



# Industry Ventures Partnership Holdings V, L.P.

## Hybrid Fund of Funds Strategy

Employees' Retirement System of the State of Rhode Island  
February 28, 2018

# Employees' Retirement System of the State of Rhode Island

As of September 30<sup>th</sup> 2017, ERSRI's commitment to Industry Ventures funds has performed as follows:

| Industry Ventures Fund           | Vintage Year | Commitment           | Contributed Capital  | Unfunded Capital    | Distributions       | Capital Account Value | % Called     | DPI         | TVPI         | Net IRR      |
|----------------------------------|--------------|----------------------|----------------------|---------------------|---------------------|-----------------------|--------------|-------------|--------------|--------------|
| Partnership Holdings III, L.P.   | 2013         | \$ 25,000,000        | \$ 19,500,000        | \$ 5,500,000        | \$ 2,412,108        | \$ 23,103,347         | 78.0%        | 12.4%       | 1.31x        | 14.0%        |
| Partnership Holdings III-C, L.P. | 2015         | \$ 15,000,000        | \$ 6,900,000         | \$ 8,100,000        | \$ -                | \$ 9,040,649          | 46.0%        | 0.0%        | 1.31x        | 33.9%        |
| Partnership Holdings IV, L.P.    | 2016         | \$ 10,000,000        | \$ 3,100,000         | \$ 6,900,000        | \$ -                | \$ 3,552,676          | 31.0%        | 0.0%        | 1.15x        | 29.0%        |
| <b>Total</b>                     |              | <b>\$ 50,000,000</b> | <b>\$ 29,500,000</b> | <b>\$20,500,000</b> | <b>\$ 2,412,108</b> | <b>\$ 35,696,672</b>  | <b>59.0%</b> | <b>8.2%</b> | <b>1.29x</b> | <b>16.7%</b> |

Capital Account as of 09/30/17. Net IRR based on LP cash flows.  
Calculations are provided for convenience only and are estimates, they cannot be relied upon.

# Industry Ventures Overview

2000

Year Firm  
Founded

\$3B+

Assets Under  
Management

240+ 275+

Number of  
Direct  
Investments

Number of  
Fund  
Investments

18%<sup>(1)</sup>

Firm Net IRR

2 offices

San Francisco &  
Washington D.C.

\$1.4B

Total Realized

2.1x<sup>(3,4)</sup>

Net Realized  
ROC

74%<sup>(2)</sup>

Firm Distributions  
to Paid-In Capital

All figures are unaudited and estimated as of 9/30/2017. **Past performance is not indicative of future results.**

1. As of 9/30/2017, net of fees, expenses and carried interest paid to the general partner entity of each respective fund.

2. DPI is on an aggregate basis including all current and prior Industry Ventures Funds

3. Represents the aggregate performance of realized investments determined on a deal by deal basis using realized proceeds, total invested (i.e. full cost basis) and remaining NAV (if any). Net multiple is calculated by  $[(\text{Realized Proceeds} + \text{Remaining NAV}) / \text{Total Invested}]$  for realized investments. Realized investments are defined as those in which over half of the invested cost has been realized  $[\text{Realized Proceeds} > (0.5 * \text{Total Invested})]$ .

4. Net Realized ROC and Net Realized IRRs are estimated by allocating all management fees and expenses across individual investments based on each investment's proportional cost basis in its respective fund and by allocating carried interest across all of the individual investments in the applicable fund, and based on each investment's proportional value (realized and unrealized) in its respective fund.

Please see detailed track record information and a full list of funds for each strategy

# Our Team

## FIRM MANAGEMENT



**HANS SWILDENS**  
Founder & CEO  
Speedera, Microline  
UCSB | Columbia MBA



**ROBERT MAY**  
COO & CCO  
Founders Fund, Mohr Davidow  
San Jose State University

## FINANCE & INVESTOR RELATIONS



**AARON HINZ**  
VP of Finance  
Thomas Weisel | Venrock  
UC Santa Cruz



**ALEX ADAM**  
VP, Head of Investor Relations  
NEPC | Babson MBA  
Boston University



**CHRIS HIPPLE**  
Accounting Manager  
Standish Management  
Santa Clara University



**LENA MCNULTY**  
Manager of Investor Relations  
Santa Clara University



**LISA BREIMAN**  
Investor Relations  
University of Denver

## SECONDARY TEAM



**JUSTIN BURDEN**  
Managing Director  
GE Equity, Wells Fargo  
UC Berkeley | London School  
of Economics MSC



**IRA SIMKHOVITCH**  
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Commonfund, Booz Allen  
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**ERIC YEE**  
Senior Associate  
Moelis & Co  
Claremont McKenna



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Managing Director  
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Goldman Sachs  
Stanford BA | MBA



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**JUSTINE HUANG**  
Associate  
Goldman Sachs  
UC Berkeley



**LINDSAY SHARMA**  
Principal  
Intuit, Great Hill Partners,  
Bear Stearns  
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**KATHLEEN COLLINS**  
Senior Associate  
Bulger Partners  
Dartmouth | Durham  
University



**KEMPER AHL**  
Business Development  
Associate  
Artist Capital  
Davidson College

## HYBRID AND DIRECT TEAM



**ROLAND REYNOLDS**  
Managing Director  
Columbia Capital, JP Morgan  
Princeton | Harvard MBA



**JONATHAN ROOSEVELT**  
Venture Partner  
GuestDNA, SoFi, Battery  
Ventures  
Harvard BA | MBA



**BRIAN LANGNER**  
Senior Associate  
Standish Management  
UC Santa Barbara



**KEN WALLACE**  
Managing Director  
Bessemer Trust  
Wake Forest | UC  
Berkeley MBA



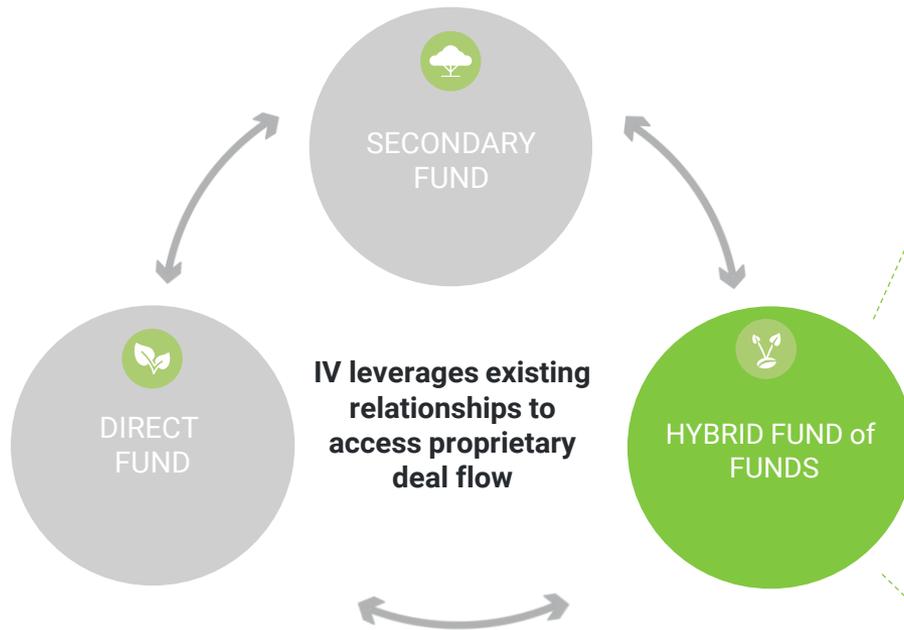
**NATE LEUNG**  
Vice President  
Optimizely  
Stanford | Harvard MBA



**FANNI FAN**  
Associate  
Rosemark Capital  
MIT

# Hybrid Fund of Funds Focuses on Early Stage Venture

## Industry Ventures' Platform approach



## Partnership Holdings - Hybrid Fund of Funds

Diversified exposure to early stage venture capital

*Primary Fund Commitments*

*Early Secondary Fund Interests*

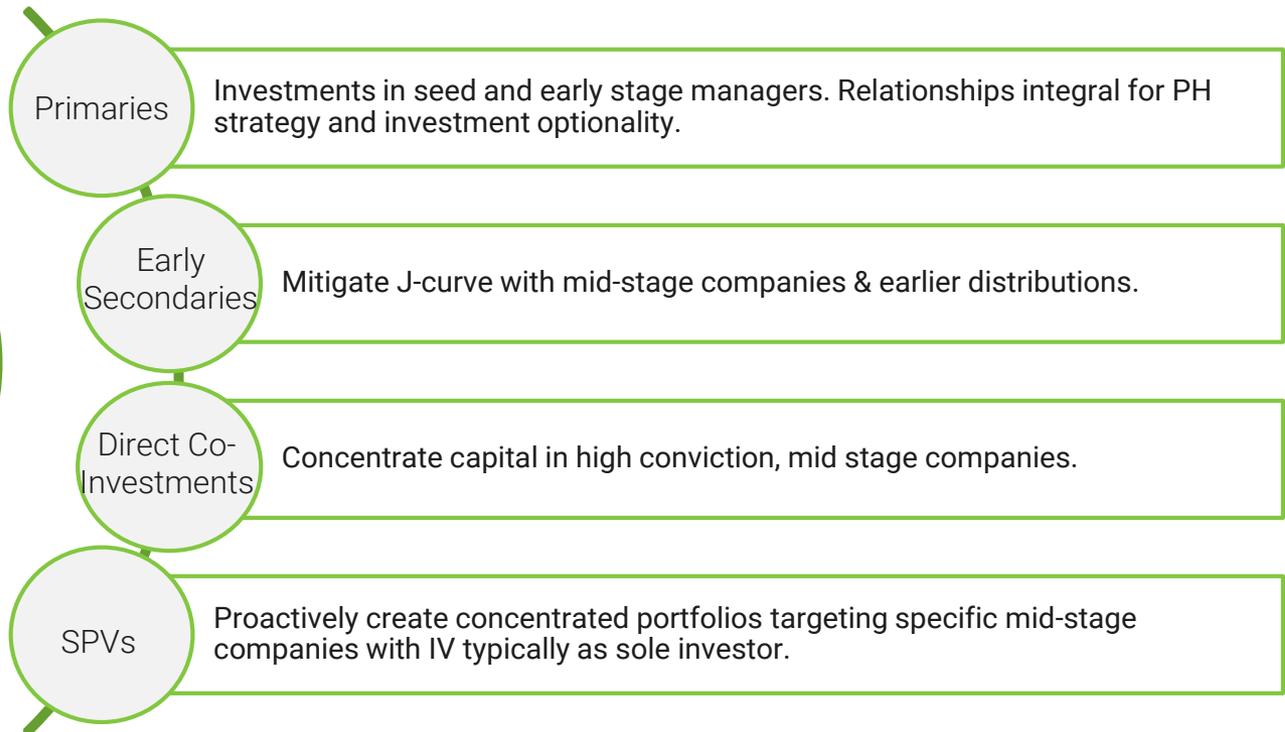
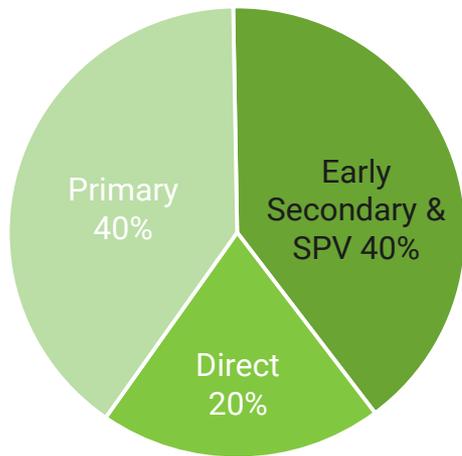
*Direct Co-Investments*

*Special Purpose Vehicles (SPVs)*

- Highly complementary to Secondary Fund and Direct Fund
- Enables deep collaboration with General Partners of smaller funds
- Limited Partners gain exposure to early stage companies with mitigated risk

# Hybrid Fund of Funds Overview

Building a portfolio of early stage venture assets designed to earn a high investment multiple with downside protection and a shortened j-curve.



# Summary of Proposed Terms

|                   |   |
|-------------------|---|
| <b>Name</b>       | <b>Industry Ventures Partnership Holdings V, L.P.</b>           |
| Structure         | Delaware limited partnership                                    |
| Target Fund Size  | \$250 million   |
| Term              | 10 years  |
| Commitment Period | 4 years   |
| Management Fee    | 1%  |
| Carry             | 5% primary; 10% early secondary/SPV; 20% direct co-investments  |
| Preferred Return  | 6%  |
| Target Allocation | 40% early secondary/SPV; 40% primary; 20% direct co-investments |
| Timing            | First close expected Q1 2018                                    |

\*Targeted net returns involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements to differ materially from these projections. These projections speak only as of the date hereof, and Industry Ventures disclaims any obligation or undertaking to provide updates or revisions to reflect any change in its expectations.

# Conclusion



## Targeting High Investment Multiple

- Investments in small early stage venture capital funds



## Experienced and Proven Team

- Deep venture capital expertise and relationships
- Pioneers in small fund investing for over a decade



## Diversified Exposure to Early Stage VC

- With a shortened J-curve and accelerated time to liquidity



## Differentiated Portfolio

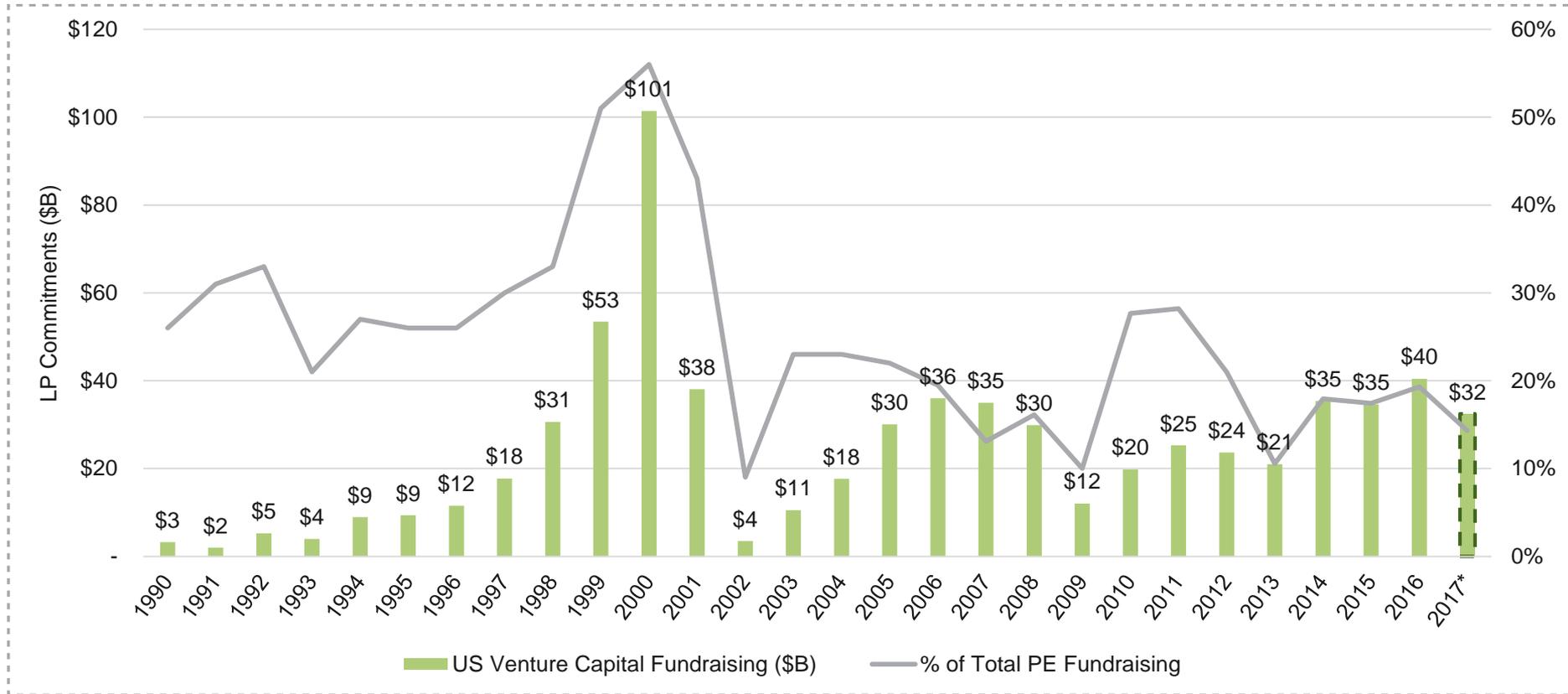
- Inclusion of secondary transactions, SPVs, and direct co-investments

A modern office interior with a conference table, chairs, and a bicycle, overlaid with a gear graphic. The scene is brightly lit with large windows in the background. The floor is covered in a patterned carpet. A bicycle is parked on the left side of the room. The word "Appendix" is centered in the middle of the image.

# Appendix

# Venture Capital Fundraising Returns to '06-'08 Levels

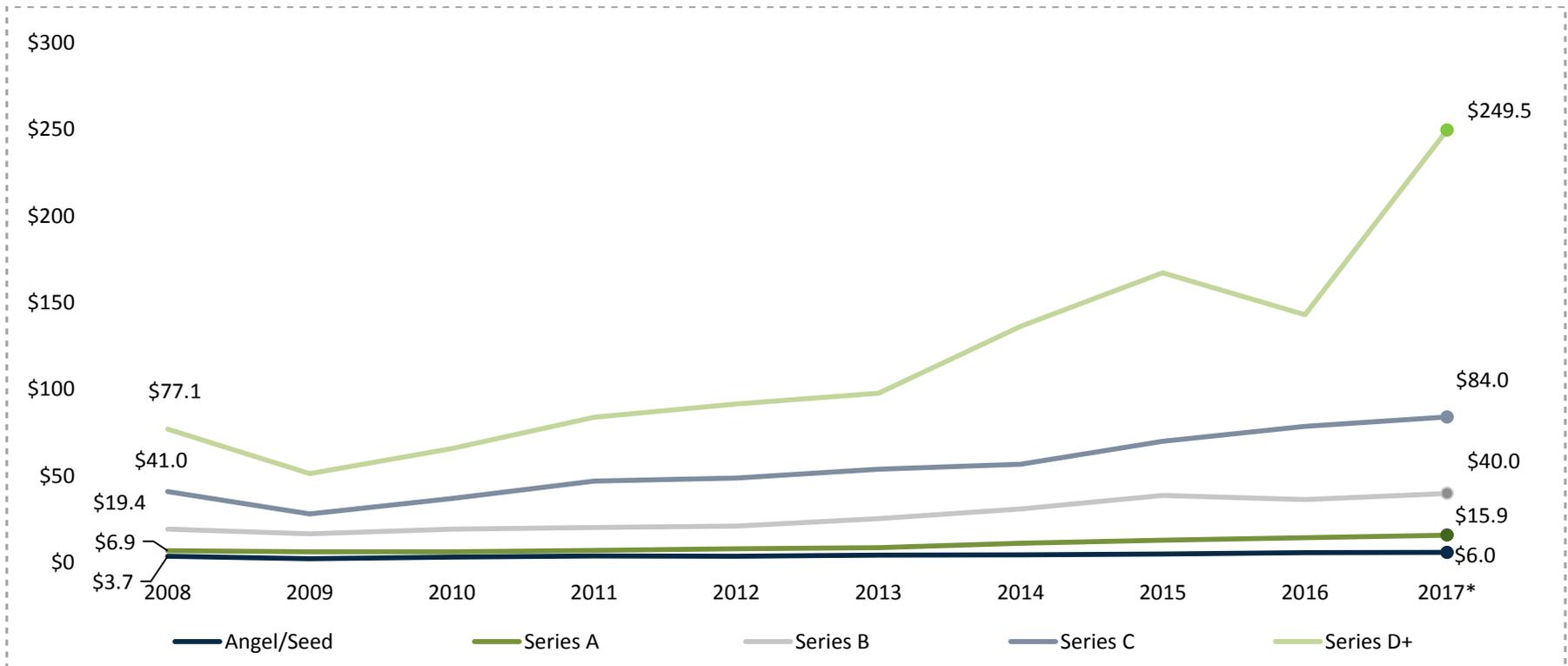
US VC FUNDRAISING BETWEEN 1990 – 2017\*



\*2017 figures annualized based off data through 9/30  
 Sources: NVCA.org - 'NVCA 2017 Yearbook'  
 Pitchbook.com 'Pitchbook 2017 PE/VC Fundraising Report', '3Q 2017 Pitchbook/NVCA Venture Monitor'

# Late-Stage Valuations Resume Climb

MEDIAN PRE-MONEY VALUATION (\$M) BY SERIES



## Commentary

- Valuations up dramatically at late stage, after slight pause in 2016

2017\* = estimated 2017 pro-forma amount based off annualizing 1H 2017  
 Source: Pitchbook.com - '3Q 2017 Pitchbook/NVCA Venture Monitor'

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