

12 April 2013

US Select Private Opportunities Fund II (ASX: USG)

Fund Update

The US Select Private Opportunities Fund (**Fund**) is pleased to announce that the US Select Private Opportunities Fund II, LP (**LP**) has made two initial commitments and one capital call.

Capital commitments –

The first commitment is a US\$8 million commitment to RFE Investment Partners VIII, LP (**RFE**), a private equity fund that has raised approximately US\$250 million to invest in established small market companies located in North America. RFE operate in three broad business sectors: niche manufacturing, specialised business services, and healthcare services.

The second commitment is a US\$10 million commitment to Tengram Capital Partners Gen2 Fund, LP (**Tengram**), a private equity fund raising capital to invest in the branded consumer product and retail sectors. The Fund will focus on certain consumer segments including apparel, home goods, sporting goods, consumer electronics, health and beauty, spirits, food and beverage, packaged goods, and branded retail. Further information regarding Tengram's size will be provided following the completion of the fund's capital raising.

Please refer to Appendix 1 for additional information regarding the LP's new commitments.

The Fund will contribute its 85.5% share, or approximately US\$6.8 million and \$8.5 million respectively to these commitments. Cordish Private Ventures will contribute the remaining balance based on their proportional share. Thus, total commitment to the LP by the Fund currently stands at approximately \$15.4 million, or 14.7% of total capital commitment.

Capital call –

The LP also made a US\$10 million capital call to fund upcoming investment and operating expenses. The Fund will contribute its 85.5% share, or approximately US\$8.5 million, while Cordish Private Ventures and US Select Private Opportunities Fund II, GP, will contribute the remaining based on their proportional share.

For more information, contact:

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The US Select Private Opportunities Fund II has a primary strategy of investing in US small-to-mid-market private investment funds, adopting a fund-of-funds investment strategy.

APPENDIX 1:

Commitment #1: RFE Investment Partners VIII

RFE has been a leading small market buy-out firm since its inception, and RFE VIII team of eleven professionals have more than 160 years of combined private equity and related experience in this market. The team is led by five Managing Directors who have worked in RFE for an average of 20 years. The Fund will target buy-outs of small market companies with enterprise values ranging between US\$20 million and US\$100 million that possess leading market share positions in their core markets and exhibit strong prospects that could enable them to grow to become middle market size companies within five years.

Fund VIII has been established to invest in small market companies located in North America and operate in three broad business sectors: niche manufacturing, specialized business services, and healthcare services.

Fund website: www.rfeip.com

RFE has already made three attractive investments totalling approximately US\$35.6 million in Fund VIII (14% of total capital):

- **Camino Modular Systems** – manufacturer, installer and distributor of raised access flooring and underfloor air distribution systems in Canada and the US.

www.caminomodular.com

- **JSI Store Fixtures** – designs and manufactures high-quality merchandising displays for the supermarket industry focused on the store perimeter.

www.jsistorefixtures.com

- **HTI Technologies** – manufacturer of highly engineered and customised small fractional motors and motor assemblies used in a variety of specialised latch, pump and valve applications for global appliance and original equipment manufacturers.

www.htimotors.com

Commitment #2: Tengram Capital Partners Gen2 Fund

The objective of this fund is to invest the branded consumer product and retail sectors. The fund is led by three senior partners – William (Bill) Sweedler, Matthew Eby and Richard Gersten – who are proven operators and investors with over three decades of combined experience investing in branded consumer product companies.

Website: www.tengramcapital.com

Tengram has already made four attractive investments totalling US\$35.4 million in Fund capital. These include:

- **Laura Geller Beauty** – leading prestige colour cosmetics brand developed by professional makeup artist, Laura Geller. The Company is best known as an innovator and pioneer of the "baked" category of makeup – uniquely formulated, colour-correcting products made in Italy – and for its easy-to-use, multi-tasking products intended to simplify and improve women's makeup routines. In addition to being a best-selling brand on QVC both in the US and internationally, Laura Geller Beauty products are available at the Company's flagship NYC location, national retail partner ULTA, and via its own website and other high-profile beauty sites.

www.laurageller.com

- **NEST Fragrance** – leading designer and manufacturer of luxury home fragrances, personal care products and fine fragrances. Founded by Laura Slatkin, who has a long-standing reputation as a leader in the luxury fragrances industry, NEST is well-known for its luxurious scented candles, diffusers, room sprays, soaps and lotions, and other essentials for body, rooms and environments. The Company's branded products are sold nationwide through high-end department stores and specialty boutiques.

www.nestfragrances.com

- **Sequential Brands Group, Inc.** – owns, promotes, markets, and licenses a portfolio of consumer brands that presently include William Rast®, People's Liberation®, DVS® and Heely's®. The Company ensures that its brands continue to thrive and grow by employing strong brand management, design, and marketing teams. The Company has licensed its brands in a variety of categories to retailers, wholesalers and distributors in the United States and in certain international territories.

www.sequentialbrandsgroup.com

- **Robert Graham** – a well-known and highly respected maker of luxury men's and women's collection apparel. The brand is most well-known for its American "modern eclectic" style and taste. The products are recognisable for their unique patterns, findings, trimmings, and luxury piece goods. Over the 10-year history of the brand, Robert Graham has become a fashion leader in every classification it has entered. Today, the Robert Graham Collection is available in all doors of Neiman Marcus, Nordstrom, Saks Fifth Avenue and over 550 of the best specialty stores across the United States.

www.robertgraham.us