

NEW CENTURY

PARTNERS

**U. A. LOCAL NO. 467 PENSION TRUST FUND,
DEFINED BENEFIT PLAN**

QUARTERLY PRESENTATION OF INVESTMENTS

TUESDAY, 9 DECEMBER 2014

16 September 2014

**ECONOMIC / MARKET
COMMENTARY**

As world events occupy the headlines in the news—albeit world events that do not seem to trouble the market all that much—economic news seems to recede a bit into the background. The Fed still does not seem interested in allowing interest rates to increase until next year, economic growth remains anemic, and Congress is more involved with mid-term election positioning rather than dealing with any fiscal matters of significance. With regard to the Federal Reserve’s meeting this week, the market will simply be looking for two words: “considerable time.” In other words, the market wants to see if the Fed will hold rates steady for a “considerable time” after it stops buying bonds. Given the fact that the passing of the baton from Ben Bernanke to Janet Yellen was in large part a reiteration of the current Administration’s belief that Fed policy can affect employment, it seems likely that a stock market pleasing policy of effectively 0.00% interest rates is likely to continue.

The primary market focus this week is the forthcoming IPO for Alibaba, the China-based Internet retailer. This attention is a combination of curiosity as well as real market impact, since the NASDAQ is off 1.25% today as investors adjust their positions in tech companies in response to an IPO that is expected to be the largest ever of a technology company in the United States.

As is explained in more detail below, we are making some minor adjustments to the mutual fund portfolio, but are anticipating being pretty much fully invested throughout the remainder of this fiscal year.

PORTFOLIO ACTIVITY

MUTUAL FUNDS & STOCKS

Mutual Fund Purchases during the last 3 months:

- \$5,000,000 Brown Capital Management Small Company
- \$10,000,000 Oakmark Select
- \$5,000,000 Primecap Odyssey Growth
- \$15,000,000 Dodge & Cox Stock

Mutual Fund Dividends Received and Reinvested during the last 3 months:

- Vanguard Total Stock Market Index \$ 142,074

TOTAL: **\$ 142,074**

VENTURE CAPITAL / PRIVATE EQUITY PARTNERSHIPS

Capital contributions paid out (i.e., purchases) during the last 3 months:

- Pantheon Europe IV \$ 31,027
- Brentwood Associates V \$1,276,369
- Friedman Fleischer & Lowe III \$ 444,036
- Friedman Fleischer & Lowe II \$ 34,675
- Madison Dearborn Capital Partners V \$ 15,581
- Madison Dearborn Capital Partners VI \$ 209,163

TOTAL: **\$2,010,851**

Cash distributions received during the last 3 months:

• Madison Dearborn Capital Partners V	\$ 401,047
• Madison Dearborn Capital Partners VI	\$ 3,542
• Brentwood Associates V	\$ 355,746 *
• Pantheon USA VI	\$ 78,000
• Pantheon Europe IV	\$ 231,039
• Friedman Fleischer & Lowe II	\$1,693,217
• Friedman Fleischer & Lowe III	\$ <u>43,978</u>
TOTAL:	\$2,806,569

* A return of previously invested capital due to additional limited partners investing in BAPE V. The enrollment period for BAPE V is scheduled to close in Q4 2014.

Stocks sold during the last 3 months:

	Proceeds	Realized Gain
Glu Mobile	145,419	68,809
Audience	74,149	17,232
Tableau Software	718,186	713,106
ChannelAdviser	55,367	31,205
Hyperion Therapeutic	22,702	15,780
Workday, Inc.	197,619	190,036
Xoom, Inc.	<u>329,160</u>	<u>260,785</u>
TOTAL:	\$1,542,602	\$1,296,953

Stock distribution received during last 3 months:

- 2,298 Workday, Inc. (New Enterprise Associates 12)
- 4,050 Tableau Software (New Enterprise Associates 11)

PRIVATE EQUITY PARTNERSHIP UPDATES

--Friedman Fleischer & Lowe (April 1999)

Summary FFL Investment Performance as of June 30, 2014:

Number of Companies:	9
Companies Remaining:	1
Investment Multiple:	3.3x
IRR:	33.13%

--Friedman Fleischer & Lowe II (May 2004)

Summary FFL II Investment Performance as of June 30, 2014:

Number of Companies:	10
Companies Remaining:	3
Investment Multiple:	1.9x
IRR:	13.96%

--Friedman Fleischer & Lowe III (October 2008)

Summary FFL III Investment Performance as of June 30, 2014:

Number of Companies:	12
Companies Remaining:	12
Investment Multiple:	1.6x
IRR:	13.65%

This fund is making a request of the limited partners to extend the investment period for an additional six months, to March 2015, and I indicated our agreement to this extension. It is anticipated that FFL III will make one or two more investments.

Given this extension to FFL III, FFL IV (a forthcoming partnership to which we have made a \$10 million commitment) will not make its first capital call until early 2015.

--Madison Dearborn Capital Partners V (July 2006)

Summary of MDCP V Investment Performance as of June 30, 2014:

Number of Companies:	13
Companies Remaining:	9
Investment Multiple:	1.7x
IRR:	8.5%

Performance

--Madison Dearborn Capital Partners VI (May 2008)

Summary of MDCP VI Investment Performance as of June 30, 2014:

Number of Companies:	16
Companies Remaining:	11
Investment Multiple:	1.6x
IRR:	28.6%

Done with IRR higher

Madison Dearborn Capital Partners has released the Subscription Documents for their next partnership, Madison Dearborn Capital Partners VII. After reviewing and accepting the documents, I will instruct Wilmington to execute the Subscription Agreement indicating a commitment to invest \$10 million.

--ValueAct Capital (November 2007)

Summary of ValueAct Investment Performance as of June 30, 2014:

Number of Investments:	14
Investment Multiple:	2.4x
IRR:	14.76%

--Brentwood Associates V (July 2013)

Summary of BAPE V Investment Performance as of June 30, 2014:

Number of Companies:	2
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The first company purchased was Lazy Dog Restaurant and Bar (LDR Holdings, LLC), a

restaurant chain founded in 2008 that currently has 14 restaurants in California. In November 2013, BAPE V purchased a majority interest in Allen Edmonds Corporation, the manufacturer and marketer of premium men's footwear that was founded in 1922.

New Century Partners
PORTFOLIO APPRAISAL
U. A. Local No. 467 Pension Trust Fund,
Defined Benefit Plan
August 31, 2014

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets
COMMON STOCK						
4,050	Tableau Software	0.47	1,903	65.49	265,234	0.1
2,298	Workday, Inc.	3.30	7,583	91.07	209,279	0.1
			9,486		474,513	0.1
MUTUAL FUNDS (Equity)						
229,506.794	Brown Mgt. Small Company	67.22	15,427,686	72.05	16,535,965	5.0
83,262.670	Dodge & Cox Stock	180.15	15,000,000	182.53	15,197,935	4.6
336,414.667	Oakmark	49.11	16,519,687	69.74	23,461,559	7.1
559,146.736	Oakmark Select	44.71	25,000,000	45.66	25,530,640	7.7
1,085,657.519	Primecap Odyssey Aggressive Growth	20.76	22,542,099	33.50	36,369,527	11.0
1,047,393.745	Primecap Odyssey Growth	21.90	22,941,933	26.07	27,305,555	8.2
255,827.816	T. Rowe Price New Horizon	40.57	10,378,235	47.74	12,213,220	3.7
816,778.577	Vanguard Selected Value	25.65	20,946,684	30.41	24,838,237	7.5
724,161.920	Vanguard Total Stock Market Index	37.01	26,801,597	48.82	35,353,585	10.6
			175,557,921		216,806,222	65.3
REAL ESTATE SECURED NOTES & BONDS						
486,100	Local 442 Note 7.00% 12-01-16	1.00	486,100	1.01	488,936	0.1
3,637,491	OCP, LLC Note 8.50% 09-01-19	1.00	3,637,410	1.15	4,177,973	1.3
5,177,857	South Wavecrest, LLC Note 8.50% 09-01-19	1.00	5,177,742	1.15	5,947,215	1.8
			9,301,253		10,614,124	3.2
REAL ESTATE LOANS						
4,072,100	Golf Course Second 10.00% 12-31-10	1.00	4,072,100	3.50	14,241,909	4.3
1,745,000	Carnoustie Loan 8.50% 03-16-12	1.00	1,745,000	1.85	3,235,547	1.0
			5,817,100		17,477,456	5.3

See refer to "Performance" section of this report for a full report
 on Venture Capital & Private Equity investment performance.

*Closed as of 8/31/14
 3:32m*

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Defined Benefit Plan
August 31, 2014

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets
REAL ESTATE PARTNERSHIPS						
3,994,283	Ocean Colony Partners, L.P.	1.00	3,994,283	1.49	5,941,559	1.8
VENTURE CAPITAL						
7,195,443	New Enterprise Associates 10, L.P.	1.00	7,195,443	0.43	3,117,884	0.9
2,309,554	New Enterprise Associates 11, L.P.	1.00	2,309,554	0.97	2,250,038	0.7
4,572,677	New Enterprise Associates 12, L.P.	1.00	4,572,677	0.91	4,146,787	1.2
438,174	New Enterprise Associates 8A, L.P.	1.00	438,174	0.26	112,406	0.0
1,711,729	New Enterprise Associates 9, L.P.	1.00	1,711,729	0.19	319,385	0.1
877,632	New Enterprise Associates VI, L.P.	1.00	877,631	0.04	32,318	0.0
990,313	New Enterprise Associates VII, L.P.	1.00	990,313	0.03	25,994	0.0
1,556,975	New Enterprise Associates VIII, L.P.	1.00	1,556,975	0.15	233,672	0.1
902,687	Rosewood Capital III, L.P.	1.00	902,687	0.03	28,618	0.0
			20,555,183		10,267,102	3.1
PRIVATE EQUITY						
2,754,493	Brentwood Associates Private Equity V	1.00	2,754,493	0.94	2,586,189	0.8
4,207,810	Friedman Fleischer & Lowe II, L.P.	1.00	4,207,810	1.08	4,536,830	1.4
7,472,919	Friedman Fleischer & Lowe III, L.P.	1.00	7,472,919	1.27	9,473,913	2.9
3,498,419	Friedman Fleischer & Lowe, L.P.	1.00	3,498,419	1.00	3,508,265	1.1
6,517,713	Madison Dearborn Capital Partners V, L.P.	1.00	6,517,713	1.35	8,805,154	2.7
5,429,499	Madison Dearborn Capital Partners VI, L.P.	1.00	5,429,499	1.17	6,329,556	1.9
1,888,861	Pantheon Europe Fund IV, L.P.	1.00	1,888,861	1.11	2,094,525	0.6

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Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets
1,673,591	Pantheon USA Fund VI, L.P.	1.00	1,673,591	1.37	2,284,835	0.7
10,000,000	ValueAct Capital Partners II, L.P.	1.00	10,000,000	2.45	24,472,077	7.4
			43,443,306		64,091,344	19.3
CASH AND EQUIVALENTS						
	Morgan Stanley Bank Deposit Program		5		5	0.0
	Morgan Stanley Institutional MMF		4,750,548		4,750,548	1.4
	Wilmington Trust Money Market Fund		1,582,646		1,582,646	0.5
			6,333,199		6,333,199	1.9
TOTAL PORTFOLIO			265,011,731		332,005,519	100.0

*Proximus
2X*

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entire Capital & Private Equity investment performance.

Summary of Investments by U. A. Local No. 467 Pension Trust Fund
in Venture Capital and Private Equity Partnerships

Partnership	Date of Commitment	Amount of Commitment	Commitment Invested to Date	Balance of Commitment To Be Invested	Cash Received & Stocks Received and Sold	Stocks Received and Held 08/31/14	Partnership Interest 8/31/14	6/30/14		Total Value as a Multiple of Cost	IRR Inception - 6/30/14	
								# Portfolio Funds	# Portfolio Companies Public Private			
New Enterprise Associates V	Sep-90	1,000,000	1,000,000	0	2,539,933	0	Liquidated 12-18-06	0	0	0	2.5	31.17%
New Enterprise Associates VI	Dec-93	2,000,000	2,000,000	0	15,103,805	0	32,318	1	0	0	8.0	65.80%
Rosewood Capital	Nov-94	2,000,000	1,929,532	0	2,569,424	0	Liquidated 09-30-10	0	0	0	1.3	6.39%
New Enterprise Associates VII	Dec-96	2,000,000	2,000,000	0	2,878,342	0	25,994	1	0	3	3.4	63.68%
Rosewood Capital III	Aug-97	2,000,000	1,704,971	0	1,213,565	0	28,618	1	1	1	0.7	-4.19%
New Enterprise Associates VIII	Oct-98	2,000,000	2,000,000	0	2,159,643	0	233,672	1	1	11	1.7	31.80%
Friedman Fleischer & Lowe	Apr-99	10,000,000	10,000,000	0	29,876,360	0	3,508,265	1	0	1	3.3	33.13%
New Enterprise Associates 9	Nov-99	2,000,000	1,960,000	40,000	615,036	0	319,385	1	2	9	0.5	-6.50%
New Enterprise Associates 10	Oct-00	10,000,000	9,850,000	150,000	8,346,075	0	3,117,884	1	7	24	1.2	4.70%
New Enterprise Associates 8A	Jul-01	535,714	535,714	0	311,971	0	112,406	1	1	11	0.8	-2.74%
New Enterprise Associates 11	Mar-04	4,000,000	3,920,000	80,000	6,289,593	265,235	2,250,038	1	5	24	2.3	15.76%
Friedman Fleischer & Lowe II	May-04	10,000,000	8,985,389	1,014,611	12,783,547	0	4,536,830	1	0	5	1.9	13.96%
Pantheon USA VI	Nov-04	3,000,000	2,745,343	254,657	2,010,585	0	2,284,835	63	N/A	N/A	1.6	7.90%
Pantheon Europe IV	Sep-05	3,000,000	2,747,696	252,304	1,736,217	0	2,094,525	49	N/A	N/A	1.4	5.00%
Madison Dearborn Capital Partners V	Feb-06	10,000,000	9,467,948	532,052	7,682,804	0	8,805,154	1	1	3	1.7	8.50%
New Enterprise Associates 12	Apr-06	5,000,000	4,925,000	75,000	3,147,862	209,279	4,146,787	1	7	68	1.5	10.54%
ValueAct AICap Partners, L.P.	Nov-07	10,000,000	10,000,000	0	3,039	0	24,472,077	1	20	2	2.4	14.76%
Madison Dearborn Capital Partners VI	May-08	10,000,000	7,987,710	2,012,290	6,133,626	0	6,329,556	1	0	7	1.6	28.60%
Friedman Fleischer & Lowe III	Oct-08	10,000,000	8,670,910	1,329,090	4,153,952	0	9,473,913	1	0	11	1.6	13.65%
Brentwood Associates V	Jul-13	10,000,000	2,754,493	7,245,507	28,655	0	2,586,189	1	0	2	0.9	N/A
TOTALS			95,184,706	12,985,511	109,584,034	474,513	74,358,446	124	25	160	1.9	33.70%

Performance & Allocation By Asset Class
From 12-31-13 To 8-31-14

U.A. Local No. 467 Pension Trust Fund, Defined Benefit Plan

Asset Class	Market Value			% Change
	12/31/13	8/31/14	\$ Difference	
Cash & Equivalents	6,619,483	6,333,199	-286,284	-4.32%
Stocks	731,776	474,513	-257,263	-35.16%
Mutual Funds (Equity)	198,694,233	216,806,222	18,111,989	9.12%
Private Equity	61,377,763	64,091,344	2,713,581	4.42%
Venture Capital	13,062,824	10,267,102	-2,795,722	-21.40%
Real Estate Secured Notes & Bonds	10,796,763	10,614,124	-182,639	-1.69%
Real Estate Loans	18,595,809	17,477,456	-1,118,353	-6.01%
Real Estate Partnerships	7,180,135	5,941,559	-1,238,576	-17.25%
TOTAL PORTFOLIO VALUE	317,058,787	332,005,519	14,946,732	4.71%
YTD Withdrawals	0	-693,000		
YTD Contributions	0	0		

Internal Rate of Return (Discounted Cash Flow Method)	Asset Class			TOTAL "NCP" PORTFOLIO
	Cash & Equivalents	Bonds	Equities	
	0.02%	0.00%	5.94%	5.82%
Asset Class Percentage of Total Portfolio	1.90%	0.00%	65.40%	89.70%

* Total portfolio also includes 10.30% in real estate investments.

Comparative Benchmarks	2014 YTD Returns
Dow Jones Industrial Average	3.15%
S&P 500	8.38%
S&P MidCap 400	7.12%
Nasdaq Composite Index	9.67%
S&P SmallCap 600	0.95%
MSCI / Barra Developed World ex USA Stock Index	1.55%
Barclays Capital U.S. Aggregate Bond Index	3.65%

NOTE: The Actuarial Assumption for the U.A. Local No. 467 Pension Trust Fund, Defined Benefit Plan is 7.00%.