JUNE 30, 2014

ANNUAL INVESTMENT REPORT

Silver State Opportunities Fund

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Silver State Opportunities Fund LLC

Fiscal Year 2014 Report

Content

Section 1:

Executive Summary

Silver State Opportunities Fund LLC

Fiscal Year 2014 Report

Executive Summary

Program Background:

Nevada Capital Investment Corporation (“NCIC”) partnered with Hamilton Lane in August of 2012, to provide investment management services through the Silver State Opportunities Fund LLC (“Silver State”, “SSOF” or the “Fund”). The Fund’s primary objective is to generate attractive private equity returns by investing in private equity opportunities in Nevada, and its secondary objective is to help economic activity and employment in the state. In September 2012, Hamilton Lane opened its Nevada office to oversee the management of the Fund; David Helgerson, Miguel Luina, and Anup Sharma serve as the main points of contact from Hamilton Lane. The NCIC has committed $50 million to the Fund, and in order to maintain alignment with the NCIC, Hamilton Lane has allocated $0.5 million to invest alongside the NCIC.

Portfolio Activity & Performance[(1)]:

The Fund’s capital deployment is on pace, with approximately 30% ($14.7 million) of the Fund invested/committed as of June 30, 2014. By the end of 2014, we expect total commitments to be around $25.0 to $35.0 million, given current investments in process, bringing total invested and committed capital to 50%-70%, in line with expected pacing.

The Fund is off to a very strong start both in terms of economic impact to the State and financial performance. By leveraging capital from other limited partners, the Fund, along with its general partners, has invested a total of $124 million in eight Nevada companies to date, which represents 29 times more capital than has been drawn by the Fund. These investments have helped fuel rapid hiring at portfolio companies, which have grown Nevada employment by 55%[(2)] since investment to 270 combined employees. The jobs supported by these investments are highly skilled, high paying positions that boast average salaries of $76,000, 77% higher than the average Nevada wage[(3)] and 63% higher than the average national wage[(3)] in 2013.

In terms of financial performance, the Fund has already broken through its j-curve (initial underperformance of all private equity funds caused by impact of fees and expenses), which is rare for funds of this age, and is generating a 7.9% net annual return to the State’s Permanent School Fund. On a gross basis, the Fund is generating a 41.7% annual return, 1.4x total value to paid in multiple (“TVPI”). As of June 30, 2014, the NCIC has contributed $5.7 million and received $0.4 million in distributions, resulting in $5.3 million in net contributed capital. Over time, the gap between gross and net returns is expected to narrow as the Fund matures. The attractive performance is driven by yield-producing fund investments and strong performance in the Fund’s co-investment.

[(1)] As of June 30, 2014
[(2)] Headcount growth calculated based on number of full time employees as of 6/30/14 compared to number of stabilized full time employees at portfolio companies as of the first SSOF investment. Stabilization adjustment performed only for companies that were not viable economic entities at time of investment.
[(3)] Refer to footnotes located on page 2-1

The Fund's impact on the State extends well beyond the attractive returns to the Permanent School Fund, employment, and economic activity directly attributable to portfolio companies. The Fund's activities are helping to create a new private equity ecosystem in the State and providing local companies with access to the broader private investment community. Since the program's launch in 2012, four new private equity investment offices have been opened in the State and four new investment professionals are now based in Nevada. The Fund has made over 200 introductions between Nevada-based companies and sources of capital. The State has also benefited from the annual Silver State Investor Forum created by the Fund which has brought over 70 leading investment managers to the state, giving the local business community a chance to showcase its strengths and improve connections between Nevada-based companies and broader sources of capital. We believe the combination of investing capital directly into the state and developing a network of new investors, who are coming to Nevada to invest in local businesses, is critical to developing a vibrant private capital ecosystem.

Section 2:

Nevada Impact

Nevada Impact

At two years old, the SSOF is very early into its 10 year fund life but the Fund has already begun to have a meaningful impact on Nevada's economy. Underlying funds in the SSOF have invested a total of $124 million in eight Nevada companies. The Fund's portfolio companies have grown Nevada employment by 55%[(1)] since receiving an SSOF investment from 174[(2)] Nevada employees to 270.

Nevada Impact	
Category	**Examples**
Nevada Investments	- 8 Nevada companies have received investments to date - $124mm invested in Nevada by SSOF & partners (29x multiplier) - $767mm of capital raised by SSOF portfolio companies (176x multiplier) - Investments spread throughout State
PE Ecosystem	- SSOF is developing the Nevada private equity ecosystem - 4 new offices opened by institutional investors in Nevada - 4 investment professional hires in Nevada

Employment	- 270 Nevada employees supported by SSOF investments
	- 55%[(1)(2)] Nevada employment growth (vs overall state growth of 6%[(3)])
	- $77k average wage for Nevada employees at SSOF companies
	  - 77% higher than the 2013 Nevada average wage[(4)]
	  - 63% higher than the 2013 US average wage[(5)]

Additional Impact	- SSOF hosted two private equity conferences in Nevada
	  - 320+ Attendees
	  - 70+ managers representing over $100 billion of capital
	- 200 investor introductions to Nevada companies
	- 10 investment offers directly resulting from introductions

(1) Headcount growth calculated based on number of full time employees as of 6/30/14 compared to number of stabilized full time employees at portfolio companies as of the first SSOF investment. Stabilization adjustment performed only for companies that were not long-term viable economic entities at time of investment.

(2) Initial employment calculated as number of full time employees at the time of investment for economically viable investments and number of stabilized full time employees for economically unviable investments saved from dissolution.

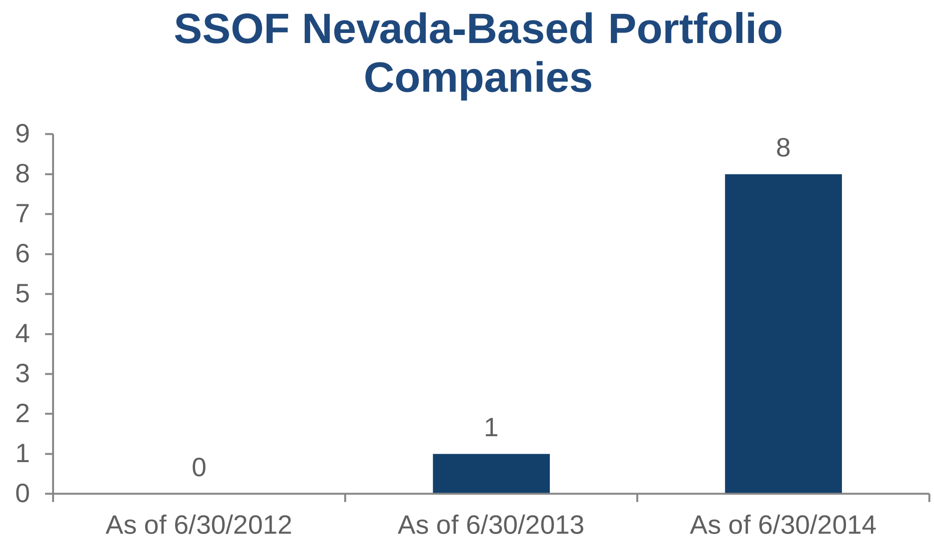
(3) Nevada employees on non-farm payrolls growth from 6/30/12 to 6/30/14 according to U.S. Bureau of Labor Statistics.

(4) Based on Nevada Department of Employment and Training 2013 average wage for all Nevada occupations.

(5) Based on Bureau of Labor Statistics 2013 average wage for all U.S. occupations.

Nevada Investments

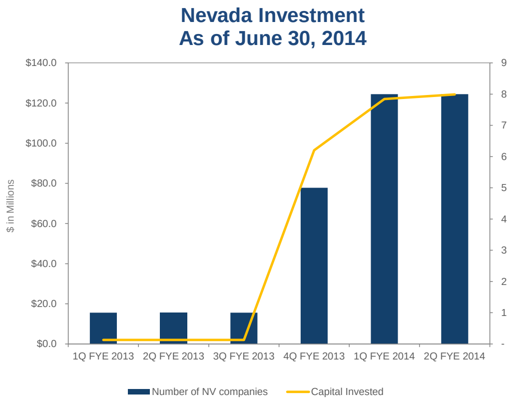
The SSOF is beginning to gain traction within the state. As the Fund develops, the companies receiving capital from SSOF are expected to continue to increase. As of 6/30/14, the SSOF has invested in eight Nevada-based companies.

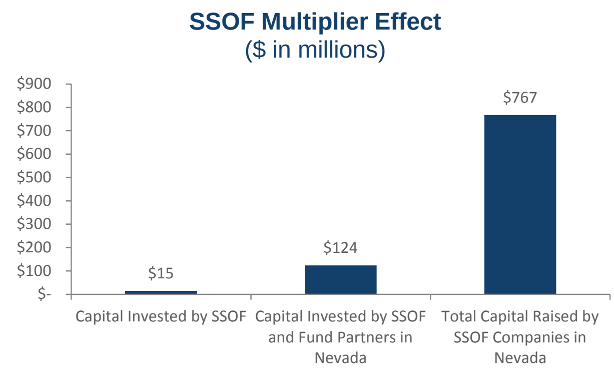


The program's impact on the State has been widespread with fund partners opening offices and seeking investments across the North, South and rural regions of the State. The fund managers Hamilton Lane, Huntington Capital, and Enhanced Capital are all located in Nevada.

Multiplier Effect

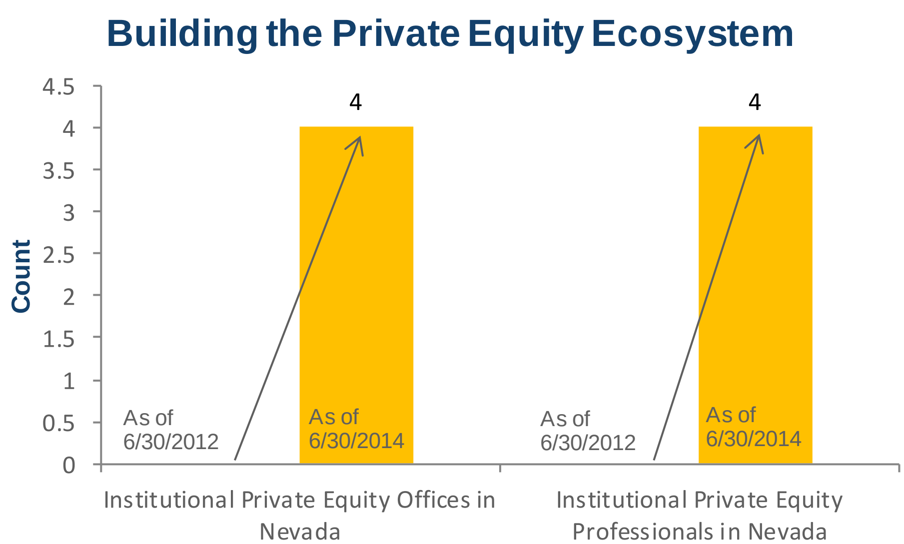
The SSOF has leveraged its capital to have a meaningfully larger impact on Nevada than its fund size. The SSOF and its partners have invested a total of $124 million in 8 Nevada companies as of 6/30/14, which represents over 8x the total capital committed by the Fund. This capital, in turn, has helped support $767 million of total capital raised by Nevada companies.





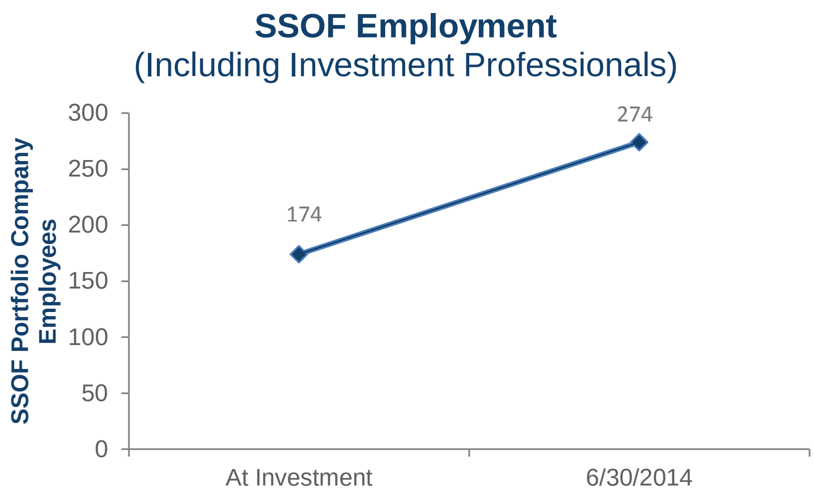
Private Equity Ecosystem

In addition to providing Nevada companies with much-needed capital, the SSOF has begun to lay the groundwork for a thriving private equity ecosystem. Prior to the launch of SSOF, there were no institutional private equity firms located in Nevada. Through the SSOF's work, four new private equity offices have opened in Nevada, creating four new private equity positions within the State.

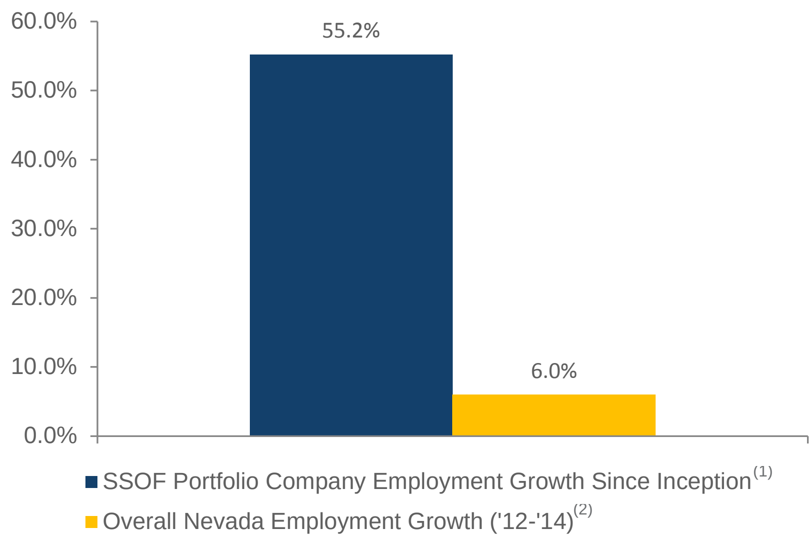


Employment

The SSOF has had a positive impact on employment within the State. Including Nevada-based investment professionals employed by SSOF fund managers, businesses which have received SSOF capital currently employ 274 Nevadans.

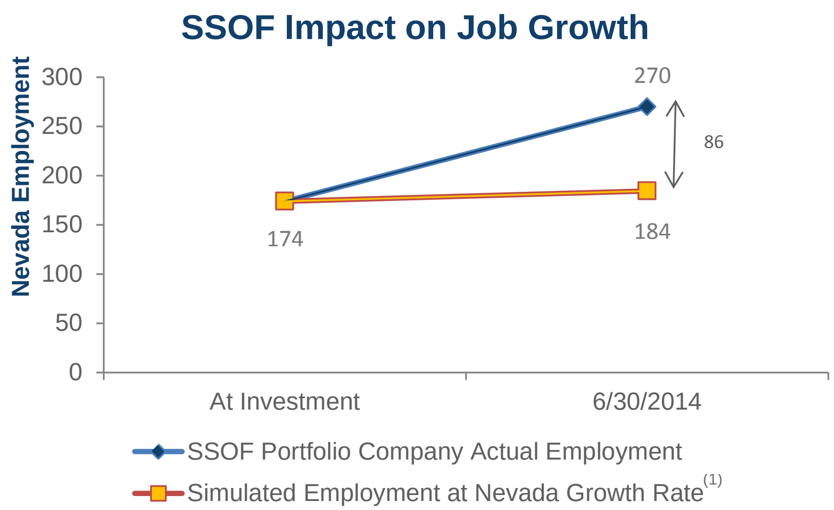


At the portfolio company level, SSOF investments have grown employment by 55%[(1)] since investment to 270 employees, compared to 6%[(2)] overall employment growth in Nevada over the same time period.



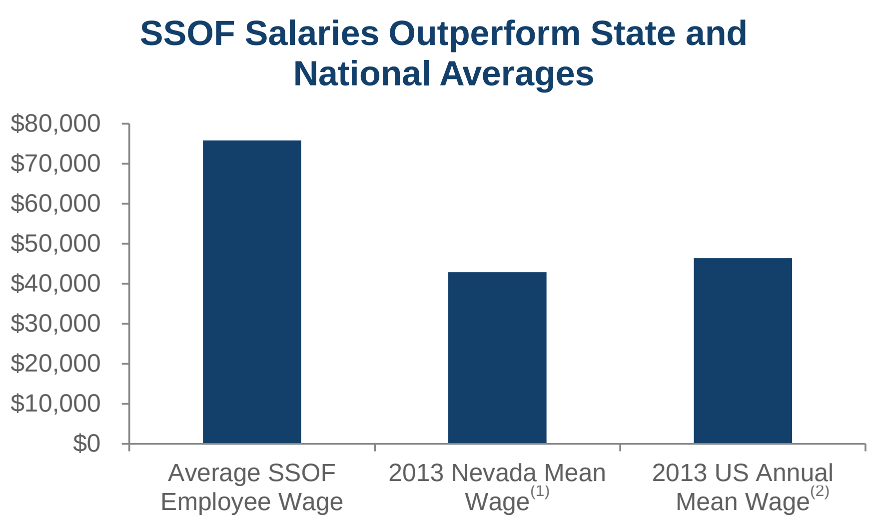
(1) Headcount growth calculated based on number of full time employees as of 6/30/14 compared to number of stabilized full time employees at portfolio companies as of the first SSOF investment. Stabilization adjustment performed only for companies that were not long-term viable economic entities at time of investment.
(2) Nevada employees on non-farm payrolls growth from 6/30/12 to 6/30/14 according to U.S. Bureau of Labor Statistics.

The capital provided by SSOF and its partners have helped portfolio companies meaningfully outpace Nevada's overall employment growth. As a result, the Fund's portfolio companies added approximately 86 more jobs than the average Nevada company would have over the same time period.



(1) Simulated employment calculated by applying average unadjusted Nevada non-farm employment growth from 6/30/12 to 6/30/14, according to the U.S. Bureau of Labor Statistics, to portfolio company employment at the time of original investment.

SSOF portfolio companies create high quality jobs, resulting in attractive wages for their employees. The average wage for Nevada employees at SSOF portfolio companies is $76k, 77% higher than the average Nevada wage[1] and 63% higher than the average national wage[2] in 2013.



(1) Based on Nevada Department of Employment and Training 2013 average wage for all Nevada occupations.
(2) Based on Bureau of Labor Statistics 2013 average wage for all U.S. occupations.

Additional Outreach

Hamilton Lane's presence and involvement in the Nevada community has created benefits beyond the capital invested by the SSOF. These efforts have helped attract additional capital to the state, educate local market participants, build deeper relationships within the Nevada private equity community and connect local businesses with sources of capital.

Silver State Investor Forum

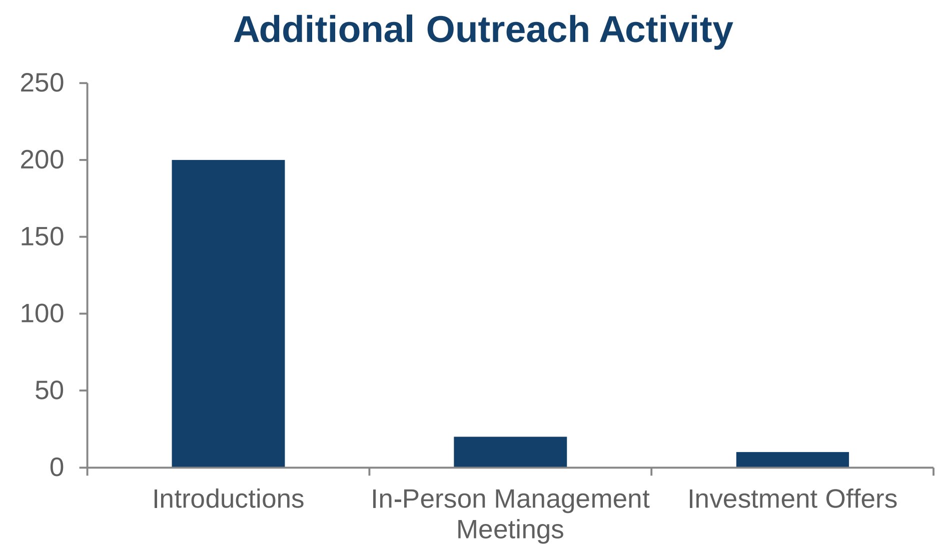
Hamilton Lane, in partnership with the State Treasurer's Office and the NCIC, has hosted two annual private equity conferences in Nevada, one in Northern Nevada and one in Southern Nevada. Both conferences sold out and attracted a combined 320+ attendees, including 70+ investment managers representing over $100 billion of capital. The conferences provided educational content on private markets and created an environment that connected local companies and intermediaries to sources of capital.

Sponsorships

Silver State has selectively sponsored events for local businesses to increase the visibility of the program within the community. These events have led to positive publicity and incremental deal flow.

Active Outreach

Hamilton Lane is an active member of the Nevada business community, helping connect the local business community with the broader private equity community. Since the Fund's inception, Hamilton Lane has made over 200 introductions to private equity firms on behalf of Nevada companies. Those introductions have led to over 20 in person meetings between investors and management teams and over 10 investment offers.



Event Attendance

The Fund's representatives have attended and supported dozens of local business conferences, including events hosted by SciTech, the Reno-Gazette Journal, the Governor's Office of Economic Development, chambers of commerce, the Department of Business and Industry, the Rocky Mountain Venture Capital Association, NCET and several others.

Section 3:

Portfolio Overview

Silver State Opportunities Fund LLC

Fiscal Year 2014 Report

Hamilton Lane was engaged by the Nevada Capital Investment Corporation ("NCIC") in August of 2012, to provide investment management services through the Silver State Opportunities Fund LLC ("Silver State", "SSOF" or the "Fund"). In September 2012, Hamilton Lane opened its Nevada office to oversee the management the Fund; David Helgerson, Miguel Luina, and Anup Sharma serve as the main points of contact from Hamilton Lane for the Fund. Silver State's investments are to include both partnerships and co-investments focusing on compelling investments across various investment strategies (buyout, venture capital, growth, mezzanine, distressed, and special situations) with a significant presence in Nevada. The NCIC has committed $50 million to the Fund, and Hamilton Lane has committed $0.5 million to the vehicle. The chart below presents an overview of the Fund and investment portfolio statistics as of June 30, 2014.

Silver State Opportunities Fund LLC Overview		
General Overview		
Closing Date	August 1, 2012	
Vintage Year	2013	
Termination Date of Fund [(1)]	August 1, 2022	
Committed Capital (Fund Size)	$50,505,051	
$ millions	**6/30/2013**	**6/30/2014**
Partnerships	1	3
Capital Committed to Partnerships	$5.0	$12.6
Unfunded Commitment to Partnerships	$4.9	$10.4
Paid-In Capital	$0.1	$2.3
Capital Distributed	$0.0	$0.1
Market Value	$0.0	$2.2
Since Inception IRR (gross)	NM	0.15%
Active Co-Investments	1	1
Paid-In Capital to Co-Investments	$2.0	$2.1
Capital Distributed from Co-Investments	$0.3	$0.4
Market Value	$1.9	$3.3
Since Inception IRR (gross)	14.32%	61.82%
Silver State Total		
Total Capital Committed to Investments	$7.0	$14.7
Paid-In Capital	$2.1	$4.3
Capital Distributed	$0.3	$0.5
Market Value	$1.9	$5.4
Total Value Multiple	1.11x	1.36x
Since Inception IRR (gross) [(2)]	12.66%	41.69%
Since Inception IRR (net) [(3)]	(27.82%)	7.91%

[(1)] Term may be extended by the Manager in its sole discretion for up to two successive one-year periods. Per the terms of the Amended and Restated LLC Agreement dated August 1, 2012, NCIC and the Manager may make an additional capital commitment at the end of the Commitment Period of the First Tranche. Should NCIC elect to make a Second Tranche Commitment, the Termination Date of the Fund will change.
[(2)] Gross IRR does not include payments for Hamilton Lane management fees or Fund partnership expenses.
[(3)] Net IRR includes Hamilton Lane management fees and Fund expenses.

Investments

Investment details, as of June 30, 2014, for the underlying funds in the Fund are provided in the chart below.

INVESTMENT NAME	INVESTMENT STRATEGY	CAPITAL COMMITTED	INVESTED CAPITAL[2]	CAPITAL DISTRIBUTED	REPORTED MARKET VALUE	IRR
Partnerships						
Enhanced Small Business Investment Company, L.P.	Mezzanine	$ 2,600,000	$ 888,609	$ 101,121	$ 994,023	25.21%
Huntington Capital Partners III, L.P. [1]	Mezzanine	5,000,000	693,667	452	602,193	(40.34%)
Waterton Precious Metals Fund II Cayman, L.P.	Corp Fin/Buyout	5,000,000	697,789	17,845	566,523	(13.01%)
Co-Investments						
Miller Heiman, Inc. [3]	Corp Fin/Buyout	2,069,811	2,069,811	372,919	$ 3,263,642	61.82%
Total		**$ 14,669,811**	**$ 4,349,876**	**$ 492,337**	**$ 5,426,381**	**41.69%**

[1] This investment is in the j-curve as it is early in the investment life cycle and has called capital primarily for management fees and expenses.

[2] Invested Capital represents capital funded into underlying investments, it includes amounts paid for investments, management fees and expenses.

[3] See footnote below

A listing of Nevada companies having received an investment from the Fund as of June 30, 2014 is provided in the chart below.

Nevada Portfolio Companies as of June 30, 2014		
Name	**Location**	**Description**
Borealis Mine	Mineral County	Fully permitted heap leach open pit gold mine
Elko Mining Group	Elko	Mining operator
Esmeralda Mine and Mill	Mineral County	Fully permitted ore processing facility and exploration project
Hollister Mine	Elko County	Fully permitted underground gold mine
Mineral Ridge Mine	Esmeralda County	Fully permitted heap leach open pit gold mine
Pinson Mine	Humboldt County	Fully permitted underground and open pit gold mine
Miller Heiman, Inc. [3]	Reno	Corporate education company
Reward Gold Mine	Nye County	Fully permitted exploration project

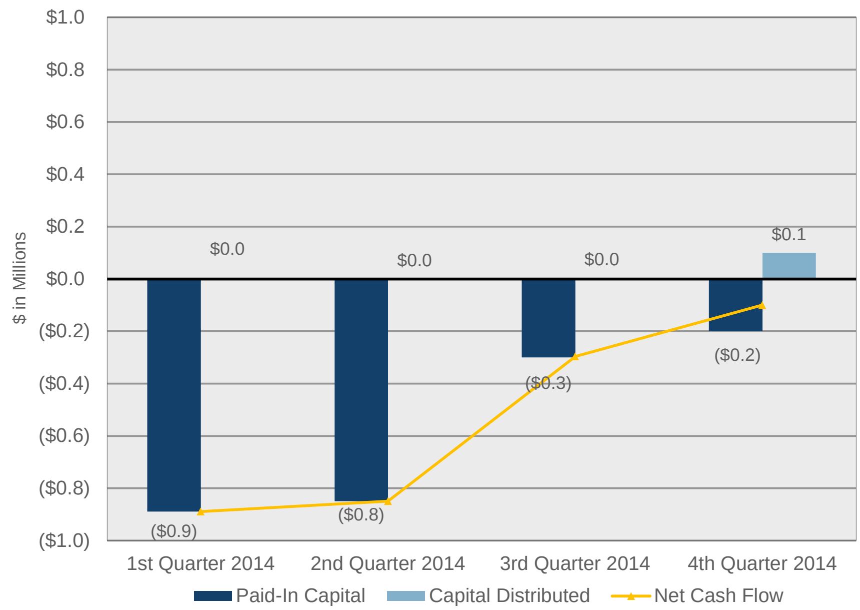
Performance Drivers

Performance information for the Fund's investments for the year ended June 30, 2014 is presented below:

Performance Drivers For the Year Ended June 30, 2014			
Investment Name	**Net Value Change ($ Millions)**	**Period Gross IRR**	**Since Inception Gross IRR**
Miller Heiman, Inc. [3]	$1.31	68.24%	61.82%
Enhanced Small Business Investment Company, L.P.	$0.21	25.21%	25.21%
Huntington Capital Fund III, L.P.	($0.06)	(32.52%)	(40.34%)
Waterton Precious Metals Fund II Cayman, L.P.	($0.11)	(13.01%)	(13.01%)

[3] Also known as Providence Corporate Development Holding Company

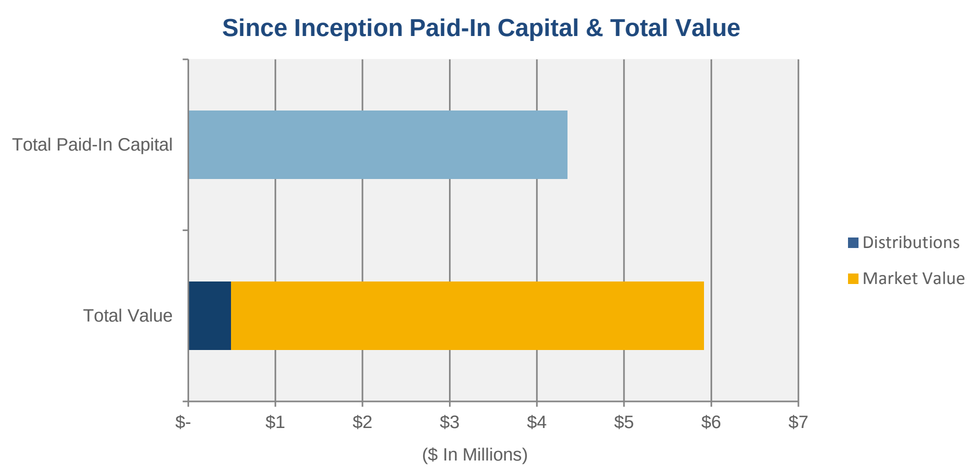
The following chart shows the cash flow activity for the investments within the Fund for each of the past four quarters ending June 30, 2014. A negative net cash flow on a net basis is a typical trend for a portfolio in its early – mid stages of its investment period such as the Fund.



Investment Returns

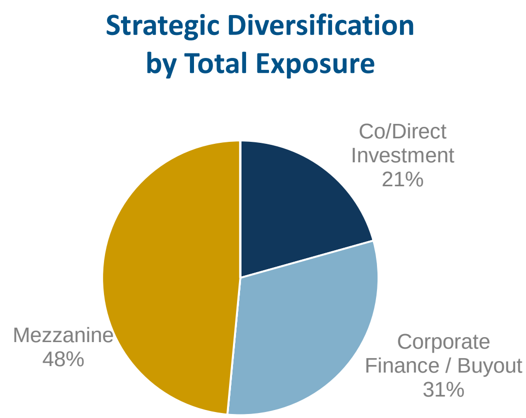
As of June 30, 2014, the Fund has generated a gross internal rate of return (“IRR”) of 41.69% and a total value multiple of 1.36x.

The chart below shows the total value of the Fund through June 30, 2014.

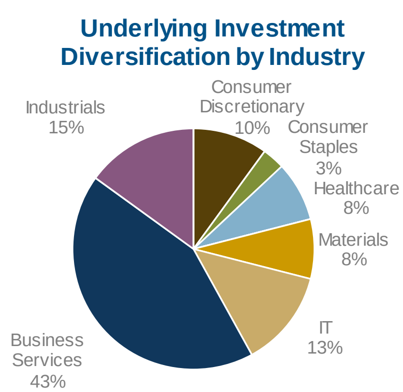


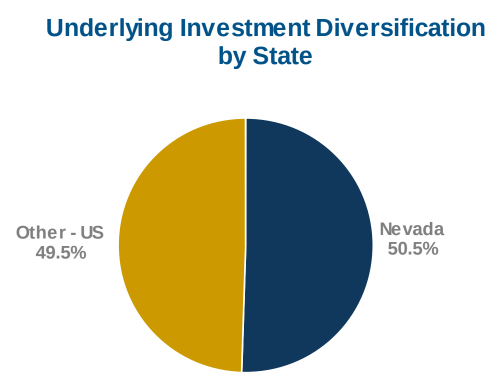
Diversification

The Fund has committed to one co-investment and three fund investments as of June 30, 2014. The strategic diversification information presented in the chart below is based on total exposure as of June 30, 2014, which is the sum of unfunded commitments plus adjusted market values.

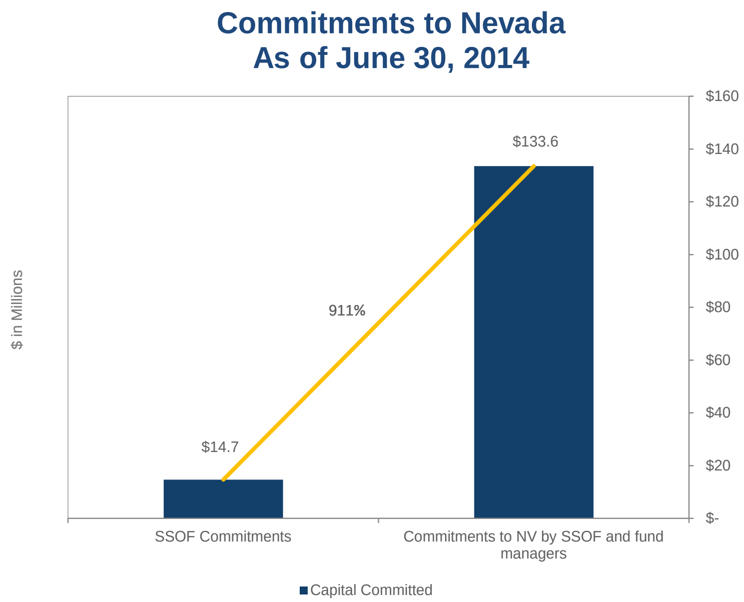


The chart below displays the diversification of the Fund's underlying holdings by industry and geographic location as of June 30, 2014. These amounts will change as new investments are made across varying investment strategies and industries.





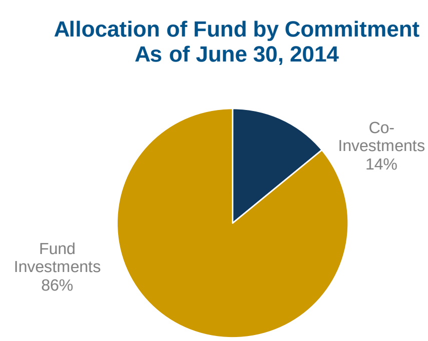
In addition to the $14.7 million the Fund has invested/committed as of June 30, 2014, the underlying fund managers have committed to invest at least $133.6mm in Nevada.



Comparison to Strategic Plan

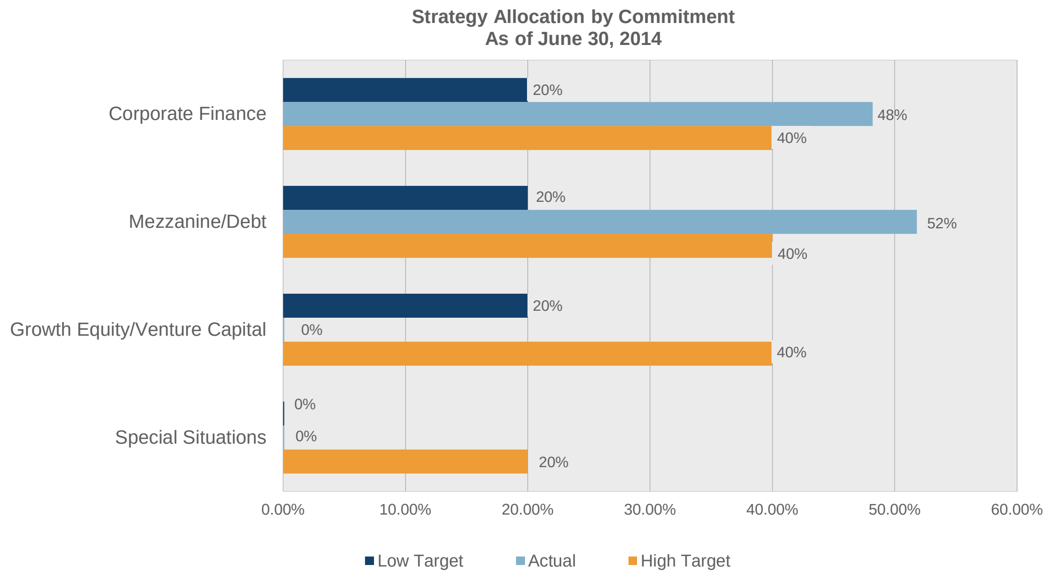
Hamilton Lane has prepared a Strategic Plan to deploy capital for Silver State. This includes recommendations on the allocation of the Fund between co-investments and fund investments, the number of investments to be made in each category and targets for strategy allocation. While the Fund is very young, investments are tracking in line with the Strategic Plan, although there may be a need to revise allocations based on market conditions.

The chart below shows the allocation of the fund by commitment between co-investments and fund investments as of June 30, 2014.



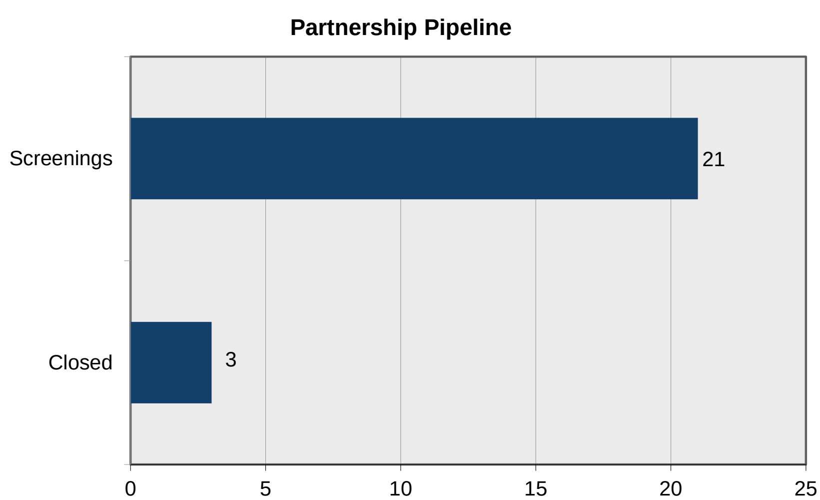
Over time, co-investments are expected to increase as a percentage of the portfolio as the fund matures.

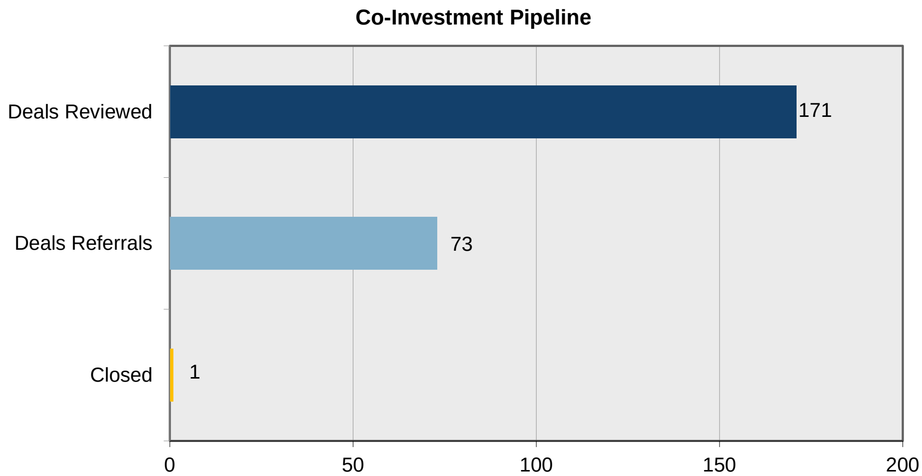
The chart below shows the strategy allocation of the fund by commitment as of June 30, 2014 as compared to the target allocation in the strategic plan.



Deal Flow

The charts below provide detail regarding partnership and co-investment deal flow for the Fund as of June 30, 2014.





To date, Hamilton Lane has evaluated 21 partnership and 171 co-investment opportunities for the Fund. Hamilton Lane will continue to evaluate and refer high quality investment opportunities that complement the client's overall investment objectives.

Direct investment deal flow over the first two years has been robust driven by Hamilton Lane's proactive deal sourcing efforts and increasing public awareness of the fund. Hamilton Lane has reviewed over $2.7 billion of co-investment opportunities in a variety of sectors and strategies. Deal flow has largely reflected the diverse nature of Nevada's emerging industries. The top three sectors for new opportunities include technology, healthcare and manufacturing. The top three strategies reviewed include venture, seed and growth. Over time, deal flow has become more targeted and we are pleased with the current opportunity set. In instances where deals do not fit the Silver State Opportunity Fund's investment profile, introductions to other sources of capital and State resources are offered.

Fund Marketing

The following chart shows Hamilton Lane's marketing expenditures relative to its original budget. Hamilton Lane has made a concerted effort to limit marketing expenses and focus on supporting events with the highest impact for the Fund.

Marketing Expenses Fiscal Year Ended June 30, 2014	
Items	Cost
Gross Marketing Expenses	**$37,292.22**
Marketing Income[(1)]	**($36,253.60)**
Net Marketing Expenses	**$1,038.62**
Total Marketing Budget	**$50,000.00**

[(1)]Marketing income generated through Silver State Investor Forum ticket sales and sponsorships

Appendix A:

Nevada Market Overview

Nevada Market Observations

Economic Activity

The Nevada economy is showing broad signs of recovery as indicated by declining unemployment rates, increasing non-farm payrolls and rising property values. Nevada's resurging leisure and hospitality industry, which is responsible for nearly 28 percent of the state's employment, has been a primary driver of the recovery with convention attendance rising year over year and new gaming locations coming on-line in Southern Nevada.

Outside of leisure and hospitality, Nevada has received a boost from major developments in the tech sector. Zappos' move from Henderson to downtown Las Vegas is revitalizing the area and spurring start-up activity. Northern Nevada has received a boost of its own through deals struck with Tesla and Apple to locate major facilities in the region.

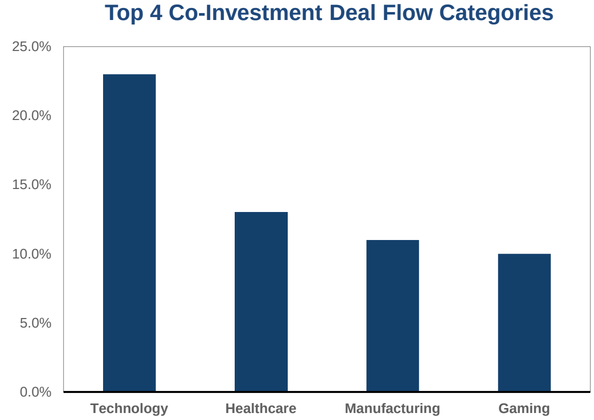
Market Education

The Nevada market remains relatively underserved from a private equity perspective with few people having a first-hand experience with institutional private equity capital. As a result, there is limited institutional knowledge in the state and private equity firms looking to invest in the region face an uphill battle educating companies on standard deal processes and terms. The Fund's focus on education through its annual Silver State Investor Forum, speaking engagements at local events and one-on-one company meetings is helping alleviate the knowledge gap but addressing this challenge remains a key focus.

Key Industries

Deal flow in the state has been diverse with attractive, emerging industries such as technology and healthcare representing the largest percentages of deal flow. The high levels of deal flow from these sectors are an encouraging sign of the development of high tech industry in Nevada.

Top 4 Co-Investment Deal Flow Categories



Private Equity Sub-Sectors

While the Nevada market offers investment opportunities across all strategies, the State's developed small business community offers the largest opportunity set for institutional capital. These types of businesses are traditionally well-served by mezzanine investors since mezzanine transactions are less dilutive than other types of capital, can avoid dealing with company valuations and are available in an appropriate size range for medium to small businesses. Nevada's nascent venture capital market is showing clear signs of development but remains relatively unproven. Buyout transactions in the State can be very attractive but are relatively limited given the size of the State's economy.

Talent Pool

In line with the market's lack of institutional private equity transactions, the state lacks a robust institutional investor universe and entrepreneurs/business owners experienced with private equity's rigorous expectations. As a result, the market has few experienced management teams with the ability to raise capital at the concept stage. However, the State's traditional lack of capital has resulted in the development of very strong operators that have a proven ability to create strong, profitable companies with limited outside investment.

Regional Differences

Nevada's two primary markets, Northern Nevada (Reno/Sparks/Tahoe) and Southern Nevada (Clark County), are highly contrasting markets that require very different approaches. Northern Nevada, while significantly smaller, has an established, organized business community rooted in long-term personal relationships. Southern Nevada has a more transient population with multiple business circles that creates a more fragmented business community.

Hamilton Lane Approach

Hamilton Lane has tailored its approach in Nevada to meet the State's specific needs. To help overcome the traditional lack of private capital and resulting inexperience with the asset class, Hamilton Lane has focused heavily on education. The annual Silver State Investor Forum has brought leading investment managers to the state to educate the market and expose Nevadans to professional investors. In addition, Hamilton Lane representatives have met with local business owners and arranged dozens of in person and telephonic management meetings to introduce companies to potential sources of capital.

Based on the available opportunity set, Hamilton Lane has focused on the lower middle market and sought general partners who can meet the specific needs of Nevada companies. We have also made a concerted effort to spend time and energy in all regions of Nevada, including the North, South and rural counties. This approach has helped us identify attractive opportunities across the state.

Appendix B:

Global Market Overview

The Private Equity Market

Introduction

Macroeconomic growth rebounded in the second quarter of 2014 after a sub-par first quarter. The S&P 500 continued to build off of its 2013 success, returning 5.2% to investors. After dropping 2.1% in the first quarter of 2014, US GDP managed to bounce back, to increasing by 4.2% in the second quarter.[1] The Fed continued the tapering process, reducing its bond purchasing program by $10 billion each month over the quarter. Looking at the job market, the unemployment rate dropped to 6.1% as of August 2014, representing the lowest level in the past six years.[2] Europe continues to recover from the economic crisis, with Eurozone equities posting positive returns in the second quarter and Euro area GDP growing 0.2%.[3] Unemployment in Europe saw a slight decrease to 11.5% as of July 2014, but this rate varies dramatically from country to country. As of July 2014, the unemployment rate in Spain was 24.5%, while in Germany it was 4.9%.[4] This along with the looming geopolitical issues between Russia and Ukraine create uncertainty for the European economy going forward.

The private equity asset class continued its positive performance in the second quarter. Distributions continued at their record pace, returning over $137 billion to Limited Partners over the quarter, resulting in a net cash inflow of $57 billion.[5] Exit activity spiked to record levels during the quarter, with the highest aggregate exit value since 2006. Investor allocations continue to rise, and as a result fundraising has been successful over the quarter. A total of 197 funds closed during the quarter with aggregate commitments of $132 billion, both increases from the prior quarter. Investment pacing, however, continues to be an issue for the industry, but deal volume is up, and on pace toward the highest annual deployment in the past seven years. In terms of deal pricing, multiples have increased to levels seen before the Global Financial Crisis, evidence that competition in the industry is high.

Private Equity Performance

Chart 1: Time Weighted Returns: Private Equity vs. MSCI World

Time-Weighted Return	All PE	US Buyout	EU Buyout	US & EU Venture/ Growth	Credit	ROW Buyout/ Growth	Public Market Benchmark
1 Year	17.6%	19.1%	14.0%	28.0%	13.2%	9.5%	18.6%
5 Year	16.5%	17.2%	15.2%	14.9%	18.2%	17.4%	17.0%
10 Year	13.5%	14.3%	16.1%	9.4%	12.4%	15.1%	6.3%

Source: Hamilton Lane Fund Investment Database (August 2014). Return figures are geometric averages of time-weighted returns, in local fund currency. Returns longer than one year are annualized.

The private equity asset class has continued to provide investors with superior performance over the longer time horizons. Chart 1 shows that over the longer term private equity rewards investors with superior performance in comparison to other asset classes. Conversely, over the one and five year periods, private equity has lagged the public market, which has enjoyed a bull market. Despite the underperformance, private equity has returned competitive double digit returns over the same time horizons.

Over the past year, the private equity industry level return was 17.6% as compared to the MSCI World's one year return of 18.6%. US & EU Venture/Growth was a particularly strong performer in this time frame, returning 28.0%. Looking at the five and ten year periods, private equity has returned 16.5% and 13.5% as compared to the MSCI's returns of 17.0% and 6.3%.

Chart 2: Private Equity IRR Quartiles by Vintage Year

Source: Hamilton Lane Fund Investment Database (August 2014) MSCI World, net reinvested dividends. Benchmark calculated as PME (Public Market Equivalent) using All Private Equity pooled cash flows.

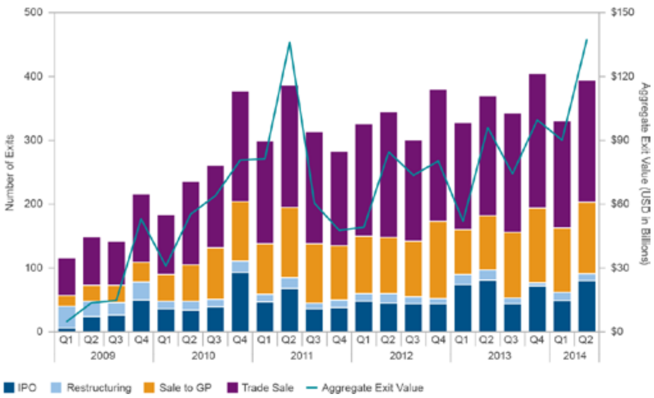
As depicted in Chart 2, investors in private equity have seen even greater outperformance of the public markets when investing with top quartile fund managers. Over the past twenty-two vintage years, top quartile funds have outperformed public market by an average of 1,029 basis points. Median managers have outperformed the index as well, providing higher returns in seventeen of the last twenty-two years.

Increase in Exit Activity

Exit Activity spiked in the second quarter after a disappointing first quarter of 2014 with 394 private equity backed exits, representing the second highest quarterly number since 2006. In terms of aggregate exit value, the industry experienced its highest quarter since 2006 at $137.3 billion, representing a $47.2 billion increase from the first quarter and a $41.3 billion increase year-over-year.

[1] Bureau of Economic Analysis
[2] Bureau of Labor Statistics
[3] EuroStat
[4] EuroStat
[5] Hamilton Lane Fund Investment Database

Chart 3: Global Number of Private Equity-Backed Exits

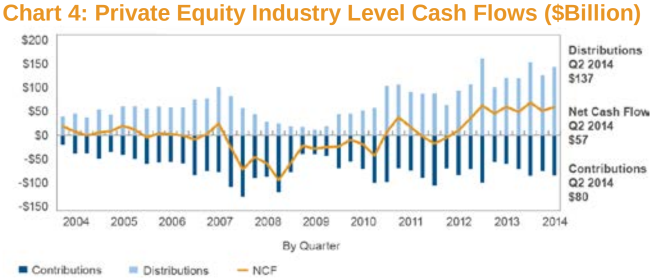


Source: Preqin Private Equity Quarterly 2Q 2014

Trade sales and secondary buyouts remained the most popular exit methods, accounting for 77% of all exits. Private equity backed IPOs experienced a significant increase quarter-over-quarter, up 63%. IMS Health was the largest private equity backed IPO during the quarter as the Texas Pacific Group took the healthcare technology firm public in April with a market capitalization of $1.3 billion.

With the spike in exit activity and aggregate value, distribution activity has followed suit. General Partners distributed over $137 billion to Limited Partners, resulting in positive net cash flow for investors of $57 billion. As industry level net asset value continues to grow to record levels, distribution activity is expected to remain high, leading to another record year of distribution volume

Chart 4: Private Equity Industry Level Cash Flows ($Billion)

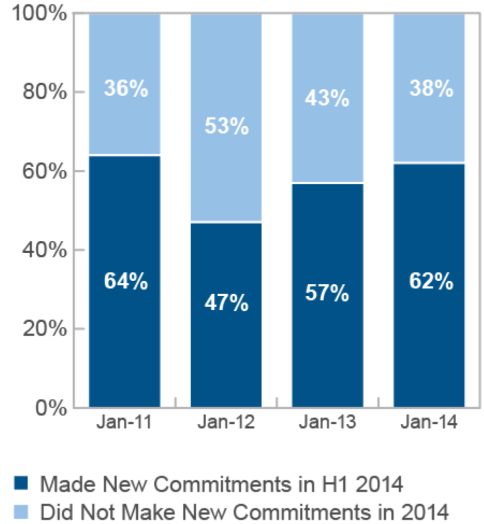


Source: Hamilton Lane Fund Investment Database (August 2014)

Increasing Allocations

Throughout 2014, investors have continued to increase their allocations to private equity. As shown in Chart 5, 62% of investors made new fund commitments during the first half of the year, up 5% from 2013 and 15% from 2012. According to a June 2014 Preqin Investor Survey, 86% of investors felt their private equity investments either met or exceeded their expectations. This number remains the same as this time last year, but represents a 7% improvement from June 2012.

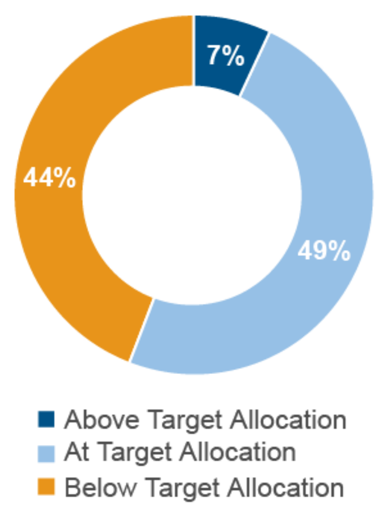
Chart 5: Proportion of Investors that Made New Private Equity Fund Commitments in 1st Half of the Year



Source: Preqin

The strong performance of private equity over the public markets has been a driving factor for increased allocations. According to the Hamilton Lane Fund Investment Database, private equity returned about 14% to investors with observed volatility of about 10% over a ten year period. In contrast, the MSCI World Index returned just 6% with volatility of 16% over the same time period. As the asset class continues to outperform public market comparables over the long term, allocations are expected to continue to rise. Looking at Chart 6, 44% of investors in Private Equity are currently below their current target allocation, while only 7% are above their target. This bodes well for fundraising efforts in the near future.

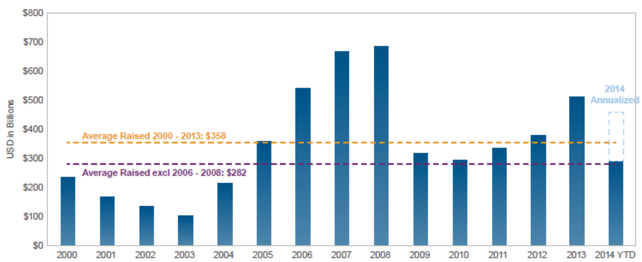
Chart 6: Proportion of Investors At, Above, or Below Their Target Allocations to Private Equity



Source: Preqin

Private Equity Fundraising

Chart 7: Global Private Equity Fundraising

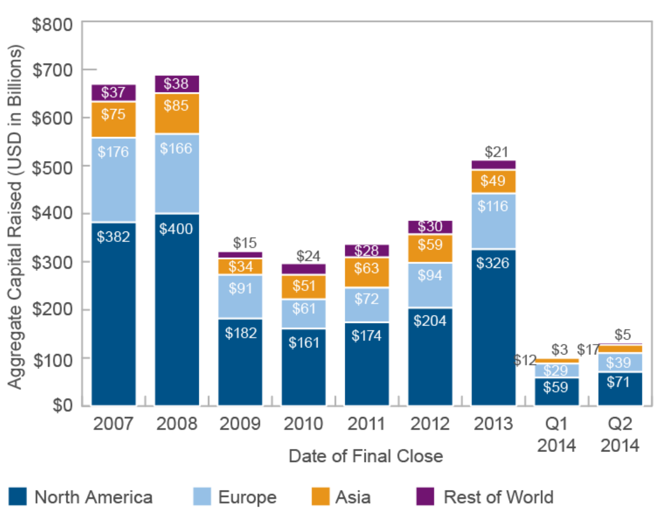


Source: Preqin Funds in Market

In the second quarter of 2014, 197 funds closed on aggregate committed capital of $132 billion, representing an increase of $28 billion from the prior quarter. Despite the increase in aggregate capital, the number of fund closings remained low, with only 197 funds holding a final close during the quarter, the lowest total since the third quarter of 2010. Fundraising remains below the 2006-2008 peaks, but well above long-term averages.

As presented in Chart 8, the majority of funds closed during the quarter were located in North America, with $71 billion in aggregate capital raised, consistent with historical trends. General Partners continue to experience success in their fundraising, with 77% of funds either meeting or surpassing their desired target, and 53% reaching a final close larger than their target.

Chart 8: Breakdown of Private Equity Funds Closed by Region Q2 2014

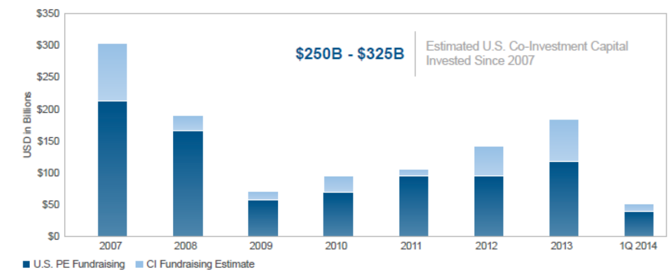


Source: Preqin Private Equity Quarterly 2Q 2014

Geographically, 54% of fund closings during the second quarter of 2014 were located in North America, the highest among all regions. Venture Capital led all strategies in number of funds closed with 54, while the Buyout strategy raised the most capital at $60 billion.

Chart 7 represents only the "official" money raised by the asset class, which does not include separate accounts and co-investment programs which are continuing to attract capital from investors. As shown in Chart 9, between $250 and $325 billion was invested in co-investment programs since 2007. This represents roughly 25% of total U.S. fundraising over that same time period, and 33% over the past two years. Additionally, it is estimated that between $60 and $85 billion has been committed to separate accounts during this same time period. These methods will continue to provide investors with alternative ways to build exposure to the asset class, often times with reduced fees.

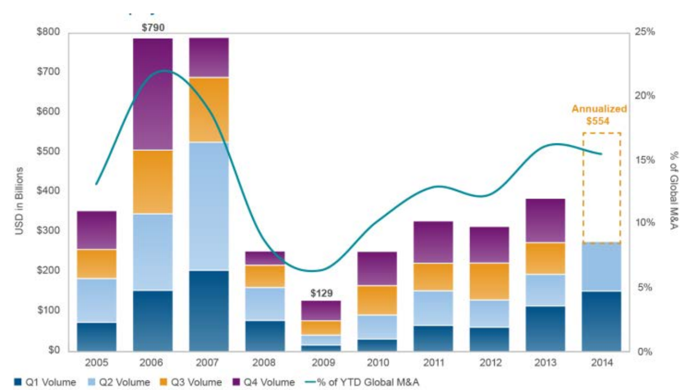
Chart 9: Shadow Fundraising



Source: Hamilton Lane Estimates, Pitchbook (June 2014)

Increase in Deal Activity

Chart 10: Aggregate Value of Private Equity-Backed Buyout Deals



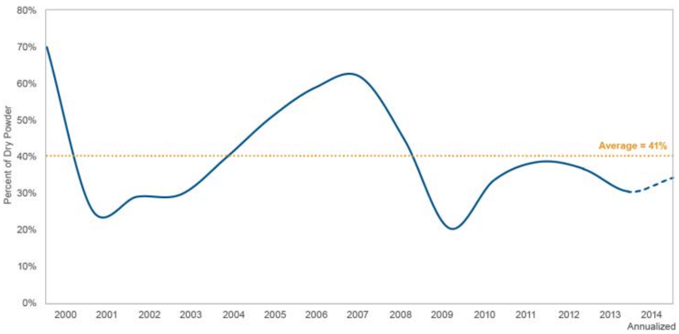
Source: Thomson Reuters (August 2014)

In the first two quarters of 2014, the market has seen a spike in deal activity in comparison to prior years. During the second quarter of 2014 the industry experienced aggregate deal volume of $125.0 billion, a quarter-over-quarter decrease of $27.0 billion, but an increase of $45.4 billion dollars from the second quarter of 2013. With an annualized deal volume of $554.0 billion, the industry is on pace to have its highest volume year since 2007. Even with this increase, it is still well below the peak of 2006 when the industry saw $790.0 billion in total deal value.

Despite the overall increase in deal volume, contributions as a percentage of unfunded remain below historical averages and significantly below the peaks of 2000 and 2007. According to the Hamilton Lane Fund Investment Database, US and EU

VC/Growth is the only strategy in which managers are spending capital at rates above historical averages. As managers continue to carefully deploy capital, the industry dry powder is expected to rise, and fund investment periods will lengthen.

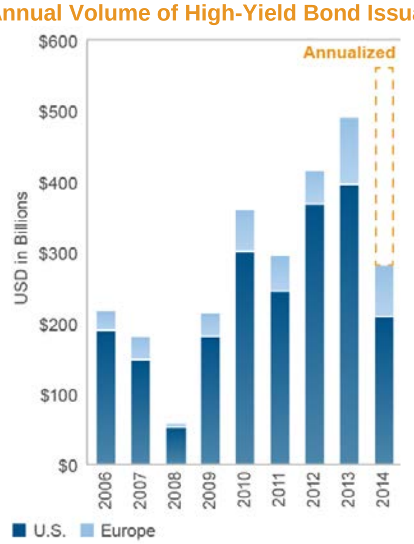
Chart 11: Annual Global Private Equity Contributions Pace as Percentage of Unfunded



Source: Hamilton Lane Fund Investment Database (August 2014)

Debt Markets

Chart 12: Annual Volume of High-Yield Bond Issuances

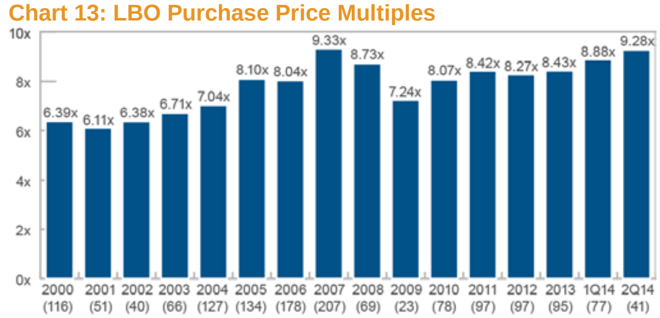


EUR converted to USD at average rate during year
Source: JPMorgan (July 2014)

In the first half of 2014 the volume of high-yield bond issuances totaled $280 billion, on pace for the highest level of bond issuance in history. This was largely driven by the U.S. market which accounts for 75% of this volume. Despite economic uncertainty in the region, Europe is on pace for the highest year of high-yield bond issuances in their history as well. This low interest rate environment presents an opportunity for General Partners to create value from their portfolio investments, as the majority of these issuances went towards refinancing efforts and dividend recapitalizations.

Deal Pricing

Chart 13: LBO Purchase Price Multiples

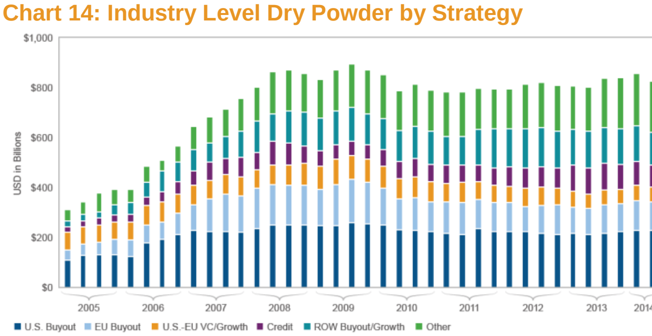


Source: S&P Capital IQ M&A Stats June 2014

Purchase price multiples rose to 9.28x in the second quarter, representing the highest value since 2007. Competition amongst fund managers continues to be one of the largest drivers in the increase over time illustrated in Chart 13. In addition to other General Partners, managers are facing competition to complete deals from other market participants, including hedge funds and some larger limited partners. With increasing competition in the industry, the industry dry powder, and successful fundraising efforts, deals are at a premium, and General Partners will need to settle for higher purchase multiples. Barring another recession, deal prices are expected to stay at high multiples and General Partners will have to find new ways to generate value for their investors.

The Old Overhang Issue

Chart 14: Industry Level Dry Powder by Strategy



Source: Hamilton Lane Fund Investment Database (August 2014)

Industry level dry powder experienced a slight decline over the quarter to $873.6 billion, but remains a concern for the asset class. The capital overhang shot up in 2008 with the Global Financial Crisis, and since its peak in 2009 has not receded. The Buyout strategy remains the largest contributor to industry dry powder, accounting for $409.5 billion, while the Other strategy, which includes special situations, infrastructure, and natural resources, continues to grow, currently representing $217.5 billion of unfunded commitments. The increase in deal activity during the first half of the year is a positive sign, but as fundraising totals continue to accumulate, capital spending will have to pick up to reduce these levels.

Appendix C:

Glossary of Terms

Additional Fees: The amount of capital an investor pays into a fund/investment that does not count against the investors' commitment. Additional fees typically consist of management fees or late-closing interest expense.

Capital Committed: An investor's financial obligation to provide a set amount of capital to the investment.

Capital Contributed: Capital contributed from an investor's capital commitment to fund partnership investments, organizational expenses and management fees.

Capital Distributed: Cash or stock disbursed to the investors of an investment.

Co/Direct Investment: A direct investment is a purchased interest of an operating company. A co-investment is a direct investment made alongside a partnership.

Corporate Finance/Buyout: Funds seeking to make controlling and non-controlling investments in established companies which have the potential to achieve greater value through improved performance.

Cost Basis: Capital contributions less return of principal.

Fund-of-Funds: An investment vehicle which invests in other private equity partnerships.

Fund/Investment Size: The total amount of capital committed by investors to a fund.

Investment Category: Used to identify investments in one of the following categories: co/direct investments, fund-of-funds, primary funds, secondary fund-of-funds or secondary purchases.

Investment Strategy: A sub-classification of a partnership's investment type, such as Co/Direct Investment, Corporate Finance/Buyout, Mezzanine, Real Estate, Special Situation, Venture Capital.

Life Cycle Period: The current stage of a partnership depending on the percentage contributed to date. Life cycle periods are investment and realization.

Mezzanine: An investment strategy involving the purchase of subordinated debt. These securities exist between the senior debt and equity of a holding's capital structure. Subordinated debt carries a lower level of risk than pure equity structures because they generate current income and have a more senior position in the company's capital structure.

Net Internal Rate Of Return ("IRR"): The discount rate that equates the net present value of the partnership's cash outflows with its inflows and residual value at the time of calculation. The calculation is net of management fees and the general partner's carried interest.

Originator: The institution responsible for recommending a client commit to an investment.

Ownership Percentage: The investor's percent of ownership as measured by capital committed divided by fund/investment size.

Paid-In Capital: The amount of capital an investor has contributed to a partnership, which includes capital contributions and additional fees.

Pooled Average IRR: An IRR calculation which aggregates cash flows (paid-in capital and capital distributed) and the reported market values of each investment within a portfolio to create one portfolio investment and return.

Portfolio Holding Exposure: The limited partner's pro rata allocation to an underlying investment based on the ownership percentage of the partnership.

Primary Fund: Defines when the investor acquired an interest in the partnership. Primary fund is the investment category when an investor participates in a closing at the inception of the partnership.

Private Equity Partnership: A professionally managed pool of capital that generally invests in unlisted companies or securities. Common investment strategies include corporate finance/buyout, mezzanine, special situations and venture capital.

Realized Multiple: Ratio of cumulative distributions to paid-in capital.

Return On Investment ("ROI"): A calculation based on the total value (market value plus distributions) divided by paid-in capital for an investment.

Reported Market Value: The investment's capital account balance at quarter end, which includes the general partner's reported value of the underlying holdings and other assets and liabilities.

Secondary Fund-of-Funds: A private equity vehicle formed to purchase active partnership interests from an investor.

Secondary Purchase: A purchase of an existing partnership interest or pool of partnership interests from an investor.

Special Situation: Partnerships that invest using a unique strategy. Examples include distressed and turnaround, industry focused and multi-stage partnerships.

Total Exposure: Calculated by the summation of market value and unfunded commitments.

Venture Capital: An investment strategy that provides start-up or growth capital to companies in the early stages of development. Venture investments generally involve a greater degree of risk, but have the potential for higher returns.

Vintage Year: The year in which a partnership makes its first capital call for an investment into a portfolio company/holding.

Appendix D:

Disclosure Statements

Silver State Opportunities Fund LLC

Fiscal Year 2014 Report

Non-public information contained in this report is confidential and intended solely for dissemination to Silver State Opportunities Fund and/or its Affiliates. Hamilton Lane has prepared this report to enable Silver State Opportunities Fund and/or its Affiliates to assess the performance and status of its alternative investment portfolio. Hamilton Lane hereby disclaims any liability resulting from any unauthorized dissemination of the attached information.

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Appendix E:

Annual Report Metrics

Silver State Opportunities Fund LLC

Fiscal Year 2014 Report

Investment Statistics

Ancillary Benefits