

**NEW CENTURY**  

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**PARTNERS**

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

**QUARTERLY PRESENTATION OF INVESTMENTS**

**TUESDAY, 9 DECEMBER 2014**  

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**5 December 2014**

**ECONOMIC / MARKET  
COMMENTARY**

**Dow Jones Industrial Average:**

December 31, 2013: 16,576  
October 22, 2014: 16,461  
December 5, 2014: 17,900

The above provides a numerical indication of the sort of year the U.S. stock market has provided investors—essentially flat, very choppy, and (finally) trending up. In addition, perhaps today’s November “Job’s Report” provides some indirect explanations for the “good news” and the “bad news” behind these DJIA numbers:

**Headline (12/5/14): “U.S. Employer’s Added 321,000 Jobs Last Month”**

Upward Revision: **44,000.** Job creation in recent months was stronger than estimated.

Wages: **2.1%.** Hourly earning for private employees rose 2.1% in November from a year earlier.

Improvement: **50.** Nonfarm payrolls rose for the 50<sup>th</sup> straight month in November.

Participation: **62.8%.** Last month, 62.8% of Americans participated in the labor force, meaning they were either working or looking for a job. More than 9.1 million American that wanted a job last month couldn’t find one. Labor-force participation rate remains near a three-decade low.

Broader Measure: **11.4%.** The “U6” broader measure of unemployment—including involuntary part-time workers and American too discouraged to apply for jobs—stood at 11.4% This rate was near 8% in 2007.

**Annual percentage growth rate of U.S. GDP per The World Bank:**

2004	3.8%
2005	3.4%
2006	2.7%
2007	1.8%
2008	-0.3%
2009	-2.8%
2010	2.5%
2011	1.8%
2012	2.8%
2013	1.9%

Throughout the quarter, we have made a few adjustments in the mutual fund portfolio in an effort to benefit from the perceived focus (large cap, small cap) of the market, and there will be a little more adjusting (shifting from one fund to another) between now and year-end. Investment allocations across the entire portfolio, however, should remain essentially unchanged.

## PORTFOLIO ACTIVITY

### MUTUAL FUNDS & STOCKS

#### Mutual fund sales during the last 3 months:

	<u>Realized Gain</u>
• Brown Capital Management Small Company (partial)	\$1,090,756
• T. Rowe Price New Horizon (partial)	\$1,489,645
• Vanguard Selected Value	\$3,233,596

#### Mutual fund purchases during the last 3 months:

	<u>Dollar Amount</u>
• Oakmark	\$8,000,000
• Oakmark Select	\$8,000,000
• Primecap Odyssey Aggressive Growth	\$5,000,000
• Primecap Odyssey Growth	\$8,000,000
• Vanguard Small Cap Value Index	\$5,000,000

#### Mutual fund dividends received and reinvested during the last 3 months:

• Vanguard Total Stock Market Index	\$ 157,867
• Dodge & Cox Stock	\$ 68,787

### VENTURE CAPITAL / PRIVATE EQUITY PARTNERSHIPS

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

• Pantheon Europe IV	\$ 14,479
• Madison Dearborn VI	\$ 251,642
• Friedman Fleischer & Lowe III	\$ 857,511

**Cash distributions received during the last 3 months:**



**Stocks received as distribution during the last 3 month:**

New Century Partners  
**PORTFOLIO APPRAISAL**  
*U. A. Local No. 467 Pension Trust Fund,*  
**Defined Benefit Plan**  
*November 30, 2014*

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets
<b>COMMON STOCK</b>						
4,050	Tableau Software	0.47	1,903	83.88	339,714	0.1
2,298	Workday, Inc.	3.30	7,583	87.05	200,041	0.1
			9,486		539,755	0.2
<b>MUTUAL FUNDS (Equity)</b>						
89,666.212	Brown Mgt. Small Company	67.22	6,027,456	74.68	6,696,273	2.0
110,298.793	Dodge & Cox Stock	181.71	20,042,709	184.12	20,308,214	6.0
479,277.636	Oakmark	55.33	26,519,687	71.11	34,081,433	10.0
732,946.432	Oakmark Select	45.02	33,000,000	46.36	33,979,397	10.0
1,233,981.458	Primecap Odyssey Aggressive Growth	22.32	27,542,099	34.67	42,782,137	12.6
1,348,145.625	Primecap Odyssey Growth	22.95	30,941,933	27.23	36,710,005	10.8
107,898.822	T. Rowe Price New Horizon	40.57	4,377,160	48.49	5,232,014	1.5
204,834.084	Vanguard Small Cap Value Index	24.41	5,000,000	25.33	5,188,447	1.5
702,187.013	Vanguard Total Stock Market Index Admiral	49.22	34,561,646	51.87	36,422,440	10.7
			188,012,689		221,400,360	65.1
<b>REAL ESTATE SECURED NOTES &amp; BONDS</b>						
481,338	Local 442 Note 7.00% 12-01-16	1.00	481,338	1.01	486,926	0.1
3,625,607	OCP, LLC Note 8.50% 09-01-19	1.00	3,625,607	1.15	4,167,759	1.2
5,160,941	South Wavecrest, LLC Note 8.50% 09-01-19	1.00	5,160,941	1.15	5,932,677	1.7
			9,267,886		10,587,362	3.1
<b>REAL ESTATE LOANS</b>						
4,072,100	Golf Course Second 10.00% 12-31-10	1.00	4,072,100	3.52	14,340,784	4.2
1,555,000	Carnoustie Loan 8.50% 03-16-12	1.00	1,555,000	2.42	3,764,770	1.1
			5,627,100		18,105,554	5.3

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

New Century Partners  
**PORTFOLIO APPRAISAL**  
*U. A. Local No. 467 Pension Trust Fund,*  
*Defined Benefit Plan*  
*November 30, 2014*

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets
<b>REAL ESTATE PARTNERSHIPS</b>						
3,994,283	Ocean Colony Partners, L.P.	1.00	3,994,283	1.52	6,077,107	1.8
<b>VENTURE CAPITAL</b>						
7,195,443	New Enterprise Associates 10, L.P.	1.00	7,195,443	0.43	3,113,044	0.9
2,309,554	New Enterprise Associates 11, L.P.	1.00	2,309,554	0.84	1,928,488	0.6
4,527,578	New Enterprise Associates 12, L.P.	1.00	4,527,578	0.80	3,627,750	1.1
438,174	New Enterprise Associates 8A, L.P.	1.00	438,174	0.27	117,676	0.0
1,711,729	New Enterprise Associates 9, L.P.	1.00	1,711,729	0.19	324,457	0.1
990,313	New Enterprise Associates VII, L.P.	1.00	990,313	0.03	25,962	0.0
1,556,975	New Enterprise Associates VIII, L.P.	1.00	1,556,975	0.15	233,766	0.1
902,687	Rosewood Capital III, L.P.	1.00	902,687	0.03	26,342	0.0
			19,632,453		9,397,485	2.8
<b>PRIVATE EQUITY</b>						
3,214,676	Brentwood Associates Private Equity V	1.00	3,214,666	0.95	3,046,372	0.9
4,207,810	Friedman Fleischer & Lowe II, L.P.	1.00	4,207,810	1.08	4,536,830	1.3
8,330,430	Friedman Fleischer & Lowe III, L.P.	1.00	8,330,430	1.24	10,331,424	3.0
3,498,419	Friedman Fleischer & Lowe, L.P.	1.00	3,498,419	1.00	3,508,265	1.0
5,060,583	Madison Dearborn Capital Partners V, L.P.	1.00	5,060,583	1.38	6,994,247	2.1
5,183,260	Madison Dearborn Capital Partners VI, L.P.	1.00	5,183,260	1.29	6,697,000	2.0
1,803,178	Pantheon Europe Fund IV, L.P.	1.00	1,803,178	1.11	1,992,628	0.6
1,610,003	Pantheon USA Fund VI, L.P.	1.00	1,610,003	1.40	2,254,819	0.7

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**PORTFOLIO APPRAISAL**  
*U. A. Local No. 467 Pension Trust Fund,*  
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Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets
10,000,000	ValueAct Capital Partners II, L.P.	1.00	10,000,000	2.59	25,934,667	7.6
			42,908,350		65,296,252	19.2
<b>CASH AND EQUIVALENTS</b>						
	Morgan Stanley Bank Deposit Program		5		5	0.0
	Morgan Stanley Institutional MMF		4,751,077		4,751,077	1.4
	Wilmington Trust Money Market Fund		4,056,135		4,056,135	1.2
			8,807,217		8,807,217	2.6
<b>TOTAL PORTFOLIO</b>			<b>278,259,464</b>		<b>340,211,092</b>	<b>100.0</b>

Please refer to "Performance" section of this report for a full report of Venture 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 11/30/14	Partnership Interest 11/30/14	9/30/14			Total Value as a Multiple of Cost	IRR Inception - 9/30/14
								# Portfolio Funds	# Portfolio Public	Companies Private		
New Enterprsie 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	15,136,092	0	Liquidated 10-24-14	0	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	25,962	1	0	3	3.4	63.68%
Rosewood Capital III	Aug-97	2,000,000	1,704,971	0	1,213,565	0	26,342	1	1	1	0.7	-4.22%
New Enterprise Associates VIII	Oct-98	2,000,000	2,000,000	0	2,159,643	0	233,766	1	1	11	1.7	31.53%
Friedman Fleischer & Lowe	Apr-99	10,000,000	10,000,000	0	29,876,360	0	3,508,265	1	0	1	3.3	33.06%
New Enterprise Associates 9	Nov-99	2,000,000	1,960,000	40,000	615,036	0	324,457	1	2	9	0.5	-7.31%
New Enterprise Associates 10	Oct-00	10,000,000	9,850,000	150,000	8,346,075	0	3,113,044	1	7	24	1.2	4.48%
New Enterprise Associates 8A	Jul-01	535,714	535,714	0	311,971	0	117,676	1	1	11	0.8	-2.36%
New Enterprise Associates 11	Mar-04	4,000,000	3,920,000	80,000	6,289,593	339,714	1,928,488	1	5	24	2.3	15.34%
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	14.32%
Pantheon USA VI	Nov-04	3,000,000	2,745,343	254,657	2,064,586	0	2,254,819	63	N/A	N/A	1.6	8.20%
Pantheon Europe IV	Sep-05	3,000,000	2,747,696	252,304	1,977,582	0	1,992,628	49	N/A	N/A	1.4	5.70%
Madison Dearborn Capital Partners V	Feb-06	10,000,000	9,467,948	532,052	9,305,196	0	6,994,247	1	1	3	1.7	7.03%
New Enterprise Associates 12	Apr-06	5,000,000	4,925,000	75,000	3,533,734	200,041	3,627,750	1	7	68	1.5	10.45%
ValueAct AllCap Partners, L.P.	Nov-07	10,000,000	10,000,000	0	3,039	0	25,934,667	1	20	2	2.6	15.16%
Madison Dearborn Capital Partners VI	May-08	10,000,000	7,987,710	2,012,290	7,423,921	0	6,697,000	1	0	7	1.8	21.93%
Friedman Fleischer & Lowe III	Oct-08	10,000,000	8,670,910	1,329,090	4,153,952	0	10,331,424	1	0	11	1.7	11.92%
Brentwood Associates V	Jul-13	10,000,000	3,214,676	6,785,324	28,655	0	3,046,372	1	0	2	1.0	N/A
<b>TOTALS</b>			<b>95,644,889</b>	<b>12,525,328</b>	<b>113,210,246</b>	<b>539,755</b>	<b>74,693,737</b>	<b>123</b>	<b>25</b>	<b>160</b>	<b>2.0</b>	<b>33.57%</b>

**Performance & Allocation By Asset Class  
From 12-31-13 To 11-30-14**

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

<i>Asset Class</i>	<i>Market Value</i>			
	<i>12/31/13</i>	<i>11/30/14</i>	<i>\$ Difference</i>	<i>% Change</i>
<i>Cash &amp; Equivalents</i>	6,619,483	8,807,217	2,187,734	33.05%
<i>Stocks</i>	731,776	539,755	-192,021	-26.24%
<i>Mutual Funds (Equity)</i>	198,694,233	221,400,360	22,706,127	11.43%
<i>Private Equity</i>	61,377,763	65,296,252	3,918,489	6.38%
<i>Venture Capital</i>	13,062,824	9,397,485	-3,665,339	-28.06%
<i>Real Estate Secured Notes &amp; Bonds</i>	10,796,763	10,587,362	-209,401	-1.94%
<i>Real Estate Loans</i>	18,595,809	18,105,554	-490,255	-2.64%
<i>Real Estate Partnerships</i>	7,180,135	6,077,107	-1,103,028	-15.36%
<b>TOTAL PORTFOLIO VALUE</b>	<b>317,058,787</b>	<b>340,211,092</b>	<b>23,152,305</b>	<b>7.30%</b>
<i>YTD Withdrawals</i>	0	-1,349,000		
<i>YTD Contributions</i>	0	0		

<b>Internal Rate of Return</b> <i>(Discounted Cash Flow Method)</i>	<i>Cash &amp; Equivalents</i>	<i>Bonds</i>	<i>Equities</i>	<i>Private Equity</i>	<i>Venture Capital</i>	<b>TOTAL "NCP" PORTFOLIO</b>
		0.03%	0.00%	8.36%	17.49%	-16.28%
<b>Asset Class Percentage of Total Portfolio</b>	2.60%	0.00%	65.30%	19.20%	2.80%	89.90%

\* Total portfolio also includes 10.20% in real estate investments.

<b>Comparative Benchmarks</b>	<b>2014 YTD Returns</b>
<i>Dow Jones Industrial Average</i>	7.55%
<i>S&amp;P 500</i>	11.88%
<i>S&amp;P MidCap 400</i>	14.73%
<i>Nasdaq Composite Index</i>	7.46%
<i>S&amp;P SmallCap 600</i>	1.69%
<i>MSCI / Barra Developed World ex USA Stock Index</i>	-3.46%
<i>Barclays Capital U.S. Aggregate Bond Index</i>	5.43%

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