



US SELECT PRIVATE OPPORTUNITIES FUND III

In 2012 the US Select Private Opportunities Fund Series (**Series**) was established to provide investors with access to a family office style of investing in United States private investments. The first two funds of the Series have generated pre-tax NTA total returns of 50.2% and 50.4% respectively, since inception.¹

We are fortunate to be able to again partner with Cordish Private Ventures for the third fund in the Series, US Select Private Opportunities Fund III (**Fund**). The Offer is for up to **25,000,000** fully paid ordinary Units in the Fund at an Offer Price of **\$1.60** to raise up to **\$40,000,000** with the ability to accept oversubscriptions.

Key investment benefits

Superior long-term returns of private investments and attractive existing investments²	<ul style="list-style-type: none">• Over the past 5-year, 10-year, and 15-year periods to 31 December 2015, US private equity funds have, on average, generated net returns of 11% to 15% per annum and outperformed US public equities by 2% to 6% per annum³• Over the 10-year period to 31 December 2015, small cap private equity funds have, on average, delivered a total return 31% higher than their largest counterparts⁴• Commitments with five existing underlying funds for a total of US\$33 million of which US\$3.2 million has been drawn
Diversification benefits through a convenient investment platform	<ul style="list-style-type: none">• Private investment returns have historically demonstrated low correlation with public equities and fixed income and have tended to outperform listed equities, on average, in difficult economic times• Provides investors with exposure to US private investments through an Australian dollar denominated investment that is intended to be ASX listed
Experienced team with a successful track record	<ul style="list-style-type: none">• The Investment Manager and its related entities have managed US Select Private Opportunities Fund I (Fund I) and US Select Private Opportunities Fund II (Fund II)• Fund I and Fund II have generated a pre-tax NTA total return, in Australian dollar terms, of 50.2% and 50.4% respectively since inception¹• Fund I and Fund II paid distributions of \$0.10 and \$0.07 per Unit respectively in March 2016 and on 10 June 2016 announced the intention to pay further distributions of approximately \$0.11 and \$0.08 per Unit, respectively• Highly experienced management team with an expert Advisory Board appointed
Access to private investment funds for Australian investors	<ul style="list-style-type: none">• Top performing US small and mid-market private investment funds are particularly difficult to access• Cordish Private Ventures has longstanding relationships and previous investment experience with numerous US-based funds with top quartile performance• Exposure to robust US economy – fundamentals of US economy trending positively
Access to family office style of investing alongside a highly successful family office with extensive experience investing in private markets	<ul style="list-style-type: none">• Investment opportunities not typically available for retail investors• Focused on goal of creating consistent and superior long-term, risk-adjusted returns• Cordish Private Ventures has agreed to commit US\$15 million⁵• Cordish Private Ventures has experience in the space, investing capital and working with the Series

¹ Pre-tax NTA total return as at 31 May 2016, assuming reinvestment of distributions at NTA. Based on the listing of Fund I on 14 August 2012, and Fund II on 9 April 2013. Starting NTA of \$1.53 for Fund I and \$1.53 for Fund II used in the calculations (pro forma NTA for each fund post costs of the respective offers). Source: Bloomberg.

² Existing investments held by the LP

³ Cambridge Associates: Global Buyout & Growth Equity Index and Selected Benchmark Statistics. Based on Cambridge Associates US Buyout Small Cap Index return of 14.1% per annum compared with 11.0% per annum for US Buyout Mega Cap Index. Data as at 31 December 2015

⁴ Cambridge Associates: Global Buyout & Growth Equity Index and Selected Benchmark Statistics. Data as at 31 December 2015

⁵ Investment into the Limited Partnership in which the Fund will invest



Overview

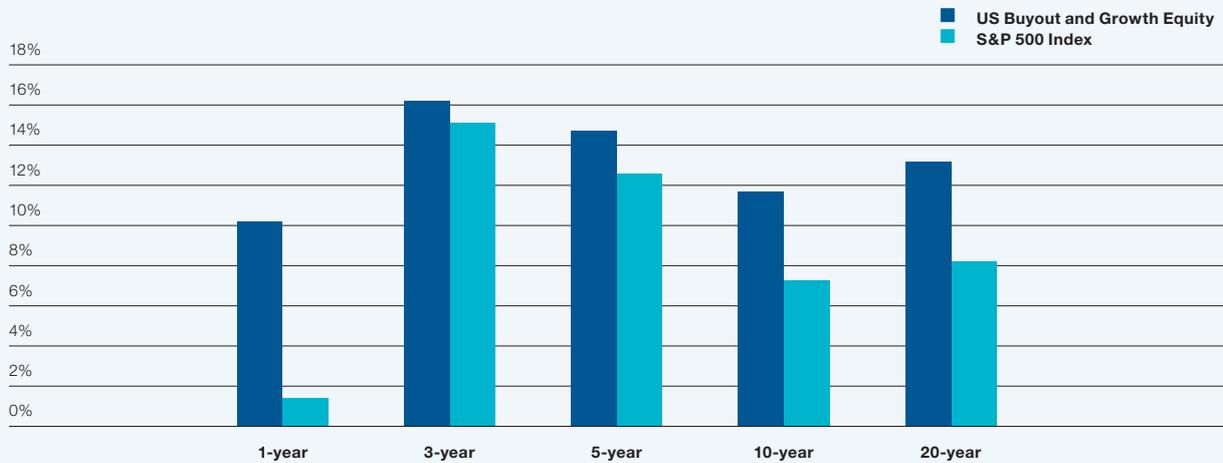
The Fund represents a continuation of the Series strategy and reflects the market opportunity that currently exists for investors seeking equity exposure to US-based operating businesses via high quality, US-focused private investment fund managers.

The investment strategy of the Series is to target US private investment funds focused on investments in the attractive small-to-mid-market niche. Following the Offer the Fund, via the limited partnership through which it invests, will initially have exposure to five underlying investment funds.

Initial Fund commitments



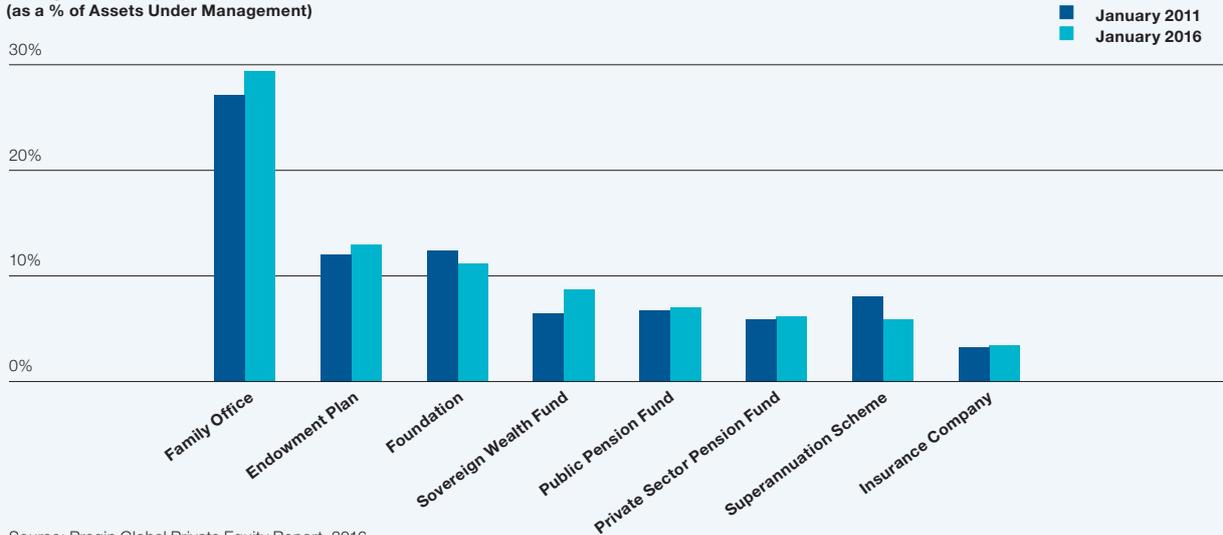
The PE Index has outperformed the S&P 500 index over a 1, 3, 5, 10 and 20 year period.



Source: Cambridge Associates, December 2015

Private equity assets can form an important part of investment portfolios in any market. Institutional investors have consistently been seeking private equity investment, albeit at different asset allocation levels

**Average Private Equity Allocation
(as a % of Assets Under Management)**



Source: Preqin Global Private Equity Report, 2016

Key investment risks

Below is a summary of the key investment risks. Please refer to Section 9 of the Product Disclosure Statement for a more detailed disclosure of risks available at www.uspof.com.au.

Private investments risks

Private investments should be considered a higher risk asset class than traditional equities. Many underlying investments will be in small-mid sized companies which are generally higher risk than large companies

Private investment market risks

There is a risk that underlying investment managers may be unable to secure appropriate investments or realise existing investments in a manner that will generate acceptable returns

No direct supervision of investments

While the Responsible Entity may be consulted on investments that are inconsistent with the investment strategy agreed with the GP and Investment Manager, it does not have the ability to give directions regarding investments

Cordish ability to assist in securing investments

There can be no certainty that the involvement with Cordish Private Ventures will assist in securing access to private investment funds for investment. The LP has committed US\$33 million to five underlying investment funds

Further commitments to the LP

Additional parties may join the LP, in which the Fund will invest, until December 2017 to a maximum value of commitments of US\$225 million. Additional entrants to the LP will reduce the Fund's percentage interest in the LP

Interests of shareholders of GP and limited partners may not align

Related entities of Cordish Private Ventures and Walsh and Co are shareholders in the GP and investors in the LP. There is potential for conflicts of interests between the Fund, Cordish Private Ventures and its affiliates and Walsh & Co and its related entities

Investment exit risk

Interests in private investment funds are typically not frequently traded among investors. The Fund may not be able to readily realise its investment in underlying funds

Unlisted investment risk

The underlying investments of private investment funds are typically unlisted investments. As a result there may be no open market to establish an independent value for certain investments and no

assurance that a determination of fair value will be obtainable in the market or that there will be a market for the unlisted investment

Long time horizon

Investing in private investments requires a long-term commitment to the asset class, typically five to ten years

Substantial uncommitted funds

It may take longer than expected to identify sufficiently attractive investments for the Fund to fully invest any capital raised. The LP, in which the Fund intends to invest, has committed US\$33 million to five underlying fund managers

Valuation risk

There is a possibility that the realisable value of the underlying investments is less than the private investment fund manager's valuation

Concentration risk

The Fund, through the LP, may invest in a relatively small number of investments. This concentration may mean that a loss arising in a single investment may cause a proportionately greater loss in the Fund than if a larger numbers of investments were made

Poor investment performance

None of the Fund, Responsible Entity, the GP, Investment Manager or any other person gives a guarantee as to the amount of income, distribution or capital return of Units or the performance of the Fund, nor do they guarantee the repayment of capital

Foreign exchange risk

The Fund's investments will be primarily in assets and liabilities denominated in US dollars. The value of Units may be affected by increases and decreases in the value of the US dollar relative to the Australian dollar

Macroeconomic risks

The US private investments industry is sensitive to factors including macroeconomic changes, credit market and equity market volatility

Stock market risk

The price of Units may rise and fall due to numerous factors that may affect the market performance of the Fund

Regulatory risk

Changes in government legislation, regulation and policy may affect future

earnings and values of investments. Changes in accounting standards may affect the reported earnings and financial position of the Fund in future financial periods

Taxation risk

Changes to taxation laws in Australia, the Cayman Islands and the US, may affect the tax treatment of the Fund

Unit liquidity risk

As Units are not yet traded there can be no guarantee that a liquid market for securities in the Fund will develop within an acceptable period of time or at all

Litigation risk

In the course of its operations, the Fund, the GP, the Investment Manager and/or the LP may become involved in disputes and litigation that may adversely affect the Fund

Key personnel risk

There is a risk that the departure of key staff may have an adverse effect on the earnings and value of the Fund

Interest rate risk

Changes in interest rates may impact geared vehicles of the Fund and its underlying investments

Counterparty risk

Counterparties of the Fund may not perform their obligations, which may affect the value of, and returns from, an investment in the Fund

Capital return

Income from the Fund will be mostly by way of capital growth as opposed to income based

Potential for increased costs

The multi-manager style of investment of the Fund may result in the Fund paying a higher level of fees than if the Fund invested directly

Borrowing and deposit risk

There is a risk that any loan will need to be repaid at short notice and cannot be replaced post expiry. The Fund will have US denominated cash deposits that may not be recoverable in full

Failure to meet capital calls

If the Fund or another limited partner fails to meet capital calls it will, among other things, lead to dilution of the relevant partner's interest in the LP



Offer

Offer price	<ul style="list-style-type: none"> • \$1.60 per Unit
Offer size	<ul style="list-style-type: none"> • 25 million fully paid Units in the Fund to raise up to \$40 million • Ability to accept oversubscriptions to raise an additional \$40 million
Minimum subscription	<ul style="list-style-type: none"> • 15.625 million Units to raise \$25 million
Closing date	<ul style="list-style-type: none"> • 12 July 2016
Responsible Entity	<ul style="list-style-type: none"> • Walsh & Company Investments Limited (ACN 152 367 649) (AFSL 410 433) (Responsible Entity)
Investment manager	<ul style="list-style-type: none"> • Dixon Asset Management USA, Inc. a related entity of the Responsible Entity
Investment mandate	<ul style="list-style-type: none"> • Investment in US focused private equity funds • Opportunistic direct investment in US businesses
Target distributions	<ul style="list-style-type: none"> • The Fund intends to distribute 100% of the net proceeds it receives
Initial costs	<ul style="list-style-type: none"> • Structuring and arranging fee – 1.5675% (inclusive of GST and net of RITC) of gross proceeds of the Offer • Handling fee – 1.5675% (inclusive of GST and net of RITC) of gross proceeds of the Offer
Ongoing fees	<ul style="list-style-type: none"> • Responsible Entity and administration fee – 0.0836% and 0.261% respectively, (inclusive of GST and net of RITC) of the gross asset value of the fund • Investment management fee – 1% per annum of total funds committed by the limited partners • Performance fee – 10% of the return once a cumulative, non-compounded, pre-tax hurdle of 8% per annum on all capital contributed to the LP and not yet returned by distribution to the limited partners is achieved • Underlying fund manager fees estimated to be 2% per annum of total funds committed by the LP to the underlying funds plus potential for performance fees

For full disclosure on Fund terms, fees and risks see the PDS available at www.uspof.com.au.

Boards and key personnel

Alex MacLachlan Chairman of the Responsible Entity	<ul style="list-style-type: none"> • CEO Funds Management Dixon Advisory • Previously Head of Energy, Australasia, for UBS AG • Advised on more than \$100 billion of mergers and acquisitions and capital market transactions
Tristan O'Connell Director of the Responsible Entity	<ul style="list-style-type: none"> • Chief Financial Officer Dixon Advisory • 20 years' experience in corporate, financial and management roles • Previously Financial Controller of Tullet Prebon in Australia, one of the world's leading inter-dealer broker firms
Tom Kline Director of the Responsible Entity	<ul style="list-style-type: none"> • Chief Operating Officer, Funds Management Dixon Advisory • Previously a member of the Power, Utilities and Infrastructure team at UBS AG
David Cordish Member of advisory board	<ul style="list-style-type: none"> • Chairman of The Cordish Companies • The Cordish Companies is one of the oldest and largest privately held development companies in the US
Jonathan Cordish Chairman of advisory board	<ul style="list-style-type: none"> • President of Cordish Private Ventures • Previously Vice President and Partner at Riggs Capital Partners • Over 15 years' experience investing in private equity and venture capital
John Martin Member of advisory board	<ul style="list-style-type: none"> • Senior Partner with corporate advisory firm Aquasia • Previously a Partner with PWC, Head of NAB Advisory and Joint Head of Credit Markets at RBS/ABN Amro • Also worked as an economist at the Reserve Bank of Australia
Alan Dixon Member of advisory board	<ul style="list-style-type: none"> • MD and CEO of Dixon Advisory USA, Inc. • Previously worked for various investment banks including ABN AMRO and Ord Minnett
Jonathan Sinex Investment professional	<ul style="list-style-type: none"> • Principal of Cordish Private Ventures • Over 12 years' of investing, finance and operating experience including at Goldman Sachs

IMPORTANT INFORMATION Each Unit in the Fund will be issued by Walsh & Company Investments Limited (ACN 152 367 649) in its capacity as Responsible Entity for the Fund. The Offer is being made under a product disclosure statement (PDS). The PDS was lodged with ASIC on or around 15 June 2016. The Corporations Act 2001 (Cth) prohibits the processing of applications to subscribe for Units under this PDS in the seven day period after the lodgement of this Offer Document. This period may be extended by ASIC for a further seven days. Copies of the PDS will be available by calling 1300 454 801 or at www.uspof.com.au. This document does not constitute an offer, invitation, solicitation or recommendation in relation to the subscription, purchase or sale of Units in the Fund in any jurisdiction, and neither this document, nor anything in it, will form the basis of any contract or commitment. An investment in Units of the Fund will only be available through a valid application form attached to the PDS. The PDS will be prepared and issued by the Walsh & Company Investments Limited as Responsible Entity for the Fund. Before making a decision to make or hold any investment you should consider the PDS in full and seek advice if necessary. This document may contain general advice. Any general advice provided has been prepared without taking into account your objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice with regard to your objectives, financial situation and needs. Where the document relates to the purchase of a particular product you should obtain a copy of the relevant prospectus, product disclosure statement or offer document before making any decisions in relation to the product. The past performance of the Series is not a guarantee of the future performance of the Funds.

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