



# PRIVATE EQUITY PORTFOLIO OVERVIEW BY STRATEGY

There is a quarter lag in this performance reporting information due to the time allowed and necessary to compile and corroborate the financial data.

The IRRs contained in this report are calculated by Hamilton Lane for WSIB based on information provided by the general partner (e.g. cash flows and valuations). Such IRR calculations have not been confirmed by the general partners. The result of WSIB's IRR calculation may differ from that generated by the general partner or other limited partners, primarily due to lack of industry valuation standards, differences in the investment pace and strategy of various funds, date of close, sale of distributed stock, and other factors.

One of the most important factors that must be considered in measuring and comparing results is the J-Curve Effect used to plot fund returns against time (from inception to termination). It's a common practice to include management fees and start-up costs in the first draw-down which does not produce an equivalent book value. As a result, private equity funds in the early years show low or negative returns. After three to five years when the first realizations are made, fund returns start to rise quite steeply and the interim performance data then provides a reasonable indication of the definitive rate of return. This period is generally shorter for buyout funds than for early-stage and expansion funds.

Generally, private equity partnerships take 10 to 12 years to realize full value. Most general partners tend to calculate valuation conservatively which often results in differences between interim reported values compared to the values realized when portfolio companies are sold. As you can see, there are many reasons why comparisons of interim fund returns are not always clear-cut and meaningful.

The information above gives context to three important columns of data.

- The "Commitment" column identifies the original amount WSIB agreed to invest in each fund
- "Amount Contributed" represents the capital-or cash-in that's been contributed for investments and management fees
- "Total Distributions" represent cash-out or distributions that WSIB has received back from the fund.

NOTE: IRRs presented are interim estimates and may not be indicative of the ultimate performance of partnership investments due to a number of factors, such as the lack of industry valuation standards and the differences in the investment pace and strategy of various funds. IRRs tend to be less meaningful in the early years of a partnership's term when underlying portfolio company investments have typically not been realized. The IRRs contained in this report are calculated by Hamilton Lane based on information provided by the general partner (e.g. cash flows and valuations). Such IRR calculations have not been confirmed by the general partners. The result of WSIB's IRR calculation may differ from that generated by the general partner or other limited partners, primarily due to differences in the date of close, sale of distributed stock, accounting for bridge loans, and valuations.













**Washington State Investment Board  
Performance Summary By Strategy (Base)  
As of September 30, 2023**

Investment Name	Initial Investment Date	Capital Committed	Paid-in Capital (A)	Unfunded Commitment	Current Market Value (B)	Capital Distributed <sup>(1)</sup> (C)	Total Value (B+C)	Total Value Multiple (B/C)X	Gain Since Inception (B+C)-A	Net IRR <sup>(2)</sup>
Menlo Ventures X, L.P.	1/6/2006	150,000,000	150,000,000	-	6,051,890	306,612,189	312,664,079	2.1x	162,664,079	10.54%
Menlo Ventures XI, L.P.	7/28/2011	100,000,000	100,000,153	-	70,956,095	342,776,559	413,732,654	4.1x	313,732,501	29.42%
Menlo Ventures XII, L.P.	4/2/2015	100,000,000	113,519,680	-	121,551,288	56,557,366	178,108,674	1.6x	64,588,994	8.90%
Menlo Ventures XIV, L.P.	10/30/2017	100,000,000	100,000,000	-	217,771,712	30,813,250	248,584,962	2.5x	148,584,962	27.27%
Menlo Ventures XV, L.P.	11/24/2020	125,000,000	108,750,000	16,250,000	121,008,088	-	121,008,088	1.1x	12,258,088	6.39%
Mobius Technology Ventures Side Fund VI, L.P.	11/14/2003	8,166,667	3,064,717	-	-	4,539,318	4,539,318	1.5x	1,474,601	6.34%
Mobius Technology Ventures VI, L.P.	6/5/2000	83,333,333	82,354,694	-	-	49,282,966	49,282,966	0.6x	(33,071,728)	(5.80%)
Morgan Stanley Venture Partners III, LP	1/28/1997	30,000,000	29,828,293	-	-	69,732,149	69,732,149	2.3x	39,903,856	40.87%
New Enterprise Associates 10, L.P.	10/17/2000	110,000,000	110,000,000	-	4,197,767	123,866,570	128,064,337	1.2x	18,064,337	2.28%
New Enterprise Associates 12, L.P.	5/22/2006	50,000,000	49,250,000	750,000	3,629,771	66,963,730	70,593,501	1.4x	21,343,501	6.56%
Oak Investment Partners IX, L.P.	10/5/1999	60,000,000	60,000,000	-	19,007	39,086,986	39,105,994	0.7x	(20,894,006)	(6.65%)
Oak Investment Partners VIII, L.P.	9/17/1995	20,000,000	20,000,000	-	-	36,011,732	36,011,732	1.8x	16,011,732	55.33%
Oak Investment Partners X, L.P.	1/18/2001	100,000,000	100,000,000	-	-	128,465,587	128,465,587	1.3x	28,465,587	3.50%
Oak Investment Partners XI, L.P.	7/21/2004	100,000,000	100,000,000	-	349,031	82,292,209	82,641,240	0.8x	(17,358,760)	(2.42%)
OVP Venture Partners VI, L.P.	10/10/2001	40,000,000	40,000,000	-	-	11,353,372	11,353,372	0.3x	(28,646,628)	(15.59%)
OVP Venture Partners VII, L.P.	6/9/2006	40,000,000	40,000,000	-	93,490,002	36,592,618	130,082,620	3.3x	90,082,620	9.37%
Paragon Partners, L.P.	5/10/1984	4,000,000	4,000,000	-	-	8,371,560	8,371,560	2.1x	4,371,560	13.82%
Paragon Venture Partners II, L.P.	7/6/1989	5,000,000	5,000,000	-	-	11,476,137	11,476,137	2.3x	6,476,137	11.55%
Pathway Portfolio	1/3/1997	1,013,280,693	1,018,806,441	4,728,938	88,303,571	1,683,484,531	1,771,788,102	1.7x	752,981,661	11.42%
Phoenix Partners II, L.P.	2/15/1985	15,000,000	15,000,000	-	-	27,828,607	27,828,607	1.9x	12,828,607	12.97%
Phoenix Partners III, L.P.	8/27/1995	25,000,000	25,000,000	-	-	35,853,437	35,853,437	1.4x	10,853,437	5.31%
Phoenix Partners, L.P.	9/11/1982	5,000,000	5,000,000	-	-	4,472,483	4,472,483	0.9x	(527,507)	(1.64%)
Phoenix Partners, L.P. - WSIB Secondary	10/23/1990	923,036	923,036	-	-	644,752	644,752	0.7x	(278,284)	(9.44%)
Sprout Capital IX, L.P.	10/6/2000	75,000,000	75,119,726	-	-	106,739,997	106,739,997	1.4x	31,620,271	5.67%
Sprout Capital VII, L.P.	2/24/1995	18,000,000	18,000,000	-	-	48,062,598	48,062,598	2.7x	30,062,598	21.47%
Sprout VIII, L.P.	5/7/1998	55,000,000	55,000,000	-	-	51,926,939	51,926,939	0.9x	(3,073,061)	(0.91%)
TAAdvent VIII, L.P.	2/3/1997	15,000,000	14,700,000	-	-	33,578,530	33,578,530	2.3x	18,878,530	23.28%
Telecom Partners III, L.P.	12/17/1999	50,426,250	46,273,500	-	-	4,909,510	4,909,510	0.1x	(41,383,990)	(40.56%)
U.S. Venture Partners V, L.P.	9/3/1996	10,000,000	10,000,000	-	-	22,614,698	22,614,698	2.3x	12,614,698	26.23%
U.S. Venture Partners VI, L.P.	3/11/1999	15,500,000	15,500,000	-	-	19,659,183	19,659,183	1.2x	3,659,183	4.34%
U.S. Venture Partners VII, L.P.	1/11/2000	39,416,667	39,416,667	-	-	27,592,675	27,592,675	0.7x	(11,823,992)	(2.53%)
U.S. Venture Partners VIII, L.P.	6/4/2001	54,000,000	53,136,001	-	-	68,895,926	68,895,926	1.3x	15,759,925	3.49%
Ventech Partners, L.P.	1/21/1983	3,333,333	3,333,333	-	-	4,946,219	4,946,219	1.5x	1,612,886	8.23%
Subtotal Venture Capital		4,859,324,979	4,232,381,537	429,676,183	1,396,472,637	5,419,734,530	6,116,207,167	1.6x	2,553,625,530	17.5%
<b>Total Portfolio</b>		<b>\$94,483,641,568</b>	<b>\$82,107,143,154</b>	<b>\$20,119,923,988</b>	<b>46,530,589,341</b>	<b>\$37,749,346,353</b>	<b>\$134,023,935,694</b>	<b>1.6x</b>	<b>\$51,322,786,540</b>	<b>13.30%</b>

<sup>(1)</sup> Capital distributed includes recallable returns of capital, which will increase the unfunded commitment.

<sup>(2)</sup> The IRR net of Hamilton Lane fee is 13.30%.