



US
SELECT
PRIVATE
OPPORTUNITIES
FUND

Annual Financial Report

FOR THE PERIOD FROM
12 JUNE 2012
(DATE OF REGISTRATION)
TO 31 MARCH 2013

ARSN 158 625 284

RESPONSIBLE ENTITY



**Dixon Advisory & Superannuation
Services Limited**

(ACN 103 071 665) (AFSL 231 143)

DIRECTORY

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

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(ARSN 158 625 284)

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Responsible Entity

DIXON ADVISORY & SUPERANNUATION SERVICES LIMITED

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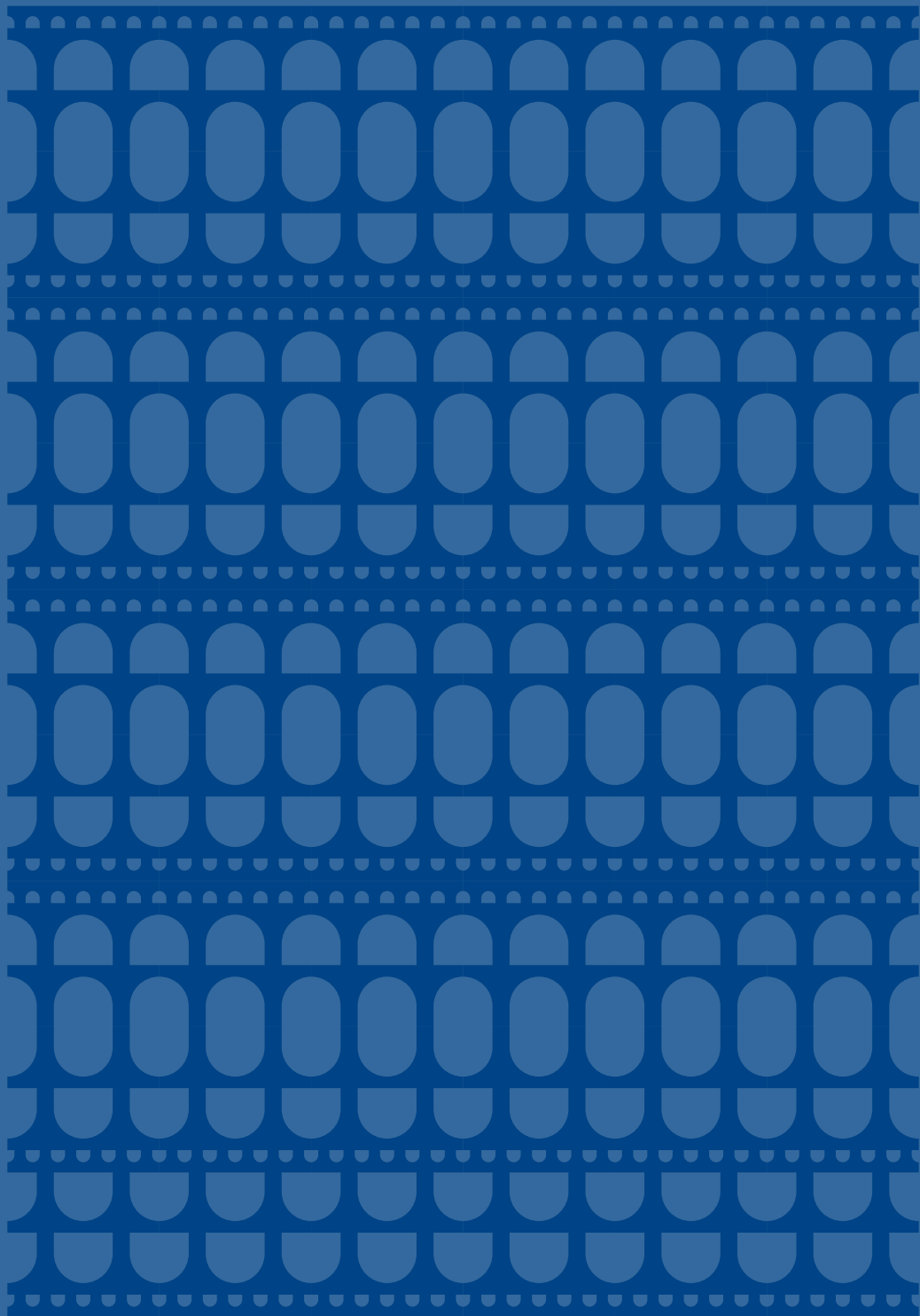
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CONTENTS

REPORT TO UNITHOLDERS	I
CORPORATE GOVERNANCE STATEMENT	I
DIRECTORS' REPORT	7
AUDITOR'S INDEPENDENCE DECLARATION	19
STATEMENT OF COMPREHENSIVE INCOME	20
STATEMENT OF FINANCIAL POSITION	21
STATEMENT OF CHANGES IN EQUITY	22
STATEMENT OF CASH FLOWS	23
NOTES TO THE FINANCIAL STATEMENTS	25
DIRECTORS' DECLARATION	47
INDEPENDENT AUDITOR'S REPORT	48
ADDITIONAL SECURITIES EXCHANGE DISCLOSURE	51



REPORT TO UNITHOLDERS

Dear Unitholders

It is my pleasure to welcome you to the Annual Report for US Select Private Opportunities Fund (**Fund**) for the financial period ended 31 March 2013. Since completing its initial public offering on 2 August 2012, the Fund, through US Select Private Opportunities Fund, L.P. (**LP**), has secured investments in six highly attractive US small-to-medium-sized private investment funds. The Fund is now substantially committed well ahead of schedule, with the LP investing or committing US\$63 million of its US\$70 million capital, representing approximately 91%. Of the US\$63 million committed, approximately US\$9.8 million has been drawn down by way of capital calls. Funds not yet drawn down by the LP are held in US dollar denominated bank account at an average conversion rate of 1.048.

The quality of the underlying portfolio is testament to US Select Private Opportunities Fund, GP's (**Investment Manager**) robust platform for sourcing and screening potential investments. The Investment Manager assessed in detail 70 of the 85 funds that fit the Fund's investment criteria, conducting rigorous and detailed due diligence including full day in-person meetings on 35 of those funds. After additional follow-up meetings, further due diligence and detailed document, legal and regulatory reviews, US\$63 million was invested across the six best in class funds, each concentrating on businesses with niche market positions.

Prometheus Partners' niche expertise is investing in, operating, and managing top-tier, nationally franchised restaurant brands in the US. With over 15 years of quick service restaurant expertise, Prometheus Partners has built a successful track record of acquiring underperforming franchise businesses at attractive valuations, applying proven management strategies and operational techniques and generating scale economies to improve performance and margins. Prometheus Partners IV, L.P. will focus its investments on Taco Bell, Pizza Hut and IHOP restaurants.

Trivest Partners has operated in the small-to-mid-market space for over 30 years and has developed a proprietary strategy and database for sourcing attractive investments. The businesses targeted by Trivest Partners' funds range across a number of sectors and are typically located in southeast US.

KarpReilly is a private investment firm which aims to invest in premier small-to-mid-size growth companies, primarily in the consumer sector. The consumer sector has been KarpReilly's focus for 20 years, and the principals have invested in, sat on the boards of, and nurtured some of the leading success stories in the industry. The principals' experience investing in more than 40 consumer growth companies enables KarpReilly to be a value-added partner to its portfolio companies, providing not just capital and financial expertise, but strategic, board-level advice and stewardship in helping them implement a long-term plan.

Encore Consumer Capital invests in consumer product companies with annual revenues between US\$10 million and US\$100 million. Encore invests in various sectors of the consumer

products industry including food, beverages, personal care, household products, and pet products. Encore's principals are able to capitalise on their extensive experience and network in the consumer products industry to identify attractive growth segments within the industry and to take advantage of proprietary deal flow opportunities generated through their proactive deal sourcing model.

Incline Equity Partners 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 US with enterprise values between US\$25 million and US\$100 million. Incline is particularly focused 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 that leverage both their operations-focused approach and operating partner network.

To complement and further diversify the investment portfolio, the Fund made an investment of US\$13 million in U.S. Select Direct Private Equity (US), L.P. (US Direct). US Direct provides a platform where 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 Fund's relationship with Cordish Private Ventures has facilitated investment into these funds, many of which are inaccessible to even the most established and well-recognised institutional investors.

The Responsible Entity believes the fundamentals for the US economy are showing significant signs of improvement, providing further support for our investment strategy. The recovery has been underpinned by a resurgence in consumer spending and the manufacturing sector, as the US economy benefits from the current low energy cost, low labour cost, and low US dollar environment.

As at 31 March 2013, the Fund had net assets of \$58,789,658, representing \$1.51 per unit. During the period, the Fund made a loss of \$1,072,987, which was primarily made up of a \$1,058,326 loss on fair value movements of its investment in the LP.

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

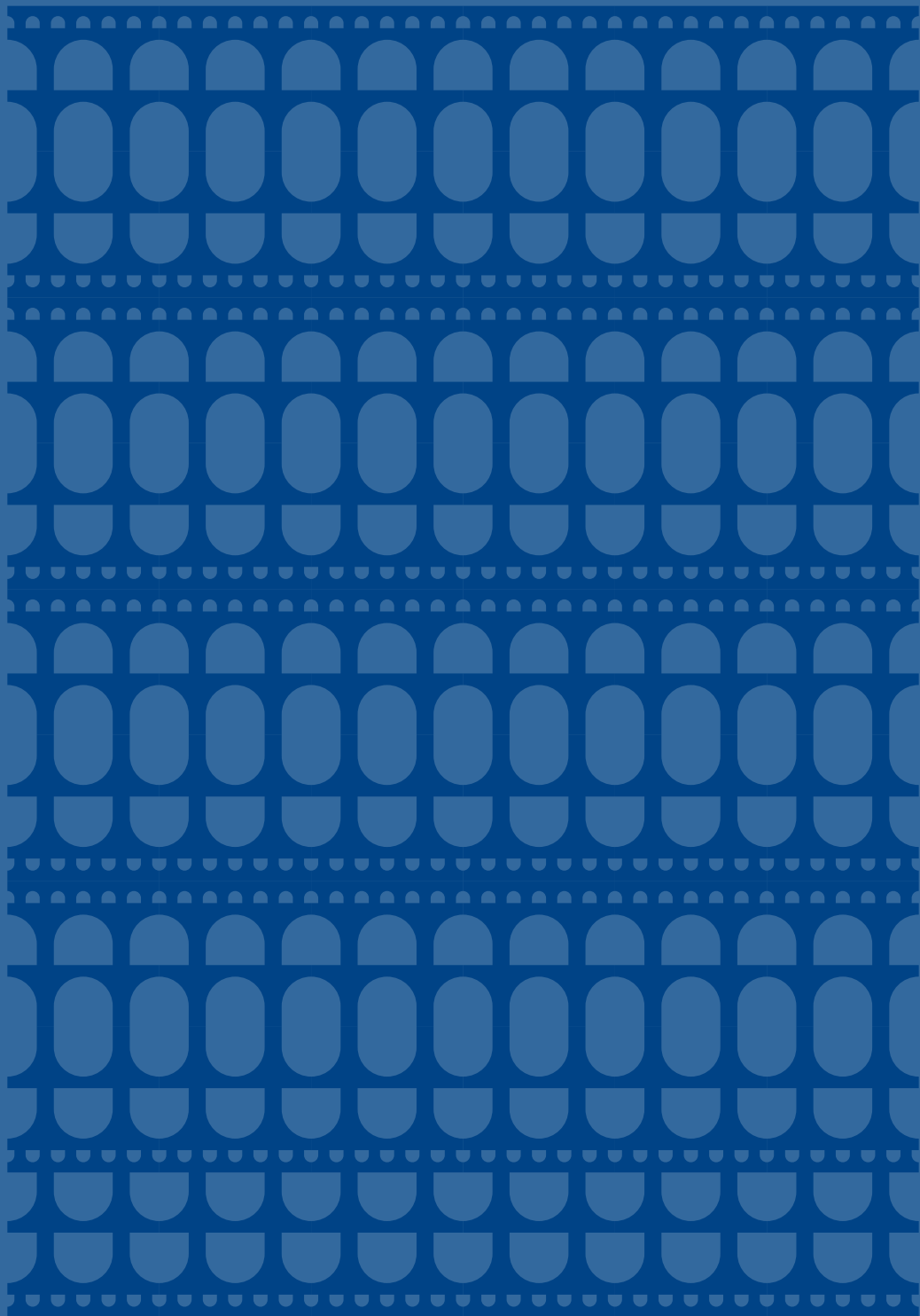
Yours faithfully



Alex MacLachlan

Director

24 May 2013



CORPORATE GOVERNANCE STATEMENT

For the period 12 June 2012 (date of registration) to 31 March 2013

Overview

US Select Private Opportunities Fund (**Fund**) is a listed managed investment scheme the units of which are listed on the Australian Securities Exchange (**ASX**).

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

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

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

1. Lay solid foundations for management and oversight

The Board is responsible for the overall operation, strategic direction, leadership and integrity of the Fund. This involves undertaking the following functions:

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

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

2. Structure the board to add value

COMPOSITION OF THE BOARD

The Board is structured to represent a balance of complementing skills and experience to effectively discharge its duties. The Directors' Report details the skills, experience, period in office and expertise relevant to the position of each director of the Responsible Entity. The directors of the Responsible Entity at the date of this report are:

Daryl Dixon

Maximilian Walsh

Alan Dixon

Chris Brown

Alex MacLachlan

Tristan O'Connell

The Board considers the current composition of skills and diversity of the Board appropriate to effectively discharge its responsibilities. The directors will continually review the composition of the Board.

DIRECTOR INDEPENDENCE

There are no independent directors appointed by the Board of the Responsible Entity. The Fund has established a Compliance Committee with a majority of independent members.

In line with the Fund's Board Policy, directors may obtain independent legal or professional advice at the expense of the Fund on matters associated with the director performing its duties. Any director seeking advice must first discuss the request with the Chief Executive Officer who will facilitate obtaining such advice.

COMMITTEES

The Board recognises the ASX Recommendations with respect to establishing nomination and remuneration committees as good corporate governance. However, the Board has formed the view that such committees would be inefficient given the nature and size of the Fund. The functions of such committees are best undertaken by the Board. The Board will review its view on committees in line with the corporate governance recommendations.

PERFORMANCE EVALUATION

The performance of directors is assessed and reviewed by the Board at intervals it considers appropriate. During the period, the Board conducted an evaluation of the Board's performance via a questionnaire.

3. Promote ethical and responsible decision making

CODE OF CONDUCT

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

UNIT TRADING POLICY

The Board has established a Unit Trading Policy which applies to the trading of the Fund's units on the ASX. This policy applies to all directors of the Responsible Entity and outlines:

- permissible dealings of the Fund's units while in possession of price sensitive information; and
- restrictions and notification requirements, including the imposition of blackout periods, trading windows and the need to obtain pre-trade approval.

DIVERSITY

The Board recognises the ASX Recommendations in respect of diversity. The Board considers the current composition to be well-balanced. The directors will continually assess the appropriate size, skills, balance and diversity of the Board.

4. Safeguard integrity in financial reporting

COMPLIANCE COMMITTEE

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

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

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

TRISTAN O'CONNELL (INTERNAL MEMBER)

Refer to Information on directors (page 13)

MICHAEL BRITTON (INDEPENDENT MEMBER)

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

BARRY SECHOS (INDEPENDENT MEMBER)

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

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

5. Make timely and balanced disclosure

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

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

6. Respect the rights of shareholders

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

Information is communicated to unitholders through announcements to ASX, releases to the media and dispatch of financial reports. These include:

- monthly net asset value estimates
- monthly fund updates
- half-year reports
- annual reports
- occasional announcements to the ASX made in compliance with the Fund's continuous disclosure requirements
- occasional correspondence sent to unitholders on matters of significance to the Fund

Unitholders are provided with an opportunity to access such announcements and releases electronically from the Fund's website.

The Board encourages full participation of unitholders at the general meetings held by the Fund from time to time to ensure a high level of accountability.

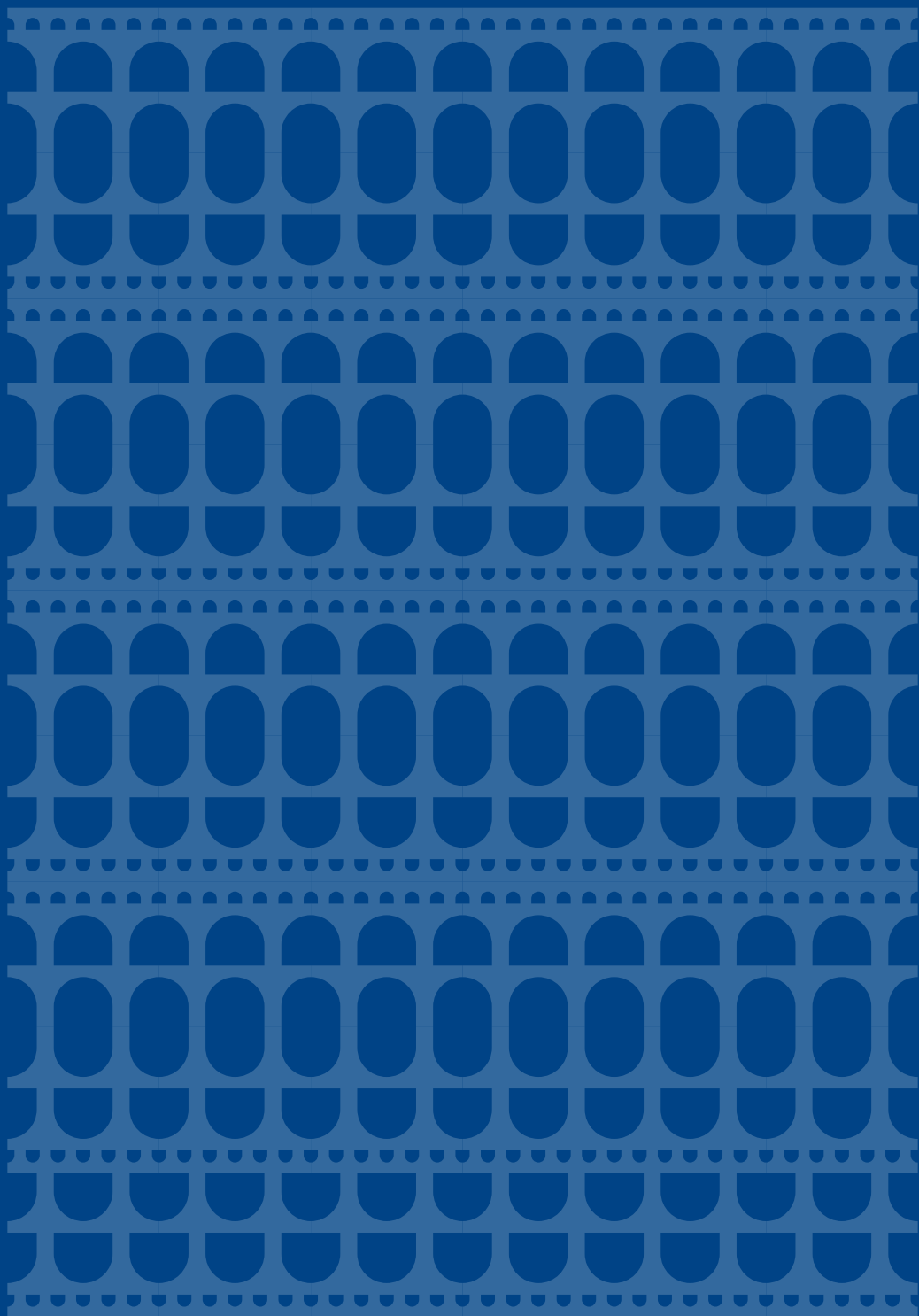
7. Recognise and manage risk

The Board has accepted the role of identification, assessment, monitoring and managing the significant areas of risk applicable to the Fund and its operations. In addition, as a managed investment scheme, the Fund is required to establish a Compliance Committee to ensure the Fund has complied with the *Corporations Act 2001* and the Fund's constitution.

8. Remunerate fairly and responsibly

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

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



DIRECTORS' REPORT

For the period 12 June 2012 (date of registration) to 31 March 2013

Information on the directors

The directors of Dixon Advisory & Superannuation Services Limited, the Responsible Entity of the US Select Private Opportunities Fund (**Fund**), present their report together with the first annual financial statements of the Fund for the financial period from 12 June 2012 (date of registration) to 31 March 2013.

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

Daryl Dixon

Maximilian Walsh

Alan Dixon

Chris Brown

Alex MacLachlan

Tristan O'Connell

Directors were in office since the date of registration to the date of this report unless otherwise stated.



DARYL DIXON

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

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

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

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

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



MAXIMILIAN WALSH

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

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

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

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



ALAN DIXON

Alan has been providing financial advisory services to corporations, institutions and individuals for more than 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 Limited.

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

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

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

- Asian Masters Fund Limited (resigned on 31 December 2010)
- Australian Masters Corporate Bond Fund No 1 Limited
- Australian Masters Corporate Bond Fund No 2 Limited
- Australian Masters Corporate Bond Fund No 3 Limited
- Australian Masters Corporate Bond Fund No 4 Limited
- Australian Masters Corporate Bond Fund No 5 Limited
- Australian Masters Yield Fund No 1 Limited
- Australian Masters Yield Fund No 2 Limited
- Global Resource Masters Fund Limited (resigned on 8 June 2010)
- Van Eyk Three Pillars Limited (resigned on 31 October 2011)
- US Masters Residential Property Fund



CHRIS BROWN

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

Prior to joining Dixon Advisory, Chris was an Executive Director at UBS AG in the Investment Banking Division in Sydney. Over his 8 years at UBS, he provided capital markets and mergers & acquisitions advice to many different public and private companies in Australia and overseas. Chris specialised in providing this advice to industrial, utility, infrastructure, property and financial companies. Chris spent several years in the UBS Mergers & Acquisitions Group in New York working on transactions in chemicals, health care, consumer products, media, telecoms, technology, insurance and utilities. Before joining UBS, Chris also worked in the investment banking division of ABN AMRO where he focused on mergers and acquisitions along with capital markets advice to companies in the Australian property sector.

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

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

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



ALEX MACLACHLAN

Alex is the 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 the Responsible Entities of US Masters Residential Property Fund, Emerging Markets Master Fund and US Select Private Opportunities Fund II.

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

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

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

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

- Asian Masters Fund Limited
- Australian Masters Corporate Bond Fund No 1 Limited
- Australian Masters Corporate Bond Fund No 2 Limited
- Australian Masters Corporate Bond Fund No 3 Limited
- Australian Masters Corporate Bond Fund No 4 Limited
- Australian Masters Corporate Bond Fund No 5 Limited
- Australian Masters Yield Fund No 1 Limited
- Australian Masters Yield Fund No 2 Limited
- Emerging Markets Masters Fund
- Global Resource Masters Fund Limited
- Van Eyk Three Pillars Limited (resigned on 31 October 2011)
- US Masters Residential Property Fund
- US Select Private Opportunities Fund II



TRISTAN O'CONNELL

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

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

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

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

Principal activities and significant changes in nature of activities

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

Review and results of operations

On 2 August 2012, the Fund raised \$62,421,944 from the issue of 39,013,715 fully paid ordinary units. The Fund was admitted to the official list of the Australian Securities Exchange Limited (**ASX**) on 13 August 2012.

At the date of this report, the Fund invested in a limited partnership, US Select Private Opportunities Fund, L.P. (**LP**) which invests in small-to-medium-sized private investment funds. The LP committed a total of \$60.7 million (US\$63 million) capital across six underlying private investment funds which focus on a range of industries including restaurants, consumer products, manufacturing and business services. For the period ended 31 March 2013, four of the underlying private investment funds made drawdown requests to fund its investments, management fees and operating expenses. Drawdown requests made by the underlying private investment funds for the period totalled \$9.5 million (US\$9.8 million).

The Fund has committed capital of \$57.1 million (US\$59.5 million) to US Select Private Opportunities Fund, L.P. This represents an interest of 85.5% in the LP. For the period ended 31 March 2013, the Fund made an investment in the LP amounting to \$10.3 million (US\$10.7 million).

As at 31 March 2013, the Fund had net assets of \$58,789,658, representing \$1.51 per unit.

Over the first eight months of operations, the Fund made a loss of \$1,072,987. This was primarily made up of a \$1,058,326 loss on fair value movements of its investment in the LP. Included in fair value movements is the Fund's 85.5% share of management fees paid by the LP to its general partner of \$856,349, other initial operating costs and foreign exchange movements since investment. There were no other significant factors that impacted the fair value movement of the investment.

The Fund had a basic and diluted loss per unit of 3.34 cents for the period ended 31 March 2013.

Future developments and expected results of operations

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

Distributions

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

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Fund which occurred during the financial period ended 31 March 2013.

Events subsequent to reporting period

During April 2013, the LP made its fourth capital call of \$4.1 million (US\$4.3 million) to fund ongoing operating expenses and investments. Inclusive of the fourth capital call, the Fund has invested \$14.4 million (US\$15.0 million) in the LP and has uncalled capital commitments of \$42.7 million (US\$44.5 million) outstanding to the LP.

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

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

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

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

No options were issued over the interests of the Fund.

Other relevant information

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

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

Environmental regulation

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

Options

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

Indemnities and insurance

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

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

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

Non-audit services

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

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

- all non-audit services are reviewed and approved prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professionals Ethical Standards Board.

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

Auditor's independence declaration

The auditor's independence declaration is set out on page 19 and forms part of the Directors' Report for the period ended 31 March 2013.

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

Dated 24 May 2013



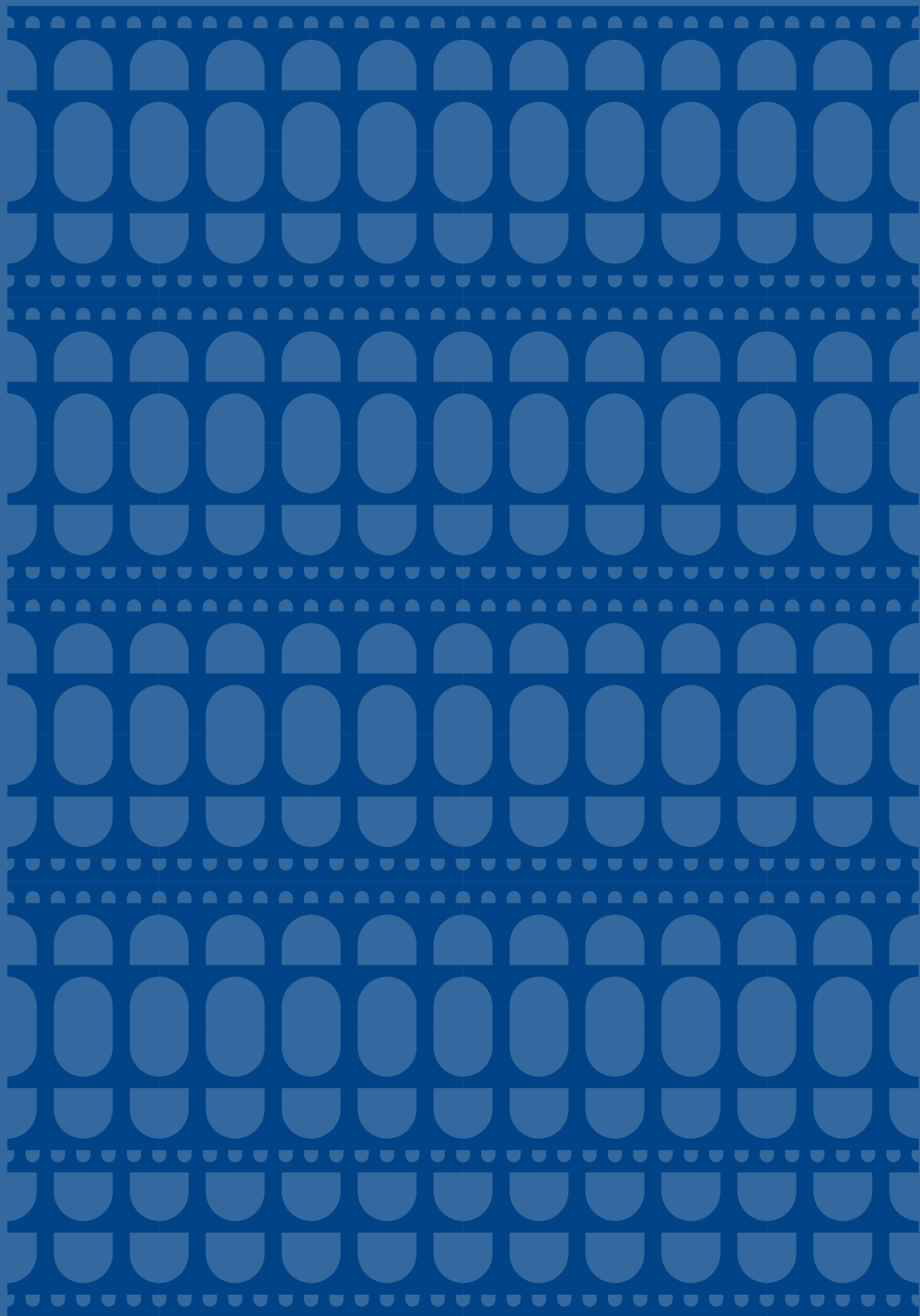
Maximilian Walsh

Director



Alex MacLachlan

Director



AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

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The Board of Directors
Dixon Advisory and Superannuation Services Limited
as Responsible Entity for:
US Select Private Opportunities Fund
Level 15
100 Pacific Highway
NORTH SYDNEY NSW 2060

24 May 2013

Dear Board Members

US Select Private Opportunities Fund

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

As lead audit partner for the audit of the financial statements of US Select Private Opportunities Fund for the period 12 June 2012 to 31 March 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Michael Kaplan

Michael Kaplan
Partner
Chartered Accountant

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

STATEMENT OF COMPREHENSIVE INCOME

For the period 12 June 2012 (date of registration) to 31 March 2013

		2013
	Note	\$
Revenue	3	220,986
Foreign exchange gain		322,151
Responsible Entity fees	12	(139,333)
Listing fees		(135,083)
Accounting and audit fees		(83,792)
Custody fees		(15,701)
Share registry fees		(8,110)
Legal and compliance costs		(67,057)
Due diligence expenses		(105,740)
Fair value movements of equity investments	7	(1,058,326)
Other expenses		(2,982)
Loss before income tax expense		(1,072,987)
Income tax expense		-
Loss for the period		(1,072,987)
Other comprehensive income for the period (net of nil tax)		-
Total comprehensive loss for the period		(1,072,987)
Earnings per unit		
Basic loss per unit (cents)	4	(3.34)
Diluted loss per unit (cents)	4	(3.34)

The Statement of Comprehensive Income should be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

		2013
	Note	\$
Assets		
<i>Current Assets</i>		
Cash and cash equivalents	5	49,623,937
Receivables	6	38,718
Total Current Assets		49,662,655
<i>Non Current Asset</i>		
Financial assets	7	9,182,309
Total Non Current Assets		9,182,309
Total Assets		58,844,964
Liabilities		
<i>Current Liabilities</i>		
Trade and other payables	8	55,306
Total Current Liabilities		55,306
Total Liabilities		55,306
Net Assets		58,789,658
Equity		
Unit capital	9	59,862,645
Accumulated losses		(1,072,987)
Total Equity		58,789,658

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

STATEMENT OF CHANGES IN EQUITY

For the period 12 June 2012 (date of registration) to 31 March 2013

	Note	Unit Capital	Accumulated Losses	Total
		\$	\$	\$
Balance at Registration		-	-	-
Loss for the period		-	(1,072,987)	(1,072,987)
Other comprehensive income for the period (net of nil tax)		-	-	-
Total comprehensive loss for the period		-	(1,072,987)	(1,072,987)
Issue of ordinary units	9	62,421,945	-	62,421,945
Issue costs	9	(2,559,300)	-	(2,559,300)
Balance at 31 March 2013		59,862,645	(1,072,987)	58,789,658

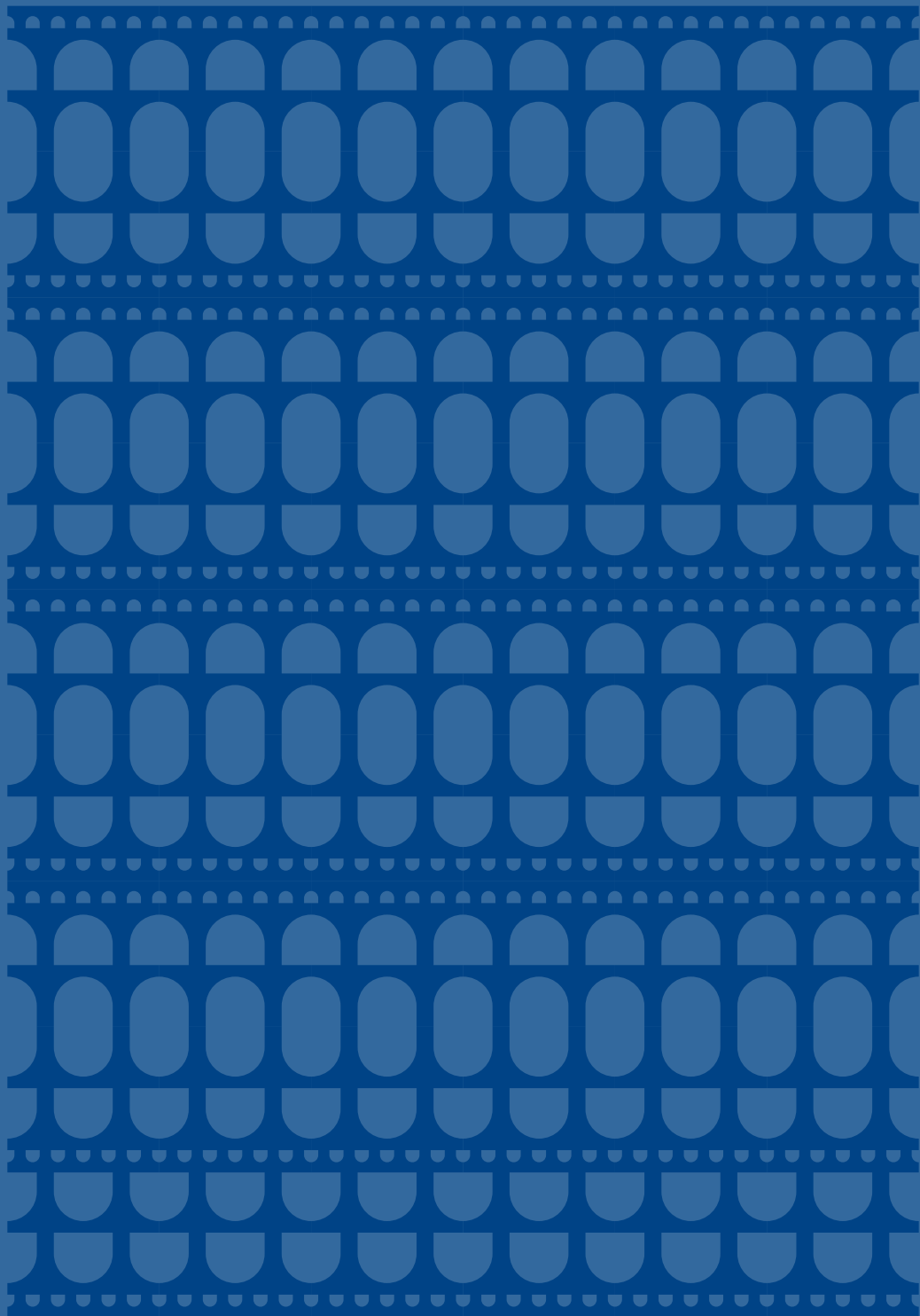
The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

STATEMENT OF CASH FLOWS

For the period 12 June 2012 (date of registration) to 31 March 2013

		2013
	Note	\$
Cash flow from operating activities		
Interest income received		209,645
Net payments to suppliers		(592,291)
Net cash (used in) operating activities	5	(382,646)
Cash flow from investing activities		
Payments for financial asset investments	7	(10,240,635)
Net cash (used in) investing activities		(10,240,635)
Cash flow from financing activities		
Proceeds from issue of ordinary units	9	62,421,945
Payment of issue costs		(2,496,878)
Net cash generated by financing activities		59,925,067
Net increase in cash and cash equivalents		49,301,786
Cash and cash equivalents at the beginning of the period		-
Effect of exchange rate changes on cash and cash equivalents		322,151
Cash and cash equivalents at the end of the period	5	49,623,937

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



NOTES TO THE FINANCIAL STATEMENTS

For the period 12 June 2012 (date of registration) to 31 March 2013

General Information

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

The Fund was registered on 12 June 2012. Accordingly, the financial statements cover the period from the Fund's registration to 31 March 2013.

Basis of Preparation

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

Statement of Compliance

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

The financial statements were authorised for issue by the directors on 24 May 2013.

Standards and Interpretations affecting the reported results of financial position

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reported results or financial position.

Application of new and revised Accounting Standards

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

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 10 'Consolidated Financial Statements', AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'	1 January 2013	31 March 2014
AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'	1 January 2013	31 March 2014
AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'	1 January 2013	31 March 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	31 March 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	31 March 2014
AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'	1 January 2013	31 March 2014

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'	1 January 2013	31 March 2014
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	31 March 2015
AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'	1 January 2013	31 March 2014
AASB 2012-3 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'	1 January 2014	31 March 2015
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle'	1 January 2013	31 March 2014
AASB 2012-9 'Amendments to AASB1048 arising from the withdrawal of Australian Interpretation 1039'	1 January 2013	31 March 2014
AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'	1 January 2013	31 March 2014
Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'	1 January 2013	31 March 2014
At the date of authorisation of the financial statements, the following IASB was also in issue but not yet effective, although an Australian equivalent standard has not yet been issued:		
Investment Entities (Amendments to IFRS10, IFRS12, IAS27)	1 January 2014	31 Mar 2015

1. Summary of Significant Accounting Policies

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

A) FOREIGN CURRENCIES

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

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

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

B) FINANCIAL INSTRUMENTS

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

The Fund has elected to early adopt AASB9 Financial Instruments, which was issued on 7 December 2009. AASB9 includes requirements for the classification and measurement of financial assets.

(i) Financial assets

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

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

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

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

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

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

(ii) Financial liabilities

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

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

(iii) Derecognition

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

(iv) Fair value

Fair value is the 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. Unlisted partnership investments are valued using a 'proportionate' value method based on the proportion of total net asset values of the partnership in which the Fund has an interest at balance date.

C) INTEREST IN PRIVATE INVESTMENT FUND PARTNERSHIP

The Fund has entered into a partnership arrangement with Cordish Private Ventures, with a primary strategy of investing in US small-to-mid-market private investment funds. The partnership has been structured through a limited partnership vehicle – US Select Private Opportunities Fund, L.P, in which the Fund has an 85.5% interest. The interest held by the Fund is regarded as an equity instrument which is recorded at fair value (refer to note 1(b)(iv) for the fair value valuation basis adopted in respect of the partnership interest held). Subsequent changes in fair value are presented in profit or loss.

D) IMPAIRMENT OF ASSETS

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

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

E) CASH AND CASH EQUIVALENTS

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

F) RECEIVABLES

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

G) TAXES

(i) Income tax

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

(ii) Goods and Services Tax (GST)

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

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

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

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

H) REVENUE RECOGNITION

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

(i) Interest income

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

(ii) Distribution income

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

I) PROVISIONS

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

J) TRADE AND OTHER PAYABLES

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

K) EARNINGS PER UNIT

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

L) UNIT CAPITAL

(i) Ordinary units

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

(ii) Distributions to unitholders

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

M) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Accounting policies which are subject to significant accounting estimates and judgements include fair value determination and 'financial asset' classification of the interest in the private investment fund partnership (refer to note 7).

2. Operating Segment

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

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

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

3. Revenue

	2013
	\$
Interest income	220,710
Other income	276
	220,986

4. Earnings per unit

	2013
	\$
Earnings used in the calculation of earnings per unit	
Loss from continuing operations for the period attributable to ordinary unitholders used to calculate basic and diluted earnings per unit	(1,072,987)

	No.
Weighted average number of ordinary units	
Weighted average number of ordinary units used to calculate basic earnings per unit	32,089,780
Effect of dilution	-
Weighted average number of ordinary units used to calculate diluted earnings per unit	32,089,780

Basic and diluted (loss) per unit (cents)	(3.34)
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There are no transactions that would significantly change the number of ordinary units at the end of the reporting period.

5. Cash and Cash Equivalents

	2013
	\$
Cash and cash equivalents	
Cash at bank	49,623,937
	49,623,937

The exposure to interest rate risk and a sensitivity analysis is disclosed in note 11 to the financial statements

Reconciliation of cash flows from operating activities

Loss for the period before tax	(1,072,987)
Adjustments:	
Fair value movements of equity investments	1,058,326
Net foreign exchange gain	(322,151)
Movements in assets/liabilities:	
(Increase) in receivables	(38,718)
Increase in payables	55,306
Unrecouped GST from investing and financing activities	(62,422)
Net cash (used in) operating activities	(382,646)

6. Receivables

	2013
	\$
GST receivable	27,377
Interest receivable	11,341
	38,718

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

7. Financial Assets

	2013
	\$
Equity Investments	
Interest in Private Investment Fund Partnership - at fair value	
US Select Private Opportunities Fund, LP (LP)	9,182,309
	9,182,309
Reconciliation	
Balance at the beginning of the period	-
Investment at cost	10,240,635
Movements in fair value through profit or loss	(1,058,326)
Balance at the end of the period	9,182,309

(i) Fund's Interest in assets and liabilities of LP

The 85.5% economic interest held by the Fund is not represented by voting rights or other power vested in the Fund to make decisions relating to the assets and liabilities of the LP.

The Fund's 85.5% interest in US Select Private Opportunities Fund, L.P. at 31 March 2013 is represented by its proportionate interest in the LP's assets and liabilities as follows:

	2013
	\$
Cash	1,357,457
Financial assets	
Investment in:	
Encore Consumer Capital II	1,462,487
Incline Equity Partners III	1,430,187
KarpReilly Capital Partners II	1,835,410
Prometheus Partners IV	3,096,819
Payables	(51)
Net Assets	9,182,309

(ii) Fair value movement

Included in the 'movements in fair value' amount of \$1,058,326 is the Fund's 85.5% share of management fees paid by the LP to the General Partner of the LP, totalling \$856,349 (refer to note 12).

(iii) Valuation

Refer to note 1(c) of the financial statements for details of the partnership interest held by the Fund in US Select Private Opportunities Fund, L.P. (LP).

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

The LP holds investments predominately in US private investment funds, which in turn invest typically in unlisted equity investments. The fair value of the underlying equity instruments are determined periodically by the private investment funds based on market valuation techniques, which may involve methods such as price/earnings analysis or discounted cash flow techniques. All methods require assumptions to be made by the private investment funds in respect of, for example, future cash flows, discounts or earnings multiples. The techniques, being classified as Level 3 measurements which are derived from valuation techniques that includes assumption inputs that are not based on observable market data, result in estimation uncertainty in the determination of the fair value of the private investment fund interests held by the LP, and as a result the recorded fair value of the interest in the LP held by the Fund at reporting date.

(iv) Capital Commitments

For the period ended 31 March 2013, the Fund made capital commitments totalling \$57.1 million (US\$59.5 million) to the LP, of which \$10.3 million (US\$10.7 million) was called.

As at 31 March 2013, the Fund has uncalled capital commitments of \$46.8 million (US\$48.8 million) outstanding to the LP. The capital commitments can be called at any time in the future.

The capital commitments referred to above were converted at the period end exchange rate of 1.0419.

8. Payables

	2013
	\$
Accrued liabilities	49,839
Trade creditors	5,467
	55,306

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

9. Unit Capital

Issued Capital

	2013
	\$
Balance at the beginning of the period	-
Registration unit	1
39,013,715 fully paid ordinary units issued at \$1.60	62,421,944
Issue costs	(2,559,300)
Balance at the end of the period	59,862,645

Number of units outstanding

		No.
12-Jun-12	Balance at the beginning of the period	-
19-Jul-12	Fully paid ordinary unit	1
02-Aug-12	Fully paid ordinary units	39,013,715
31-Mar-13	Balance at the end of the period	39,013,716

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

10. Distributions

No distributions were paid or declared for the period ended 31 March 2013.

11. Financial Instruments

FAIR VALUE

Carrying amounts recognised in the financial statements and notes to financial statements are considered reasonable approximates of their fair value.

The fair value of the Fund's interest in the Private Investment Fund Partnership has been determined on the basis disclosed in note 7.

AASB7: 'Financial Instruments' requires disclosure of fair value using the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as process) or indirectly (that is, derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
Financial assets (equity investments) at fair value through profit or loss	-	-	\$9,182,309
Equity Investments			

Refer to note 7(iii) for further details regarding level 3 risk factors associated with the fair value assessment of the investment in the Private Investment Fund Partnership.

CAPITAL MANAGEMENT

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

FINANCIAL RISK MANAGEMENT

Overview

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

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

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

a) Credit Risk

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

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

	2013
	\$
Summary of exposure	
Cash and cash equivalents	49,623,937
GST receivable	27,377
Interest receivable	11,341
	49,662,655

b) Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund's liquidity primarily comprises cash at bank totalling \$49,623,937 at 31 March 2013 which is held to cover its day-to-day running costs and expenditures and to fund its capital commitments to the LP which total \$46,845,638 at balance date.

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

	Carrying amount	Less than 12 months	On call
	\$	\$	\$
31 March 2013			
Trade and other payables	55,306	55,306	-
Capital commitments ⁽ⁱ⁾	46,845,638	-	46,845,638
	46,900,944	55,306	46,845,638

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

c) Market Risk

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

i. Foreign Exchange Risk

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

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

The table below details the carrying amounts of the Fund's foreign exchange risk as at the end of the reporting period. This represents the Australian dollar exposure, converted at an exchange rate of 1.0419.

	2013
	\$
Summary of exposure	
Cash and cash equivalents	46,875,295
Financial assets (equity investments)	9,182,309
	56,057,604

Sensitivity Analysis

The effect of the foreign exchange risk relating to equity investments (investment in private investment fund partnership) is recorded as part of the overall fair value movement in the investment (refer to note 7), and is, therefore, shown in the market price risk sensitivity per note 11(c)(iii).

The Fund considers a 10% movement in the AUD against USD as at 31 March 2013 to be a reasonable possibility at the end of the reporting period. The impact of the strengthening and weakening of AUD against USD in profit or loss and equity is shown by the amounts below as it relates to cash and cash equivalents. This analysis assumes that all other variables remain constant.

	2013
	\$
Effect on profit or loss before tax/equity	
+ 10% - Strengthening of AUD against USD	(5,096,146)
- 10% - Weakening of AUD against USD	6,228,623

ii. Interest Rate Risk

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

Sensitivity Analysis

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

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

iii. Market Price Risk

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

Sensitivity Analysis

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

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

12. Related Party Disclosures

KEY MANAGEMENT PERSONNEL

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

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

As at 31 March 2013, details of directors who hold units for their own benefit or who have an interest in holdings through a third party and the total number of such units held are listed as follows:

Director	Balance at 12 June 2012	Received as compensation	Other changes	Balance at 31 March 2013
	No.	No.	No.	No.
Daryl Dixon	-	-	312,500	312,500
Maximillian Walsh	-	-	62,501	62,501
Alan Dixon	-	-	1,875,000	1,875,000
Chris Brown	-	-	-	-
Alex MacLachlan	-	-	18,750	18,750
Tristan O'Connell	-	-	6,250	6,250

RESPONSIBLE ENTITY FEES AND OTHER TRANSACTIONS

Management Fees

The Responsible Entity is entitled to receive a Responsible Entity and Administration Fee (in aggregate, referred to as management fees) for the performance of duties under the Fund's Constitution, of up to 2% per annum (exclusive of GST) on the gross asset value of the Fund. The Responsible Entity can invoice the management fee it charges the Fund up to that amount without seeking unitholder approval.

The current management fee charged by the Responsible Entity is 0.33% per annum (exclusive of GST). This is comprised of the Responsible Entity Fee of 0.08% per annum and Administration Fee 0.25% per annum. Management fees are paid to the Responsible Entity monthly in advance.

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

Investment Manager Fee

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

Issue Costs

The Responsible Entity is entitled to receive a Structuring & Arranging Fee of 2% (exclusive of GST) and a Handling Fee of 2% (exclusive of GST) (collectively referred to as issue costs) on the gross proceeds raised under the Replacement Product Disclosure Statement (RPDS) dated 29 June 2012. Total issue costs paid to the Responsible Entity for the financial period was \$2,496,878 (exclusive of GST).

13. Remuneration of Auditors

	2013
	\$
Audit & Review Services	
Deloitte Touche Tohmatsu	
Audit and review of financial reports	46,960
Other Services	
Deloitte Touche Tohmatsu	
Taxation services	31,832
Other	5,000
	83,792

In addition, fees totalling \$129,000 were paid to Deloitte Touche Tohmatsu by Dixon Advisory & Superannuation Services Limited for services rendered in connection with the capital raising pursuant to the public disclosure document issued by Dixon Advisory & Superannuation Services Limited, in August 2012.

Deloitte Touche Tohmatsu was also paid fees amounting to \$13,306 by US Select Private Opportunities Fund L.P. for taxation services.

14. Capital commitments

Other than the capital commitments disclosed in note 7(iv) to the financial statements, the Fund does not have any other capital commitments outstanding for the period ended 31 March 2013.

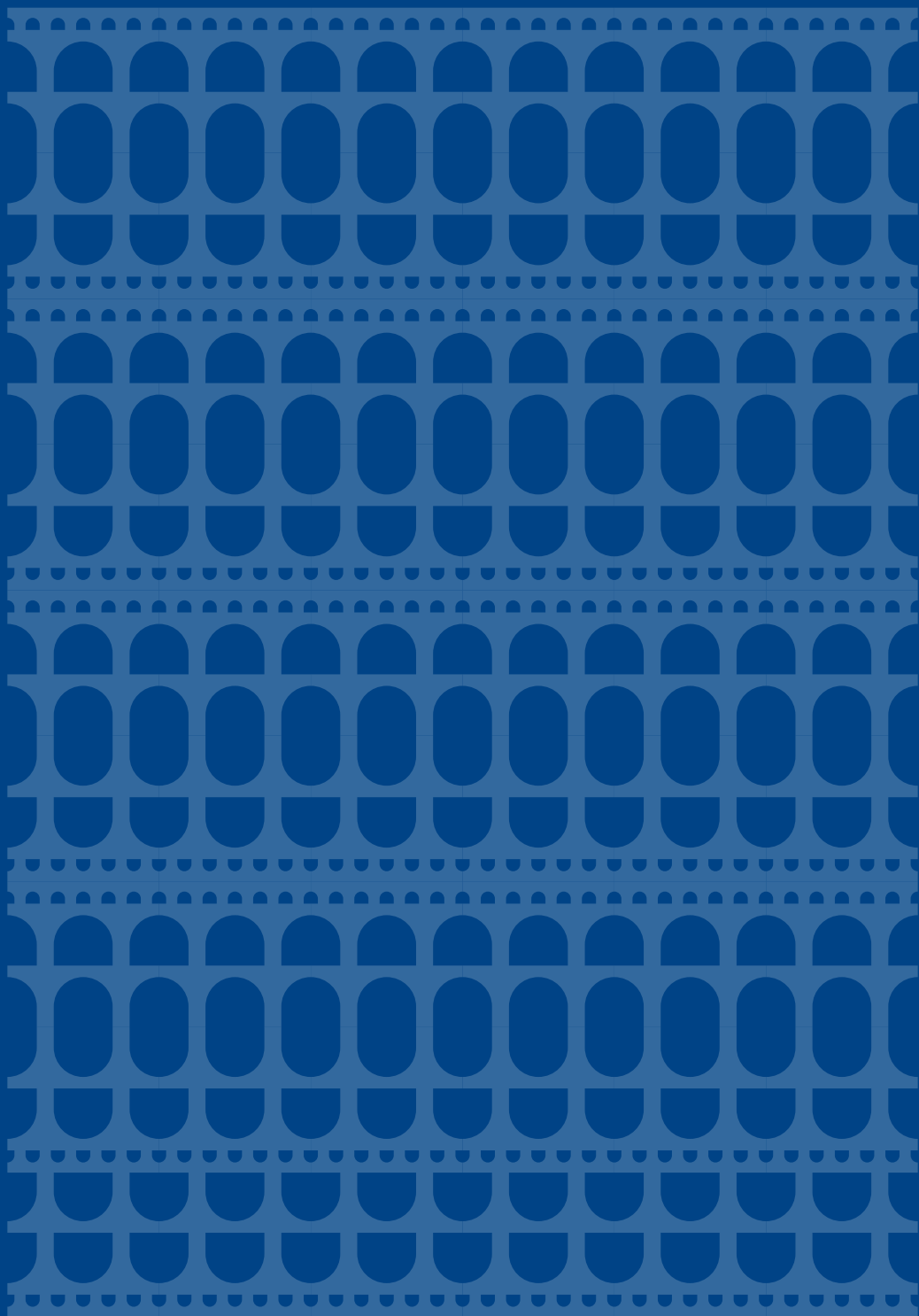
15. Contingent liabilities

The directors of the Responsible Entity are not aware of any potential liabilities or claims against the Fund as at the end of the reporting period.

16. Events subsequent to the reporting period

During April 2013, the LP made its fourth capital call of \$4.1 million (US\$4.3 million) to fund ongoing operating expenses and investments. Inclusive of the fourth capital call, the Fund has uncalled capital commitments of \$42.7 million (US\$44.5 million) outstanding to the LP.

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



DIRECTORS' DECLARATION

For the period 12 June 2012 (date of registration) to 31 March 2013

In the opinion of the directors of the Responsible Entity:

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

The directors of the Responsible Entity have declared that:

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

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

On behalf of the directors



Maximilian Walsh

Director

Date: 24 May 2013



Alex MacLachlan

Director

Date: 24 May 2013

INDEPENDENT AUDITOR'S REPORT



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

We have audited the accompanying financial report of US Select Private Opportunities Fund ('the Fund'), which comprises the statement of financial position as at 31 March 2013, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the period from 12 June 2012 and ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the fund as set out on pages 20 to 47.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Deloitte.

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

Auditor's Independence Declaration

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

Opinion

In our opinion:

- (a) the financial report of US Select Private Opportunities Fund is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Fund's financial position as at 31 March 2013 and of its performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Michael Kaplan
Partner
Chartered Accountants
Sydney, 24 May 2013

ADDITIONAL SECURITIES EXCHANGE DISCLOSURE

As at 30 April 2013

Statement of quoted securities

- 39,013,716 fully paid ordinary units on issue are held by 1,604 unitholders.
- The 20 largest unitholders hold 10.23% of the total units on issue between them.
- Each ordinary unit is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Since admission to ASX on 13 August 2012 to the date of this financial report, the Fund has used the cash assets at the time of admission in a way consistent with its business objectives.

Substantial Unitholders

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

Restricted Securities

There are no restricted securities issued by the Fund.

Distribution of unitholders

Category (size of holding)	Number of unitholders
1-1,000	1
1,001-5,000	94
5,001-10,000	309
10,001-100,000	1,180
100,001-and over	20
Total	1,604

Transactions

There were no transactions in securities during the reporting period.

Top 20 largest holders of units

Unitholder name	Number of Units held	Percentage of Total (%)
Mr White Pension Fund A/C	937,500	2.40%
Kate Dixon Pension Fund A/C	368,750	0.95%
Dixon Family Super A/C	312,500	0.80%
Mr Orange Pty Limited	256,250	0.66%
James Yates Medical S/F A/C	221,875	0.57%
Rosebank Staff S/Fund A/C	190,625	0.49%
CIMS Retirement Fund A/C	156,250	0.40%
John G King S/F A/C	137,500	0.35%
C & C Pitt Super Fund A/C	131,250	0.34%
Dowjen Super Fund A/C	128,125	0.33%
E & E Shaw Super Fund A/C	128,125	0.33%
Aristides Family A/C	125,000	0.32%
S Dykes & R Macguire S/F A/C	125,000	0.32%
The Gallery Super Fund A/C	125,000	0.32%
Riverbank unit A/C	125,000	0.32%
The Morton Super Fund A/C	109,375	0.28%
Devabalini Super Fund A/C	106,250	0.27%
E Cowan Super Fund A/C	103,125	0.26%
Heywood Family S/F Account	103,125	0.26%
Tim Higgins S/F A/C	103,125	0.26%
Total	3,993,750	10.23%

Limited Partnership Agreement

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

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

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

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

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

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

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

