



INDUSTRY *ventures*

Secondary VIII, L.P.

April 14th 2016

Dallas Police & Fire Pension System

Firm Overview



Year firm founded

2000



San Francisco headquarters

2 offices



Assets under management

\$2B



Number of professionals

17



Number of direct investments

175



Firm Distributions to Paid-In Capital

82%*



Number of fund investments

215



Firm net IRR

21%

TWO COMPLEMENTARY FUND STRATEGIES



SECONDARY LIQUIDITY

- Secondary direct and secondary fund investments in late-stage venture-backed companies
- Typically \$20 - \$200 million in revenues at time of investment
- Seeking high IRR



PARTNERSHIP HOLDINGS

- Fund and direct investments in early and mid-stage venture-backed companies
- Typically pre-revenue to \$20 million in revenues at time of investment
- Seeking high multiple

Our Team

FIRM MANAGEMENT



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



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

FINANCE & INVESTOR RELATIONS



AARON HINZ
Controller
Thomas Weisel | Venrock
PricewaterhouseCoopers
UC Santa Cruz



LENA McNULTY
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



VICTOR HWANG
Managing Director
Internet Capital Group,
Goldman Sachs
Stanford BA | MBA



LINDSAY SHARMA
Vice President
Intuit, Great Hill Partners,
Bear Stearns
Indiana | Harvard MBA



IRA SIMKHOVITCH
Vice President
The Carlyle Group,
Commonfund, Booz Allen
MIT | Columbia MBA



AMIR MALAYERI
Vice President
Dapper Shopping,
Summit Partners
Stanford | Harvard MBA



KATHLEEN COLLINS
Associate
Bulger Partners
Dartmouth | Durham
University



ERIC YEE
Associate
Moelis & Co
Claremont McKenna

PARTNERSHIP HOLDINGS TEAM



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



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



BRIAN LANGNER
Associate
Standish Management
UC Santa Barbara

INVESTMENT SUPPORT



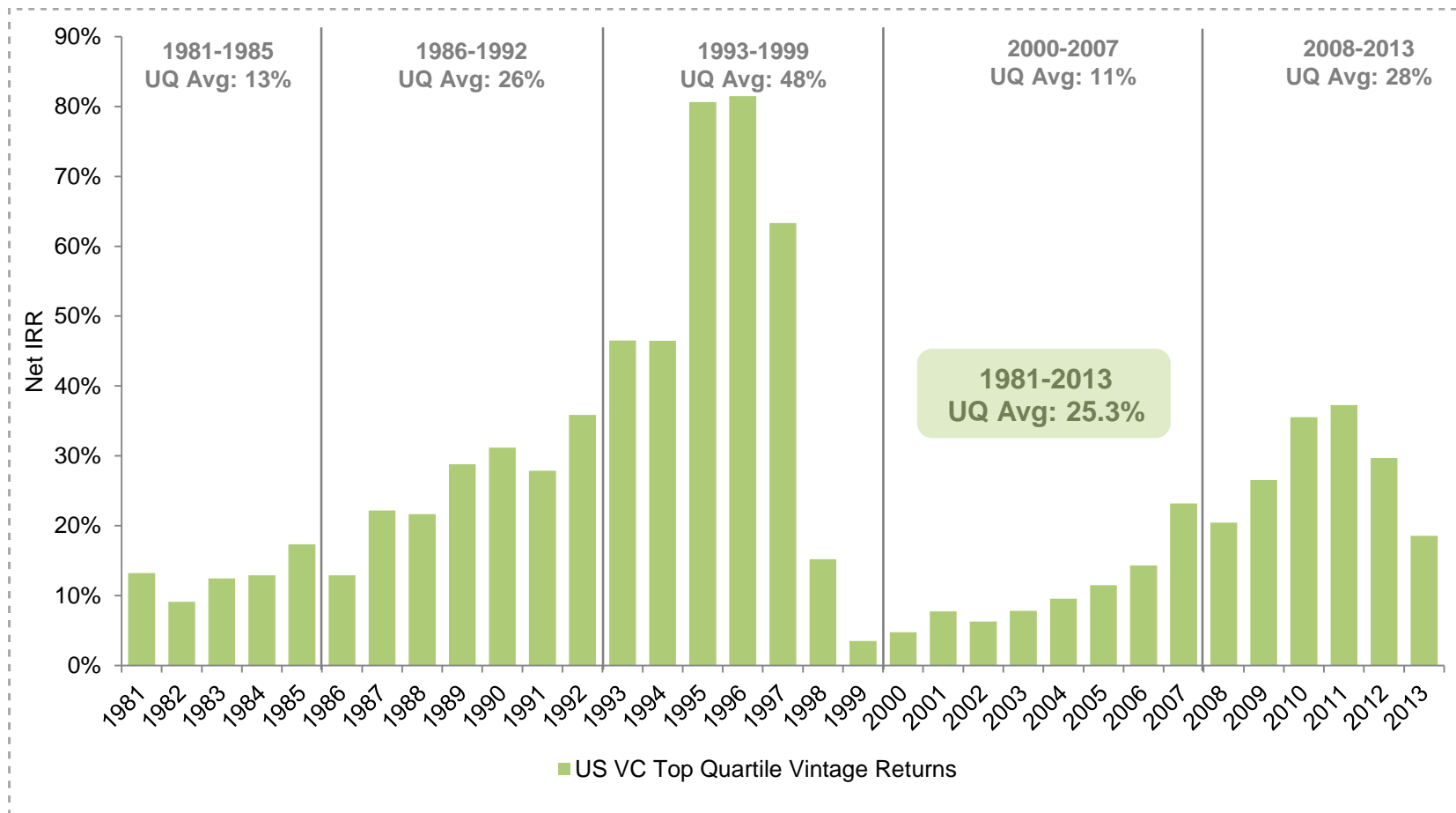
JAMIE LARSON
Executive Assistant
Vornado Realty Trust
UC Santa Barbara



ALASSANE GOLDSMITH
Executive Assistant
Reply.com
Humboldt State University

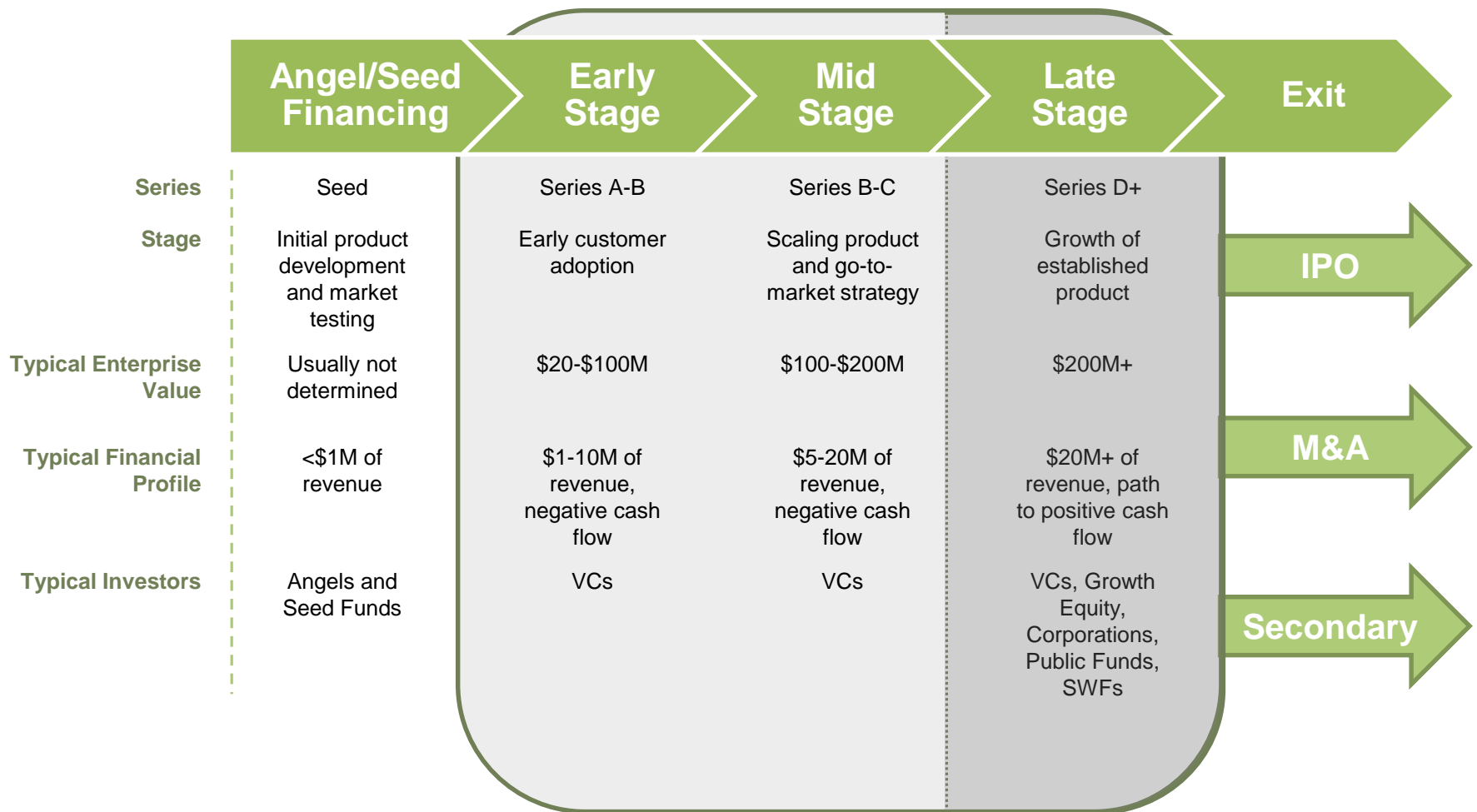
Outperformance of Venture Capital

U.S. VENTURE CAPITAL RETURNS – UPPER QUARTILE “UQ” NET IRR



Source: Cambridge Associates as of March 31, 2015.
 Note: Past performance is not indicative of future results.

Venture Investment Life Cycle



Note: For illustrative purposes only.

A Platform for Venture Capital Investments

- **Strong track record**
 - 21.7% net IRR across all funds since inception
 - Over \$1 billion in distributions
- **Complementary fund strategies offer LPs broader exposure to venture asset class**
 - Secondary strategy provides exposure to later-stage companies while Partnership Holdings provides access to early and mid-stage companies
 - Single GP relationship for LPs reduces complexity
- **Unique differentiated investment strategy focused on inefficient investment areas**
 - Secondary direct, concentrated limited partnership interests and special situations
 - Small venture funds via early secondary/primary LP interests and direct investments
- **Competitive advantages are long term and sustainable**
 - Experienced and proven team executing in one asset class
 - Proprietary database, access to funds and proprietary deal flow

Secondary Strategy

Secondary Direct Investments

- Direct purchase of company shares
- Liquidity for employees, founders, angels, VCs and other investors
- Leading companies with \$20M+ of revenues
- 20-40 companies expected

Portfolios of Directs

- Purchase of a direct venture portfolio from investment manager winding down operations
- Sellers are typically VCs managing tail end funds, corporate venture units and hedge funds

Secondary Direct
50%

LP Interests
25%

Special Situations
25%

Limited Partner Interests

- Minority or majority interest in a venture fund
- Mitigate J-curve with LP interests that are typically fully funded
 - Sellers willing to exit at a discounted price
- 10-20 transactions expected

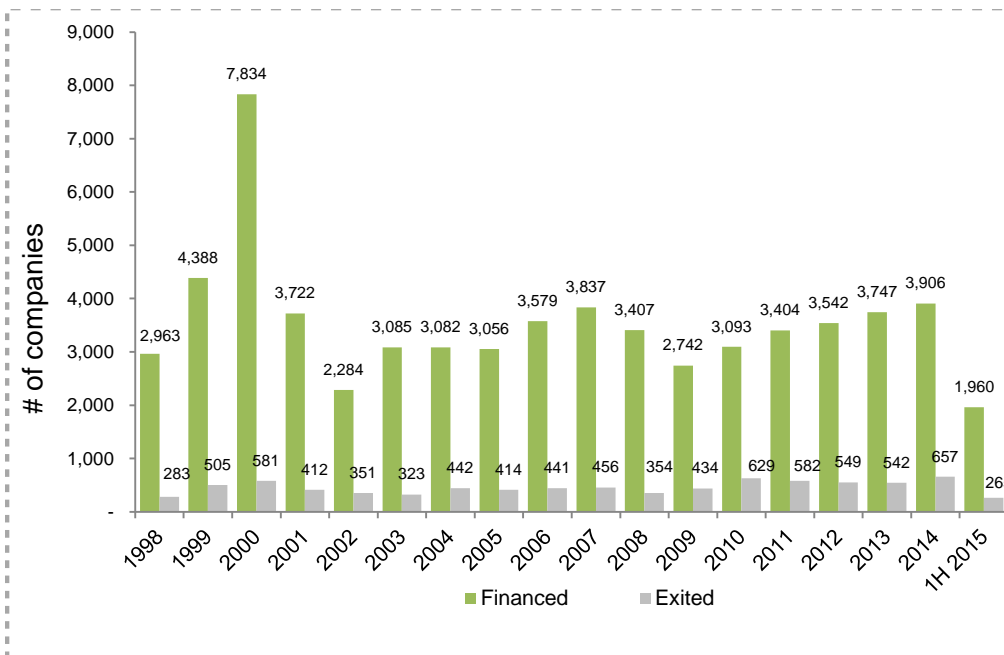
Special Situations

- Secondary transactions that involve unique deal structuring
- Special Purpose Vehicles (SPVs)
 - Employee tender offerings

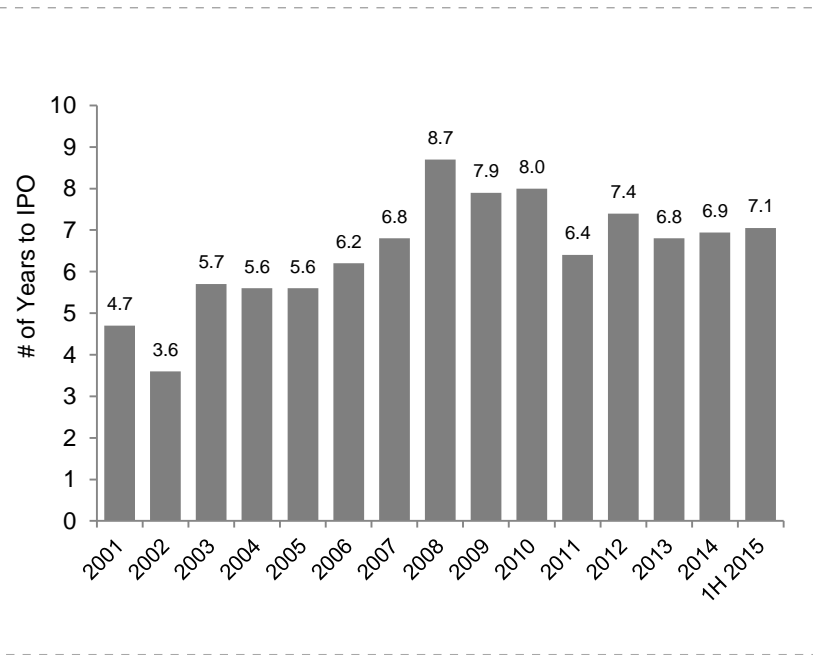
Structural flexibility to offer creative solutions and access unique investment opportunities

Secondary Venture Capital Opportunity

Venture Companies Financed vs. Exited: 1997- 1H 2015



Venture Companies: Average time to IPO



- Investment pipeline remains strong as there are over 8x as many companies financed vs. companies that achieve an exit in any given calendar year

- Exit time horizons remain long, creating liquidity needs for early investors and management

Terms

Name	Industry Ventures Secondary VIII, L.P.
Structure	Delaware Limited Partnership
Fund Size	\$425 million
GP Commit	2%
Term	10 years
Commitment Period	5 years
Management Fee	1.5%
Carry, Preferred Return	17.5% Carry with 6% Preferred Return <u>or</u> 15% Carry and no Preferred Return
Target Allocation	50% Direct Secondaries / 25% Late Secondary LP Interests / 25% SPV
Target Net Return	2x multiple and 20% IRR

Biographies

FIRM MANAGEMENT



HANS SWILDENS, FOUNDER AND CEO

Hans is the founder of Industry Ventures and is on the investment committee of the Firm's Secondary Funds and Partnership Holdings Funds. As an early pioneer of the modern secondary market for venture capital, Hans sources and leads investments in secondary opportunities and special situations for the Firm. Additionally, he directs the Firm's investment processes, operations and limited partner relationships.

Since founding Industry Ventures, Hans has sourced and led the acquisition of hundreds of secondary investments in the venture capital industry. These transactions include purchasing corporate venture capital funds, hedge fund investments, restructuring limited partnership interests, acquiring portfolios of limited partnership interests, purchasing founders' equity interests and structuring special situation investments with General Partners and Limited Partners. Earlier in his career, Hans was a successful entrepreneur who co-founded and acted as President of Microline Software. Microline was acquired by Blaze Software (IPO) and was subsequently acquired by Fair Isaac. He also provided board advisory services to Discovery Mining (acquired by Interwoven), nCircle Network Security (acquired by Tripwire), Speedera Networks (acquired by Akamai), and StepUp Commerce (acquired by Intuit).

Hans holds an MBA from Columbia Business School and a BA with distinction from the University of California at Santa Barbara.



ROBERT MAY, COO & CCO

Robert is the Chief Operating Officer and Chief Compliance Officer for Industry Ventures. As the COO and CCO, Robert is responsible for all of the financial, compliance, and operational aspects of Industry Ventures.

Prior to joining Industry Ventures, Robert worked as a consultant for Standish Management and led the Palo Alto office. Prior to that, Robert was the COO and CFO for Founders Fund. Prior to Founders Fund, Robert spent four years as the CFO of Thomas Weisel Venture Partners. Robert began his career in Venture Capital as the Controller for Mohr, Davidow Ventures.

Robert graduated from San Jose State University with a BS in Business Administration.

Biographies

PARTNERSHIP HOLDINGS TEAM



ROLAND REYNOLDS, MANAGING DIRECTOR

Roland Reynolds is responsible for sourcing and evaluating primary commitments, early secondary transactions, and direct co-investments. He is on the investment committee for the Industry Ventures Partnership Holdings funds and is also actively involved in fundraising and maintaining limited partner relationships.

Previously, he was the founder of Little Hawk Capital Management LLC which was acquired by Industry Ventures. He also spent five years as a Principal with Columbia Capital, a leading communications and information technology venture capital firm. Earlier in his career, Roland was an investment banker with JP Morgan & Co. in New York.

He graduated from Princeton University with high honors and received his MBA from Harvard Business School.



KEN WALLACE, MANAGING DIRECTOR

Ken Wallace focuses on originating, valuing and managing early secondary, primary and direct venture capital investments. He is on the investment committee for the Industry Ventures Partnership Holdings funds. Ken brings experience making primary fund investments as well as purchasing secondary direct investments and limited partner interests.

Previously, Ken worked as an Associate Vice President in Bessemer Trust's Private Equity Funds Group in New York. In this role, he led the firm's venture capital fund investment strategy and due diligence process. Earlier in his career, Ken worked in Business Development with Bessemer Trust in its San Francisco, Menlo Park, Los Angeles and New York offices.

Ken currently represents Industry Ventures on the Limited Partner Advisory Boards of Lowercase Capital, Pejman Mar Ventures, Rincon Venture Partners, Sigma West, SoftTech VC, Upside Partnership, and Walden Venture Capital and is an observer on the Limited Partner Advisory Board of O'Reilly Alpha Tech Ventures and Icon Ventures. Ken earned his MBA from the Walter A. Haas School of Business at the University of California, Berkeley and a BA in Economics from Wake Forest University.

Biographies

SECONDARY TEAM



JUSTIN BURDEN, MANAGING DIRECTOR

Justin concentrates on originating, valuing, and managing investment opportunities in secondary venture portfolios and serves on the investment committee.

Since joining Industry Ventures, Justin has sourced and led the acquisition of hundreds of secondary transactions in secondary directs, limited partnership interests, tail end restructurings, corporate portfolio purchases and a variety of SPV purchases with the managers of investments and their investors. Previously he worked at GE Equity in San Francisco, the \$4 billion venture capital arm of the General Electric Company, where he sourced, structured and managed investments in the technology, consumer, media, and telecom sectors. Prior to GE Equity, Justin worked at Wells Fargo's high yield fund, purchasing debt securities in buyout transactions.

Justin holds a BA from University of California, Berkeley and an MSc from the London School of Economics.



VICTOR HWANG, MANAGING DIRECTOR

Victor concentrates on originating, valuing and managing secondary direct investment opportunities in venture backed technology companies. Victor was the founder and Managing Partner of Agile Capital Partners, where he has focused on opportunistic investments in growth oriented technology companies. He successfully invested in five early stage companies, four of which have exited including StepUp Commerce (sold to Intuit), Simple Star (sold to Sonic Solutions) and MyPerfectSale.com (sold to Sugar Media).

Prior to founding Agile Capital Partners, Victor was an early, pre-IPO member of Internet Capital Group (ICG) and he was CEO and Vice Chairman of ICG Asia, based in Hong Kong. At ICG and ICG Asia, Victor evaluated and invested in b2b e-commerce companies. Victor began his career as an investment banker at Goldman Sachs where he completed a wide range of financing transactions, including over ten IPOs and other public offerings that raised in excess of \$1 billion in capital, and merger and acquisitions for a wide range of software, services, hardware, semiconductor, networking equipment and storage companies. Victor also helped build Goldman Sachs' Internet investment banking business by leading the IPOs for eBay, GeoCities and Yahoo!.

Victor received his BA from Stanford University and his MBA from the Stanford Graduate School of Business, where he was an Arjay Miller scholar.

Biographies

SECONDARY TEAM



LINDSAY SHARMA, VICE PRESIDENT

Lindsay focuses on originating and valuing the firm's secondary investments. Prior to Industry Ventures, Lindsay was a Principal in corporate strategy and development at Intuit, leading merger and acquisition activities for the company. Prior to Intuit, Lindsay developed private equity and investment banking industry expertise with Great Hill Partners and Bear Stearns.

Lindsay received her MBA from Harvard Business School and a BS in business administration in finance and accounting from Indiana University.



IRA SIMKHOVITCH, VICE PRESIDENT

Ira focuses on originating and valuing the firm's secondary investments. Prior to Industry Ventures, Ira worked on the Investment Team at The Carlyle Group/AlInvest Partners where he committed capital to private equity and venture capital funds. Previously, Ira was a Senior Analyst at Commonfund Capital investing in private equity funds, secondary investments and direct investments globally. Ira began his career at Booz Allen Hamilton on a team developing software and analytics for the Department of Defense.

Ira received a BS in engineering from MIT and his MBA from Columbia Business School, where he graduated with Dean's Honors. While in business school, Ira was a Summer Associate at Lazard in the Telecom, Media and Technology group and an intern at ZelnickMedia, a lower-middle market private equity and growth capital investment firm.



AMIR MALAYERI, VICE PRESIDENT

Amir focuses on originating, valuing and helping to manage the Firm's secondary investments. Prior to Industry Ventures, Amir was Founder and CEO of Dapper Shopping, a mobile commerce startup focused on menswear. Previously, Amir was an investment professional at Summit Partners, a growth equity firm where he focused on internet, media and technology investments.

Amir received his MBA from Harvard Business School and a BA and MA from Stanford, where he played offensive line on the football team.

Legal Disclaimer

This information has been prepared by Industry Ventures, LLC (together with its affiliates, “Industry”) solely to determine preliminary investor interest in Industry Ventures Secondary VIII, L.P. and in Industry Ventures Partnership Holdings IV, L.P. (collectively, the “Funds”); it is not an offer or solicitation, and may not be used or relied upon in connection with any offer or solicitation, with respect to the Funds or any other future Industry limited partnership. Industry is a registered investment advisor with the SEC. An offer or solicitation with respect to the Funds, if made, will be made only through the final confidential Private Placement Memorandum (the “Memorandum”) and the limited partnership agreement and subscription agreement of the Funds. Investment in the Funds will involve significant risks, including risks of loss of the entire investment. The final Memorandum will be available to qualified investors upon request and will contain, among other things, a description of the risks associated with an investment in the Funds. Investors should have the financial ability and willingness to accept the risk characteristics of the Fund’s investments. An investment in the Funds should be considered only by persons who can reasonably afford a loss of their entire investment.

This information, including the performance data presented herein, is qualified in its entirety by reference to the Memorandum and the limited partnership agreement for the Funds, and all of the information presented herein is subject to change without notice to you or any other recipient hereof. Some of the information presented herein may constitute “forward-looking information.” Forward-looking information is based on numerous assumptions and is speculative in nature and may vary significantly from actual results. This information is confidential, proprietary and a trade secret of Industry. By acceptance hereof, you (and your employees and affiliates) agree not to release or reveal it (or any of the information in it) to any third party and, upon request from Industry, will return or destroy such information and all copies thereof.

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