Dan Schwartz
State Treasurer

STATE OF NEVADA
OFFICE OF THE STATE TREASURER

REVISED

NOTICE OF PUBLIC MEETING

THE NEVADA CAPITAL INVESTMENT CORPORATION
BOARD OF DIRECTORS

Tuesday, November 13, 2018 at 10 a.m.

Locations:
Via teleconference at the following locations:

Capitol Building, First Floor
Treasurer's Office, Suite 4
101 N. Carson Street
Carson City, NV 89701

Grant Sawyer State Office Building
Treasurer's Office, Suite 5300
555 E. Washington Avenue
Las Vegas, NV 89101

Meeting via teleconference available at the: 877.873.8017 Access Code: 5707654#

All items listed on this agenda are for discussion and possible action by the Board of Directors of the Nevada Capital Investment Corporation (NCIC) unless otherwise noted. Action may consist of any of the following: approve, deny, condition, hold, or table.

NOTE: Public comment may not be limited based on viewpoint

AGENDA

1) Call to Order (Chair Schwartz)

2) Roll Call (Tara Hagan)

3) Public comment. Comments from the public are invited at this time prior to the commencement of possible action items. The Board reserves the right to limit the amount of time that will be allowed for each individual to speak. The Board is precluded from acting on items raised during Public Comment that are not on the agenda.

4) **For possible action:** Approval of the October 25, 2018 meeting minutes.

5) **For possible action:** Presentation of Silver State Opportunities Fund (SSOF)/NCIC annual report ending June 30, 2018.

6) **For possible action:** Presentation of SSOF Fiscal Year 2018 Financial Statements.

7) **For possible action:** Presentation of the NCIC Fiscal Year 2018 Financial Statements (Dan Carter, Eide Bailly Representative).

8) Public comment. Comments from the public are invited at this time prior to the commencement of possible action items. The Board reserves the right to limit the amount of time that will be allowed for each individual to speak. The Board is precluded from acting on items raised during Public Comment that are not on the agenda.

9) Close of Meeting by Chair

Tara Hagan, Chief Deputy Treasurer may be contacted at 775-684-5600 or trhagan@nevadatreasurer.gov to obtain copies of supporting materials, which are available to the public at 101 N. Carson Street, Suite 4 Carson City, NV 89701.

Action may not be taken on matters considered during public comment until specifically included on a future agenda as an action item.

Items on the agenda may be taken out of the order at the discretion of the Board.

Items may be combined for consideration by the public body.

Items may be pulled or removed from the agenda at any time.

Public comment is limited to 5 minutes per person.
Action may be taken only on those items denoted "for possible action."

Notice of this meeting was posted at the following locations in Carson City, Nevada:
State Capitol Building, 1st & 2nd Floors, 101 North Carson Street
Nevada Legislative Building, 401 South Carson Street
Nevada State Library, 100 Stewart Street
Blasdel Building, 209 East Musser Street

Notice of this meeting was faxed for posting to the following location:
Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada
Fax for Capitol Police - (702) 486-2012

Notice of this meeting was posted on the following website:
www.nevadatreasurer.gov
https://notice.nv.gov/

We are pleased to make reasonable accommodations for members of the public who are disabled and would like to attend the meeting. If special arrangements for the meeting are required, please notify Tara Hagan with the Office of the State Treasurer, 101 North Carson Street, Carson City, Nevada 89701, call (775) 684-5600, or fax your request to (775) 684-5623 as soon as possible.

NEVADA CAPITAL INVESTMENT CORPORATION

MINUTES OF BOARD OF DIRECTORS MEETING
Thursday, October 25, 2018

Chair Dan Schwartz called the meeting of the Board of Directors of the Nevada Capital Investment Corporation (NCIC) to order at 10:07 a.m., on Thursday, October 25, 2018. The meeting was held via teleconference and videoconference.

Board Members
- Chair Dan Schwartz
- Vice Chair Anand Nair
- Richard Bartholet
- Wayne Tew
- Ash Mirchandani

Staff

Grant Hewitt,	Chief of Staff
Tara Hagan,	Chief Deputy Treasurer
Kim Arnett,	Deputy Treasurer - Investments

AGENDA

1) Call to order (Chair Schwartz)
The meeting was called to order at 10:07 a.m.

2) Roll Call
All members were present representing a quorum. Staff indicated the meeting was properly noticed and that the agendas were posted in accordance with the Nevada Open Meeting Law.

3) Public Comment
There was no public comment in Carson City or Las Vegas.

4) For Possible Action: Approval of the April 26, 2018 meeting minutes.

Mr. Mirchandani motioned to approve the meeting minutes. Vice Chair Nair seconded the motion. Motion passed unanimously.

5) For Possible Action: Presentation of Silver State Opportunities Fund (SSOF) quarterly report ending March 31, 2018

Miguel Luina with Hamilton Lane presented the quarterly report and stated that the SSOF (Fund) is performing as expected and continues to progress as the investments age. He noted that the 3rd fiscal quarter of 2018 was a relatively quiet quarter. There was a small write up (positive investment experience) in Software Paradigms International due to operating performance at their business as well as a small write up at Convergent Capital because of operating performance within its underlying portfolio. They had a small write down in Supercolor Digital which was a result of poorer operating performance than expected. He stated that overall, the portfolio remains in positive territory in terms of the internal rate of return (IRR) and is expected to see continued appreciation within the portfolio in terms of growth. He pointed out that the fund remains cash-flow positive and which allows them to distribute significantly higher capital.

Rob Reed stated that as of March 31, 2018 the fund, along with its general partners, have invested $598 million in 29 Nevada companies which is an 8% increase compared to the total dollar amount invested in the prior year. He explained that the companies are spread throughout the state and are diversified by industry. The capital provided by Silver State and its partners has had a significant positive impact on employment within the State. The SSOF investments have grown employment to over 2,300 employees and the portfolio companies have helped create high quality jobs and attractive wages for their employees, making the average salary $64k which is 45% higher than the average Nevada wage.

Tara Hagan commented that the Treasurer and staff have had conversations with Hamilton Lane and are happy the final numbers for 2018 are positive but in regards to the private equity they would like to see it ramp up to double digit numbers and some of the fees start to compress. Ms. Hagan asked Hamilon Lane to speak about when the Treasuer's Office might realize some of the fund investments and when they will distribute.

Mr. Luina stated that there was an unfortunate situation of having an early write off in Miller Heiman and because of the way the internal rate of return (IRR) works, early distribution and early write offs have a disproportionately large affect on the performance of the portfolio. He noted that something to keep in mind is that private equity valuation, in a rising public market environment, tends to lag while the portfolio is unrealized because of gap accounting and the managers conservative approach to valuations. Private equity investments are typically marked at a discount to what the ultimate sale price will be and explained that as those investments are exited they expect to see an uplift in performance and that they do see a path for it to improve significantly over the life of the fund.

Tara Hagan sought clarification that as of June 30, 2018 the gross IRR was 8.39% and that she had understood Mr. Luina to state that the Miller Heiman investment has left an approximate 5% drag on performance to date and therefore, if we didn't have that unfortunate situation with the write down with Miller Heiman, the gross IRR would be closer to 13.39%.

Mr. Luina stated that Ms. Hagan stated that correctly.

Chair Schwartz commented that the returns across the portfolio were good, however the Board and Treasurer's Office would like to see higher returns.

Mr. Luina stated that they do not expect the portfolio to end where it is currently and they have four years left, within the term, and the unrealized portfolio is healthy and growing in terms of performance and expect to see significant appreciation from where it is currently.

Vice Chair Nair motioned to accept the SSOF quarterly report for period ending March 31, 2018. Mr. Bartholet seconded the motion. Motion passed unanimously. **Mr. Mirchandani abstained.**

6) For possible action: Board review and discussion regarding an update on the Accion, LLC investment for period ending March 31, 2018 and June 30, 2018.

Tara Hagan gave the Board an update on the Accion investment stating that we received our first distribution from Accion in the amount of $8,364 in interest on the $1 million-dollar investment (from August 1, 2017 through December 31, 2017). She explained that the interest rate is consistent with the Internal Revenue Code Section 1274D published rates and due to the rising interest rate environment, the interest rate was adjusted and increased to 3.06% which went into effect on July 1, 2018. She stated that Accion has well exceeded the $1 million dollars in investments in less than one year's time.

Chair Schwartz commented that he is very pleased with the return and proud of his Staff and Board.

No discussion on this item.

<u>7) Public Comment:</u>
There was no public comment in Carson City, Las Vegas or on the telephone.

The meeting was adjourned at 10:45 a.m.

Attest:

____
Tara Hagan, Secretary to the Board

Nevada
Capital
Investment
Corporation

MEMO

TO: NCIC Board Members

FROM: Tara Hagan, Chief Deputy Treasurer

SUBJECT: 2018 NCIC Annual Report

DATE: November 7, 2018

Nevada Revised Statutes §355.270 requires the Nevada Capital Investment Corporation (NCIC) to provide an annual report to the Governor and the Director of the Legislative Counsel Bureau for transmission to the Legislative Commission, if submitted in an odd-numbered year. Please find attached the Silver State Opportunities Fund, LLC (SSOF) report.

This report details NCIC's investments in the Silver State Opportunities Fund, LLC (SSOF). The SSOF is the investment vehicle managed by Hamilton Lane. As detailed in the report, during Fiscal Year 2018, SSOF was fully committed as of May 13, 2016. Approximately, 85% ($37.7 million) of the committed capital has been drawn from the Permanent School Fund as of June 30, 2018.

In terms of financial performance, SSOF is generating a 4.59% net annual return to the State's Permanent School Fund. On a gross basis, SSOF is generating an 8.39% Internal Rate of Return (IRR). As of June 30, 2018, the NCIC has contributed $42.8 million and received $8.3 million in distributions, resulting in $34.5 million in net contributed capital. The performance is driven by yield-producing fund investments and the Fund's co-investments are expected to contribute future positive value to the Fund.

As of June 30, 2018, twenty-nine (29) companies have received investments from SSOF to date. This includes investments throughout the entire State as noted in the SSOF report. This is a total of $598 million (15x multiplier) invested in Nevada and its partners which stretches far beyond the $50 million capital invested via the Permanent School Fund. The Fund investments have supported 2,362 Nevada employees with an average wage of $65,000 annually which is higher than the national average wage.

In Fiscal Year 2018, NCIC and Accion formed the Accion 2017G, LLC. The investment allows for interest to be paid to NCIC over a ten-year period on the initial investment. The Accion 2017G, LLC will serve as the investment vehicle to make micro and small business loans to Nevada businesses. Accion has the discretionary authority to make all investments within the statutory, regulatory and contractual parameters set by Nevada. 100% of the investment in Accion is used exclusively for small business loans to Nevadans.

In Fiscal Year 2018, Accion loaned the entire $1 million investment to Nevada businesses, across Clark and Washoe Counties. The investment returned approximately $8,500 to the Permanent School Fund in interest earnings for proportionate amount of time the funds were invested with NCIC.

Accion does more than lend money to micro and small businesses. It works with entrepreneurs to strengthen their businesses and help them succeed through business advising, financial education, and other services. This type of support has allowed entrepreneurs to continue to see the positive impact of Accion capital after receiving the loan, such as improved credit and an increased sense of legitimacy as a 'real business." In calendar year 2017, Accion disbursed 1,832 loans which totaled $21.23 million in Arizona, Colorado, Nevada, New Mexico and Texas. The average loan size during this time period was $11,626.

Hamilton Lane

Hamilton Lane
Silver State Opportunities Fund

Fiscal Fourth Quarter Report

2018

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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 Rob Reed 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 is fully committed as of May 13, 2016. Approximately 80% ($40.1 million) of capital committed to funds has been drawn as of June 30, 2018.

The Fund is performing well both in terms of economic impact to the State and financial performance. The Fund, along with its general partners, has invested a total of $597.5 million(2) in 29 Nevada companies to date, an increase of roughly 8% compared to the total dollar amount invested at June 30, 2017. This represents 15 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 64%(3) since investment to 2,362 combined employees, compared to 2,389 employees as of June 30, 2017. The amount of employees remained relatively stead year-over-year with a minimal decrease. The jobs supported by these investments are high paying positions that boast average salaries of $64,919, 44% higher than the average Nevada wage(4) and 28% higher than the average national wage(4) in 2017.

In terms of financial performance, the Fund is generating a 4.6% net annual return to the State’s Permanent School Fund. On a gross basis, the Fund is generating a 8.4% IRR, 1.2x total value to paid in multiple (“TVPI”). As of June 30, 2018, the NCIC has contributed $40.1 million and received $8.6 million in distributions, resulting in $31.5 million in net contributed capital. The performance is driven by yield-producing fund investments and the Fund’s co-investments are expected to contribute future positive value to the Fund.

The Fund’s impact on the State extends well beyond the 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, SSOF managers opened four new offices and hired four local private equity investment professionals. The Fund has made over 270

(1) As of June 30, 2018
(2) Includes capital invested by SSOF and funds that have received capital from SSOF.
(3) Headcount growth calculated based on number of full time employees as of 6/30/18 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.
(4) Refer to footnotes located on page 2-1

introductions between Nevada-based companies and sources of capital. The State has also benefited from the two Silver State Investor Forums 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.

Nevada Impact

The Fund has recently completed its investment period and, while still early, has already had a meaningful impact on Nevada's economy. The following table summarizes the economic impact of the Fund as of June 30, 2018.

Nevada Impact	
Category	**Examples**
Nevada Investments	- 29 Nevada companies have received investments to date - $598mm invested in Nevada by SSOF & partners (15x multiplier) - $2,136mm of capital rasied by SSOF portfolio companies(43x multiplier) - Investments spread throughout state
PE Ecosystem	- SSOF is developing the Nevada private equity ecosystem - Four new offices opened by institutional investors in Nevada - Four investment professional hires in Nevada - Seven funded managers actively seeking investments in the State

Employment	- 2,362 Nevada employees supported by SSOF investments
	- 65%(1) Nevada employment growth (vs overall state growth of 21%(2))
	- $65k average wage for Nevada employees at SSOF companies
	    - 44% higher than the 2017 Nevada average wage (3)
	    - 28% higher than the 2017 US average wage (4)

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

(1) Headcount growth calculated based on number of full time employees as of 6/30/2018 compared to number of stabilized full time employees at portfolio companies as of the SSOF investment. Stabilization adjustments performed only for companies that were not long-term viable economic entities at time of investment.

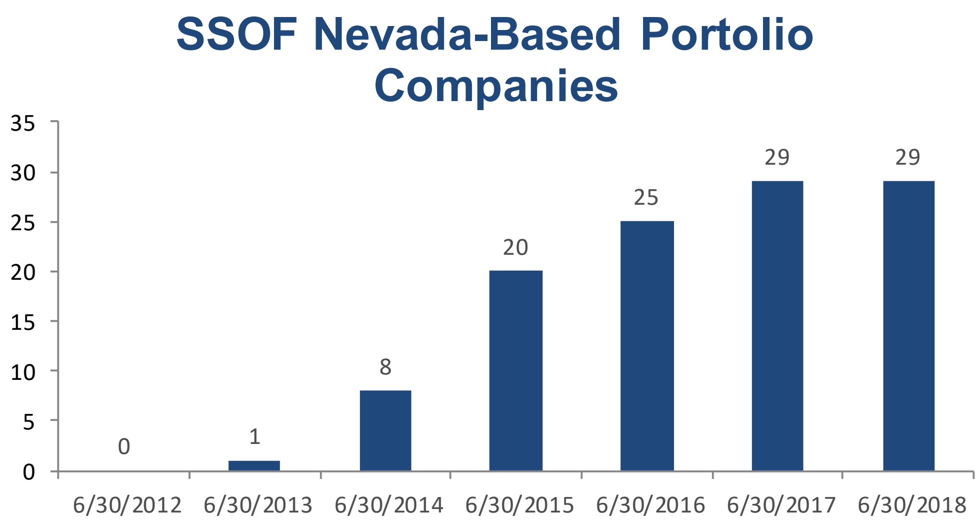
(2) Nevada employees on non-farm payrolls growth from 6/30/2012 to 6/30/2018 according to U.S. Bureau of Labor Statistics

(3) Based on Bureau of Labor Statistics May 2017 average wage for all Nevada occupations.

(4) Based on Bureau of Labor Statistics May 2017 average wage for all U.S. occupations.

Nevada Investments

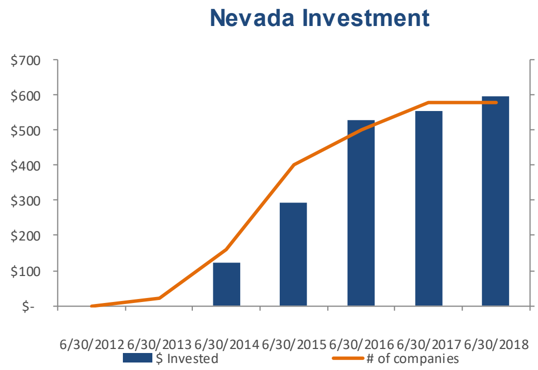
Since its inception in 2012, the Fund has seen a steady growth of Nevada businesses in the portfolio. As of June 30, 2018, the SSOF has invested in 29 Nevada-based companies.

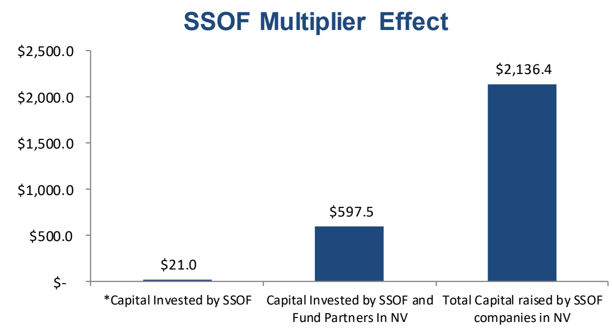


The program's impact on the State has been widespread with fund partners opening offices and seeking investments across the North, South and rural regions of the State.

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 $597.5 million in 29 Nevada companies as of 6/30/18, which represents over 15x the total capital committed by the Fund. This capital, in turn, has helped support $2,136 million of total capital raised by Nevada companies.



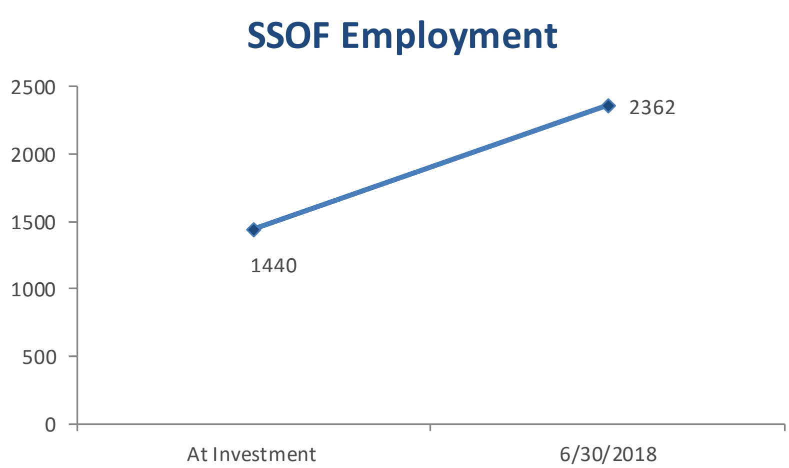


Private Equity Ecosystem

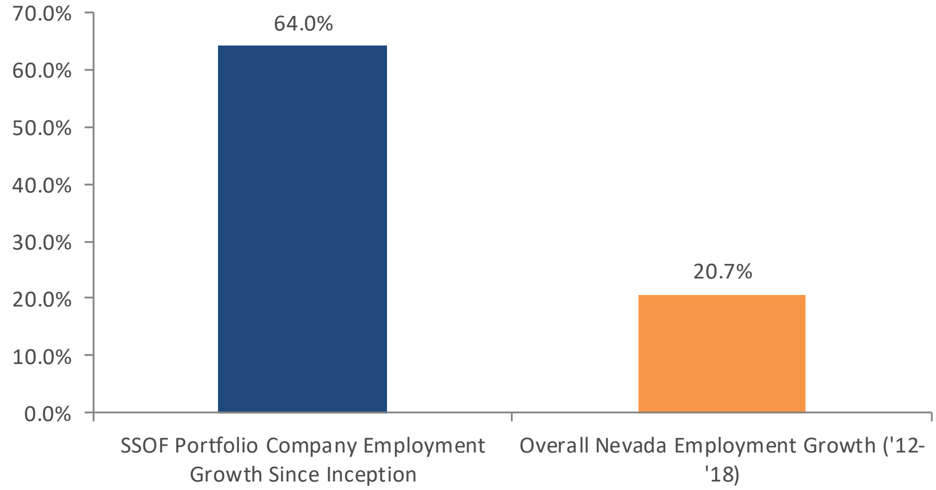
In addition to providing Nevada companies with much-needed capital, the SSOF has laid the groundwork for a thriving private equity ecosystem. Prior to the launch of SSOF, there were no institutional private equity firms located in Nevada. Through the SSOF's work, four new private equity offices have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

Employment

The SSOF has had a significant positive impact on employment within the State. Businesses which have received SSOF capital currently employ 2,362 Nevadans as of June 30, 2018.

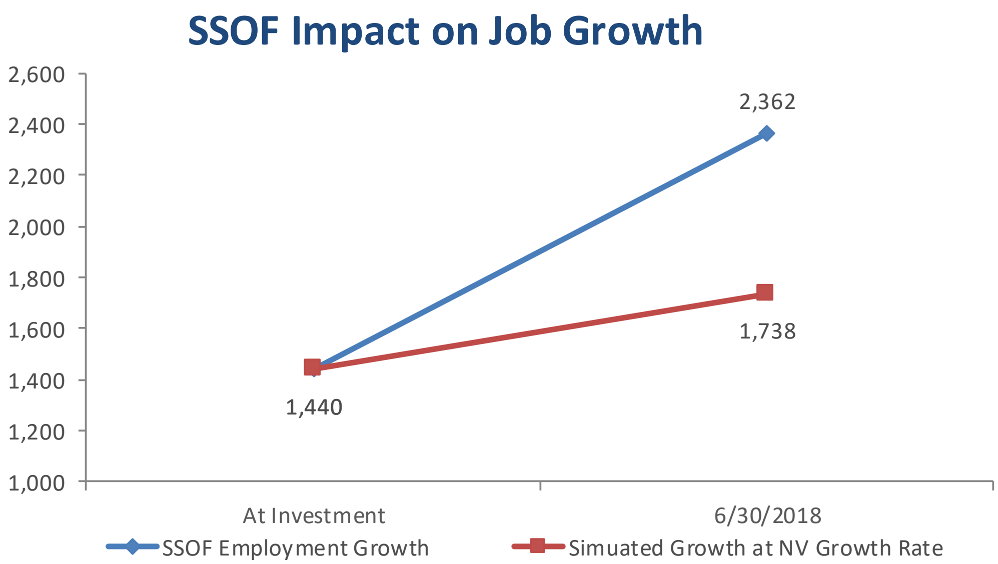


At the portfolio company level, SSOF investments have grown employment by 64.0%(1) since investment to 2,362 employees, compared to 20.7%(2) overall employment growth in Nevada over the same time period.



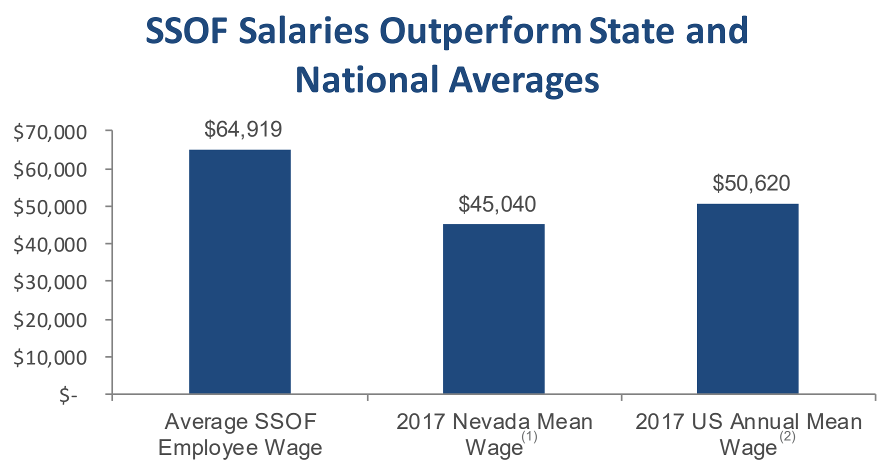
(1) Headcount growth calculated based on number of full time employees as of 6/30/18 compared to number of stabilized full time employees at portfolio companies as of the first SSOF investment. Stabilization adjustment performed only for companies that were not long-term viable economic entities at time of investment.
(2) Nevada employees on non-farm payrolls growth from 6/30/12 to 6/30/18 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 624 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 6/30/18, according to the U.S. Bureau of Labor Statistics, to portfolio company employment at the time of original investment.

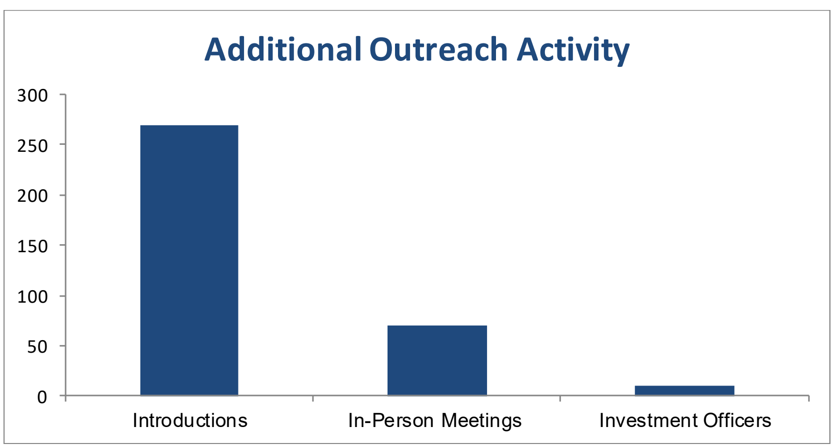
SSOF portfolio companies create high quality jobs, resulting in attractive wages for their employees. The average wage for Nevada employees at SSOF portfolio companies is $65k, 44% higher than the average Nevada wage(1) and 28% higher than the average national wage(2) in 2017.



(1) Based on Bureau of Labor Statistics May 2017 average wage for all Nevada occupations.
(2) Based on Bureau of Labor Statistics May 2017 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 private equity conferences in Nevada, one in Northern Nevada and one in Southern Nevada. Both conferences sold out and attracted a combined 300+ 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 270 introductions to private equity firms on behalf of Nevada companies.

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.

Portfolio Update

Executive Summary

We are pleased to provide you with the fiscal fourth quarter 2018 report for Silver State Opportunities Fund LLC ("Silver State" or the "Fund", or the "Portfolio") which summarizes the Fund's results and investment activity, as well as provides key updates. This report represents the review by Hamilton Lane of the Silver State Opportunities Fund LLC as of June 30, 2018.

- As of June 30, 2018, the Fund has made $44.6 million of commitments to 14 investments, 13 of which are active.
- Since inception, the Fund has generated a gross Internal Rate of Return ("IRR") of 8.39% and a total value multiple of 1.23x
- On a net basis, the Fund has a since-inception IRR of 4.59%

Background of the Fund

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" or the "Fund"). In September 2012, Hamilton Lane opened its Nevada office to oversee management of the Fund; Miguel Luina, Rob Reed, and Dave Helgerson 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.

Silver State Opportunities Fund LLC

First Closing Date	August 1, 2012
Vintage Year	2013
Termination Date[1]	August 1, 2022
Current Lifecycle	Post-Investment Period
Total Fund Size	$50,505,051
Manager	Hamilton Lane Advisors, LLC
Investment Strategy	Targeted Investment Program
Administrator	Stone Pine Accounting Services, LLC
Auditors	Ernst & Young

[1] Term may be extended by the Manager for up to two successive one-year periods in its sole discretion. Per the terms of the Amended and restated LLC Agreement, 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.

Silver State by the Numbers

2013
Vintage Year

$51M
Fund Size

14
Total Investments

$45M
Committed

$40M
Contributed

$9M
Distributed

0.2x
Gross DPI

1.2x
Total Value Multiple

8.4%
Gross IRR

4.6%
Net IRR

Portfolio Update

Performance

	Since Inception as of 6/30/2018
Gross Fund Multiple	1.23x
Gross Fund IRR	8.39%
NCIC Net Multiple	1.12x
NCIC Partner Net IRR[1]	4.59%

[1] Net IRR includes Hamilton Lane management fees and Fund expenses.

Net LP Summary

	Since Inception to 6/30/2017	Since Inception to 6/30/2018	Change
Total Committed to Partnerships	$44.6	$44.6	-
Percent Committed	88.3%	88.3%	-
Total Contributions from LPs	$40.1	$42.8	$2.7
Percent Contributed	80.2%	85.6%	5.5%
Total Distributions to LPs	$5.5	$8.3	$2.8
Percent of Contributions	13.8%	19.5%	5.7%
Unfunded Commitments	$11.4	$8.7	($2.7)
Net Asset Value	$36.5	$39.8	$3.3
Total Value to Paid-in Capital[1]	1.05x	1.12x	0.07x

[1] Total Value to Paid-in Capital Mulitple ("TVPI") represents the fund's market value plus distributions, divided by total contributed capital.

Gross Fund Summary

	Since Inception to 6/30/2017	Since Inception to 6/30/2018	Change
Active Investments	14	13	(1)
Active Managers	14	13	(1)
Capital Committed	$44.6	$44.6	-
Unfunded Commitment	$8.3	$6.1	($2.2)
Capital Contributed	$37.7	$40.1	$2.4
Capital Distributed	$5.8	$8.6	$2.8
Market Value	$36.9	$40.6	$3.7
Gross DPI	0.15x	0.22x	0.07x

[1] The June 30, 2017 data is based upon information provided in the Silver State Opportunities Fund LLC Fourth Fiscal Quarter 2017 report and Audited Financial Statements. Silver State Opportunities Fund fiscal year-end is June 30, 2018.

Portfolio Value and Performance

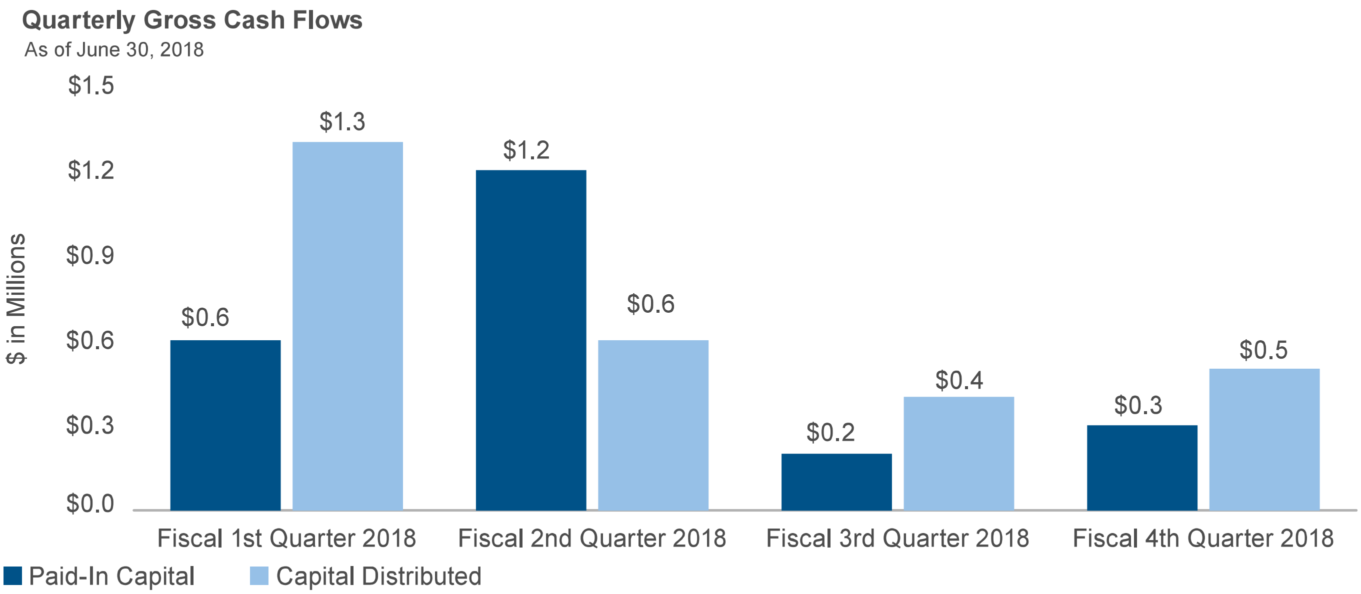
Portfolio Quarter-Over-Quarter Summary					
	Quarter Ended				Year Ended
in $ millions	9/30/2017[1]	12/31/2017[1]	3/31/2018[1]	6/30/2018	6/30/2018
Beginning Market Value	$36.9	$37.9	$37.9	$39.8	$36.9
Paid-in Capital	0.6	1.2	0.2	0.3	2.4
Distributions	(1.3)	(0.6)	(0.4)	(0.5)	(2.8)
Net Value Change	**1.7**	**1.4**	**0.1**	**1.1**	**4.2**
Ending Market Value	$37.9	$39.9	$39.8	$40.6	$40.6
Unfunded Commitments	**$7.8**	**$6.6**	**$6.4**	**$6.1**	**$6.1**
Total Exposure	$45.7	$46.5	$46.2	$46.8	$46.8
Point-to-Point IRR	4.65%	3.74%	0.06%	2.68%	11.52%
Since Inception IRR	8.25%	8.92%	8.16%	8.39%	8.39%

[1] Prior quarter information is based upon the financial information presented in the respective quarter's Quarterly Report.
[2] Totals may be off due to rounding

- The Portfolio generated a net value gain of $4.2 million and a point-to-point IRR of 11.52% for the year ended June 30, 2018. Ten investments experienced a combined net value gain of $4.6 million while two investments experienced a combined net value loss of $0.4 million. One investment did not experience any net value change during the year.
  - Convergent Capital Partners III, L.P. generated the largest net value gain during the year with $1.1 million. The net value gain was largely attributed to increase in value of Allstar Construction Holdings, LLC, which saw its multiple increase to 2.1x from 1.4x over the past twelve months. Allstar Construction completed the first half of 2018 with exceptional financial results and a continued strong backlog, primarily related to increased sales efforts and continued positive economic conditions.
  - Kareo, Inc., a provider of software as a service for independent medical practices, generated $0.7 million in net value increase during the year, the largest amount for a co-investment. The increase was a result of continued strong performance primarily due to growing revenues, increased gross margins, and dramatically decreased operating expenses.

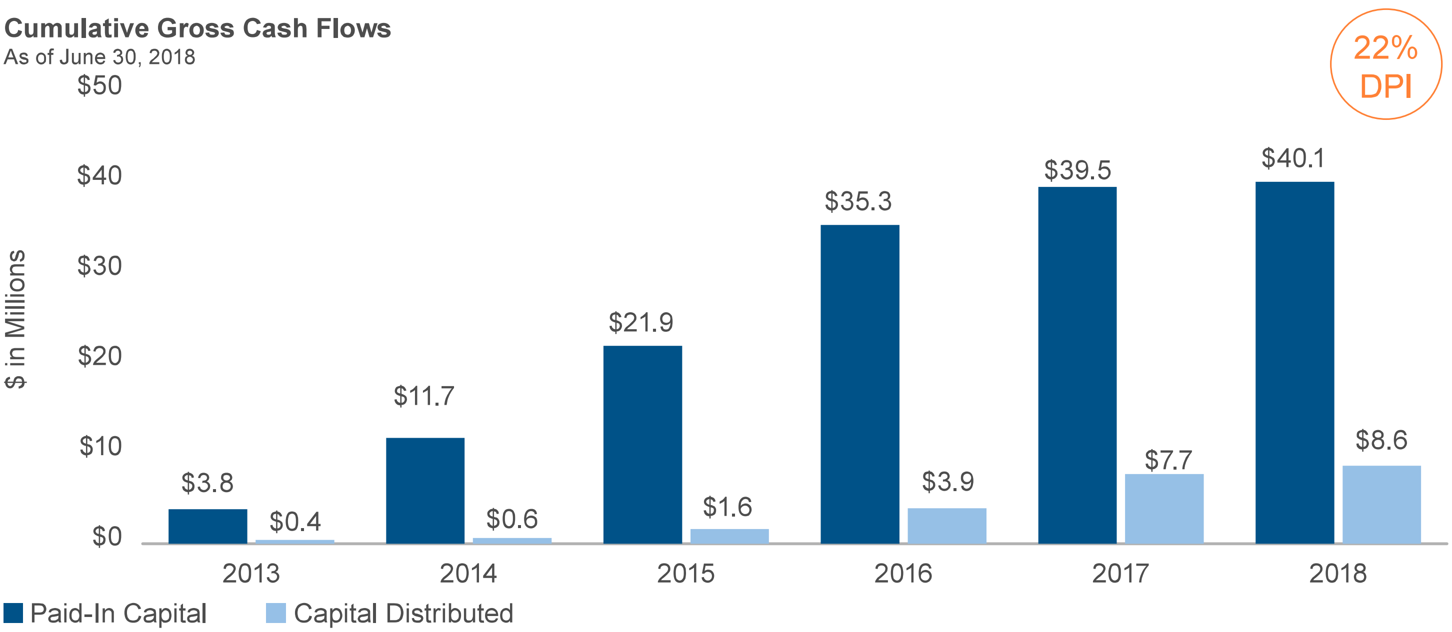
Cash Flow Activity

The chart below highlights the cash flows in the Fund over the past four quarters ended June 30, 2018.



- Huntington Capital Fund III drove distributions during the year, accounting for $1.5 million or 53% of the annual total. On August 29, 2017, MidCap Financial Services, LLC, closed the $17.5M debt and equity recapitalization of Mission Senior Living resulting in a distribution to the HCAP III in the amount of $1.5M.

The chart below highlights the cumulative cash flows from inception to June 30, 2018.

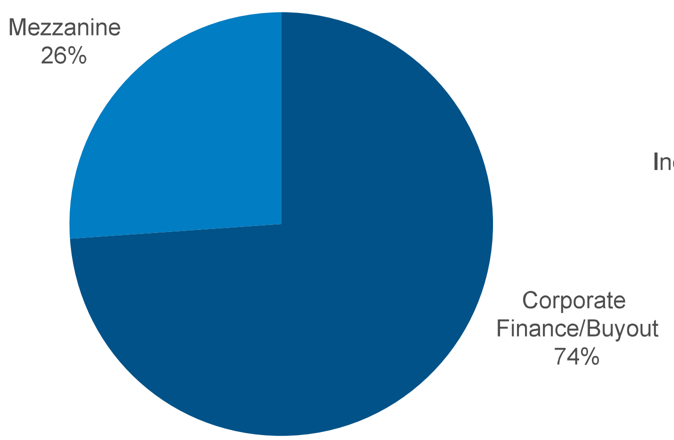


- As of quarter-end, the Fund reached a Distribution-to-Paid-In ratio (DPI) of 0.22x. Since inception, the top distributing investment has been HCAP III returning $3.2 million. As of June 30, 2018, HCAP III generated a 11.64% net IRR and 0.66x DPI.

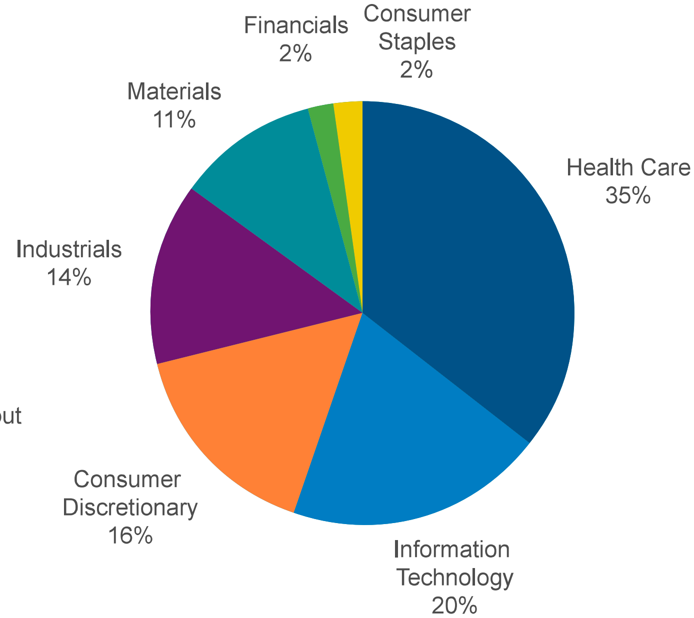
Portfolio Diversification

The chart below represents the Fund's diversification by strategy as measured by total exposure as of June 30, 2018. Total exposure is the sum of the market value and the unfunded commitment of the underlying investments. The chart related to diversification by industry is presented by remaining market value calculated at underlying holdings level based off of the June 30, 2018 actual valuations.

Strategy Diversification by Total Exposure
As of June 30, 2018



Industry Diversification by Remaining Market Value
As of June 30, 2018



- The Portfolio is well diversified by industry, with Health Care and Information Technology representing the top two industry exposures.
  - Co-Investments are driving industry market value exposure to Health Care (West Dermatology, Kareo) and Information Technology (Software Paradigms).
- Convergent Capital Partners III accounts for the Portfolio's largest share of underlying company market value at $5.6 million or 13.6% of the Portfolio.

Portfolio Summary by Investment

As of June 30, 2018

Investments	Closing Date	Investment Strategy	Commitment	Paid In Capital[1]	Distributions	Market Value	Since Inception IRR[2]
Brentwood Associates Private Equity V, L.P.	11/21/2014	Corp Fin/Buyout	$3,000,000	$3,282,186	$750,188	$2,932,990	7.88%
Convergent Capital Partners III, L.P.	11/12/2014	Mezzanine	5,000,000	4,014,482	411,862	5,546,371	15.58%
Enhanced Small Business Investment Company, L.P.	08/13/2013	Mezzanine	2,600,000	1,689,929	760,077	1,756,972	12.72%
Graycliff Private Equity Partners III, L.P.	12/30/2015	Corp Fin/Buyout	1,000,000	800,292	482,572	662,971	32.13%
Huntington Capital Fund III, L.P.	05/31/2013	Mezzanine	5,000,000	4,743,792	3,154,587	2,558,904	11.64%
Sorenson Capital Partners III, L.P.	03/26/2015	Corp Fin/Buyout	2,000,000	1,606,141	536	1,777,354	5.35%
Waterton Precious Metals Fund II Cayman, L.P.	10/24/2013	Corp Fin/Buyout	5,000,000	3,027,604	948,016	3,056,715	11.02%
Partnerships Total			**$23,600,000**	**$19,164,425**	**$6,507,838**	**$18,292,277**	**12.37%**
Co-Investments		Co-investments	21,008,209	20,887,675	2,115,723	22,346,462	5.57%
Total Portfolio			**$44,608,209**	**$40,052,100**	**$8,623,561**	**$40,638,739**	**8.39%**

[1] Paid-In Capital includes amounts paid for investments, management fees and expenses.
[2] IRR is net of management fees, but gross of HL Fees.

Summary of Co-investments

As of June 30, 2018

Investments	Closing Date	Commitment	Paid In Capital[1]	Distributions[2]	Market Value[1]	Since Inception IRR[2]
Kareo, Inc.	4/29/2015	$3,400,000	$3,400,000	-	$4,895,196	12.66%
Marshall Retail Group (MRG)	12/8/2014	2,000,000	2,000,000	-	2,903,949	11.04%
Miller Heiman, Inc.	2/21/2013	3,894,328	3,894,328	$372,919	-	N/A
Rural Physicians Group	4/2/2015	2,157,680	2,157,680	-	3,012,214	11.23%
Software Paradigms International	5/13/2016	5,000,000	4,900,000	1,314,236	4,832,500	12.58%
Super Color Digital	1/8/2016	2,056,201	2,035,668	428,568	1,502,603	(2.35%)
West Dermatology	3/11/2015	2,500,000	2,500,000	-	5,200,000	33.04%
Total Portfolio		**$21,008,209**	**$20,887,675**	**$2,115,723**	**$22,346,462**	**5.57%**

Portfolio Summary by Investment

As of June 30, 2018

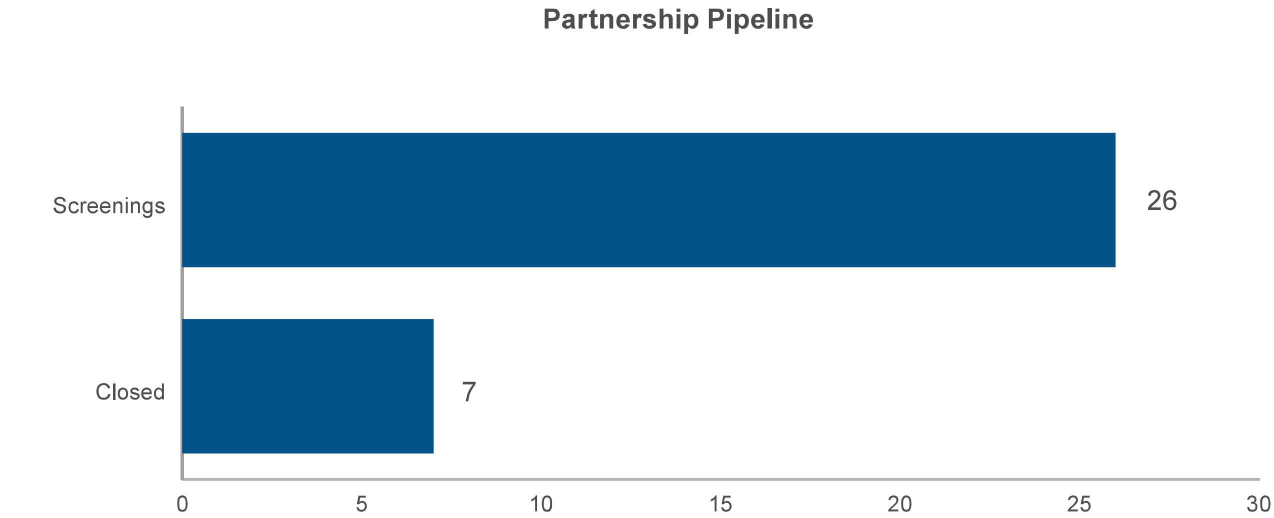
A listing of Nevada companies having received an investment from the Fund as of June 30, 2018 is provided in the chart below.

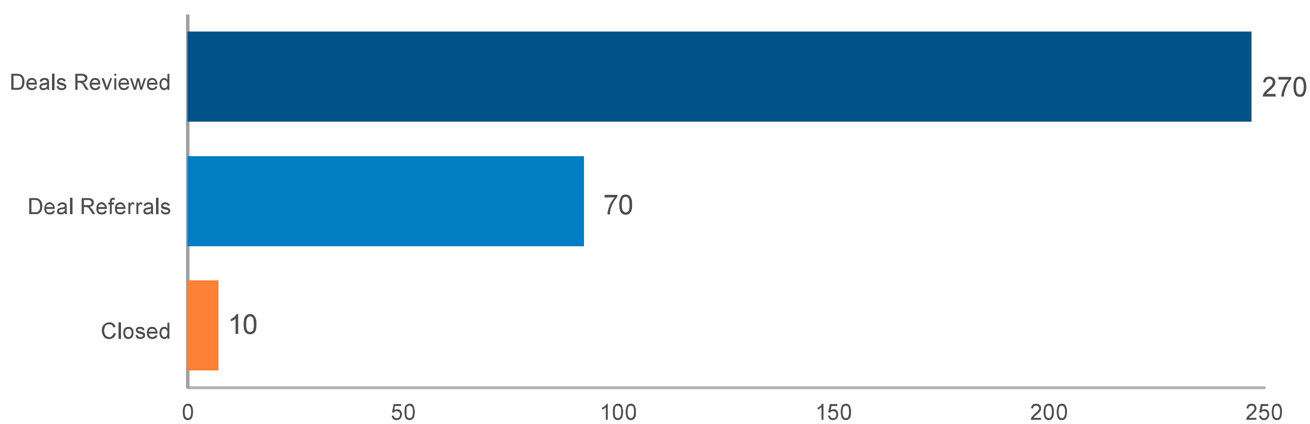
Name[1]	Location	Description
Miller Heiman, Inc.	Washoe County	Corporate education company
The Marshall Retail Group	Las Vegas	Specality retailer providing turnkey solutions to casino hotel and airport operators
Las Vegas Color Graphics	Las Vegas	Privately-owned, full service commercial printing company
West Dermatology	Henderson	Operates a network of 26 dermatology clinics
Kareo, Inc.	Las Vegas	Cloud-based office software platform for small physician practices
Mission Senior Living	Carson City, Reno, Fernley, Gardnerville	Operator of multiple retirement and assisted living centers
Rural Physicians Group	Las Vegas	Provides rotating hospitalists to critical access and rural hospitals in the US
Super Color Digital	Las Vegas	Provides printing and graphics for various brands
Software Paradigms International	Las Vegas	Provides IT services and solutions for retailers globally
Elko Mining Group	Elko County	Mining operator
Reno Mining Office	Reno	Mining operator
Esmeralda Mine and Mill	Mineral County	Ore processing facility and precious metal extraction
Spring Valley / Gold Rock	White Pine and Pershing Counties	Precious Metal Deposit
Borealis Mine	Mineral County	Precious Metal extraction
Hollister Mine	Elko County	Precious Metal extraction
Mineral Ridge Mine	Esmeralda County	Precious Metal extraction
Pinson Mine	Humboldt County	Precious Metal extraction
Reward Gold Mine	Nye County	Precious Metal extraction
Clover	Elko County	Precious Metal extraction
Goldfield (Gemfield)	Esmeralda County	Precious Metal extraction
Converse	Humboldt County	Precious Metal extraction
Iceberg	Eureka County	Precious Metal extraction
Ruby Hill Mine	Eureka County	Gold extraction
Mt. Hamilton	White Pine County	Precious Metal extraction
Burke Williams	Las Vegas	Owns and operates multiple spas
Progistics Distribution	Henderson	Provides distribution services to the B2B and B2C markets
Lazy Dog Restaurant & Bar	Las Vegas, Summerlin	Casual restaurant and bar
Z Gallerie	Las Vegas	Retailer providing furniture, decor, tableware and bedding
Contact Gold	Churchill, Douglas, Elko, Esmeralda, Eureka, Humboldt, Lander, Lyon, Mineral, Nye, Pershing, Storey, Washoe and White Pine Counties	13 project investments through debt financings, minority equity and similar arrangemements to other mining companies with operations in Nevada
Allied Nevada Exploration Properties	Churchill, Douglas, Elko, Esmeralda, Eureka, Humboldt, Lander, Lyon, Mineral, Nye, Pershing, Storey, Washoe and White Pine Counties	39 unpatented projects; 29 patented projects

[1] Chart includes exited investments

Deal Flow

The charts below provide detail regarding partnership and co-investment deal flow for the Fund during the Commitment Period.





Marketing Expenses

The following chart shows Hamilton Lane's marketing expenditures relative to its original budget for the fiscal year ended June 2018. Hamilton Lane has made a concerted effort to limit marketing expenses and focus on supporting events with the highest impact for the Fund.

Items	Marketing Expenses
Marketing Expenses	$201
Marketing Budget	**$50,000**

Audited Financial Statements sent separately.

Private markets capitalizing on strong economic conditions

After Dow 25,000, the Party Has to End. But When?

- New York Times, January 2018

PE Firms Raise Money at Fastest Pace since 2006

- Financial Times, July 2018

U.S. Inflation Pressures Rise in July; Fed on Track to Lift Rates

- NY Times, July 2018

'Mega Round' Investors Shower Start-Ups with Millions

- New York Times, August 2018

The reality is that there's a lot of money out there — and if you don't take it, your competitor will

- Fortune, August 2018

Have we seen this show before?

Finally! Dow Finishes Above 14,000

- CNN Money, May 2007

The greatest economic boom ever

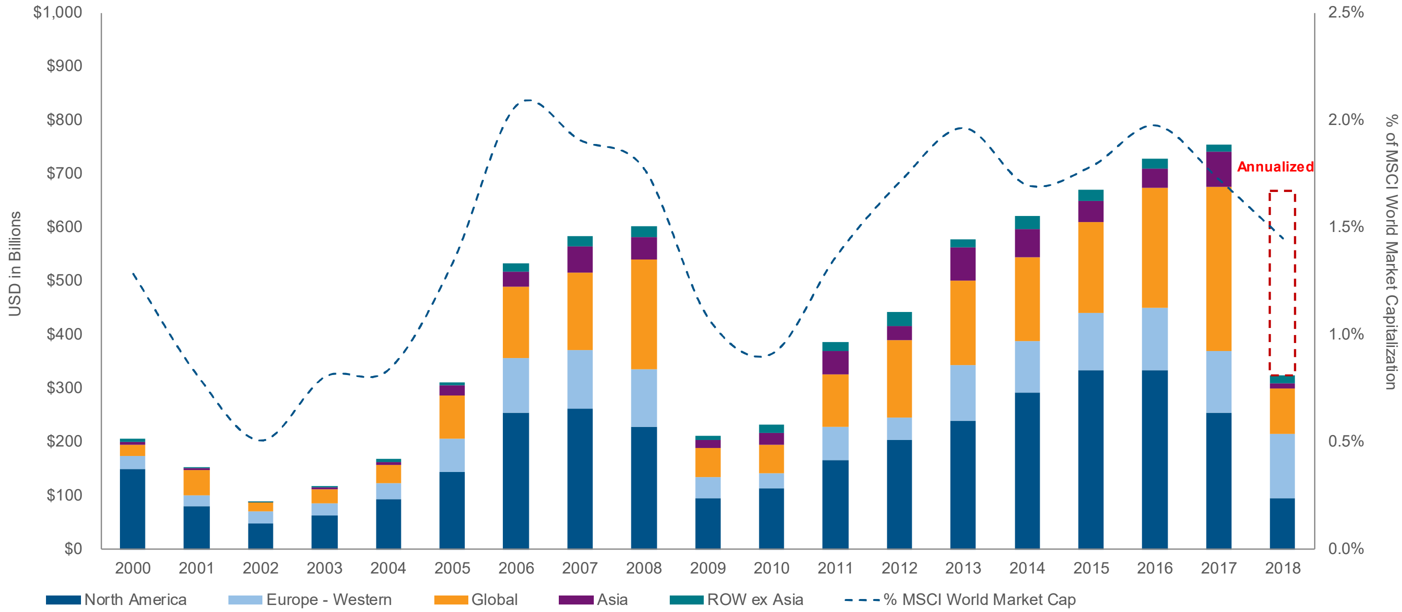
- Fortune, July 2007

Markets Soar After Fed Cuts Key Rate by a Half Point

- New York Times, September 2007

Will Fundraising Moderate in 2018?

Global Private Markets Fundraising by Geography



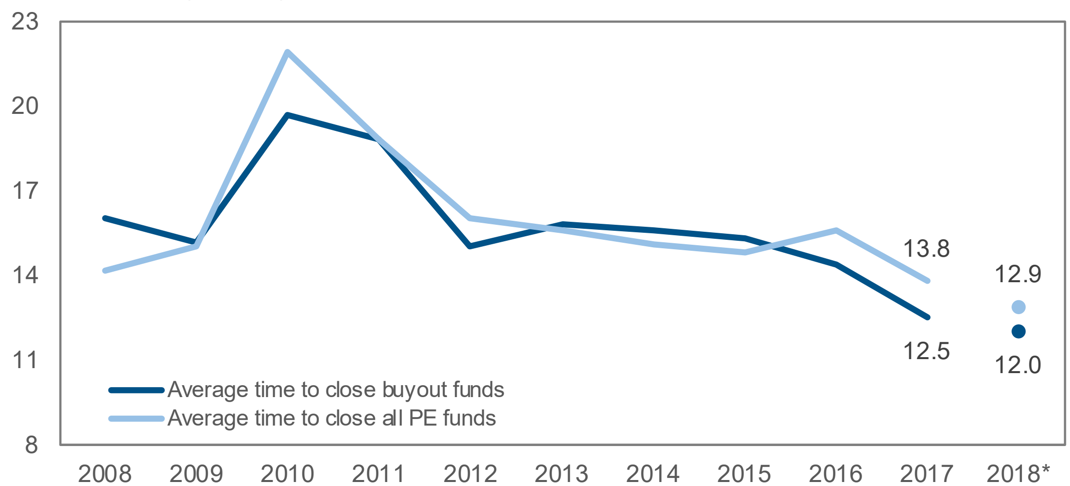
Source: Bison Data via Cobalt, Preqin, Bain, Hamilton Lane Estimates (June 2018). Fundraising data includes real estate, secondary funds, and fund-of-funds

2018 fundraising on pace to be strong, albeit lower

- $325B closed to-date
- Is it Europe's year?
  - 37% raised by Western Europe funds ($120B)
  - Eclipses North America

U.S. PE Fundraising

Time to Close (Months)



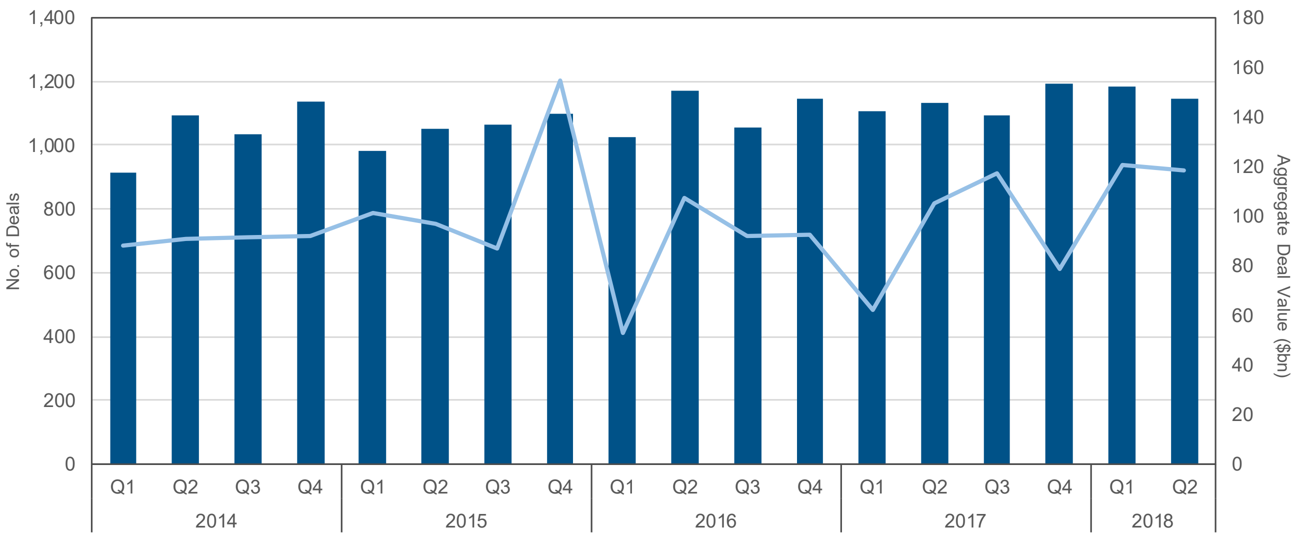
Source: Pitchbook
*As of June 30, 2018

Need for speed continues

- U.S. buyout funds average 12 months to close through 1H 2018
  - Fastest pace over the last decade

Deal Activity - So Far, So Good

Global Private Equity-Backed Buyout Deals
Q1 2014 - Q2 2018

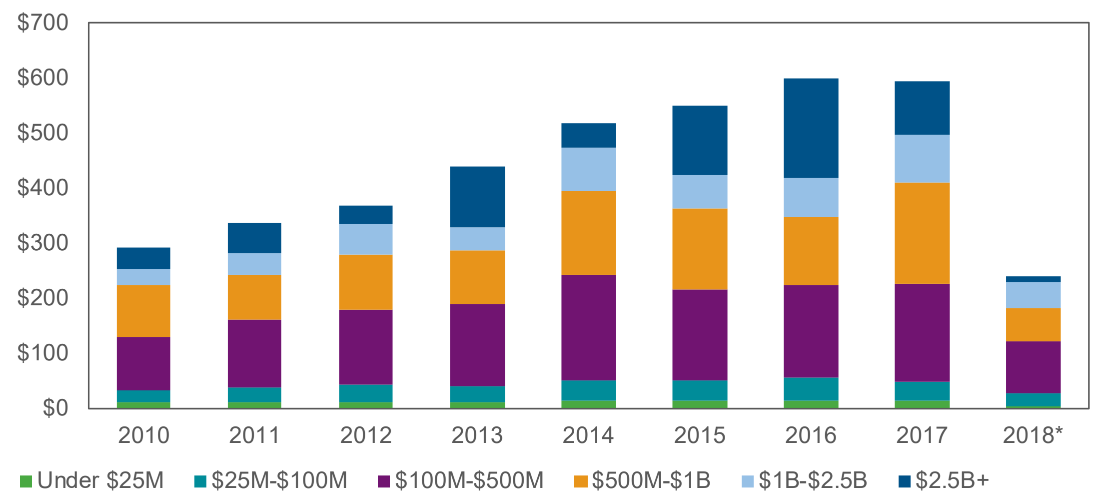


Source: Preqin (July 2018)

Deal volume steady over past three quarters

- Aggregate deal value of $239B in 1H 2018, compared to $167B in 1H 2017
  - Active despite high pricing

U.S. Private Equity Activity
USD in Billions



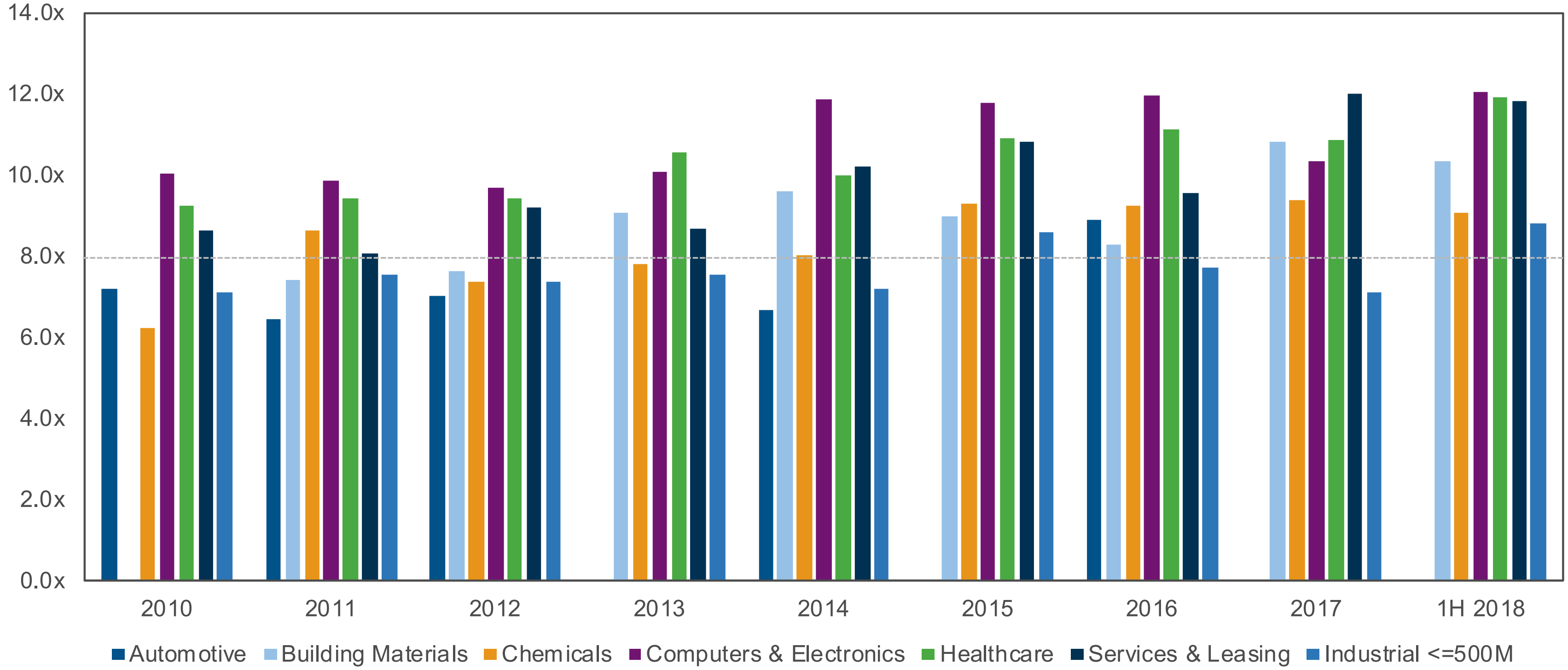
Source: Pitchbook (April 2018)

Six mega deals ($5B+) through June 2018 (PitchBook)

- Driven by KKR going mega
  - Big is Back: $8.5B BMC Software deal in May 2018 (biggest acquisition since GFC)
  - Eclipsed one month later: Envision Healthcare at $9.9B

Prices Remain Lofty…

U.S. Purchase Price Multiples by Industry



Source: S&P LCD (July 2018)

…Driven by several industries

- Two sectors, Healthcare and Computers/Electronics
  - Both consistently above 10.0x over last 5+ years
- Services & Leasing hit 12.0x peak in 2017
  - Accounted for 23% of LBO transaction volume through July 2018

What's Happening in the Bond Markets?

Yield Spread - 10Y and 3M Treasury

Source: Federal Reserve Bank of St. Louis, 10-Year Treasury Constant Maturity Minus 3-Month Treasury Constant Maturity [T10Y3M], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/T10Y3M, September 12, 2018

Spread trend signaling economic slowdown

- Yield spread at its lowest point since 2008 recession
- One good thing? It's still positive

Credit spreads narrowing

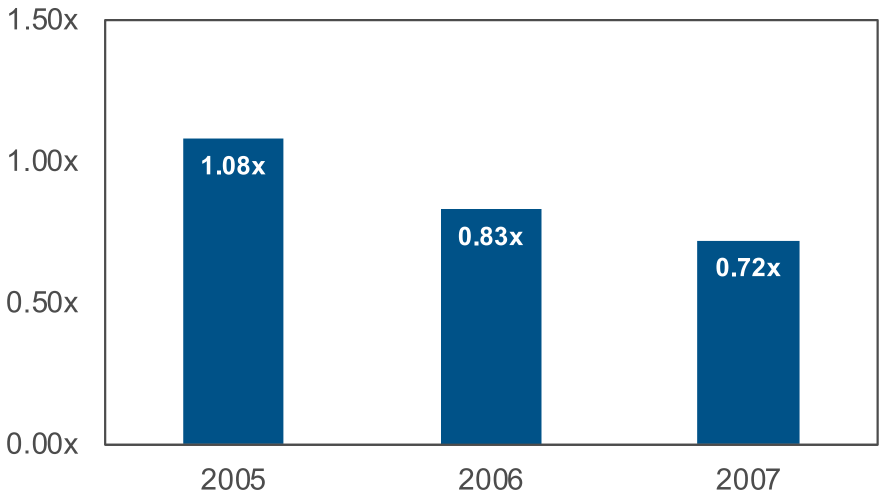
- Currently trading around premium of ~1.5%
  - Well below the 8% height seen in 2008
  - Signals continued confidence in corporate market

U.S. Corporate BBB Option-Adjusted Spread

Source: ICE Benchmark Administration Limited (IBA), ICE BofAML US Corporate BBB Option-Adjusted Spread [BAMLC0A4CBBB], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/BAMLC0A4CBBB, August 28, 2018

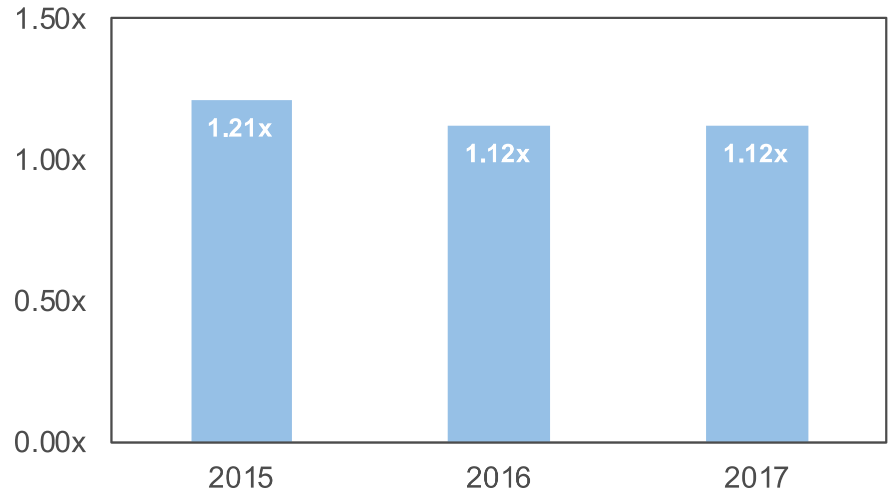
PE Liquidity - Then and Now

Liquidity Ratio "Then"



Liquidity Ratio = Distributions/Contributions
Source: Hamilton Lane Data via Cobalt (September 2018)
Includes Growth Equity, Buyout, Credit, Venture Capital, Fund of Funds, Secondaries, Co-Investment

Liquidity Ratio "Now"



Liquidity Ratio = Distributions/Contributions
Source: Hamilton Lane Data via Cobalt (September 2018)
Includes Growth Equity, Buyout, Credit, Venture Capital, Fund of Funds, Secondaries, Co-Investment

Liquidity ratios trending higher in most recent years, compared to a decade ago

- Consistent with record distribution activity in the market
- Indication of market growth and increased opportunities?

Liquidity moderating: Analysis of private markets cash flow data over last ten quarters*

- Distributions peaked in Q4 2017
- Liquidity ratio >1.0x for 5 of 10 quarters

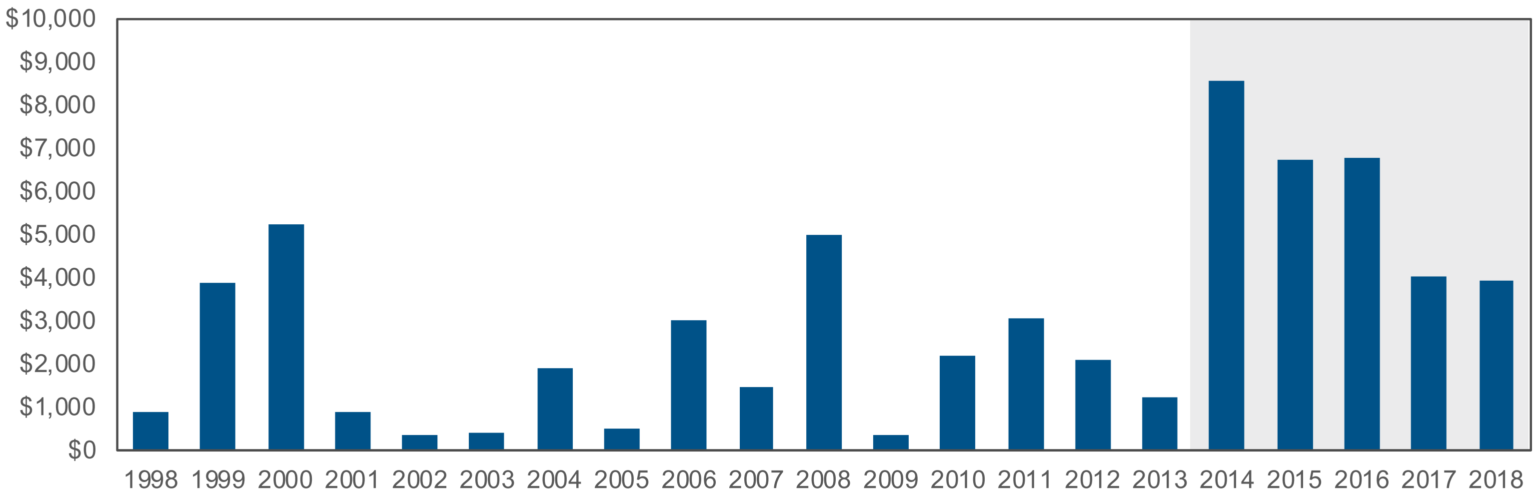
*Source: Hamilton Lane Data via Cobalt

Focus Topic: VC Love for Transportation Tech

Since 2014, roughly $34B of VC-backed tech IPOs vs. $110B raised from mega late-stage rounds

- Private IPOs - big rounds; big values

VC Late Stage Capital Raised ($B)



Source: Bison data via Cobalt (August 2018)

Derivative of transportation technology (DoorDash):

"We have a thesis at Sequoia that good investing addresses one of the seven deadly sins. Tony addressed two of them: Sloth and Gluttony." *Alfred Lin, Partner at Sequoia Capital*

As of August 2018, DoorDash raised $978 million in funding and is valued at $4 billion (including its recent $250 million round of financing) *

*Source: Fortune, Term Sheet (August 17, 2018)

Adding to Webster's Dictionary:

Did you: Uber? Lyft? Bird? Lime?

Focus Topic: VC Love for Transportation Tech

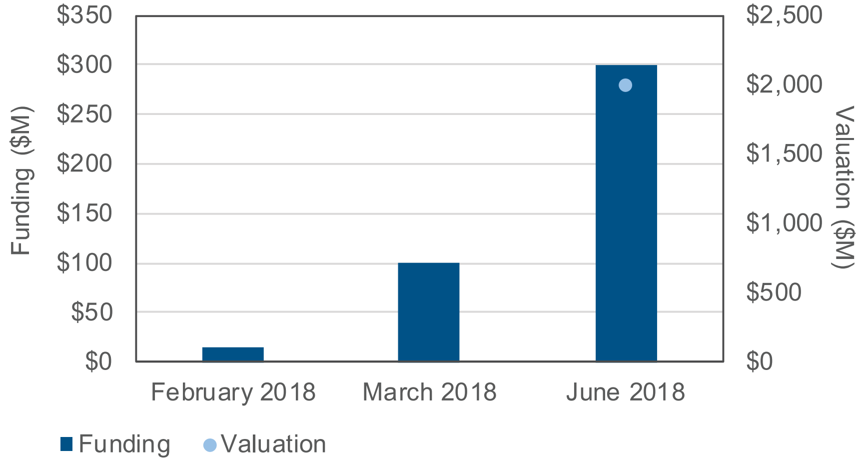
Transportation shift and the Mega Round

- New companies created by disintermediation
- Started with rideshare, evolving to bikes, scooters, delivery services

Bird Scooter Example

- Founded in April 2017 in Santa Monica, "last-mile" transportation solution
- Backed by several big name VCs: Sequoia, Accel, B Capital Group, CRV, Greycroft, Sound Ventures, e.ventures
- Operates in 29 U.S. cities and internationally in Paris
  - Seven states with multiple cities including three in the Midwest

Bird's Funding Rounds



Source: Reuters (June 2018)

VC-Backed Transportation Technology Company Valuations			
Company	**Services Provided**	**Headquarters**	**Reported Valuation ($B)[1]**
Uber	Rideshare transportation; food delivery	San Francisco, CA	$62.0
Didi	Rideshare transportation	Beijing	$57.6
Lyft	Rideshare transportation	San Francisco, CA	$15.1
Grab	Ridehailing and ridesharing	Singapore	$11.0
Ola	Online cab aggregator	Bangalore	$3.4
Mobike*	Station-free bikeshare	Beijing	$3.4
Ofo	Station-free bikeshare	Beijing	$3.0
Bird	Dockless electric scooters	Santa Monica, CA	$2.0
Hellobike	Bikeshare	Shanghai	$1.5
Lime	Dockless electric scooters; e-assist bikes; pedal bikes	San Mateo, CA	$1.1

[1]Source: PitchBook August 2018 / *Sold to food delivery company Meituan Dianping (Bloomberg, April 2018)

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.

Disclosures

Non-public information contained in this report is confidential and intended solely for dissemination to Silver State Opportinities Fund and/or its Affiliates. Hamilton Lane has prepared this report to enable Silver State Opportinities 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.

The information contained in this report may include forward-looking statements regarding the funds presented or their portfolio companies. Forward-looking statements include a number of risks, uncertainties and other factors beyond the control of the funds or the portfolio companies, which may result in material differences in actual results, performance or other expectations. The information presented is not a complete analysis of every material fact concerning each fund or each company. The opinions, estimates and analyses reflect our current judgment, which may change in the future.

All opinions, estimates and forecasts of future performance or other events contained herein are based on information available to Hamilton Lane as of the date of this presentation and are subject to change. Past performance of the investments described herein is not indicative of future results. Certain of the information included in this presentation has not been reviewed or audited by independent public accountants. Certain information included herein has been obtained from sources that Hamilton Lane believes to be reliable but the accuracy of such information cannot be guaranteed.

The past performance information contained in this report is not necessarily indicative of future results and there is no assurance that the funds will achieve comparable results or that they will be able to implement their investment strategy or achieve their investment objectives. The actual realized value of currently unrealized investments will depend on a variety of factors, including future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the current unrealized valuations are based.

Any tables, graphs or charts relating to past performance included in this report are intended only to illustrate the performance of the funds or the portfolio companies referred to for the historical periods shown. Such tables, graphs and charts are not intended to predict future performance and should not be used as the basis for an investment decision.

As of November 5, 2018

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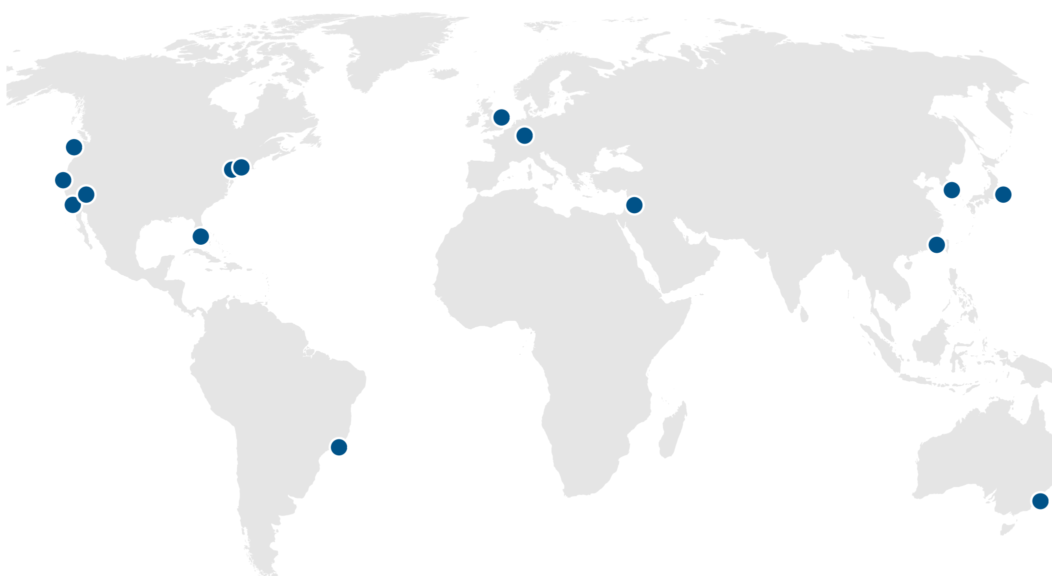

Financial Statements
June 30, 2018

Nevada Capital Investment Corporation

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Independent Auditor's Report

To the Board of Directors
Nevada Capital Investment Corporation
Carson City, Nevada

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities and the major fund of the Nevada Capital Investment Corporation (NCIC), a component unit of the State of Nevada, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Silver State Opportunities Fund LLC as of and for the year ended June 30, 2018, which represents 97.54% of the investments and 99.75% of the income of the governmental activities and the major fund. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for Silver State Opportunities Fund LLC are based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the NCIC, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information
We have previously audited NCIC's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 9, 2017. In our opinion, the summarized comparative information presented herein as of, and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards
In accordance with *Governmental Auditing Standards*, we have also issued our report dated November 2, 2018, on our consideration of the NCIC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report in an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the NCIC's internal control over financial reporting and compliance.

Eide Bailly LLP

Reno, Nevada
November 2, 2018

State of Nevada, Office of the State Treasurer, Nevada Capital Investment Corporation, Management's Discussion and Analysis

During the 2011 Legislative Session, Senate Bill 75 (SB 75) created the Nevada Capital Investment Corporation (NCIC), a nonprofit corporation comprised of a seven-member Board of Directors, including appointees by the Governor and legislative leadership. The State Treasurer serves as Chair of the Board of Directors (Board).

The primary goal of the program is to provide greater diversification of the investment portfolio of the Permanent School Fund of the State of Nevada and thereby enhance the risk-adjusted return of the Permanent School Fund portfolio. Prior to passage of SB 75, the entire Permanent School Fund was invested in fixed income securities. SB 75 authorizes the State Treasurer to transfer up to $50 million from the Permanent School Fund to NCIC for Nevada-based private equity investments. Private equity investments can range from venture capital to growth equity to buyout opportunities. Based on the private equity program's Nevada orientation, an ancillary benefit will be to grow and diversify the state's economic base, potentially leading to increased employment in Nevada.

In August 2012, NCIC contracted with the firm of Hamilton Lane to serve as the professional fund-of-funds manager for the program. Together with the NCIC, Hamilton Lane formed the Silver State Opportunities Fund (SSOF) LLC to serve as the investment vehicle to make private equity investments. Hamilton Lane also contributes equity to the SSOF. As the fund-of-funds manager for SSOF, Hamilton Lane has discretionary authority to make all investments within the statutory, regulatory and contractual parameters set by Nevada. Investments consist of both direct co-investments in businesses and investments in private equity funds that have made a commitment to invest in Nevada companies. Hamilton Lane's investment and outreach activity and compliance with the NCIC's investment policy are overseen by the Board.

In August 2017, NCIC and Accion formed the Accion 2017G, LLC. The investment allows for interest to be paid to NCIC over a ten-year period on the initial investment. The Accion 2017G, LLC will serve as the investment vehicle to make micro and small business loans to Nevada businesses. Accion has the discretionary authority to make all investments within the statutory, regulatory and contractual parameters set by Nevada. 100% of the investment in Accion is used exclusively for small business loans to Nevadans. The investment activity and compliance with the NCIC's investment policy are overseen by the Board.

FINANCIAL HIGHLIGHTS

SSOF was fully committed as of May 13, 2016. Approximately, 85.65% ($42.8 million) of committed capital has been drawn from the Permanent School Fund as of June 30, 2018.

In terms of financial performance, the Fund is generating a 4.59% net annual return to the State's Permanent School Fund. On a gross basis, the Fund is generating an 8.39% Internal Rate of Return (IRR). As of June 30, 2018, the NCIC has contributed $42.8 million and received $8.3 million in distributions, resulting in $34.5 million in net contributed capital. Over time, the gap between the gross and net returns is expected to narrow as the Fund matures. The performance is driven by yield-producing fund investments and the Fund's co-investments are expected to contribute future positive value to the Fund.

In Fiscal Year 2018, Accion loaned the entire $1 million investment to Nevada businesses, across Clark and Washoe counties. The investment returned approximately $8,500 to the Permanent School Fund in annual interest earnings.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements contained in this section consist of:

- The Statement of Net Position and Governmental Fund Balance Sheet, which reports assets at fair value, liabilities and the Fund's fund balance/net position, where Assets – Liabilities = Fund Balance/Net Position at the end of the fiscal year.
- The Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in the Fund Balance, which reports changes to the fund balance that include earnings paid back to the Permanent School Fund and transfers from the Permanent School Fund to NCIC.
- The Notes to the Financial Statements are an integral part of the above financial statements and include additional information not readily evident in the statements themselves.

Fund Balance/Net Position

The NCIC receives transfers periodically from the Permanent School Fund either to fund investments in underlying private equity funds selected by Hamilton Lane or directly in co-investments; to pay Hamilton Lane's management fees; or to pay certain partnership expenses associated with the SSOF. The total amount of transfers from the Permanent School Fund to NCIC at any one time may not exceed $50 million.

As of June 30, 2018, the NCIC reported a fund balance/net position of $1,444,977. This represents NCIC's share of Fund expenses minus interest returned to the Permanent School Fund plus NCIC's share of unrealized appreciation/depreciation on investments.

Summary of NCIC's Fund Balance/Net Position

	2018	2017
Assets		
Current Assets	$ 13,000	$ -
Non-Current Assets	40,820,079	36,480,804
Total Assets	$ 40,833,079	$ 36,480,804
Liabilities		
Due to Permanent School Fund	$ 39,388,102	$ 37,123,965
Fund Balance/Net Position	1,444,977	(643,161)
Total Liabilities and Fund Balance/Net Position	$ 40,833,079	$ 36,480,804

Summary of Changes In Fund Balance/Net Position

The Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in the Fund Balance reports changes to the fund balance/net position, which include earnings paid back to the Permanent School Fund and transfers from the Permanent School Fund to NCIC.

Summary of Changes in NCIC's Fund Balance

	2018	2017
Net Change in Investments	$ 3,416,132	$ 3,876,898
Earnings paid to Permanent School Fund	(1,327,994)	(1,960,884)
Net Change in Fund Balance	2,088,138	1,916,014
Fund Balance/Net Position, Beginning of Year	(643,161)	(2,559,175)
Fund Balance/Net Position, End of Year	$ 1,444,977	$ (643,161)

ECONOMIC FACTORS AND CURRENTLY KNOWN FACTS

The Fund’s capital deployment is on pace, with approximately 85.65% ($42.8 million) of the Fund invested/committed as of June 30, 2018. The Fund’s impact on the State extends beyond the 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, five new private equity investment offices have been opened in the State and four new investment professionals are now based in Nevada. The State has benefited from the two Silver State Investor Forums created by the Fund which has brought over 70 leading investment managers to the state, giving the local business community a change to showcase its strengths and improve connections between Nevada-based companies and broader sources of capital.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the Nevada Capital Investment Corporation’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the State of Nevada Treasurer’s Office, NCIC Program, 101 N. Carson Street., Suite 4, Carson City, NV 89701.

Nevada Capital Investment Corporation

Statement of Net Position and Governmental Fund Balance Sheet
June 30, 2018
(with comparative amounts for the Year Ended June 30, 2017)

	2018	2017
Assets		
Current assets		
Investment income receivable	$ 13,000	$ -
Noncurrent assets		
Investments, at fair value		
Investment in Accion 2017G, LLC	1,005,174	-
Investment in Silver State Opportunities Fund, LLC	39,814,905	36,480,804
Total assets	$ 40,833,079	$ 36,480,804
Liabilities and Fund Balances		
Noncurrent liabilities		
Due to State of Nevada Permanent School Fund	$ 39,388,102	$ 37,123,965
Fund balance/net position		
Restricted	1,444,977	(643,161)
Total Liabilities and Fund Balance	$ 40,833,079	$ 36,480,804

Nevada Capital Investment Corporation

Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in the Fund Balance
Year Ended June 30, 2018
(with comparative amounts for the Year Ended June 30, 2017)

	2018	2017
General Revenue		
Investment income/(loss)	$ 3,416,132	$ 3,876,898
Expenditures/Expenses		
Earnings paid to State of Nevada Permanent School Fund	1,327,994	1,960,884
Net Change in Fund Balance/Net Position	2,088,138	1,916,014
Fund Balance/Net Position, Beginning of Year	(643,161)	(2,559,175)
Fund Balance/Net Position, End of Year	$ 1,444,977	$ (643,161)

Note 1 - Summary of Significant Accounting Policies

Reporting Entity and Purpose

The Nevada Capital Investment Corporation (the NCIC), a not-for-profit organization, was formed in 2011 and headquartered in Carson City, Nevada. The NCIC is supported through commitments from the State of Nevada Permanent School Fund. The mission of the NCIC is to invest in private companies, primarily located in Nevada, through the services of a professional fund manager whose investment objectives must promote greater returns for the Permanent School Fund and secondarily increase economic development and employment in Nevada.

The Board of Directors approved an Amended and Restated Limited Liability Company Agreement (the Agreement) on August 1, 2012 between the NCIC and HL Nevada Fund Manager LLC (the Manager), which created the Silver State Opportunities Fund LLC (SSOF), a Nevada limited liability company. NCIC owns a 99% equity interest in SSOF for the purpose of obtaining income, and therefore is required to report its equity interest as an investment in SSOF (see Note 3). The Manager owns the other 1%. Separate financial statements of SSOF can be obtained from the State of Nevada Treasurer's Office, NCIC Program, 101 N. Carson Street., Suite 4, Carson City, NV 89701.

The SSOF will ensure that 70% of all portfolio investments are located, or are seeking to be located in Nevada, and that 100% of venture capital investments are located in Nevada. Generally, companies will be considered to be located in Nevada if they (1) have their headquarters in Nevada, (2) have a significant percentage of their employees in Nevada, or (3) are in the process of planning an expansion into or relocation to Nevada.

Hamilton Lane Advisors, LLC (Hamilton Lane), an affiliate of the Manager, serves as the investment manager of the SSOF.

The Agreement provides that the SSOF shall terminate on the earlier of (1) one year after the date on which the last portfolio investment has been liquidated, or (2) either August 1, 2022 (if the option to make capital commitments to the Second Tranche (see Note 4) is not exercised by the NCIC) or the tenth anniversary of the first day of the commitment period of the Second Tranche (if the option to make capital commitments to the Second Tranche is exercised by the NCIC), provided that, in either case, the Manager may extend the term of the SSOF for up to two successive one-year periods in its sole discretion.

In May 2017, the Board of Directors approved an Limited Liability Company Agreement between State of Nevada (NCIC) and Accion (Managing Member) creating the Accion 2017G, LLC (Accion), a New Mexico limited liability company. NCIC owns a 99.9% interest in Accion for the purpose of obtaining income, and therefore is required to report its equity interest as an investment in Accion, LLC. The Managing Member owns the other .1%.

This Limited Liability Company Agreement is in effect as of August 10, 2017 and remains in effect until December 31, 2027. The NCIC can extend the term by amendment to the Limited Liability Company Agreement and the Articles of Organization. Accion will ensure that 100% of all investment activities remain in Nevada.

Basis of Presentation

The NCIC is considered a governmental not-for-profit because of its relationship with the State of Nevada Permanent School Fund, a permanent fund of the State of Nevada. The financial statements have been prepared in accordance with generally accepted accounting principles prescribed by Government Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.*

The NCIC is a component unit of the State of Nevada as defined in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and 34*, and thus included in the State of Nevada's Comprehensive Annual Financial Report.

Government-Wide and Governmental Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements are prepared using the economic resources measurement focus and the full accrual basis of accounting.

The governmental fund financial statements for the NCIC have been prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the NCIC considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Investment earnings associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Expenditures generally are recorded when the related liabilities are incurred, as under accrual accounting.

Assets, Liabilities and Fund Balance/Net Position

Cash and Investments

Cash equivalents are considered to be short-term highly liquid investments (3 months or less) that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value. Investments are carried at fair value.

Pursuant to Nevada Revised Statute (NRS) 335.060(2)(l), the NCIC is permitted to invest in limited partnerships or limited-liability companies described in NRS 355.280 for the purpose of making private equity investments. Requirements for investments are as follows:

- At least 70% of all private equity funding provided by the NCIC is provided to businesses located in the State of Nevada, or seeking to locate to the State of Nevada.

Businesses are primarily engaged in the following industries:

- Health care and life sciences
- Cyber security
- Homeland security and defense
- Alternative energy
- Advanced materials and manufacturing
- Information technology
- Any other industry the Board of Directors of the NCIC determines will likely meet the targets for investment returns established by the NCIC for investments authorized by NRS 355.250 to NRS 355.285, and comply with sound fiduciary principles.

Equity Classifications

In the governmental fund financial statements, equity is classified as fund balance. Fund balance is further classified in the following components:

Nonspendable – Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the law or regulations of other governments.

Committed – Amounts that can only be used for specific purposes determined by formal approval of the Board of Directors. A similar action would be required to rescind or modify a commitment.

Assigned – Amounts that the NCIC intends to use for a specific purpose, that do not meet the definition of restricted or committed fund balance.

Unassigned – All other spendable amounts.

In the government-wide financial statements, net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, reduced by accumulated depreciation and the outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets, if any. Restricted net position consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation. Unrestricted net position is net position not meeting the definition of the other categories.

When an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, the NCIC considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned amounts are available, the NCIC considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Directors has provided otherwise in its commitment or assignment actions.

The fund balance/net position of NCIC is restricted pursuant to Nevada Administrative Code (NAC) 355 which governs the program to invest in private equity a certain amount of money from the State Permanent School Fund and requires the allocation of the returns on investments and the return of the corpus of investments to the Permanent School Fund after the defined investment period.

Note 2 - Stewardship and Compliance

Compliance with Nevada Revised Statutes and Nevada Administrative Code

The NCIC conformed to all significant statutory constraints on its financial administration during the year.

Note 3 - Investments

The NCIC categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The NCIC does not have any investments that are measured using Level 1 or 2 inputs.

As of June 30, 2018, the NCIC had the following investment:

Investment	Fair Value Measurement Using Level 3 Inputs
Accion	$ 1,005,174
SSOF	$ 39,814,905

Investments categorized as Level 3 are valued using pricing inputs that are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Those unobservable inputs are not corroborated by market data, generally reflect the reporting entities own assumptions about the assumptions market participants would use in determining the fair value of the investment. The types of investment which would generally be included in Level 3 include equity and/or debt securities issued by private entities and investments in private equity investment funds.

The NCIC's investment in SSOF is its equity interest of SSOF based on the net asset value of the entity of which the underlying investments as reported in the audited financial statements of SSOF are a significant input.

The NCIC's investment in Accion is its equity interest valued using the fair value approach as of June 30, 2018. The fair value of the entity is based on estimated future cash flows.

As previously noted, Nevada Revised Statutes (NRS 355.280) set forth acceptable investments for the NCIC. The SSOF and Accion have a formal investment policy that in the opinion of management is designed to ensure conformity with the State Statutes and seeks to limit exposure to investment risks.

All investments are governed by the Board of Directors' prudent investor policy. The prudent investor policy is a standard to guide with responsibility for investing money of others. Such fiduciaries, must act as a prudent person would be expected to act, exercising care, skill, and diligence appropriate to the task.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At June 30, 2018, the following investment exceeded 5% of the NCIC's total:

Investment	Fair Value	Percentage
SSOF	$ 39,814,905	97.54%

The NCIC's investment in SSOF is its equity interest of SSOF based on the net asset value of the entity of which the underlying investments as reported in the audited financial statements of SSOF are a significant input. The underlying investments in SSOF are diversified to mitigate risk as indicated in the SSOF Investment Policy.

The Board of Directors has overall responsibility for the investment of the NCIC's funds, in accordance with NRS 355.280. The Manager of the SSOF is responsible for the daily operations of the SSOF and has complete discretionary authority in making fund investments.

Note 4 - Commitments

The NCIC currently has commitments to the SSOF of $50,000,000 (the First Tranche) and to Accion of $1,000,000. As of June 30, 2018, the NCIC has fulfilled $43,823,404 of its total commitment.

The NCIC has the right, but not the obligation, to increase its capital commitment by which would be effective after the end of the First Tranche (or such other date as the NCIC and the Manager may agree). If the NCIC elects to make such an additional commitment, both the amount of the NCIC's additional commitment and an additional commitment from the Manager shall be established by agreement between the NCIC and the Manager (the Second Tranche).

Note 5 - Related Party Transactions

Pursuant to NRS 355.280 the State of Nevada Treasurer has the ability to transfer an amount not to exceed $50,000,000 from the State of Nevada Permanent School Fund to the NCIC. This transfer of funds will be returned to the State of Nevada Permanent School fund in addition to investment earnings by the termination of the NCIC. As stated in Note 4, the NCIC has fulfilled $42,823,404 of its $50,000,000 commitment to the SSOF and the entire $1,000,000 investment Accion, of which $39,388,102 is due to the State of Nevada Permanent School Fund as of June 30, 2018.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Nevada Capital Investment Corporation
Carson City, Nevada

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Nevada Capital Investment Corporation (NCIC), a component unit of the State of Nevada as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise NCIC's basic financial statements, and have issued our report thereon dated November 2, 2018. Our report includes a reference to other auditors who audited the financial statements of the Silver State Opportunities Fund LLC, as described in out report on the NCIC's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered NCIC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NCIC's internal control. Accordingly, we do not express an opinion on the effectiveness of NCIC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether NCIC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Reno, Nevada
November 2, 2018

AUDITED FINANCIAL STATEMENTS

Silver State Opportunities Fund LLC
Years ended June 30, 2018 and 2017

Proprietary and Confidential

SILVER STATE OPPORTUNITIES FUND LLC

Financial Statements

Years ended June 30, 2018 and 2017

Contents

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Report of Independent Auditors

The Manager
Silver State Opportunities Fund LLC

We have audited the accompanying financial statements of Silver State Opportunities Fund LLC (the "Company"), which comprise the statements of assets, liabilities and members' equity, including the schedules of fund investments and co-investments, as of June 30, 2018 and 2017 the related statements of operations, changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Silver State Opportunities Fund LLC at June 30, 2018 and 2017, and the results of its operations, changes in its members' equity and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

October 12, 2018

A member firm of Ernst & Young Global Limited

SILVER STATE OPPORTUNITIES FUND LLC

Statements of Assets, Liabilities and Members' Equity

June 30, 2018 and 2017

	2018	2017
Assets		
Investments, at fair value:		
Fund investments (net cost - $15,239,278 and $14,097,214, respectively)	$18,292,277	$15,915,231
Co-investments (net cost - $17,091,382 and $17,048,544, respectively)	22,346,462	20,986,188
Total investments	40,638,739	36,901,419
Cash	215,248	203,766
Interest receivable	14,709	14,413
Receivable from Members	2,374	-
Receivable from Manager	-	2,785
Other receivables	64	-
Total assets	$40,871,134	$37,122,383
Liabilities and members' equity		
Liabilities:		
Accounts payable and accrued expenses	$ 52,994	$ 55,062
Other payables	2,374	-
Total liabilities	55,368	55,062
Members' equity:		
Nevada Capital Investment Corporation	39,814,905	36,480,804
HL Nevada Fund Manager LLC	1,000,861	586,517
Total members' equity	40,815,766	37,067,321
Total liabilities and members' equity	$40,871,134	$37,122,383

The accompanying notes are an integral part of these financial statements.

SILVER STATE OPPORTUNITIES FUND LLC

Statements of Operations

Years ended June 30, 2018 and 2017

	2018	2017
Investment income (loss)		
Income:		
Dividend and interest income	$1,544,604	$1,233,727
Total income	1,544,604	1,233,727
Expenses:		
Management fees	283,927	337,135
Administration fees	47,463	45,202
Audit fees	33,350	39,000
Consulting fees	25,704	17,125
Custodial fees	1,500	1,500
Conferences	396	10,819
Other	10,345	11,710
Total expenses	402,685	462,491
Net investment income	1,141,919	771,236
Net realized and unrealized gain (loss) on investments		
Net realized gain (loss) on investments	114,923	(2,708,066)
Net change in unrealized appreciation on investments	2,552,418	6,074,345
Net realized and unrealized gain (loss) on investments	2,667,341	3,366,279
Net increase in members' equity resulting from operations	$3,809,260	$4,137,515

The accompanying notes are an integral part of these financial statements.

Proprietary and Confidential

SILVER STATE OPPORTUNITIES FUND LLC

Statements of Changes in Members' Equity

Years ended June 30, 2018 and 2017

	Nevada Capital Investment Corporation	HL Nevada Fund Manager LLC	Total
Members' equity at July 1, 2016	$32,012,617	$ 323,360	$32,335,977
Contributions received from members	4,160,580	38,593	4,199,173
Distributions paid to members	(3,569,291)	(36,053)	(3,605,344)
Net investment income:			
Management fees	(337,135)	-	(337,135)
Other	1,097,287	11,084	1,108,371
Net realized loss on investments	(2,680,985)	(27,081)	(2,708,066)
Net change in unrealized appreciation on investments	6,013,601	60,744	6,074,345
Carried interest allocation	(215,870)	215,870	-
Members' equity at June 30, 2017	36,480,804	586,517	37,067,321
Contributions received from members	2,743,898	24,875	2,768,773
Distributions paid to members	(2,801,291)	(28,297)	(2,829,588)
Net investment income:			
Management fees	(283,927)	-	(283,927)
Other	1,411,586	14,260	1,425,846
Net realized gain on investments	113,774	1,149	114,923
Net change in unrealized appreciation on investments	2,526,894	25,524	2,552,418
Carried interest allocation	(376,833)	376,833	-
Members' equity at June 30, 2018	$39,814,905	$1,000,861	$40,815,766

The accompanying notes are an integral part of these financial statements.

SILVER STATE OPPORTUNITIES FUND LLC

Statements of Cash Flows

Years ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities		
Net increase in members' equity resulting from operations	$3,809,260	$4,137,515
Adjustments to reconcile net increase in members' equity resulting from operations to net cash provided by (used in) operating activities:		
Non-cash interest income	(42,838)	(42,246)
Net realized (gain) loss on investments	(114,923)	2,708,066
Net change in unrealized appreciation on investments	(2,552,418)	(6,074,345)
Contributions to fund investments	(2,370,495)	(3,675,141)
Distributions received from fund investments accounted for as:		
Return of capital	1,228,431	1,624,652
Realized gains	114,923	863,555
Purchase of co-investments	-	(1,657,681)
Change in assets and liabilities:		
Interest receivable	(296)	53,295
Receivable from Members	(2,374)	-
Receivable from Manager	2,785	(2,785)
Other receivables	(64)	-
Accounts payable and accrued expenses	(2,068)	9,382
Other payables	2,374	-
Payable to affiliate	-	(11,132)
Net cash provided by (used in) operating activities	72,297	(2,066,865)
Cash flows from financing activities		
Contributions received from members	2,768,773	4,199,173
Distributions paid to members	(2,829,588)	(3,605,344)
Net cash (used in) provided by financing activities	(60,815)	593,829
Net increase (decrease) in cash	11,482	(1,473,036)
Cash – beginning of year	203,766	1,676,802
Cash – end of year	$ 215,248	$ 203,766
Supplemental disclosure of cash flow information		
Interest paid during the year	$ 239	$ -

The accompanying notes are an integral part of these financial statements.

Proprietary and Confidential

SILVER STATE OPPORTUNITIES FUND LLC

Schedule of Fund Investments

June 30, 2018

Investments	Investment Commitments	Net Cost*	Fair Value	Percentage of Members' Equity
Corporate finance/buyout				
Brentwood Associates Private Equity V, L.P.	$ 3,000,000	$ 2,699,350	$ 2,932,990	7.19%
Graycliff Private Equity Partners III LP	1,000,000	401,406	662,971	1.62
Sorenson Capital Partners III, LP	2,000,000	1,606,140	1,777,354	4.36
Waterton Precious Metals Fund II Cayman, LP	5,000,000	2,192,074	3,056,715	7.49
	11,000,000	6,898,970	8,430,030	20.66
Mezzanine				
Convergent Capital Partners III, L.P.	5,000,000	4,014,482	5,546,371	13.59
Enhanced Small Business Investment Company, LP	2,600,000	1,589,712	1,756,972	4.30
HCAP Partners III, L.P.	5,000,000	2,736,114	2,558,904	6.27
	12,600,000	8,340,308	9,862,247	24.16
Total fund investments	$23,600,000	$15,239,278	$18,292,277	44.82%

*Net cost is equal to cumulative capital contributions, net of return of capital distributions.

The accompanying notes are an integral part of these financial statements.

SILVER STATE OPPORTUNITIES FUND LLC

Schedule of Fund Investments

June 30, 2017

Investments	Investment Commitments	Net Cost*	Fair Value	Percentage of Members' Equity
Corporate finance/buyout				
Brentwood Associates Private Equity V, L.P.	$ 3,000,000	$ 2,239,064	$ 2,495,381	6.73%
Graycliff Private Equity Partners III LP	1,000,000	313,017	375,293	1.01
Sorenson Capital Partners III, LP	2,000,000	1,326,693	1,388,673	3.75
Waterton Precious Metals Fund II Cayman, LP	5,000,000	2,008,068	2,526,535	6.82
	11,000,000	5,886,842	6,785,882	18.31
Mezzanine				
Convergent Capital Partners III, L.P.	5,000,000	3,264,482	3,994,117	10.78
Enhanced Small Business Investment Company, LP	2,600,000	1,641,043	1,917,651	5.17
HCAP Partners III, L.P.	5,000,000	3,304,847	3,217,581	8.68
	12,600,000	8,210,372	9,129,349	24.63
Total fund investments	$23,600,000	$14,097,214	$15,915,231	42.94%

*Net cost is equal to cumulative capital contributions, net of return of capital distributions.

The accompanying notes are an integral part of these financial statements.

SILVER STATE OPPORTUNITIES FUND LLC

Schedule of Co-Investments

June 30, 2018

Investments	Invested Amount	Cumulative PIK Interest/ Amortization	Cumulative Return of Capital Distributions	Net Cost	Fair Value	Percentage of Members' Equity
Investment in Kareo, Inc., a cloud-based medical software platform for small physician practices						
Montreux Equity Partners V Associates IIIB, LLC, 17.15% member interest	$ 3,400,000	$ -	$ -	$ 3,400,000	$ 4,895,196	11.99%
Investment in Marshall Retail Group Holding Company, Inc., a specialty retailer providing turnkey solutions to casino hotels and airport operators						
MRG Acquisition Holdings, LLC, 195,500.8034 class A units	2,000,000	-	-	2,000,000	2,903,949	7.12
Investment in Rural Physicians Group, provides rotating hospitalists to critical access and rural hospitals in the U.S.						
Rural Physicians Holdings, LLC, 2,157,680.25 class A-1 units	2,157,680	-	-	2,157,680	3,012,214	7.38

The accompanying notes are an integral part of these financial statements.

SILVER STATE OPPORTUNITIES FUND LLC

Schedule of Co-Investments (Continued)

June 30, 2018

Investments	Invested Amount	Cumulative PIK Interest/ Amortization	Return of Capital Distributions	Net Cost	Fair Value	Percentage of Members' Equity
Investment in Softvision, LLC, an outsourced IT services software provider with an exclusive focus on mobile application development and maintenance						
$5,000,000, senior subordinated note, 12.50%, 11/23/2021	4,900,000	38,240	-	4,938,240	4,832,500	11.84
Investment in Super Color Digital, LLC, a turnkey provider of grand-format graphics, event structures, and visual solutions						
$1,473,366, subordinated note, 14.00%, 3/1/2021	1,426,563	59,794	-	1,486,357	1,366,989	
SCD Holdings LLC, 5,264.448 common units	609,105	-	-	609,105	135,614	
Total investment in Super Color Digital, LLC	2,035,668	59,794	-	2,095,462	1,502,603	3.68
Investment in Dermatology Management, LLC, an operator of dermatology clinics across Nevada, California and Arizona						
West Dermatology Management Holdings, LLC, 2,500,000 class B units	2,500,000	-	-	2,500,000	5,200,000	12.74
Total co-investments	$16,993,348	$98,034	$ -	$17,091,382	$22,346,462	54.75%

The accompanying notes are an integral part of these financial statements.

SILVER STATE OPPORTUNITIES FUND LLC

Schedule of Co-Investments

June 30, 2017

Investments	Invested Amount	Cumulative PIK Interest/ Amortization	Cumulative Return of Capital Distributions	Net Cost	Fair Value	Percentage of Members' Equity
Investment in Kareo, Inc., a cloud-based medical software platform for small physician practices						
Montreux Equity Partners V Associates IIIB, LLC, 17.15% member interest	$ 3,400,000	$ -	$ -	$ 3,400,000	$ 4,182,656	11.28%
65 *Investment in Marshall Retail Group Holding Company, Inc., a specialty retailer providing turnkey solutions to casino hotels and airport operators*						
MRG Acquisition Holdings, LLC, 195,500.8034 class A units	2,000,000	-	-	2,000,000	2,286,136	6.17
Investment in Rural Physicians Group, provides rotating hospitalists to critical access and rural hospitals in the U.S.						
Rural Physicians Holdings, LLC, 2,157,680.25 class A-1 units	2,157,680	-	-	2,157,680	3,012,214	8.13

The accompanying notes are an integral part of these financial statements.

SILVER STATE OPPORTUNITIES FUND LLC

Schedule of Co-Investments (Continued)

June 30, 2017

Investments	Invested Amount	Cumulative PIK Interest/ Amortization	Cumulative Return of Capital Distributions	Net Cost	Fair Value	Percentage of Members' Equity
Investment in Softvision, LLC, (formerly known as Software Paradigms International Group, LLC), an outsourced IT services software provider with an exclusive focus on mobile application development and maintenance						
$5,000,000, senior subordinated note, 12.50%, 11/23/2021	4,900,000	20,090	-	4,920,090	4,936,500	13.32
Investment in Super Color Digital, LLC, a turnkey provider of grand-format graphics, event structures, and visual solutions						
$1,443,815, subordinated note, 14.00%, 3/1/2021	1,426,563	35,106	-	1,461,669	1,465,905	
SCD Holdings LLC, 5,264.448 common units	609,105	-	-	609,105	602,777	
Total investment in Super Color Digital, LLC	2,035,668	35,106	-	2,070,774	2,068,682	5.58
Investment in Dermatology Management, LLC, an operator of dermatology clinics across Nevada, California and Arizona						
West Dermatology Management Holdings, LLC, 2,500,000 class B units	2,500,000	-	-	2,500,000	4,500,000	12.14
Total co-investments	$16,993,348	$55,196	$ -	$17,048,544	$20,986,188	56.62%

The accompanying notes are an integral part of these financial statements.

1. Organization and Purpose

Silver State Opportunities Fund LLC (the "Company"), a Nevada limited liability company, was formed on July 25, 2012 and commenced operations on August 14, 2012 ("inception"). HL Nevada Fund Manager LLC (the "Manager") is the sole manager and a member of the Company. Nevada Capital Investment Corporation (the "NCIC") is also a member of the Company. The Manager and the NCIC are collectively referred to as the Members. The Amended and Restated Limited Liability Company Agreement, dated August 1, 2012 (the "Agreement"), was entered into between the Members. Terms used, but not defined herein, shall have the meanings assigned to them in the Agreement.

The Company was formed to provide enhanced risk-adjusted returns through investments directly, including through co-investments ("co-investments") that are made along with private equity and other investment sponsors, and indirectly through private equity funds ("fund investments"), including buyout, venture capital, growth, mezzanine, distressed and special situation funds. Fund investments may include, without limitation, investments in private equity funds in the secondary market. Fund investments and co-investments are collectively hereinafter referred to as "portfolio investments".

The Company will ensure that 70% of all portfolio investments are located, or are seeking to be located, in the State of Nevada ("70% Requirement"), and that 100% of venture capital investments are located in the State of Nevada. Generally, portfolio companies will be considered to be located in the State of Nevada if they (a) have their headquarters in the State of Nevada, (b) have a significant percentage of their employees in the State of Nevada, or (c) are in the process of planning an expansion into or relocation into the State of Nevada. The Agreement contains numerous guidelines and principles regarding how the 70% Requirement is to be calculated.

Hamilton Lane Advisors, L.L.C. ("Hamilton Lane"), an affiliate of the Manager, serves as the investment manager of the Company.

The Agreement provides that the Company shall terminate on the earlier of (a) one year after the date on which the last portfolio investment has been liquidated, or (b) either August 1, 2022 (if the option to make capital commitments to the Second Tranche (see Note 3) is not exercised by the NCIC) or the tenth anniversary of the first day of the commitment period of the Second Tranche (if the option to make capital commitments to the Second Tranche is exercised by the NCIC), provided that, in either case, the Manager may extend the term of the Company for up to two successive one-year periods in its sole discretion.

2. Significant Accounting Policies

Basis of Presentation The Company prepares its financial statements on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"). The Manager has determined that the Company is an investment company for purposes of accounting and financial reporting in accordance with Accounting Standards Codification 946, *Financial Services – Investment Companies* ("ASC 946"). U.S. GAAP for an investment company requires investments to be recorded at their estimated fair value.

Use of Estimates The preparation of financial statements in conformity with U.S. GAAP requires the Manager to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates and such differences could be material.

Concentration of Market, Credit and Industry Risks The Company's portfolio investments are illiquid, non-publicly traded securities and are realized as distributions from portfolio investments are made and when portfolio investments are disposed of. These portfolio investments are subject to various risk factors including market, credit and industry risks. Market risk represents the potential loss in value of financial instruments caused by movements in market variables, such as interest rates. Other risks affecting these portfolio investments include, but are not limited to, increasing competition, rapid changes in technology and changes in economic conditions. These risk factors could have a material effect on the ultimate realizable value of the Company's portfolio investments. The Company's investment portfolio is concentrated in the State of Nevada.

Valuation of Investments Portfolio investments are reflected in the accompanying Statements of Assets, Liabilities and Members' Equity at estimated fair value as of June 30, 2018 and 2017 in accordance with Accounting Standards Codification 820, *Fair Value Measurement* ("ASC 820").

ASC 820 allows a reporting entity, as a practical expedient, to estimate fair value of certain alternative investments at the net asset value as reported by the investee entity in instances where the net asset value has been calculated in a manner consistent with ASC 946. The Manager's valuation of fund investments is generally equal to or based upon the reported capital account or net asset value of the underlying fund investments as of June 30, 2018 and 2017. In addition, the Manager considers various factors, including current net asset valuations of the funds, the basis of accounting that the financial statements of the funds are prepared in accordance with and other financial information provided by the general partners of the funds to determine if any adjustments should be made to the reported capital account or net realizable value. Because the funds' investments are primarily in private equity and equity-related investments that are not publicly traded, market quotations are generally not available to be used for valuation purposes.

Therefore, most of the funds' underlying investments are generally required to be valued at estimated fair values using present value and other subjective valuation techniques. For investments held by the funds, or directly held by the Company, that are publicly traded and for which market quotations are available, valuations are generally based on the closing sales prices, or an average of the closing bid and ask prices, as of the valuation date.

The Company's co-investments are also in private equity and equity-related investments that are generally not publicly traded, and thus, market quotations are not available to be used for valuation purposes. Therefore, the Manager is required to value these co-investments at estimated fair values, using present value and other subjective valuation techniques. These may include reference to market multiples, valuations for corresponding investments prepared by the financial sponsor, valuations for comparable companies, public market or private transactions, subsequent developments concerning the companies to which the securities relate, results of operations, financial condition, cash flows, and projections of such companies provided to the Manager and such other factors as the Manager may deem relevant. Depending on the circumstances, company multiples will not always be comparable due to the size of the related companies or associated transactions being used as comparable data in the valuation. Generally these co-investments represent co-investments with financial sponsors with whom another Hamilton Lane partnership or client has invested, and these co-investments are generally valued at the same relative amount as the corresponding investment is valued by the financial sponsor in its private equity fund.

Income Recognition The Company's primary source of income is investment income and realized gains recognized upon distributions from the portfolio investments and unrealized appreciation in the fair value of its portfolio investments. The Company generally recognizes investment income and realized gains based on the characterization of distributions provided by the portfolio investments at the time of the distributions. Interest income and interest on paid-in-kind instruments, including amortization of premium or discount, are recorded on an accrual basis. Dividend income is recorded on the ex-dividend date or the date the Company becomes aware of the dividend. Other income from portfolio investments, which represents operating income from investment partnerships or other flow through entities received by the Company, is recorded on the date received.

Realized gains and losses from the sale of portfolio investments represent the difference between the original cost of the investments, as adjusted for return of capital distributions (net cost) and the related net proceeds received at the time of the sale, disposition or distribution date. The Company records realized gains and losses on portfolio investments when securities are sold, distributed to the members or written-off as worthless. The differences between the net cost and the estimated fair value of investments owned as of June 30, 2018 and 2017 represent the net change in unrealized appreciation (depreciation) on investments in the Statements of Operations.

Contingencies The Company enters into agreements that contain a variety of indemnifications. The Company's maximum exposure under these arrangements is unknown. However, the Company has not had prior claims or losses attributable to these agreements and expects the risk of loss to be remote.

Cash All cash was held in U.S. dollars as unrestricted cash with financial institutions in amounts which, at times, may have exceeded federally insured limits.

Interest Income and Expense The fund investments in which the Company invests are often funded through multiple closings to admit limited partners to the fund. Limited partners admitted subsequent to each fund's initial closing generally are required to contribute, at the time of their admittance, the same percentage of their total committed capital as the existing limited partners have contributed as of that date. In addition, each subsequently admitted limited partner is generally required to pay an additional amount equal to a specified rate of interest. The interest is generally distributed to the previously admitted partners in order to compensate them for the time value of their earlier capital contributions. Generally, these interest payments are not considered to be part of a limited partner's capital contribution to the fund and are not credited to their capital account.

Interest payments of this type that are made by the Company when it joins an existing fund are accounted for by the Company as interest expense. In situations where the Company is treated as receiving interest payments directly from other subsequently admitted limited partners, the Company accounts for the amount received as interest income.

Income Taxes The Company is a Nevada limited liability company and is taxed as a partnership for federal income tax purposes. No provision for federal, state or foreign income taxes has been made in the accompanying financial statements, as such taxes, if any, are the responsibility of the individual Members rather than the Company.

Accounting Standards Codification 740, *Income Taxes* ("ASC 740") provides guidance regarding how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing an entity's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions deemed to meet the more-likely-than-not threshold of being sustained would be recorded as a tax benefit in the current period. The Manager has reviewed the Company's tax positions for all open tax years and has concluded that no provision for income taxes is required in the Company's financial statements for uncertain tax positions.

The Company files U.S. federal and state partnership tax returns, of which the 2017, 2016, and 2015 returns remain subject to examination by the applicable tax authorities. There are currently no examinations being conducted.

The Company recognizes interest and penalties, if any, related to the underpayment of income taxes, including those resulting from the late filing of tax returns, as operating expenses in the Statements of Operations. Interest and penalties of $1,959 and $0 were incurred during the years ended June 30, 2018 and 2017, respectively.

Recently Issued Accounting Pronouncement In August 2018, the Financial Accounting Standard Board issued Accounting Standards Update No. 2018-13, *Fair Value Measurement: Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement* ("ASU No. 2018-13"). ASU No. 2018-13 modifies the disclosure requirements on fair value measurement in Topic 820, *Fair Value Measurement.* This guidance in ASU No. 2018-13 is effective for the Company beginning after December 15, 2019, however, early adoption is permitted. The Manager is currently assessing the potential impact that this guidance will have on its financial statements.

3. Capital Contributions

The NCIC and the Manager currently have capital commitments to the Company of $50,000,000 and $505,051, respectively (the "First Tranche"). The NCIC has the right, but not the obligation, to increase its capital commitment by an amount, which the increase would be effective after the end of the commitment period for the First Tranche (or such other date as the NCIC and the Manager may agree). If the NCIC elects to make such an additional commitment, both the amount of the NCIC's additional commitment and an additional commitment from the Manager shall be established by agreement between the NCIC and the Manager (together, the "Second Tranche").

The following table summarizes the Company's capital contributions as of June 30, 2018, all of which relate to the First Tranche:

	NCIC	Manager	Total
Total committed capital	$50,000,000	$505,051	$50,505,051
Capital contributed	(42,823,404)	(406,687)	(43,230,091)
Recallable distributions	1,511,230	15,265	1,526,495
Remaining commitments	$ 8,687,826	$113,629	$ 8,801,455

The NCIC has contributed 85.65% of their committed capital to the Company as of June 30, 2018. The Company will periodically issue additional capital calls to its Members as cash is required to purchase portfolio investments, fund capital calls received from the various portfolio investments and to pay expenses.

The Agreement specifies that, except as required by law, the Members shall not be obligated to make any contributions to the Company in excess of their capital commitments to the Company, or have any liability for the debts and obligations of the Company.

4. Allocations of Distributions and Income, Gains and Losses

Distributions With respect to each tranche, proceeds from the sale of portfolio investments, distributions received from fund investments, and dividends and other distributions received in respect of co-investments, will generally be allocated between the Members in proportion to their percentage interest with respect to the particular portfolio investment giving rise to such proceeds. The amount allocated to the Manager will be distributed to the Manager. The amount initially allocated to the NCIC will then be reallocated and distributed as follows:

(a) First, 100% to the NCIC until the cumulative distributions pursuant to this clause (a) from all investments that have been disposed of equal the aggregate of the following:

- (i) The NCIC's aggregate capital contributions that were used to fund the purchase of all investments that have been disposed of, including the pro rata portion of the acquisition cost of any investments that have been partially disposed of; and

- (ii) The NCIC's proportionate share of the cumulative fees and expenses borne by the Company that are allocable to the investments referred to in (i).

(b) Thereafter, 90% to the NCIC and 10% to the Manager.

The Agreement provides that if at the time an amount would be distributable to the Manager pursuant to clause (b) above, the 70% Requirement has not been met, then the amounts otherwise distributable to the Manager will be held in escrow until the 70% Requirement has been met. If the 70% Requirement has not been met at the end of the commitment period, any escrowed proceeds will be distributed to the NCIC.

Upon the dissolution of the Company, if the cumulative distributions distributed to the Manager pursuant to clause (b) above with respect to any tranche exceed 10% of the cumulative investment proceeds, net of investment expenses, the Manager will contribute to the Company an amount equal to the excess amount.

Distributable cash derived from temporary investments will be allocated and distributed among the Members based on their respective percentage interests.

For the years ended June 30, 2018 and 2017, the Manager was allocated $376,833 and $215,870 of unrealized carried interest, respectively. These amounts, which are reflected in the accompanying financial statements, were calculated based on the Company's results of operation from inception of the Company through June 30, 2018 and 2017, including the unrealized appreciation of the Company's portfolio investments as of June 30, 2018 and 2017. The cumulative unrealized carried interest amounts allocated to the Manager from the inception of the Company through June 30, 2018 and 2017 totaled $592,703 and $215,870, respectively.

The carried interest amounts that will actually be distributed to the Manager in the future will be based on the amounts ultimately realized from the Company's remaining portfolio investments, and the payments may be different than the amounts reflected in the accompanying financial statements, and the difference could be material.

5. Portfolio Investments

Fund Investments held at June 30, 2018

As of June 30, 2018, the Company held four fund investments, the fair market values of which represent more than 5% of the Company's net assets. Brentwood Associates Private Equity V, L.P. ("Brentwood") invests primarily in middle-market consumer, consumer-related and business services companies, targeting management buyouts, growth equity investments and recapitalizations. Convergent Capital Partners III, L.P. ("Convergent") invests principally in debt securities of companies that are small-to-mid-size growth companies that require capital for expansion, management buyouts, acquisitions or recapitalizations. HCAP Partners III, L.P. ("HCAP") invests primarily in established companies and companies located in California with a particular emphasis on businesses underserved by traditional capital sources. Waterton Precious Metals Fund II Cayman, LP ("Waterton") invests in precious metals assets in stable mining jurisdictions. On a look through basis, there are no portfolio company investments in which the Company's indirect ownership of the portfolio company would represent greater than 5% of the Company's net assets.

Fund Investments held at June 30, 2017

As of June 30, 2017, the Company held five fund investments, the fair market values of which represent more than 5% of the Company's net assets. Brentwood invests primarily in middle-market consumer, consumer-related and business services companies, targeting management buyouts, growth equity investments and recapitalizations. Convergent invests principally in debt securities of companies that are small-to-mid-size growth companies that require capital for expansion, management buyouts, acquisitions or recapitalizations. Enhanced Small Business Investment Company, LP seeks to maximize portfolio return from business entities located in the United States by generating current income from debt investments and capital appreciation from equity and equity-related investments. HCAP invests primarily in established companies and companies located in California with a particular emphasis on businesses underserved by traditional capital sources. Waterton invests in precious metals assets in stable mining jurisdictions. On a look through basis, there are no portfolio company investments in which the Company's indirect ownership of the portfolio company would represent greater than 5% of the Company's net assets.

All of the Company's fund investments are generally considered to be illiquid investments. The Company will achieve liquidity only as and when the funds sell their portfolio company investments and distribute the proceeds received from the disposition of those investments to the Company and the funds' other investors. These funds are expected to have a life of eight to twelve years. It is also possible for the Company to dispose of its interests in the fund investments in the secondary market.

Unfunded Commitments The Company's fund investments are summarized on the Schedules of Fund Investments. At June 30, 2018, the Company had unfunded commitments of $6,773,223 outstanding. At June 30, 2017, the Company had unfunded commitments of $8,957,486 outstanding. These commitments are expected to be funded from future cash flows from existing investments and member capital contributions not yet called by the Company.

Co-Investments

The Company's co-investments are generally considered to be illiquid investments. The Company will achieve liquidity only as and when the investor group that owns each investment, and which the Company is a member of, sells the portfolio company. The Company generally expects to hold each of these co-investments for a period of three to seven years. It is also possible for the Company to dispose of its interest in these co-investments in the secondary market.

Supplemental Investment Disclosures The following tables categorize the Company's co-investments by country and industry as of June 30, 2018:

	Net Cost	Fair Value	Percentage of Members' Equity
Country			
United States	$17,091,382	$22,346,462	54.75%
Industry			
Consumer discretionary	$ 2,000,000	$ 2,903,949	7.12%
Healthcare	8,057,680	13,107,410	32.11
Technology	7,033,702	6,335,103	15.52
	$17,091,382	$22,346,462	54.75%

The following tables categorize the Company's co-investments by country and industry as of June 30, 2017:

	Net Cost	Fair Value	Percentage of Members' Equity
Country			
United States	$17,048,544	$20,986,188	56.62%
Industry			
Consumer discretionary	$ 2,000,000	$ 2,286,136	6.17%
Healthcare	8,057,680	11,694,870	31.55
Technology	6,990,864	7,005,182	18.90
	$17,048,544	$20,986,188	56.62%

Fair Value Measurements The Company valued its investments, in the absence of observable market prices, using the valuation methodologies described in Note 2. All of the Company's fund investments are valued using the net asset value per share practical expedient. Therefore, none of the Company's fund investments are classified in the fair value hierarchy.

The Manager's determination of fair values is based on the best information available in the circumstances and involves significant management judgment. Because of the inherent uncertainties involved in the valuation of investments that are not publicly traded, the resultant estimated values may differ significantly from the values that would have been used had observable market prices for the investments existed, and the differences could be material.

In accordance with ASC 820, investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I – Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments which would generally be included in Level I include listed equities.

Level II – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. The types of investments which would generally be included in Level II include corporate bonds and loans, and less liquid and restricted equity securities.

Level III – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Those unobservable inputs, that are not corroborated by market data, generally reflect the reporting entity's own assumptions about the assumptions market participants would use in determining the fair value of the investment. The types of investments which would generally be included in Level III include equity and/or debt securities issued by private entities and investments in private equity investment funds.

In situations where the inputs used to measure fair value fall into different levels of the fair value hierarchy, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Changes in valuation techniques can result in transfers in or out of an asset or liability's assigned level within the hierarchy during the year. It is the Company's policy to recognize all transfers as of the end of the year. There were no transfers between levels under the hierarchy during the years ended June 30, 2018 and 2017. Additionally, there were no significant changes to the Company's fair valuation methodologies.

The changes in the fair value of the Company's co-investments, which are classified as Level III are as follows:

	Equity Securities	Member and Limited Partner Interests	Debt Securities	Total
Balance at July 1, 2016	$7,314,956	$ 4,121,208	$6,316,796	$17,752,960
Non-cash interest income	-	-	42,246	42,246
Purchase of co-investments	-	1,657,681	-	1,657,681
Net realized loss on investments	(3,571,621)	-	-	(3,571,621)
Net change in unrealized appreciation on investments	2,431,965	2,629,594	43,363	5,104,922
Reclassification	(6,175,300)	6,175,300	-	-
Balance at June 30, 2017	-	14,583,783	6,402,405	20,986,188
Non-cash interest income	-	-	42,838	42,838
Net change in unrealized appreciation (depreciation) on investments	-	1,563,190	(245,754)	1,317,436
Balance at June 30, 2018	$ -	$16,146,973	$6,199,489	$22,346,462

Total unrealized appreciation recorded with respect to the Company's Level III investments are reported in "Net change in unrealized appreciation on investments" in the Statements of Operations. The net change in unrealized appreciation on investments included in earnings related to the Level III investments still held at the end of each year totaled $1,317,436 and $2,672,957 during the years ended June 30, 2018 and 2017, respectively.

The following table provides quantitative measures used to determine the fair values of the Level III co-investments as of June 30, 2018:

Industry	Level III Fair Value	Valuation Technique	Unobservable Input	Input	Weighted Average
Consumer discretionary	$ 2,903,949	Market approach	EBITDA multiple	11.0x	N/A
Healthcare	13,107,410	Market approach	EBITDA multiple	7.0x-10.8x	8.9x
		Market approach	Revenue multiple	1.8x	N/A
Technology	6,335,103	Market approach	Market yield	13.7%-17.3%	14.5%
		Market approach	Revenue multiple	0.7x	Note A
		Market approach	EBITDA multiple	8.0x	Note A
		Market approach	Total asset multiple	0.8x	Note A
	$22,346,462				

Note A – Value is derived from a blend of the three unobservable inputs.

The following table provides quantitative measures used to determine the fair values of the Level III co-investments as of June 30, 2017:

Industry	Level III Fair Value	Valuation Technique	Unobservable Input	Input	Weighted Average
Consumer discretionary	$ 2,286,136	Market approach	EBITDA multiple	10.3x	N/A
Healthcare	11,694,870	Market approach	EBITDA multiple	5.5x-10x	7.8x
		Market approach	Revenue multiple	2.2x	2.2x
Technology	7,005,182	Market approach	Market yield	12.9%-13.5%	13.0%
			Revenue multiple	0.5x	Note A
			EBITDA multiple	5.9x	Note A
			Total asset multiple	0.7x	Note A
	$20,986,188				

Note A – Value is derived from a blend of the three unobservable inputs.

6. Operating Expenses

The Agreement provides that the Company will bear all costs and expenses incurred in connection with the purchase, holding, sale or exchange of portfolio investments, including, but not limited to, (a) fees payable for professional services rendered to the Company, including those payable to the Company's lawyers, accountants, custodian and administrator, (b) marketing expenses, including conferences, memberships, and special events of up to $50,000 annually, (c) third-party diligence resources required to evaluate investments (d) organization costs incurred in connection with the formation and organization of the Company, and (e) management fees payable to the Manager (see below).

The Manager and Hamilton Lane will bear all normal operating expenses incurred in connection with the management of the Company, including, without limitation, rent, salaries of employees, and other normal overhead expenses.

7. Related Party Transactions

As compensation for services rendered to the Company, the Company pays the Manager an annual management fee. The management fee, which is payable quarterly in advance, is solely funded by, and allocated to, the NCIC.

The annual management fee is equal to 1% of the NCIC's invested capital, subject to a reduction of 10% in each subsequent year, provided that the annual management fee will not be less than $200,000. No management fees will be assessed after August 14, 2024.

Management fees of $283,927, and $337,135 were incurred and paid with respect to the years ended June 30, 2018 and 2017, respectively.

8. Financial Highlights

Financial highlights of the Company for the years ended June 30, 2018 and 2017 for the NCIC are as follows:

	2018	2017
Ratios to average net assets:		
Net investment income	2.97%	2.26%
Expenses:		
Operating expenses	1.06%	1.37%
Carried interest allocation	0.99	0.64
Total operating expenses and carried interest allocation	2.05%	2.01%

Internal rates of return from inception through:	
June 30, 2018	4.59 %
June 30, 2017	2.52 %
July 1, 2016	(4.81)%

The internal rates of return were computed based on the actual dates of the cash inflows (capital contributions) and outflows (distributions), and the NCIC's ending equity account balance as of each measurement date (residual value).

The net investment income (loss) and expense ratios were computed as a percentage of average net assets. Average net assets is the weighted average of the aggregate balances in the equity account of the NCIC during the year. Capital contributions were included from the date called and distributions were included from the date paid. Net income (loss) allocable to the NCIC, including net change in unrealized appreciation (depreciation) on investments, was included from the end of each quarter based on quarter-end valuations.

Net investment income (loss) is the NCIC's share of the Company's investment income, net of the operating expenses, incurred by the Company. The net investment income (loss) and operating expense ratios do not reflect the effect of the carried interest allocation to the Manager. Both the net investment income (loss) and expense ratios relate solely to the Company's operations and do not reflect net investment income (loss) or expenses of the portfolio investments in which the Company has invested.

9. Subsequent Events

The Manager has evaluated events that occurred through October 12, 2018, which is the date these financial statements were available to be issued. There were no material events noted during this period that would require disclosure.