US SELECT PRIVATE OPPORTUNITIES FUND

6 February 2013

US Select Private Opportunities Fund (Fund)

(ASX: USF)

Fund Update

New investments secured

Dixon Advisory & Superannuation Services Limited (**Dixon Advisory**), in its capacity as Responsible Entity of the Fund, is pleased to announce U.S. Select Private Opportunities Fund, L.P. (**LP**) has made a commitment to invest US$10 million to Incline Equity Partners III, L.P. and an in principle commitment of US$13 million to U.S. Select Direct Private Equity (US), L.P. See Appendix 1 and Appendix 2 for more details.

Commitments to date

As a result, the Fund is now substantially committed, with the LP investing or committing US$63 million of its US$70 million (approximately 91%) of assets across six private investment funds, all focused on investing in US based small-to-mid-market private investment opportunities:

- Prometheus Partners IV, L.P
- Trivest Partners V, L.P
- Encore Consumer Capital Partners II, L.P
- KarpReilly Capital Partners II, L.P
- Incline Equity Partners III, L.P
- U.S. Select Direct Private Equity (US), L.P

The Fund's current portfolio of investments is well diversified across the retail, consumer, restaurants, industrials and business services sectors.

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The US Select Private Opportunities Fund is the first Australian-listed fund with a primary strategy of investing in US small-to-mid-market investment funds, adopting a fund-of-funds investment strategy.

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APPENDIX 1: Incline Equity Partners III, L.P.

Incline Equity Partners (**Incline**) is a private equity firm founded in 2011 by three managing principals who previously founded and managed PNC Equity Partners, the private equity investment arm of PNC Bank. These principals, Jack Glover, Wali Bacdayan, and Justin Bertram, worked together for 14 years at PNC Equity Partners, managing two successful funds before forming Incline as an independent company.

Incline makes private equity investments of US$10 million to US$25 million in leveraged buyouts, recapitalisations and large minority financings of lower middle market growth companies in the United States with enterprise values between US$25 million and US$100 million. Incline's particular focus is on companies in specialised light manufacturing, value-added distribution and outsourced business and industrial services. In each of Incline's core business sectors, it targets specific business models which leverage both their operations-focused approach and operating partner network.

The LP will be committing capital to Incline Equity Partners III, L.P. (**Incline III**), which began investing in late 2011. Incline III has already completed control investments in two portfolio companies, both of which are in Incline's core sector competencies:

1. Double E Company, Inc.

Location:	West Bridgewater, Massachusetts USA
Website:	www.doubleeusa.com
Description:	manufacturer and distributor of web process solutions and parts

2. Dorner Mfg. Corp

Location:	Hartland, Wisconsin USA
Website:	www.dornerconveyors.com
Description:	designer, manufacturer, and supplier of unit handling conveyor systems and components parts

APPENDIX 2: U.S. Select Direct Private Equity (US), L.P.

U.S. Select Direct Private Equity (US), L.P. (**US Direct**) is being established with the sole purpose of investing in a direct portfolio of select private companies alongside leading, specialist private investment funds, a strategy commonly referred to as co-investing.

US Direct provides a platform through which the investors can access attractive co-investment opportunities within the LP's target market of small and mid-market private investments. Co-investing enables the LP to accelerate its deployment of capital, thereby enhancing returns and cash flows, better tailor its investment exposures and reduce investment management fees. The LP's investment in US Direct is consistent with its investment mandate.

Co-investing is an increasingly competitive and sought-after segment of the private investment market. By building a specialist co-investment platform and leveraging existing relationships with leading private investment managers, US Direct will be well placed to access highly coveted co-investment opportunities.

US Direct is being established by U.S. Select Direct Private Equity GP (US), LLC (**GP**), a Delaware limited liability company owned by Pratt Street Private Ventures, LLC, which shares common ownership with Cordish Private Ventures and a subsidiary of Dixon Advisory Group, and Sinex Investments, LLC. The GP will receive management and performance-based fees consistent with industry practice for similar funds in the private investment market.