US Select Private Opportunities Fund II

ABN 44 162 057 089

Half-Year Financial Report

For the half-year ended 30 September 2013

US Select Private Opportunities Fund II

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Report to Unitholders

For the half-year ended 30 September 2013

US Select Private Opportunities Fund II (**the Fund**) enjoyed a highly successful initial six months of operation. US Select Private Opportunities Fund II GP, LLC (the **Investment Manager**) is pleased to announce after thorough due diligence, including multiple follow-up meetings, detailed document reviews and legal and regulatory diligence, US Select Private Opportunities Fund II, LP (**LP**) committed US$10 million to Trive Capital Fund I, L.P., US$8 million to RFE Investment Partners VIII, L.P., US$10 million to Tengram Capital Partners Gen2 Fund, L.P., and US$12 million to US Select Direct Private Equity (US), L.P.

As a result, the LP has committed a total US$40 million (or 59% of total capital) in four leading private investment funds, all focused on investing in US-based small-to-mid-market private investment opportunities:

RFE Investment Partners VIII, L.P.

RFE has been a leading small market buyout firm since its inception, and their team of 11 professionals has more than 160 years of combined private equity and related experience in this market. RFE targets buyouts 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. RFE Investment Partners VIII targets three broad business sectors: manufacturing, specialised business services and health care services.

Tengram Capital Partners Gen2 Fund, L.P.

Tengram invests in the branded consumer product and retails sectors. Tengram is led by three senior partners who are proven operators and investors with over three decades of combined experience investing in branded consumer product companies. Tengram Capital Partners Gen2 Fund focuses on consumer segments including apparel, home goods, sporting goods, consumer electronics, health and beauty, spirits, food and beverage, packaged goods and branded retail.

Trive Capital Fund I, L.P.

Trive Capital is a Dallas, Texas-based private equity fund that is focused on acquiring strategically viable, but under-resourced middle-market companies with the potential for transformational upside through operational improvement. The firm's vision is to utilise proven operational best practices and identify actionable opportunities that allow businesses, shareholders and employees to realise their full long-term potential.

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

US Select Direct Private Equity (US), LP was established with the sole purpose of investing in a direct portfolio of select private companies alongside leading, specialist private investment funds, a strategy commonly referred to as co-investing. US Direct provides a platform to access attractive co-investment opportunities within the small and mid-market private investments universe. Co-investing is an increasingly competitive and sought-after segment of the private investment market. By building a specialist co-investment platform and leveraging existing relationships with leading private investment managers, US Direct will be well placed to access highly coveted co-investment opportunities.

As at 30 September 2013, the Fund had net assets of $64,241,738 representing $1.69 per unit.

Yours faithfully

Alex MacLachlan

Dated 26 November 2013

US Select Private Opportunities Fund II

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Directors’ Report

For the half-year ended 30 September 2013

The directors of Walsh & Company Investments Limited, the Responsible Entity of the US Select Private Opportunities Fund II (**the Fund**), present their report together with the condensed financial statements of the Fund for the half-year ended 30 September 2013.

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

Alex MacLachlan

Kevin Smith (resigned 28 June 2013)

Tom Kline

Tristan O’Connell

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

Principal activities and significant changes in nature of activities

The principal activities of the Fund during the half-year was investing in US 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 of results and operations

On 2 April 2013, the Fund raised $60,979,837 from the issue of 38,112,398 fully paid ordinary units. The Fund was admitted to the official list of the Australian Securities Exchange Limited (**ASX**) on 5 April 2013.

As at the date of this report, the Fund invested in a limited partnership, US Select Private Opportunities Fund II, LP (**LP**) which invests in small-to-medium-sized private investment funds. The LP committed a total of $42.9 million (US$40 million) capital across four underlying private investment funds which focus on a range of industries including restaurants, consumer products, manufacturing and business services. For the half-year ended 30 September 2013, four of the underlying private investment funds made drawdown requests to fund its investments, management fees and operating expenses. Net drawdown requests made by the underlying private investment funds since inception totalled $6.1 million (US$5.7 million).

The Fund has committed capital of $62.2 million (US$58.0 million), representing an interest of 85.2% in the LP. The Fund’s proportionate share of the total capital called as at 30 September 2013 was $9.1 million (US$8.5 million).

Total comprehensive income for the half-year was $5,812,857. This was primarily made up of a $5,433,656 gain on foreign exchange movements and a $526,460 gain on fair value movements of its investment in the LP. As at 30 September 2013, the Fund had net assets of $64,241,738, representing $1.69 per unit.

Distributions paid or recommended

No distributions were paid or declared during, or since the end of, the half-year.

US Select Private Opportunities Fund II

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Directors' Report

For the half-year ended 30 September 2013

Events subsequent to reporting period

During October 2013, the LP made its second capital call of $10.7 million (US$10 million) to fund upcoming investments and ongoing operating expenses.

The Fund contributed its 85.2% share, or approximately $9.1 million (US$8.5 million), while the remaining partners contributed based on their proportional shares.

Inclusive of this capital call, $21.4 million (US$20.0 million) has been called by the LP in aggregate, representing approximately 29.4% of committed capital. The Fund's proportionate share is $18.2 million (US$17.0 million).

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

Auditor's independence declaration

The auditor's independence declaration is set out on page 3 and forms part of the Directors' Report for the half-year ended 30 September 2013.

Made in accordance with a resolution of the directors of the Responsible Entity pursuant to s.306(3) of the *Corporations Act 2001*.

Dated 26 November 2013

Alex MacLachlan

Director

Deloitte.

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

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

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

The Board of Directors
Walsh and Company Investments Limited
as Responsible Entity for:
US Select Private Opportunities Fund II
Level 15
100 Pacific Highway
NORTH SYDNEY NSW 2060

26 November 2013

Dear Board Members

US Select Private Opportunities Fund II

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 II.

As lead audit partner for the review of the financial statements of US Select Private Opportunities Fund II for the half-year ended 30 September 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 review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Michael Kaplan
Partner
Chartered Accountants

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

US Select Private Opportunities Fund II

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Condensed Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 September 2013

	Note	30 September 2013 $
Revenue	3	74,975
Foreign exchange gain		5,433,656
Fair value movements of equity investments	4	526,460
Responsible Entity fees		(108,495)
Fund administration fees		(12,946)
Listing fees		(24,444)
Accounting and audit fees		(16,543)
Custody fees		(2,998)
Share registry fees		(5,436)
Legal and compliance costs		(41,643)
Other expenses		(9,729)
Profit before income tax expense		**5,812,857**
Income tax expense		-
Profit for the period		**5,812,857**
Other comprehensive income for the period (net of tax)		
Items that may be reclassified subsequently to profit or loss		-
Items that will not be reclassified subsequently to profit or loss		-
Total comprehensive profit for the period		**5,812,857**
Earnings per unit		
Basic earnings per unit (cents)		15.42
Diluted earnings per unit (cents)		15.42

The Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Condensed Financial Statements.

US Select Private Opportunities Fund II

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Condensed Statement of Financial Position

As at 30 September 2013

	Note	30 September 2013 $	31 March 2013 $
Assets			
Current Assets			
Cash and cash equivalents		55,662,244	1
Receivables		14,688	-
Total Current Assets		**55,676,932**	**1**
Non-current Assets			
Other financial assets	4	8,607,710	-
Total Non-current Assets		**8,607,710**	**-**
Total Assets		**64,284,642**	**1**
Liabilities			
Current Liabilities			
Trade and other payables		42,904	2,000
Total Current Liabilities		**42,904**	**2,000**
Total Liabilities		**42,904**	**2,000**
Net Assets/(Liabilities)		**64,241,738**	**(1,999)**
Equity			
Unit capital	5	58,430,881	1
Retained earnings/(Accumulated losses)		5,810,857	(2,000)
Total Equity		**64,241,738**	**(1,999)**

The Condensed Statement of Financial Position should be read in conjunction with the Notes to the Condensed Financial Statements.

US Select Private Opportunities Fund II

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Condensed Statement of Changes in Equity

For the half-year ended 30 September 2013

	Note	Unit Capital	(Accumulated Losses)/Retained Earnings	Total
		$	$	$
Balance at 1 April 2013		**1**	**(2,000)**	**(1,999)**
Profit for the period		-	5,812,857	5,812,857
Other comprehensive income for the period (net of tax)		-	-	-
Total comprehensive profit for the period		**-**	**5,812,857**	**5,812,857**
Issue of ordinary units	5	60,979,837	-	60,979,837
Issue costs	5	(2,548,957)	-	(2,548,957)
Balance at 30 September 2013		**58,430,881**	**5,810,857**	**64,241,738**

The Condensed Statement of Changes in Equity should be read in conjunction with the Notes to the Condensed Financial Statements.

US Select Private Opportunities Fund II

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Condensed Statement of Cash Flows

For the half-year ended 30 September 2013

	Note	30 September 2013 $
Cash flow from operating activities		
Interest income received		65,505
Net payments to suppliers		(296,312)
Net cash (used in) operating activities		**(230,807)**
Cash flow from investing activities		
Payments for investments	4	(8,081,250)
Net cash (used in) investing activities		**(8,081,250)**
Cash flow from financing activities		
Proceeds from issue of ordinary units	5	60,979,837
Payment of issue costs		(2,439,193)
Net cash generated by financing activities		**58,540,644**
Net increase in cash and cash equivalents		**50,228,587**
Cash and cash equivalents at the beginning of the period		**1**
Effect of exchange rate changes on cash and cash equivalents		5,433,656
Cash and cash equivalents at the end of the period		**55,662,244**

The Condensed Statement of Cash Flows should be read in conjunction with the Notes to the Condensed Financial Statements.

General Information

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

This half-year financial report is intended to provide users with an update on the latest annual financial statements of the Fund. It is therefore recommended that this half-year financial report be read in conjunction with the annual financial statements of the Fund for the period ended 31 March 2013, together with any public announcements made during the half-year.

The Fund was registered on 5 February 2013, therefore there are no comparatives shown in the financial statements for the Statement of Profit or Loss and Other Comprehensive, Statement of Changes in Equity and Statement of Cash Flows. The Statement of Financial Position comparatives are shown as at 31 March 2013.

1. Basis of Preparation

(i) Statement of Compliance

The condensed financial statements are general purpose condensed financial statements which have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board (**AASB**), including AASB 134: Interim Financial Reporting, and the *Corporations Act 2001*. Compliance with Australian Accounting Standards ensures the condensed financial statements and notes to the condensed financial statements of the Fund comply with the International Accounting Standards IAS34 ‘Interim Financial Reporting’ issued by the International Accounting Standards Board (**IASB**).

The condensed financial statements were authorised for issue by the directors on 26 November 2013.

(ii) Summary of Significant Accounting Policies

The same accounting policies and methods of computation have been followed in this half-year financial report as were applied in the most recent annual financial statements.

The following new and revised Standards and Interpretations applicable to the Fund have been adopted in the current period and have only affected the disclosure and presentation in these financial statements:

AASB 13 ‘Fair Value Measurement’

AASB 13 ‘Fair Value Measurement’ replaces the guidance on fair value measurement in existing AASB accounting policies with a single standard.

This standard defines fair value, provides a framework measuring fair value and requires disclosures about fair value measurement. This standard does not change the requirements regarding which items should be measured or disclosed at fair value. AASB 13 has been applied prospectively and has not resulted in a material change in the determination of fair value.

This standard is effective for annual reporting periods commencing on or after 1 January 2013.

1. Basis of Preparation *(continued)*

No further new or revised Standards and Interpretations effective for the period under review are considered to be applicable to the Fund.

(iii) 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 'other financial asset' classification of the interest in the private investment fund partnership.

As set out in note 4, the Fund is exposed to underlying investments held by US private investment funds which typically constitute unlisted equity investments. Because of the absence of any liquid trading market for these underlying investments, it may take longer to liquidate these investments than would be the case for marketable securities and accordingly the prices realised on such sales may differ materially to the estimated fair values at balance date. The values assigned by the investment funds are based on available information and underlying techniques (such as price/earnings analysis or discounted cash flow methods) which include assumption inputs that are not based on observable market data. As such, the values derived do not necessarily represent amounts which might ultimately be realised, since such amounts depend on future circumstances that cannot reasonably be determined until the individual investments are liquidated.

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 condensed financial statements and notes to the condensed financial statements of the Fund.

3. Revenue

	30 September 2013 $
Interest income	74,975
	74,975

4. Other Financial Assets

	30 September 2013 $	31 March 2013 $
(i) Equity investment constituting		
Interest in US Private Investment Fund Partnership - at fair value		
US Select Private Opportunities Fund II, LP (LP)	8,607,710	-
	8,607,710	**-**
(ii) Reconciliation		
Balance at the beginning of the period	**-**	**-**
Investment at cost	8,081,250	-
Unrealised movements in fair value through profit or loss	526,460	-
Balance at the end of the period	**8,607,710**	**-**

4. Other Financial Assets *(continued)*

(iii) Fund's interest in assets and liabilities of LP

The 85.2% 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 85.2% interest in US Select Private Opportunities Fund II, LP is represented by its interest in the LP's assets and liabilities as follows:

	30 September 2013 $	31 March 2013 $
Cash	2,941,602	-
Financial assets		
Investment in:		
RFE Investment Partners VIII	1,472,357	-
Tengram Capital Partners Gen2 Fund	3,065,922	-
Trive Capital Fund I	718,042	-
US Select Direct Private Equity Fund (US)	410,163	-
Receivables	9,870	-
Payables	(10,246)	-
Net Assets	**8,607,710**	**-**

(iv) Fair value movement

Included in the 'movements in fair value' amount of $526,460 is the Fund's 85.2% share of management fees paid by the LP to the General Partner of the LP, totalling $586,621 (refer to note 7).

(v) Valuation

Valuation technique adopted

The fair value of the Fund's interest in the LP is determined using a 'proportionate' value method based on the Fund's 85.2% interest held in the total net asset values of the LP.

The LP holds investments predominately in US private investment funds, and it adopts a similar fair value measurement basis, based on the proportionate interest it holds in the total net asset values of the respective investment funds. The investment funds themselves invest typically in US unlisted equity investments, the fair value of which are determined periodically based on market valuation techniques, which may involve methods such as price/earnings analysis or discounted cash flow techniques.

4. Other Financial Assets *(continued)*

The fair value of the Fund's interest in the LP is therefore ultimately based on the market valuation techniques adopted by the investment funds in the measurement of their underlying unlisted equity investments. The fair value is also subject to foreign exchange translation impacts arising from translating the USD denominated interest in the LP to AUD at each balance date.

Significant unobservable inputs

The valuation methods adopted by the investment funds as described above require assumptions to be made in respect of significant unobservable inputs in respect of, for example, future cash flows, discount rates or earnings multiples.

Inter-relationship between significant unobservable inputs and fair value measurement

The inter-relationship between the significant unobservable inputs and fair value measurements is such that the higher the growth rates or earnings multiples adopted by the investment funds, the higher the resultant fair value determination of the underlying equity investments, and therefore ultimately the higher the fair value of the Fund's investment in the LP.

Since neither the Fund itself, nor the LP, has access to the underlying detailed equity investment valuations performed by the US investment funds, it is unable to assess the sensitivity of fair value determinations to changes in underlying unobservable inputs. However, at the Fund level, a 5% change (increase/decrease) in the carrying value of the LP's interest held in the underlying US investment funds would result in a $283,324 impact (increase/decrease) in the carrying value of the Fund's investment in the LP. A 5% increase in the AUD/USD exchange rate would decrease the value of the Fund's investments in the LP by $438,408. Conversely, a 5% decrease would increase the value of the Fund's investments in the LP by $488,131.

Refer to note 1(iii) for further details regarding investment risks and estimation uncertainty applied in the determination of the fair value of the underlying unlisted equity investments to which the Fund is exposed.

(vi) Capital commitments

The Fund has made capital commitments totalling $62.2 million (US$58.0 million) to the LP, of which $9.1 million (US$8.5 million) has been called at balance date.

As at 30 September 2013, the Fund has uncalled capital commitments of $53.1 million (US$49.5 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 0.9317.

5. Unit Capital

	30 September 2013 $	31 March 2013 $
(i) Issued Capital		
Balance at the beginning of the period	**1**	**-**
Registration unit	-	1
38,112,398 fully paid ordinary units at $1.60	60,979,837	-
Issue costs	(2,548,957)	-
Balance at the end of the period	**58,430,881**	**1**

		No.	No.
(ii) Number of units outstanding			
Balance at the end of the period		**1**	**-**
07-Feb-13	Fully paid ordinary unit	-	1
02-Apr-13	Fully paid ordinary units	38,112,398	-
Balance at the end of the period		**38,112,399**	**1**

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.

6. Distributions

No distributions were paid or declared for the half-year ended 30 September 2013.

7. Related Party Disclosures

Key Management Personnel

Alex MacLachlan, Tristan O'Connell and Tom Kline are directors of the Responsible Entity, Walsh & Company Investments Limited, and are deemed to be key management personnel.

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

7. Related Party Disclosures *(continued)*

Responsible Entity Fees and other transactions

Management Fees

The Responsible Entity is entitled to receive Responsible Entity and Administration Fee (in aggregate, referred to as management fees) for performance of its 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 quarterly in advance.

The total management fees paid or payable to the Responsible Entity for the half-year ended 30 September 2013 were $103,823, exclusive of GST.

Fund Administration Fees

Effective from 1 July 2013, the Responsible Entity entered into an agreement with Australian Fund Accounting Services Pty Limited, a wholly-owned subsidiary of the Dixon Advisory Group Limited, the parent of the Responsible Entity, to engage their fund administration services. These services include net asset valuation, management accounting, statutory reporting, capital management and taxation.

The fund administration fee will be based on hours or part thereof spent providing the services for the Fund at agreed hourly rates and capped at $120,000 annually (exclusive of GST), payable quarterly in arrears. Total fund administration fees paid or payable for the half-year ended 30 September 2013 were $12,946, exclusive of GST.

Investment Manager Fees

In addition, US Select Private Opportunities Fund II, LP (LP), in which the Fund holds an 85.2% interest, is required to pay its Investment Manager, US Select Private Opportunities Fund II, GP, being 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 limited partners to the LP. The fee is payable quarterly in advance from the funds of the LP. The fee is payable quarterly in advance from the funds of the LP. The total fees paid during the half-year ended 30 September 2013 amounted to $688,456 (US$650,760). The Fund's 85.2% interest equates to $586,621. This fee is recorded in the books of the LP.

US Select Direct Private Equity Fund (US), LP

At balance date, the Fund's share of the LP's investment in US Select Direct Private Equity Fund (US), LP was $410,163 (US$382,149). The General Partner of this investment is associated with the Responsible Entity of the US Select Private Opportunities Fund II. LP's share in the investment management fees for the half-year ended 30 September 2013 amounted to $31,705 (US$29,969). The Fund's 85.2% interest equates to $27,015 (US$25,536).

7. Related Party Disclosures *(continued)*

Issue Costs

The Responsible Entity is entitled to receive a structuring and 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 Product Disclosure Statement (PDS) dated 22 February 2013. Total issue costs paid to the Responsible Entity for the half-year ended 30 September 2013 was $2,439,193, exclusive of GST.

8. Financial Instruments

The fair value of financial assets and financial liabilities approximate their carrying values at the reporting date.

The table below analyses recurring fair value measurements for financial assets and financial liabilities. The fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation techniques used. The different levels are defined as follows:

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

30 September 2013	Level 1 $	Level 2 $	Level 3 $
Other financial assets – equity investment constituting interest in US Select Private Opportunities Fund II, LP	-	-	8,607,710
Total financial assets carried at fair value	**-**	**-**	**8,607,710**
Total financial liabilities carried at fair value	**-**	**-**	**-**

The Fund recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the transfer has occurred. There were no transfers between hierarchy levels during the period.

8. Financial Instruments *(continued)*

Details of the determination of level 3 fair value measurements including the valuation technique adopted and the key underlying unobservable inputs used are set out in note 4.

The Fund has established a control framework with respect to measurement and assessment of fair values. This framework includes a sub-investment committee that has overall responsibility for analysing the performance and fair value movements of underlying US investment fund holdings during each reporting period.

9. Events Subsequent to the Reporting Period

During October 2013, the LP made its second capital call of $10.7 million (US$10 million) to fund upcoming investments and ongoing operating expenses.

The Fund contributed its 85.2% share, or approximately $9.1 million (US$8.5 million), while the remaining partners contributed based on their proportional shares.

Inclusive of this capital call, $21.4 million (US$20.0 million) has been called by the LP in aggregate, representing approximately 29.4% of committed capital. The Fund's proportionate share is $18.2 million (US$17.0 million).

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

US Select Private Opportunities Fund II

ABN 44 162 057 089

Directors' Declaration

For the half-year ended 30 September 2013

The directors of the Responsible Entity declare that:

a) in the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and

b) in the directors' opinion, the attached 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.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors

Dated 26 November 2013

Alex MacLachlan

Director

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

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

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

We have reviewed the accompanying half-year financial report of US Select Private Opportunities Fund II ("the Fund"), which comprises the condensed statement of financial position as at 30 September 2013, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the Fund as set out on pages 4 to 17.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Responsible Entity of the Fund are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of US Select Private Opportunities Fund II's financial position as at 30 September 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of US Select Private Opportunities Fund II, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Member of Deloitte Touche Tohmatsu Limited

Deloitte.

Auditor's Independence Declaration

In conducting our review, 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 the Fund, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of US Select Private Opportunities Fund II is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Fund's financial position as at 30 September 2013 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Michael Kaplan
Partner
Chartered Accountants
Sydney, 26 November 2013

US Select Private Opportunities Fund II

Directory

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

The ASX code is USG

US Select Private Opportunities Fund II

(ARSN 162 057 089)

Registered & Principal Office
Level 15, 100 Pacific Highway
NORTH SYDNEY NSW 2060

T 1300 883 158
F 1300 883 159
E info@uspof.com.au

www.usselectprivateopportunitiesfund.com.au

Responsible Entity

Walsh & Company Investments Limited
(ACN 152 367 649)
(AFSL 410 443)

Level 15, 100 Pacific Highway
NORTH SYDNEY NSW 2060

T 1300 454 801
F 1300 883 159
E info@dixon.com.au

www.dixon.com.au

Directors

Alex MacLachlan

Tristan O'Connell

Tom Kline

Secretaries

Tristan O'Connell

Hannah Chan

Auditor

Deloitte Touche Tohmatsu

Grosvenor Place
225 George Street
SYDNEY NSW 2000

T +61 2 9322 7000
F +61 2 9322 7001

www.deloitte.com.au

Australian Legal Advisor

Watson Mangioni Lawyers Pty Limited

Level 13, 50 Carrington Street
SYDNEY NSW 2000

T +61 2 9262 6666
F +61 2 9262 2626

www.wmlaw.com.au

Share Register

Boardroom Pty Limited
Level 7, 207 Kent Street
SYDNEY NSW 2000

T 1300 737 760 (Australia)
T +61 2 9290 9600 (International)
F 1300 653 459

www.boardroomlimited.com.au