, changes in the US and/or Australian interest rates may have a positive or negative impact directly on the Fund income. Changes in interest rates may also affect the market more broadly and positively or negatively affect the value of the Fund's underlying assets.

O) FUTURE INVESTMENTS

The Responsible Entity intends to invest in various private investment funds as outlined in this document. The rate at which this occurs will depend on market conditions and the availability of suitable investments on appropriate terms at the time. There is a risk that the Fund may not be able to make these investments in a timely fashion or at all, which will affect the future performance of the Fund.

P) FOREIGN EXCHANGE RISK

The Fund's investments will be focused in the US small and middle market private investment segment through the Fund's investment in LP. The assets and liabilities of LP and its controlled entities will be denominated in US dollars. The value of the Units will be affected by increases and decreases in the value of the US dollar relative to the Australian dollar. This will affect the value, in Australian dollars whenever any of LP's income or capital is distributed to the Fund or the value of the Fund's net assets is calculated. An increase in the value of the US dollar against the Australian dollar will mean the distributions from LP and the value of the LP's investments less any liabilities will be worth more when converted into Australian dollars, but if the value of the US dollar falls, those distributions and investments will be worth less in Australian dollar terms.

The value of the Australian dollar has been subject to significant fluctuations with respect to the US dollar in the past and may be subject to significant fluctuations in the future.

Q) COUNTERPARTY RISK

There is a risk that counterparties with the Fund or the GP (including the Investment Manager or affiliates of Cordish Private Ventures) do not perform their obligations which may affect the value of, and returns from an investment in the Fund. The Fund seeks to reduce these risks by engaging only with reputable parties.

The Fund will be operated as a fund of funds and positions in underlying funds will be minority positions only. The Fund will not be in a position to disclose information to Investors regarding such underlying investments until that investment has been made and the information provided to Investors will depend on the nature of the underlying fund and its reporting structure.

R) SUBSTANTIAL UNCOMMITTED FUNDS

Under the Offer, the Fund will receive new funds which at the time may be uncommitted to any specific private investment fund. It may take longer than expected to identify sufficiently attractive investments for the Fund to fully invest any capital which is raised.

S) CAPITAL RETURN

Income from the Fund will be mostly by way of capital growth as opposed to income based and so payment of any distributions will be based on the realisation of private investments which can be uncertain.

T) POTENTIAL FOR INCREASED COSTS

The GP is entitled to receive a management fee equal to 2.00% per annum (on an annualised basis) of the aggregate capital commitments made by the limited partners to the LP.

The Investment Manager will invest on behalf of the LP in private investment funds as delegate of the GP. These underlying fund managers are also entitled to receive fees associated with performance of their management function. These fees may include entry fees, transaction fees, exit fees, ongoing management fees and performance fees. The Fund is responsible for payment of those fees. The fund-of-funds style of investment may result in the Fund paying a higher level of fees than if the Fund invested directly in the assets held by the underlying funds because fees are payable at two separate levels of management.

The Fund considers that the benefits associated with a fund-of-funds style of investment to outweigh the potential for higher fees. In addition, the Fund considers the scale of investment to be undertaken by the LP in underlying funds may provide the Investment Manager with an opportunity to negotiate with individual fund managers to reduce such fees.

U) INTERESTS OF SHAREHOLDERS OF GP AND LIMITED PARTNERS MAY NOT ALIGN

Pratt Street Private Ventures, LLC is a shareholder in the GP and an affiliate of Cordish Private Ventures (one of the limited partners). Though the GP remains subject to the fiduciary duty to act in the best interests of all limited partners, there is the potential for a conflict to arise between the interests of the Fund (as a limited partner) and Cordish Private Ventures. There are presently no procedures in place to address any such conflicts of interest arising. Should an actual conflict arise, investors are presently dependent on the remaining shareholder of the GP exercising its right to veto any transaction which it considers is not in the interests of limited partners (including the Fund). The GP has committed to developing appropriate protocols to address any such conflicts.

10. INVESTIGATING ACCOUNTANTS' REPORT



Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

DX: 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

The Directors
Walsh & Company Investments Limited
As Responsible Entity for the US Select Private Opportunities Fund II
Level 15
100 Pacific Highway
North Sydney NSW 2060

22 February 2013

Dear Directors

INVESTIGATING ACCOUNTANTS' REPORT ON PRO FORMA FINANCIAL INFORMATION

Introduction

Deloitte Touche Tohmatsu (Deloitte) has been engaged by the Directors of Walsh & Company Investments Limited (the Responsible Entity) as responsible entity for the US Select Private Opportunities Fund II (the Fund) to prepare this Investigating Accountants' Report (Report) for inclusion in a Product Disclosure Statement to be issued by the Responsible Entity on or about 22 February 2013 in connection with the offer of fully paid ordinary units in US Select Private Opportunities Fund II to raise up to \$65 million (Product Disclosure Statement).

The offer is not underwritten.

References to US Select Private Opportunities Fund II and Walsh & Company Investments Limited and other terminology used in this report have the same meaning as defined in the Glossary of the Product Disclosure Statement.

Pro Forma Financial Information

Deloitte has been requested to prepare a report covering the following pro forma financial information:

- The pro forma Statements of Financial Position of the Fund on completion of the Offer as set out in Section 8.1 of the Product Disclosure Statement;
- The pro forma assumptions on which the pro forma Statements of Financial Position are based as described in Section 8.2 of the Product Disclosure Statement; and
- The significant accounting policies of the Fund as set out in Section 8.3 of the Product Disclosure Statement.

(Collectively the Pro Forma Financial Information).

The Pro Forma Financial Information has been derived from the records of the Fund after reflecting the pro forma assumptions as described in Section 8.2 of the Product Disclosure Statement.

The Directors of the Responsible Entity are responsible for the preparation and presentation of the Pro Forma Financial Information, including the determination of the pro forma assumptions on which the pro forma Statements of Financial Position have been based.

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The Pro Forma Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards (including the Australian Accounting Interpretations) applicable to annual financial reports prepared in accordance with the Corporations Act 2001.

Scope***Review of the Pro Forma Financial Information***

We have reviewed the Pro Forma Financial Information in order to report whether anything has come to our attention which causes us to believe that the Pro Forma Financial Information set out in Section 8 of the Product Disclosure Statement is not presented fairly in accordance with the basis of preparation as described in Section 8.1 of the Product Disclosure Statement.

Our review has been conducted in accordance with Australian Standard on Review Engagements (ASRE) 2405 “*Review of Historical Financial Information Other than a Financial Report*”. We have made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, including:

- Analytical procedures on the Pro Forma Financial Information;
- A review of work papers, accounting records and other documents;
- A review of the pro forma assumptions on which the pro forma Statements of Financial Position are based as described in Section 8.2 of the Product Disclosure Statement;
- A comparison of consistency in application of the recognition and measurement principles in Australian Accounting Standards (including the Australian Accounting Interpretations), and the significant accounting policies adopted by the Fund as disclosed in Section 8.3 of the Product Disclosure Statement; and
- Enquiry of the directors and management of the Fund and the Responsible Entity.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Pro Forma Financial Information.

Review Statement

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the pro forma Statements of Financial Position set out in Section 8.1 do not present fairly, in all material respects, the pro forma financial position of the Fund following completion of the Offer in accordance with the basis of preparation as described in Section 8.1 of the Product Disclosure Statement.

Subsequent Events

Apart from the matters dealt with in this Report, and having regard for the scope of our Report, no other material transactions or events outside of the ordinary business of the Fund have come to our attention that would require comment on, or adjustments to, the information contained in Section 8 of the Product Disclosure Statement, or would cause such information to be misleading or deceptive.



Page 3

Independence and Disclosure of Interest

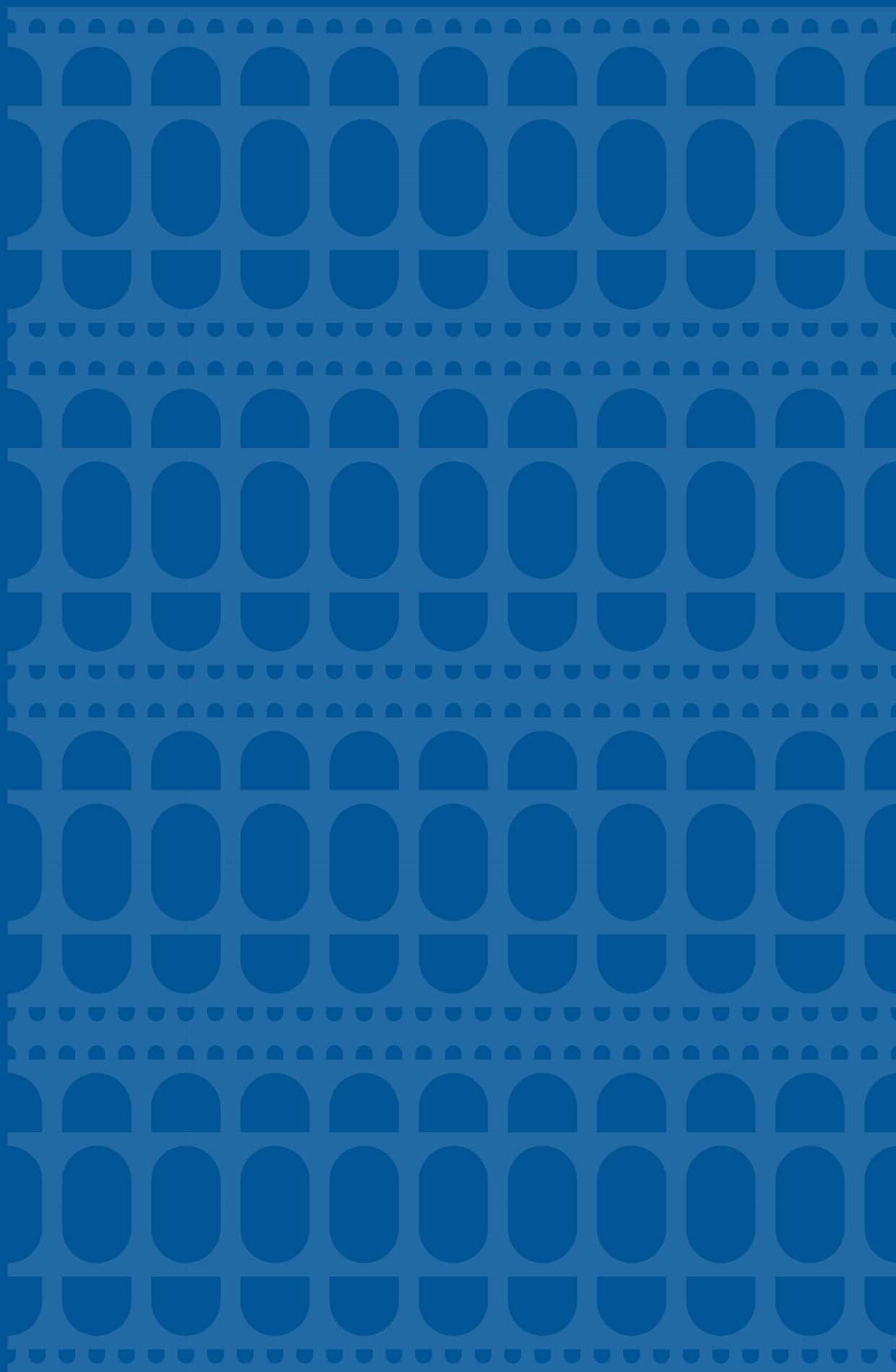
Deloitte Touche Tohmatsu does not have any interest in the outcome of this Offer other than the preparation of this Report, Deloitte Tax Services Pty Ltd's Tax Opinion in Section 11 of the Product Disclosure Statement and participation in the due diligence procedures for which normal professional fees will be received. Deloitte Touche Tohmatsu is the auditor of the Fund.

A stylized, handwritten signature of the Deloitte Touche Tohmatsu firm, written in a cursive script.

Deloitte Touche Tohmatsu

A handwritten signature of Michael Kaplan, written in a cursive script.

Michael Kaplan
Partner



11. TAXATION

11.1. Australian taxation opinion



Deloitte Tax Services Pty Ltd
ACN 092 223 240

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

Tel: +61 2 9322 7000
Fax: +61 (0) 9322 7026
www.deloitte.com.au

The Directors
Walsh & Company Investments Limited
Level 15
100 Pacific Highway
North Sydney, NSW 2060

22 February 2013
Our Ref: MH/RM/FH

Dear Directors

Re: Australian Taxation Consequences of subscribing for Units in the US Select Private Opportunities Fund II (Fund)

This letter has been prepared for inclusion in the Product Disclosure Statement (PDS) dated 22 February 2013 in relation to the issue of the Units in the Fund.

This letter provides a general summary of the key Australian income tax, capital gains tax (CGT), goods and services tax (GST) and stamp duty consequences for Australian resident individuals, companies and complying superannuation entities who subscribe for Units pursuant to the Offer and hold the Units on capital account for Australian income tax purposes (**Investors**).

This general summary does not take into account the Australian tax consequences for investors who are non-residents of Australia, or acquire the Units otherwise than pursuant to the Offer, or acquire the Units in the course of trading or dealing in securities or otherwise hold the Units on revenue account or as trading stock.

This is a general summary only and is not intended to be and should not be taken as definitive Australian tax advice to an Investor and does not consider all possible circumstances that may affect the position of each Investor.

Potential Investors should be aware that the actual Australian tax implications of investing in the Fund may differ from those summarised in this letter, depending on their individual circumstances. Applicants should seek advice from their own professional taxation adviser regarding the Australian tax (including GST and stamp duty) consequences of acquiring, holding and selling Units in the Fund, having regard to their particular circumstances.

This summary is based on the Australian tax laws, regulations and administrative practices in effect as at the date of this letter. Investors should be aware that any changes (with either prospective or retrospective effect) to the Australian tax laws may affect the taxation treatment of the Fund and the Investors as described in this summary.

This summary is based on the facts as set out in the PDS that have not been independently reviewed or verified by Deloitte Tax Services Pty Ltd. The inclusion of this letter in the PDS is subject to the terms of our consent for its inclusion and to be named in the PDS as set out in Section 13 of the PDS.

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The representatives of Deloitte Tax Services Pty Ltd involved in preparing this letter are not licensed to provide financial product advice as defined by the *Corporations Act 2001*. Potential Investors may consider seeking advice from an Australian financial services licence holder before making any decision in relation to a financial product. Investors should also note that taxation is only one of the matters that need to be considered when making a decision on a financial product.

Unless otherwise stated, all legislative references in this letter are to the *Income Tax Assessment Act 1936* and *Income Tax Assessment Act 1997* (together, the **Tax Act**). It is noted that any of the tax laws referred to are subject to change periodically, as are their interpretation by the Courts and the Australian Taxation Office (ATO). We have no obligation to provide an updated tax letter to reflect such changes.

1 Taxation treatment of the Fund

1.1 Income tax status of the Fund

Generally speaking, unit trusts such as the Fund are treated as ‘flow through’ entities. That is, they are not liable to pay income tax on their net (i.e. taxable) income for an income year, provided that the unit holders are presently entitled to the distributable income of the trust for the income year.

For income tax purposes, a trust may be taxed as a company if it is a “public trading trust” or a “corporate unit trust”. Provided that neither the Fund, nor entities that the Fund controls, carry on a “trading business”, it should not be classed as a public trading trust. In addition, based on the facts as presented to us, it is considered that the Fund should not be a corporate unit trust.

On the basis of the Fund’s proposed investment activities as set out in the PDS, it is expected that the Fund should qualify as a “flow through” trust for Australian income tax purposes. Provided that the Investors are made presently entitled to all of the distributable income of the Fund for an income year, neither the Responsible Entity (RE) nor the Fund should be subject to Australian income tax in respect of the net income of the Fund.

The Fund may satisfy the requirements to be a “managed investment trust” (MIT) for tax purposes. Whether the Fund qualifies as a MIT is dependent upon the Fund satisfying certain licensing requirements, the ‘widely held’ ownership requirements, certain ‘closely held’ restrictions and other conditions.

Being classified as a MIT would allow the Fund to make an irrevocable election to apply the CGT rules as the primary code for the taxation of gains and losses on the disposal of certain assets (being primarily shares, units and real property). In order to avail itself of capital account treatment, broadly, the RE of the Fund must make the capital election before the Fund is required to lodge its tax return for the first income year in which it qualifies as a MIT.

We understand that if the Fund qualifies as a MIT, it is the intention of the RE to make the capital account election so that certain investments of the Fund are deemed to be held on capital account. In this regard, capital gains made by the Fund from the realisation of investments covered by the MIT rules that have been held for 12 months or more should qualify for discount CGT treatment.

1.2 Net income of the Fund

The net income of the Fund may include:

- distributions paid or credited by the Cayman LP that are attributable to distributions from the underlying PE funds;
- interest income on term deposits and cash equivalent investments; and

- foreign exchange gains and losses attributable to Australian/US currency exchange rate movements in respect of distributions made by the Cayman LP.

The net income of the Fund may also include an amount of income that is calculated under the controlled foreign company (CFC) rules. Where the central management and control of the Cayman LP is outside of Australia, the Cayman LP does not carry on business in Australia and the Fund holds a limited partnership interest of at least 40% in the Cayman LP, the CFC rules will apply because the Cayman LP will be a CFC of the Fund for Australian income tax purposes. The CFC rules require the Fund to include in its net income for an income year, certain income and gains derived by the Cayman LP ("attributable income") even if such income or gains are not distributed by the Cayman LP in that year. However, where the Cayman LP makes one or more current year distributions which are included in the assessable income of the Fund and can reasonably be regarded as having been paid out of the attributable income of the Cayman LP, the amount of the attributable income of the Cayman LP that is required to be included in the net income of the Fund in that year will be reduced by the amount of such current year distributions.

It is noted that the CFC rules are currently in the process of reform. Exposure draft legislation was released on 17 February 2011 proposing changes to the CFC rules. Based on the exposure draft legislation, it is not expected that the amended CFC rules will have an adverse impact on the Fund. Further draft legislation is expected mid to late 2013 and the start date is not known. Consequently, the future development of the new CFC rules should be closely monitored to determine the impact upon the Fund.

The Fund may also receive distributions from the Cayman LP that represent a return of capital. In our view, the income tax laws should operate such that the returns of capital should not be included in the Fund's net income. Rather, it is expected that the Fund's cost base (and reduced cost base) in the limited partnership interest in the Cayman LP should be reduced by the amount of the capital returned. If the return of capital, including any previous returns of capital, exceeds the cost base of the limited partnership interest, a capital gain equal to the excess may arise which will be included in the net income of the Fund. The gain may be eligible for discount CGT treatment provided the limited partnership interest in the Cayman LP is owned by the Fund for at least 12 months.

If the Fund makes a tax loss in any income year, the loss is not distributable to the Investors. The tax loss may be able to be carried forward and utilised by the Fund against future assessable income, provided that the Fund satisfies the applicable trust loss rules contained in the Tax Act.

The Government has proposed the introduction of "foreign accumulation fund" (FAF) rules, which could potentially apply if the Cayman LP or one or more of the underlying US PE funds is regarded as a FAF. If these rules apply, they could require the inclusion of a deemed return amount in the net income of the Fund for an income year.

Based on the draft legislation released on 17 February 2011 and on the proposed investment activities of the Fund as set out in the PDS, we would not expect the FAF rules to apply. However, the development of these rules will also need to be monitored and their potential impact (if any) on the Fund confirmed in due course.

2 Taxation treatment of Investors

(a) Acquisition of Units

Each Unit in the Fund will be a CGT asset.

For CGT purposes, the cost base (and reduced cost base) of each Unit will include the amount each Investor paid to acquire the Unit plus any incidental costs of acquisition and disposal.

(b) Distributions from the Fund

Investors will be required to include in their assessable income, their proportionate share of the Fund's net income to which they are presently entitled for each relevant income year. This will include Fund distributions that an Investor becomes presently entitled to but may not receive until after year end.

Generally speaking, the Investors will be assessed in the same year in which the Fund derived the income.

An Investor's proportionate share of the Fund's net income will be determined by their proportional entitlement to the distributable income of the Fund. There may be circumstances where the calculation of the Fund's net income for tax purposes and the distributable income vary.

Each component of the Fund's net income should retain its tax character in the hands of the Investors for income tax purposes. As the income of the Fund should primarily include dividends and returns of capital from a foreign source, distributions should also be characterised for tax purposes as foreign source income.

In the event that US withholding tax is imposed on distributions made by Cayman LP or US income tax is imposed on the Fund, Investors may, subject to meeting certain conditions, be entitled to a foreign income tax offset (**FITO**) in respect of the US taxes incurred by the Fund. A FITO that may be claimed by an Investor in a year of income is broadly calculated as the lesser of the Investor's share of the amount of the US taxes paid by the Fund and the offset limit. Broadly, the offset limit is the greater of (i) \$1,000 and (ii) the amount of the Australian tax payable on an Investor's foreign source income on which foreign tax has been incurred and other assessable foreign source income. An Investor may choose not to calculate their actual offset limit and instead accept their offset limit to be \$1,000. FITOs are non-refundable, with the result that to the extent that a FITO cannot be used by an Investor in a year of income because the Investor's share of foreign taxes paid exceeds the offset limit, the excess is lost. The excess cannot be carried forward to a later income year.

Where amounts derived by the Fund and distributed to Investors are not included in its net income (which may occur where the Cayman LP makes a distribution that represents a return of capital on the Fund's investment), those amounts should not be included in the Investor's assessable income. These amounts should be treated as tax deferred distributions, unless specifically excluded, for example, the discount component of a discount capital gain or a capital gain sheltered by capital losses.

Tax deferred distributions are not assessable to the Investor but, for CGT purposes, will reduce the cost base (and reduced cost base) of the Investor's Units in the Fund (but not below nil). If the cost base of the Units is reduced to nil, the Investor will make a capital gain on any further tax deferred distributions received. Any such capital gain may be eligible for discount CGT treatment depending on whether the Investor has held the Units in the Fund for at least 12 months.

The RE of the Fund will provide distribution statements to the Investors setting out the details of each trust distribution.

(c) Sale or Redemption of Units

A sale or redemption of Units will constitute a disposal for CGT purposes and may result in a capital gain or capital loss for an Investor.

A capital gain will arise to the Investor where the capital proceeds received from the sale or redemption of the Units are greater than the cost base for CGT purposes. A capital loss will arise if the capital proceeds on sale or redemption are less than the reduced cost base of the Units for CGT purposes.

Discount CGT treatment may be available to reduce the capital gain realised by the Investor on the sale or redemption of the Units. If the Units in the Fund had been held for at least 12 months, the Investor may, after offsetting capital losses of the Investor, be able to discount the resulting capital gain by one half in the case

of an individual or trust, or by one third in the case of a complying superannuation entity. Companies are not entitled to discount CGT treatment.

Investors who dispose of their Units within 12 months of acquiring them or dispose of them under an agreement entered into within 12 months of acquiring the Units will not be eligible for discount CGT treatment.

Any capital gain or capital loss derived or incurred by the Investor in respect of the Units should be aggregated with any other capital gains or capital losses that the Investor may have in that year to determine the Investor's net capital gain or net capital loss for that year.

A net capital gain is included in the Investor's assessable income. A net capital loss can only be offset against capital gains. Capital losses may be carried forward and offset against future taxable capital gains.

While this letter does not take into account the Australian tax consequences for investors who are non-residents of Australia, we note that as part of its 2012-2013 Budget, the Australian Government announced its intention to remove the CGT discount for non-residents. Exposure draft legislation is expected early to mid 2013.

3 Trust taxation reforms

It should be noted that the Australian income tax laws and ATO practices applying to trusts and MITs are in the process of reform.

In particular, the Government announced on 7 May 2010 that it intends to put in place a dedicated tax regime for MITs which was proposed to have effect from 1 July 2011. Under the proposed new tax regime, the current trust taxing rules which operate on a 'present entitlement' concept are proposed to be replaced with an attribution concept under which investors in a MIT will be taxed only on the income that the trustee allocates to them on a fair and reasonable basis, consistent with their entitlements under the trust deed or constituent documents.

However, the effective date of this proposed tax law has been deferred to 1 July 2014 to allow more time for industry consultation on the details of the proposed legislation. The proposed MIT tax amendments should be monitored to determine the impact (if any) on the Fund and the Investors.

The Government has also announced reforms to the trust taxation rules that are currently contained in Division 6 of the Tax Act. It is possible that certain trusts (such as trusts that are MITs) may be excluded from these rules. It is recommended that the development of the new tax rules is closely monitored. As at the date of this letter, exposure draft legislation in relation to the reform of the trust and MIT taxation rules is expected early to mid 2013.

Finally, it is noted that the ATO may issue or finalise taxation rulings or other administrative announcements which affect the tax treatment of trusts and unit holders that are described in this letter.

It is recommended that the development of new tax legislation and rulings is closely monitored by the Fund.

4 Withholding of tax from distributions

The RE of the Fund is required to deduct Pay-As-You-Go withholding tax from distributions paid to Investors at the highest marginal tax rate, including Medicare Levy (currently 46.5%) if the Investor has not quoted either their Tax File Number or Australian Business Number and none of the relevant exemptions apply. Investors should generally be entitled to an income tax credit for any such tax withheld.

5 GST

The acquisition and disposal of Units in the Fund by Investors should not be subject to GST. Similarly, cash distributions from the Fund to Investors should not be subject to GST.

The Fund itself may not be entitled to recover the GST arising on its expenditure in full. The availability of GST recovery will generally depend on the extent to which goods, services and other things acquired by the Fund relate to certain GST exempt activities (referred to as 'input taxed supplies').

Even where the Fund is denied from recovering GST under the general rules described above, as a concession it may be entitled to Reduced Input Tax Credits or 'RITCs' (either 55% or 75% of the otherwise unrecoverable GST) in respect of certain categories of expenditure.

6 Stamp Duty

Neither the RE nor the Investors should be liable to any stamp duty on an issue of the Units by the Fund. Further, there should be no stamp duty payable in respect of future acquisition or disposal of the Units provided the Units of the Fund remain quoted and the Fund is listed on the ASX.

Yours sincerely



Mr Mark Hadassin
Director
Deloitte Tax Services Pty Ltd

11.2. US taxation advice

To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that any discussion of federal tax issues in this disclosure is not intended or written to be used, and it cannot be used by any person for the purpose of:

- a) avoiding penalties that may be imposed on them under the Internal Revenue Code, and**
- b) promoting, marking or recommending to another party any transaction or matter addressed herein.**

This disclosure is made in accordance with the rules of Treasury Department Circular 230 governing standards of practice before the Internal Revenue Service.

The following is a summary of certain material US federal income taxation consequences that are likely to apply to an investor in the Fund that is not treated as a US Investor, as defined below (a “Non-US Investor”).

For purposes of this discussion, a “Non-US Investor” means a beneficial owner of Units that is not any of the following for US federal income tax purposes:

- a) a citizen or resident of the US or someone treated as a US citizen or resident for US federal income tax purposes;
- b) a corporation (or another entity taxable as a corporation for US federal income tax purposes) created or organized in or under the laws of the US, any state thereof, or the District of Columbia;
- c) an estate, the income of which is subject to US federal income taxation regardless of its source; or
- d) a trust if
 - i) it is subject to the supervision of a court within the US and one or more US persons are authorized to control all substantial decisions of the trust, or
 - ii) it has a valid election in effect under applicable US Treasury Regulations (as defined below) to be treated as a US person.

This summary is for general information purposes only and is not exhaustive of all of the US federal income tax considerations that may be relevant to a decision to purchase, hold or dispose of Units. In addition, the possible application of US federal estate or gift taxes or any aspect of state, local or non-US tax laws is not considered. This discussion is based on current provisions

of the Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations promulgated under the Code by the US Treasury Department (including proposed and temporary regulations) (the “Treasury Regulations”), rulings, current administrative interpretations and official pronouncements by the Internal Revenue Service (the “IRS”), and judicial decisions, all as currently in effect on the date hereof and all of which are subject to differing interpretations or to change, including possibly with retroactive effect. Such changes could materially and adversely affect the tax consequences to Non-US Investors described below. No assurance can be given that the IRS would not assert, or that a court would not sustain a position contrary to any of the tax consequences described below. The Fund has not obtained, nor does it intend to obtain, a ruling from the IRS or any other federal, state or local agency with respect to any of the tax issues affecting the Fund or its Non-US Investors.

If a partnership (including for this purpose any entity treated as a partnership for US federal income tax purposes) is a beneficial owner of Units, the US federal income tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership.

This discussion does not address all aspects of US federal income taxation that may be important to any particular Non-US Investor in light of its investment or tax circumstances or to any Non-US Investor subject to special tax rules including, but not limited to, those Non-US Investors that: (i) have an office or fixed place of business in the US or (ii) are former citizens of the “US-controlled foreign-corporations”, “passive foreign investment companies and corporations” with accumulated earnings to avoid US federal income tax. This discussion also assumes that a Non-US Investor is not engaged in a US trade or business apart from its Units. Each prospective Non-US Investor is urged to consult its US tax advisor before investing in the Fund.

The foregoing summary of US federal income tax considerations is for general information only and is not tax advice. It does not discuss all aspects of US federal income taxation that may be relevant to a Non-US investor in light of its particular circumstances and income tax situation. Prospective Non-US Investors should consult their own tax advisors as to the specific tax consequences that would result from the purchase, ownership and

disposition of the Units, including the application and effect of federal, state, local, foreign and other tax laws (including estate and gift tax rules) and the possible effects of changes in federal or other tax laws, as well as the application under any applicable tax treaty.

A) US TAX STATUS

The Fund intends to be classified and operate as an association taxable as a corporation for US federal income tax purposes. It is intended that the LP will be treated as a partnership (that is, a flow-through or transparent entity) for US federal income tax purposes. As a result, the Fund will be treated for these purposes as having engaged in any activities conducted by the LP and, in turn, any partnership in which the LP invests. The following discussion assumes that the Fund will be classified as a corporation and the LP will be classified as a partnership for US federal income tax purposes.

B) TAXATION OF THE FUND

i) US Trade or Business

The US federal income tax consequences of the Fund (and, as a result, the Non-US Investors) will generally depend on whether the Fund is engaged in a trade or business in the US by reason of the LP's investing activities.

Based on the anticipated investment strategies of the LP (and, therefore, the Fund), the Fund may be able to take the position that it is not directly or indirectly through one or more partnerships engaged in a US trade or business for US federal income tax purposes. However, treatment of the Fund as not engaged in a US trade or business is based on all of the facts and circumstances and is subject to challenge by the IRS.

The Fund may qualify for a specific exemption provided for in the Code and Treasury Regulations for non-US persons (other than dealers in securities including, without limitation, corporations) that restrict their activities in the US to investing or trading in stock and securities (and any other activity closely related thereto) for their own account, pursuant to which such non-US persons will not be treated as engaged in a US trade or business. However, no assurance can be given that the LP will structure its direct and indirect investments so that it can comply with such an exemption.

If the Fund was treated as directly or indirectly engaged in a trade or business in the US, the Fund generally would be required to file a US federal corporate income tax return and to pay US federal income tax on a net basis (at the same rates that are

generally applicable to US corporations, currently 35%) in respect of its share of effectively connected income derived from that trade or business. In certain circumstances, the partnerships engaged in these activities may have a tax withholding obligation – see discussion below.

In addition, if the Fund were treated as being engaged in a US trade or business, the Fund may also be required to pay an additional tax equal to 30% of the “dividend equivalent amount” for the taxable year (the so-called “Branch Profits Tax”), subject to reduction pursuant to the Double Tax Treaty for certain qualified tax residents. For these purposes, the “dividend equivalent amount” is generally the amount of the Fund's earnings and profits effectively connected with a US trade or business for the taxable year, subject to certain adjustments.

As noted above, even if the investing activities of the LP (and, therefore, the Fund) do not give rise to a US trade or business, the Fund may be deemed to be engaged in a US trade or business as a result of directly or indirectly owning an interest in certain partnerships (or entities treated as partnerships for US federal income tax purposes) which are engaged in a US trade or business. Consequently, income and gain realised from that investment would give rise to income effectively connected with a US trade or business and be subject to US income and potentially Branch Profits Tax, as described above. If an entity in which the LP (and, therefore, the Fund) is invested is treated as a partnership for US federal income tax purposes, the character of the income or loss generally flows through to the upper-tier entities (such as the Fund) for these purposes.

Even if the Fund's activities do not constitute a US trade or business for these purposes, gains realised from the sale or disposition of certain stock or securities of US real property holding corporations (as defined in Section 897 of the Code, “USRPHCs”), will be generally subject to US income tax on a net basis, subject to certain exceptions. For these purposes, a USRPHC includes certain interests in US corporations holding US real estate assets having a market value in excess of 50% of the market value of all their real estate assets and other business related assets, subject to certain exceptions. In addition, sales of partnership interests in partnerships owning interests in US real property will also generally be subject to these rules.

ii) US Withholding Tax

Assuming that the Fund is not directly or indirectly engaged in a US trade or business, certain types of

periodic income (such as dividends, certain “dividend equivalent payments” and certain interest income) received by the Fund from sources inside the US may be subject to US withholding tax at a maximum rate of 30%, subject to certain exceptions and reduction pursuant to the Double Tax Treaty for certain qualified residents. In general, a dividend paid by the Fund to a Non-US Investor that is a qualified Double Tax Treaty resident for these purposes should be subject to a reduced 15% withholding tax rate, subject to certain exceptions.

Certain types of income are specifically exempt from the 30% withholding tax. The 30% tax generally does not apply to US source capital gains (whether long or short-term) or to interest paid to a non-US corporation on its deposits with US banks, except to the extent that such income is effectively connected with the conduct of a US trade or business or such non-US person is present in the US for 183 days or more during the year. The 30% tax generally does not apply to interest which qualifies as “portfolio interest.” The term “portfolio interest” generally includes interest (including original issue discount) on certain obligations with respect to which the person who would otherwise be required to deduct and withhold the 30% tax receives certain required statements that the beneficial owner of the obligation is not a US person within the meaning of the Code, subject to certain exceptions. For example, the portfolio interest exemption is not available for interest paid to a direct or indirect 10% investor of the issuer of the indebtedness and is subject to certain other limitations. In addition, among other items, certain types of “contingent interest” (generally, interest is determined by the receipts, sales, cash flow, income or profits of the debtor or a related person, or by dividends or partnership distributions made by the debtor or a related person) are excluded from the definition of portfolio interest.

To obtain the benefit of the portfolio interest exemption and in certain other cases to reduce or eliminate withholding, the LP and/or the Fund may be required to deliver certain certifications to the portfolio funds (or their designees) and/or the IRS.

In addition, to the extent that the LP directly or indirectly invests in partnerships having income effectively connected with a US trade or business, such partnerships may be required to withhold US income tax at a tax rate equal to the highest US income tax rate applicable to the LP partners (currently 35%) on all or a portion of the income allocated to the LP by such partnership.

There can be no assurance that income derived by the Fund would not be subject to US withholding tax. Any tax liability incurred by the Fund generally could reduce

the Fund’s overall economic returns and materially reduce amounts available for ultimate distribution to Non-US Investors.

C) TAX CONSIDERATIONS FOR NON-US INVESTORS

A Non-US Investor generally will not be subject to US federal income taxation on distributions from the Fund or on gains recognized on the sale, exchange or redemption of its Units in the Fund where such Non-US Investor’s nexus with the US is solely as a result of an investment in the Units. Similarly, Non-US Investors that otherwise are not subject to US federal income tax filing obligations should not become subject to any such filing obligations as a result of their investment in the Fund.

D) PAYMENTS AFTER 2013: WITHHOLDING ON CERTAIN PAYMENTS

Proposed Treasury Regulations pursuant to the Hiring Incentives to Restore Employment Act (the “HIRE Act”) have been published and, if finalized in their current form, provide that, beginning January 1, 2014, a 30% withholding tax may be imposed on payments of US source income and proceeds from the sale of property that could give rise to US source interest or dividends to certain Non-US Investors unless such persons enter into an agreement with the IRS to disclose the name, address and taxpayer identification number of certain US persons that own, directly or indirectly, interests in such entities, as well as certain other information relating to such interests. Given the extended time period before the effective date, it is unclear whether these proposed rules, including without limitation the disclosure and withholding requirements, will be substantially modified prior to their final promulgation or otherwise maintained in their current form. Non-US Investors are encouraged to consult with their own tax advisors regarding the possible implication of the HIRE Act on their investment.

E) FUTURE CHANGES IN APPLICABLE LAW

The foregoing description of US income tax consequences of an investment in the Fund and the operations of the Fund is based on laws and regulations that are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Fund to income taxes or subject Non-US Investors to increased income taxes.

Non-US Investors should consult their own tax advisors regarding the US federal income tax consequences of investing in, holding and disposing of Units in the Fund.

12. MATERIAL CONTRACTS

12.1. LP Agreement

The GP, Cordish Private Ventures and the Responsible Entity have established an exempted limited partnership 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.

Cordish Private Ventures and the Fund will each make capital contributions towards the acquisition of investments, as directed by the GP, up to a maximum contribution amount. Cordish Private Ventures will contribute the lesser of US\$10 million or 20% of the capital commitment of the Fund. The Responsible Entity will notify the GP and Cordish Private Ventures of the amount of its capital commitment within five business days of completion of the issue of Units under this PDS. The GP will have a capital commitment of 0.1% of the total capital commitments of Cordish Private Ventures and the Fund.

Cordish Private Ventures and the Fund 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 LP is only permitted to invest in certain types of investments. These investment restrictions comprise:

- a) making any investment other than acquiring limited partnership interests in private investment funds;
- b) investing more than 33% of the aggregate capital commitment of the LP in any one private investment fund;
- c) investing, by way of primary market transactions, more than 25% of the aggregate capital commitment of the LP in any private investment fund whose primary investment objective is to invest in companies located or that conduct their principal business outside of the US;
- d) investing in any private investment funds whose primary investment objective is to invest in companies located in or that conduct their principal business in emerging markets; and

- e) investing, by way of primary market transactions, in any private investment funds whose primary investment objective is to make venture capital investments.

The LP may hold cash or invest in cash equivalents for short-term investments.

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

In consideration of managing the LP and its investments, the GP 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 Responsible Entity are prohibited from withdrawing from the LP or otherwise disposing of their interest in the LP in any circumstances without the consent of the GP. The GP in turn must obtain the consent of the other limited partner prior to effecting such disposal or transfer. The GP 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. If at any time following the initial 10-year period of the LP Agreement Unitholders vote, by ordinary resolution, to remove the GP as the general partner of the LP, the GP must resign as general partner of the partnership by giving 60 days written notice to the limited partners (**Resignation Event**). If this occurs, each of the limited partners will give its prior written consent to the resignation of the GP and Cordish Private Ventures may nominate a replacement general partner acceptable to the remaining limited

partners. If an acceptable replacement is not nominated by Cordish Private Ventures, the Responsible Entity may nominate a replacement general partner acceptable to the remaining limited partners. Each of the limited partners has confirmed that an affiliate of the other is acceptable for these purposes.

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 GP 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 require early termination or wind up of the LP without the consent of all other partners.

12.2. Administrative Services Agreement

Cordish Services is an affiliated entity of Cordish Private Ventures. Under the terms of the administrative services agreement, Cordish Services will provide services to the GP, including amongst others:

- a) providing office space, telephone and utilities;
- b) providing administrative, clerical or other personnel;
- c) providing investors in the LP with information concerning their investments, including capital account balances;
- d) maintaining accounting records and financial reports of the GP and the LP; and
- e) assisting with preparing and lodging tax returns.

In return for the performance of its duties under the administrative services agreement, Cordish Services is entitled to be paid, and the GP must pay, US\$50,000 per year, and the amount of all third party, out-of-pocket expenses incurred by Cordish Services, initially estimated at US\$25,000, plus an annual fee equal to 0.785% of the committed capital of the LP.

The administrative services agreement is for a term of 10 years.

12.3. Investment Advisory Agreement

Under the terms of the investment advisory agreement, the Investment Manager, as the sole investment manager to the GP, will:

- a) obtain information and advice in relation to the economy, securities markets or securities;
- b) manage the assets of the LP in a manner consistent with the investment objective, policies and restrictions of the Company and the LP as may be adopted from time to time by the GP, and applicable laws and regulations;
- c) advise on investments to be undertaken or disposed of by the LP;
- d) advise on, and assist with, compliance with Australian laws and regulations; and
- e) advise upon the valuation of the assets of the Fund on a periodic basis.

In return for the performance of its duties as investment manager to the GP and for bearing certain expenses in connection with the services, the Investment Manager is entitled to be paid quarterly in advance a fee of up to 0.25875% (1.035% on an annualised basis) of the LP's total committed capital.

The Investment Manager is responsible for costs and expenses incurred in connection with providing the investment management services. The GP will be responsible for its own expenses that are not connected with the investment management services.

The investment advisory agreement is for a term of 10 years, unless earlier terminated. The term will be extended after the initial 10-year period for further 1-year periods if the GP approves its continuance at least annually. The GP may terminate the investment advisory agreement at its sole discretion with 30 days' prior written notice and correspondingly, the Investment Manager may terminate the investment advisory agreement with 60 days' prior written notice.

12.4. LLC Agreement

The LLC Agreement between the GP and its shareholders governs the relationship between the parties with respect to the operations of the GP. The shareholders of the GP comprise DGP Inc. (a wholly owned subsidiary of Dixon Advisory Group) and Pratt Street Private Ventures, LLC, an affiliate of Cordish Private Ventures.

All material decisions regarding the operations of the GP, including investment decisions, require the unanimous approval of all shareholders.

Neither shareholder in the GP may transfer any interest in its shares in the GP without the prior consent of the other shareholder. The GP agreement continues until terminated by agreement between the shareholders.

Amendment to the LLC Agreement requires the unanimous agreement of all parties other than amendments necessary to reflect transfers of shares, amendments required to form, qualify or continue the GP as a limited liability company in all jurisdictions in which the GP carries on business or to correct any typographic errors.



13. ADDITIONAL INFORMATION

13.1. Constitution and compliance plan

The Fund has been registered by ASIC as a managed investment scheme under Chapter 5C of the Corporations Act. The provisions of the Corporations Act can affect the terms of the Constitution and the obligations of the Responsible Entity. The Fund is governed by a constitution (**Constitution**) which has been lodged with ASIC.

Walsh & Co is the responsible entity of the Fund. The respective rights and obligations of the Responsible Entity and the Unitholders are determined by the Constitution, the Corporations Act and the Listing Rules, together with any exemption and declaration issued by ASIC and the general law relating to trusts. Neither the provision of these laws and rules, nor their effect on the Constitution have been summarised below.

The Constitution is a lengthy and complex document. The following is a summary of the Constitution. Because the summary is brief, Investors should confirm all information by reference to the Constitution itself. If you are unsure about anything, you should seek advice from a financial advisor and examine a copy of the Constitution.

The Constitution deals with a wide range of matters, including:

- applications for Units and the nature of a Unitholder's interest in the Fund;
- the term of the Fund and Unitholders' entitlements on winding up;
- distributions;
- further issues of Units;
- transferability of Units;
- powers of the Responsible Entity;
- Unitholders' meetings;
- Unitholders' liability; and
- the Responsible Entity's fees (see Section 7).

A) UNITS

The beneficial interest in the Fund is divided into Units. A Unit confers an interest in the Fund's property as a

whole – it does not confer an interest in any particular asset. Each capital unit confers its holder the rights to vote at a general meeting and the rights to receive copies of the Fund's financial statements, notices and documents required to be sent to them under the Constitution, the Corporations Act and the Listing Rules. The Responsible Entity can issue Units in accordance with the Constitution. The Constitution contains provisions regarding the Responsible Entity's ability to issue different classes of Units.

The Constitution contains provision for calculating the application price of Units, for the first and any future issues. The Constitution also provides for the Responsible Entity to determine a different Application Price in relation to some Units, a class of Units or all Units to the extent it is permitted to do so by an ASIC Exemption and the Listing Rules.

B) INCOME

On the basis that the Fund is not a public trading trust or corporate unit trust for Australian income tax purposes, it will not be liable to Australian tax on its taxable income provided that its Unitholders are presently entitled to all of the distributable income of the Fund for each income year. The Responsible Entity will generally determine the distributable income of the Fund for each income year based on the operating income of the Fund (which excludes unrealised gains and losses). However, the Responsible Entity may in its sole and absolute discretion determine that the distributable income for the income year will be some other amount, whether income or capital, which the Responsible Entity considers appropriate for the distribution for that year.

The Responsible Entity may also distribute capital of the Fund from time to time. Unitholders on the register on the record date for a distribution are entitled to a share in the Fund's income based on the number of Units held.

A distribution may be paid in cash, assets or by way of Units. The Responsible Entity may deduct from distributions any tax that is required by law to be deducted.

If additional tax, such as US withholding tax, is withheld from any dividend or distributions paid to the Fund as

a consequence of the characteristics of any particular Unitholder or Unitholders, including the number or percentage of Units on issue held by any such Unitholders, then that additional tax will be allocated to that Unitholder and will be deducted from the distributable income payable to that Unitholder. Where the income of the Fund is reduced by taxes attributable to the ownership of Units by certain Unitholders, the entitlement to distributable income of such Unitholders may be adjusted by the Responsible Entity so that the entitlement to distributable income of all the other Unitholders is equivalent to the amount they would receive in the absence of such taxes.

The Responsible Entity may require Unitholders to provide notices from time to time confirming the beneficial ownership of Units or providing other relevant information, including the information detailed in Section 11.2(D).

C) LIABILITY OF UNITHOLDERS

While the Units are fully paid, a Unitholder's liability is limited to its investment in the Fund.

D) RESPONSIBLE ENTITY'S POWERS AND DUTIES

The Responsible Entity holds the Fund's assets on trust, and may manage these assets as if it were the absolute and beneficial owner of them, subject only to its duties and obligations to Unitholders.

Examples of the Responsible Entity's powers include acquiring or disposing of any real or personal property, borrowing or raising money, encumbering any asset, incurring any liability, giving any indemnity, providing any guarantee, applying for listing of the Fund, entering into derivative and currency swap arrangements and entering into underwriting arrangements.

The Responsible Entity may appoint delegates or agents to perform any act to exercise any of its powers, as well as advisors to assist with its duties and functions.

E) MANAGEMENT FEES PAYABLE TO THE RESPONSIBLE ENTITY

In return for the performance of its duties, the Responsible Entity is entitled to be paid out of the Assets within 10 Business Days of the beginning of each quarter a quarterly management fee equivalent to 2.20% per annum (inclusive of GST) of the gross value of the assets calculated as at the end of the quarter preceding the date of payment of the Management Fee.

The Responsible Entity may in its absolute and unfettered discretion waive, reduce, refund or defer any part of the fees and levies that the Responsible Entity or the Fund is entitled to receive under this Constitution.

The current fees charged by the Responsible Entity will be a responsible entity fee of 0.088% (inclusive of GST) per annum and an administration fee of 0.275% (inclusive of GST) per annum of the gross assets of the Fund.

See Section 7 for further details.

F) RESPONSIBLE ENTITY'S INDEMNITIES

The Responsible Entity has a right of indemnity out of the Fund property on a full indemnity basis for any costs, liabilities and expenses incurred at law or under the Constitution in the proper performance of its duties. This indemnity continues after the Responsible Entity retires or is removed as responsible entity of the Fund and is subject to the Corporations Act (which in certain circumstances may impose limits on the Responsible Entity's right of indemnity). The Corporations Act provides that a responsible entity's right to be indemnified out of scheme property for liabilities incurred in relation to the performance of its duties must be available only in relation to the proper performance of those duties.

G) RESPONSIBLE ENTITY'S LIMITATION OF LIABILITY

The Constitution provides that, subject to the Corporations Act, the Responsible Entity and each director and officer of the Responsible Entity are not personally liable to any person in connection with the office of the Responsible Entity or any director or officer of the responsible entity. Subject to the Corporations Act, the liability of the Responsible Entity in relation to the Fund is limited to the assets of the Fund from which the Responsible Entity is entitled to be and is, in fact, indemnified.

The Responsible Entity may amend the Constitution from time to time, subject to the Corporations Act. Unitholder approval is required where changes to the Constitution adversely affect Unitholders' rights.

H) WITHDRAWALS AND REDEMPTIONS

The Constitution provides that, subject to the Corporations Act, the Responsible Entity may withdraw or redeem Units. This ability, however, is suspended while the Fund is listed.

13.2. Complaints

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

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

If you remain unhappy, you can contact the Financial Ombudsman Service – which is independent from us, on 1300 780 808.

13.3. Instructions

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

13.4. Private information

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

13.5. Compliance plan

A compliance plan has been established which sets out how the Responsible Entity will ensure compliance with both the Corporations Act and the Constitution when operating the Fund. A compliance committee comprising a majority of members who are independent of the Responsible Entity and Walsh & Co monitors the Responsible Entity's compliance with the compliance plan.

13.6. Interested dealings

Subject to the Corporations Act 2001, the Responsible Entity must act in the best interests of the members, and if there is a conflict between the members interests and its own interests, give priority to the members interests.

The Responsible Entity has procedures in place to identify actual or potential conflicts of interest and to

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

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

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

13.7. Labour standards or environmental, social or ethical considerations

We do not take into account labour standards or environmental, social or ethical considerations in determining the selection, retention or realisation of assets.

We do not have a predetermined view as to what constitutes a labour standard or environmental, social or ethical consideration, as these will be determined on a case-by-case basis.

13.8. Consents

Blank Rome LLP has acted as US law advisor to the Responsible Entity and the LP and has given and not withdrawn its consent to the inclusion of its tax opinion in Section 11.2 and to be named in this PDS in the form and context in which it is named. Blank Rome LLP takes no responsibility for any part of this PDS other than its tax opinion in Section 11.2. Except in respect of its tax opinion in Section 11.2, Blank Rome LLP does not make any statement.

Watson Mangioni Lawyers Pty Limited has given, and has not withdrawn as at the date of this PDS, its consent to being named in this PDS as the legal advisor for the Fund in the form and context for which it is so named. Watson Mangioni Lawyers Pty Limited does not make any statements in, or take any responsibility for, any parts of the PDS.

Boardroom Pty Limited has given, and has not withdrawn as at the date of this PDS, its consent to being named in this PDS as the provider of unit registry services for the Fund. Boardroom Pty Limited has not been involved in the preparation of any part of this PDS and specifically disclaims liability to any person in the event of omission from, or a false or misleading statement included in the PDS. Boardroom Pty Limited has not authorised or caused the issue of this PDS and takes no responsibility for its contents.

Deloitte Tax Services Pty Limited and Deloitte Touche Tohmatsu are respectively the Australian tax advisor and Australian Investigating Accountants. Deloitte Tax Services Pty Limited and Deloitte Touche Tohmatsu have respectively prepared and consented to the inclusion of their tax opinion in Section 11 and Investigating Accountants' Report in Section 10 and have not withdrawn their consent to be named in this PDS in the form and context in which they are named.

Deloitte Tax Services Pty Limited and Deloitte Touche Tohmatsu take no responsibility for any part of this PDS (except to the extent required by the Corporations Act) other than their respective tax opinion in Section 11 and Investigating Accountants' Report in Section 10. Except in respect of the tax opinion in Section 11 and Investigating Accountants' Report in Section 10, Deloitte Tax Services Pty Limited and Deloitte Touche Tohmatsu do not make any statement in this PDS nor is there any statement based on a statement by Deloitte Tax Services Pty Limited or Deloitte Touche Tohmatsu in this PDS.

Dixon Advisory Group Limited has given, and before lodgement of the PDS has not withdrawn, its written consent to being named in the PDS in the form and context in which it is so named.

The GP has given, and before lodgement of the PDS has not withdrawn, its written consent to being named in the PDS in the form and context in which it is so named and the inclusion of the statements attributed to it in this PDS.

The Investment Manager has given, and before lodgement of the PDS has not withdrawn, its written consent to being named in the PDS in the form and context in which it is so named and the inclusion of the statements attributed to it in this PDS.

14. GLOSSARY

A\$ or \$	Australian dollars
Advisors Act	US Investment Advisors Act of 1940, as amended
Advisory Board	The Advisory Board of the Investment Manager
AEDT	Australian Eastern Daylight Time
Allotment	The allocation and allotment of Units to Investors following acceptance of an Application
Applicant	An applicant for Units under this PDS
Application	An application for Units pursuant to this PDS
Application Form	An application form in the form attached to this PDS
Application Monies	The Application Price multiplied by the number of Units applied for
Application Price	\$1.60 for each Unit applied for
ASIC	Australian Securities & Investments Commission
ASX	ASX Limited
ASX Settlement	ASX Settlement Pty Limited
ASX Settlement Operating Rules/ Recognised Market Operators	ASX Settlement Operating Rules assist participants and issuers to understand the operation of the rules and procedures governing the settlement facility
Australian Accounting Standards	Australian Accounting Standards means accounting standards and interpretations issues by AASB
Australian Masters Corporate Bond Fund Series	Australian Masters Corporate Bond Fund No 1 Limited, Australian Masters Corporate Bond Fund No 2 Limited, Australian Masters Corporate Bond Fund No 3 Limited, Australian Masters Corporate Bond Fund No 4 Limited and Australian Masters Corporate Bond Fund No 5 Limited
Australian Masters Yield Fund Series	Australian Masters Yield Fund No 1 Limited, Australian Masters Yield Fund No 2 Limited, Australian Masters Yield Fund No 3 Limited, Australian Masters Yield Fund No 4 Limited and Australian Masters Yield Fund No 5 Limited

Australian Taxation Office	The Australian Taxation Office is the principal revenue collection agency for the Australian Government in charge of administering the Australian taxation system.
Business Day	A day, other than a Saturday or Sunday, on which banks are open for general banking business in Sydney
CGT	Capital Gains Tax
CHESS	Clearing House Electronic Subregister System
Closing Date	The date by which valid acceptances must be received by the Registrar being 19 March 2013 or such other date as we may determine in our absolute discretion
Code	The US Internal Revenue Code of 1986, as amended
Cordish Companies	The Cordish Companies and its subsidiaries
Cordish Private Ventures	Cordish Private Ventures, LLC
Cordish Services	Pratt Street Services Corporation, LLC
Constitution	The Constitution of the Fund
Directors	The Board of Directors of the Responsible Entity
Dixon Advisory Group	Dixon Advisory Group Limited (ACN 080 207 076) and its subsidiaries
Double Tax Treaty	The US protocol signed in Canberra on 27 September 2001, which amends the Convention of 6 August 1982 between Australia and the US of America for the Avoidance of Double Taxation.
Fund I	US Select Private Opportunities Fund (ARSN 158 625 284)
Fund	US Select Private Opportunities Fund II (ARSN 162 057 089)
General Partner or GP	US Select Private Opportunities Fund II GP, LLC
GST	The value added tax, if any, on goods and services and other things payable in accordance with the GST Act or another relevant and applicable legislation or law whether in Australia, the US or another jurisdiction.
GST Act	<i>A New Tax System (Goods and Services Tax) Act 1999</i>
IRR	Internal Rate of Return. It is a rate of return used in to measure and compare the profitability of investments.
Investment Manager	Dixon Asset Management USA, Inc.

Investor	An Applicant or an investors in Units
Listing Rules	The listing rules of the prescribed financial market that the Units are listed on
LP	U.S. Select Private Opportunities Fund II, L.P.
Minimum Subscription	A minimum subscription of 1,250 Units
NAV	Net asset value of Units
Offer	The offer of up to \$40,000,000 in Units pursuant to, and in accordance with, this PDS with the ability to accept oversubscription for a further \$25,000,000
Opening Date	The date the exposure period ends and the offer will be opened, expected to be 4 March 2013
PDS	This product disclosure statement dated 22 February 2013 and lodged with the ASIC on that date
Responsible Entity	Walsh & Company Investments Limited (ACN 152 367 649) (AFSL 410 443)
Unit	An ordinary unit in the Fund, being an undivided share in the beneficial interest in the Fund
Unitholder	A holder of a Unit
US	The United States of America
US Person	Any "US person" as defined in Regulation S under the US Securities Act on 1933
US\$	US dollars
Walsh & Co	Walsh & Company Investments Limited (ACN 152 367 649)



