

# US Select Private Opportunities Fund II

ABN 14 157 294 349

## Appendix 4D: Half-Year Report

For the Half-Year Ended 30 September 2014

(The previous corresponding period is the period from 1 April 2013 to 30 September 2013)

### Results for announcement to the market

	Half-year to 30 September 2014 (\$)	Half-year to 30 September 2013 (\$)	Change from previous period (\$)	Change from previous period (%)
Revenue from ordinary activities	\$69,308	\$74,975	Down \$5,667	Down 7.56%
Profit from ordinary activities after tax attributable to unitholders	\$8,166,395	\$5,812,857	Up \$2,353,538	Up 40.49%
Net profit for the period attributable to unitholders	\$8,166,395	\$5,812,857	Up \$2,353,538	Up 40.49%
Basic earnings per unit	18.29 cents	15.42 cents	Up 2.87 cents	Up 18.61%
Diluted earnings per unit	18.29 cents	15.42 cents	Up 2.87 cents	Up 18.61%

As at 30 September 2014, the Fund had net assets of \$100,452,854 (31 March 2014: \$63,620,863).

	30 September 2014 \$/Unit	31 March 2014 \$/Unit
Net tangible assets per unit	\$1.82/unit	\$1.67/unit

No distributions were paid or declared during the half-year.

### **Commentary on results**

On 22 July 2014, the Fund raised \$28,689,916 from the issue of 17,077,641 fully paid ordinary units. A further US\$25.0 million (equivalent to \$28.6 million) was subsequently committed by the Fund to US Select Private Opportunities Fund II LP (LP), increasing its total commitment to US\$83.0 million as at 30 September 2014.

During the half-year period, the Fund invested in US small-to-mid-market private investment funds through its capacity as a Limited Partner of the LP, registered in the Cayman Islands. As at 30 September 2014, the Fund committed a total of US\$83.0 million to the LP, of which US\$25.6 million was called.

The US private investment funds which the LP invests in typically commence distributions to partners after 3-5 years into the investment.

## **Results for announcement to the market (continued)**

The focus of the Fund is to deliver long term capital growth, so at this stage of the Fund the Responsible Entity believes that the net tangible assets of the Fund is the key measures of performance rather than revenue or profitability. Revenue from ordinary activities of the Fund for the half-year comprised entirely of interest income.

Total comprehensive income for the half-year was \$8,166,395. This was primarily made up of a foreign exchange gain of \$3,808,098 relating to translation of USD denominated cash funds held during the half-year, and a \$4,620,304 fair value movement gain from the Fund's investment in the LP during the half-year.

## ***Events subsequent to reporting date***

There were no matters or circumstances that have arisen since the end of the half-year that will significantly affect the Fund's operations, the result of those operations or the state of affairs in future financial years.

## ***Other information***

This report is based on the half-year financial report which has been subject to review by an independent auditor. The independent auditor's review report forms part of the Half-Year Financial Report.

All documents comprise the information required by ASX Listing Rule 4.2A.3.

## ***Attachments forming part of Appendix 4D***

Attachment 1 - Half-Year Financial Report, including Directors' Report.



**Alexander MacLachlan**

*Chairman of Walsh & Company Investments Limited, Responsible Entity*

25 November 2014