

NEVADA CAPITAL INVESTMENT CORPORATION

July 1, 2022 – 2:30 PM

Summary Minutes

Location:

The meeting was held virtually for board members and participants.

Treasurer Conine called the meeting to order at 2:30 pm.

Board members present:

Treasurer Zach Conine – Las Vegas

Robert Goldberg – via Zoom

Phyllis Gurgevich – via Zoom

Jan Jones Blackhurst- via Zoom

Ash Mirchandani – via Zoom

Others present:

Tara Hagan:	Treasurer's Office
Erik Jimenez:	Treasurer's Office
Kirsten Van Ry:	Treasurer's Office
Steven Hale:	Treasurer's Office
Ian Carr:	Attorney General's Office
Don Basile:	Roman Digital
Dixon Doll Jr.:	Roman Digital
John Small:	Roman Digital
Joseph Campos:	Roman Digital
Troy Vosseller:	Gener8tor
Joe Kirgues:	Gener8tor

Agenda Item 2 – Public Comment.

No public comment in Carson City or Las Vegas. No written public comment.

Agenda Item 3- For discussion and possible action – the minutes of the Nevada Capital Investment Corporation Board of Directors meeting from June 1, 2022.

Member Goldberg moved to approve Agenda Item 3 and a second from Member Jones Blackhurst. Motion passed unanimously.

Agenda Item 4 -Informational Item: Presentation by Roman DBDR on the Roman Digital Infrastructure Fund I, LP Investment.

Co-CEO Dixon Doll Jr. with Roman Infrastructure Fund introduced himself and his partner Dr. Don Basile who is the Co-CEO and founder and John Small who is the CFO. He noted they are the three principals of their investment team and have worked together for over 20 years. They are entrepreneurs and investors who have built and invested in some of the top leading venture capital firms. With their extensive operational experience, they are able to assess the applicability of technologies and work with engineering teams. He went over the key things around the infrastructure such as blockchain, security, and the metaverse. Mr. Basile discussed his range of

experience over the years across software, hardware, IT, telecom, and private equity. He provided the background of the investment advisory committee. He reviewed that digital infrastructure is emerging as one of the most growth drivers as part of the modern global economy. There are a number of existing categories which include Data Centers, Wireless Towers, and IT Security that have offered significant returns, that are assured for growth based on the rollout of 5G/6G. He explained there will be a layer of software intelligence that will overlay these Data Centers and Cellular Towers which include categories like Web 3.0 and Blockchain. As they focus on IoT adoption, it will lead to exponential growth in connected services. The team expects to enhance value by improving the operational performance of investment proven to build innovative data and tech companies with competitive advantages. He explained the various investable digital infrastructure areas they focus on within companies and projects such as data centers, hardware, water, power, energy, artificial intelligence, and the metaverse. He noted the digital infrastructure market overview and noted they have the potential to obtain higher returns with lower risk as an early dedicated fund and provides support for urban management.

Member Mirchandani stated that these are all good investments as this is where the future lies and most growth will occur. He asked how they plan to invest. He commented that anything with higher returns comes with higher risks and inquired what the risk factors are and how they plan to mitigate those.

Mr. Doll noted they are able to assess the applicability of the technology as it exists and the ability to analyze potential acquisitions and increase engineering efficiency with capital. As they have built and scaled companies from concepts to multibillion IPOs, they understand the inherent risks that exist especially in early private companies. He went over the major risks they manage through. The primary is the engineering risk where they look at engineering teams through an internal model and their ability to provide an on-time product within a cost structure. The second element is execution within market strategies to partner with an entrepreneur or a CEO who wants to be a category-dominating trailblazer. They believe the company that wins and creates new categories are the ones that bring the greatest returns.

Member Jones Blackhurst commented that she understands the principles however when investing in government money the risk takes on a higher proportion of importance.

Mr. Small agreed and noted this is a digital infrastructure project which means the investments are going to be much lower risk profile than fewer emerging technology investments. He noted the fund will build in the infrastructure for assets to enable these technologies to come to life. He stated this will be a fund that builds and knows what technology companies are looking for and know how to approach them to grow and create revenue, jobs, and growth.

Member Mirchandani understands the internal risks and inquired about blockchain and metaverse as they are unregulated industries currently but will be regulated down the road. He asked how they will design their product to mitigate an industry that is a high risk such as metaverse and blockchain from getting affected by government regulations.

Mr. Small stated they will build infrastructure that may require building 5G/6G and have servers that connect to more data centers closer to the population. They will determine what is needed to be built to ensure the metaverse is successful within their needs and partnerships. As far as blockchain, the activities need to be regulated however they will need services such as edge data centers as well as connectivity.

Mr. Small proceeded with the presentation and noted that they are offering a prorated return before the partnership makes any money and has a design split of the profits. He noted they are looking to raise \$500 million which will also allow their partners to co-invest. He noted the term is a 7-year fund.

Treasurer Conine inquired about their pipeline in Nevada versus California.

Mr. Doll explained how they are set up with a similar partnership and pipeline.

Business Developer Joseph Campos commented on how they have been able to work with the Treasurer's office and Governor's office on this infrastructure on coordinating activity for this investment.

This was not an action item and therefore did not require a vote of the members.

Agenda Item 5 – Informational Item: Presentation by Gener8tor on the gener8tor Fund VIII and the gener8tor Impact Fund.

CO-founder Troy Vosseller with Gener8tor is joined by his business partner Joe Kirgues to present their Gener8tor Fund VIII and the Gener8tor Impact Fund. He noted their mission is to be the best partner for communities to invest in their best as they focus on the community. Over their 10-year history of all their fully invested funds, they are proud of the performance they have generated. In their composing fund performance, they are at a 3.56 TVPI, a 23.94 IRR, and 1.19 DPI. Within all the dollars they have managed and fully invested they have already returned 119% of those dollars. They are currently raising two funds which are Fund VIII, the model they have been doing for the past 10 years, and a new fund which is the Impact Fund. He noted they are nationally ranked as one of the top accelerator programs in the country which means they invest small dollar amounts into many companies and start-up businesses that are high tech and high in growth. They are strong job creators and all companies they have invested in employ more than 5,000 people. He noted for every dollar invested into one of their gener8tor funds, their portfolio companies have gone on to raise \$44.00 in follow-on venture capital. He discussed the trends across race, place, and gender. 42% of their startups have a founder of color, and nationwide 80% of all venture capital is invested in just three states California, New York, and Massachusetts, however, 82% of their deals have gone to startups outside of those major tech hubs. He went over the locations that they currently operate programs. They started in Milwaukee and Madison, Wisconsin, and have since expanded with a focus on secondary markets. They expanded earlier this year in Nevada with a partnership with GOED and the Governor's Office with programming both in Reno and Las Vegas. He reviewed that women founders receive 2.3% of all venture capital invested, and women of color receive less than 1%, however, with their funds their numbers are 33% and 17%, and will continue to work on them. Fund VIII is the eighth fund in the series they have been raising for over 10 years and is a \$15 million venture capital fund that invests in all of their accelerator participants who will get a \$100,000 investment from this fund. The Impact Fund is an opportunity fund to invest in the best companies merging from their accelerator programs which is a very competitive process. He explained their expansion into Nevada with two programs and hundreds of applications. These are the 3-month accelerator programs with (4) full-time employees already and will be vetting those applications and selecting (5) startups per year in each Reno and Las Vegas to go through this program. Each of those companies will also receive a \$100,000 investment. He stated it is a partnership with GOED

which occurred in March of this year. He went over case studies such as Fiveable which is an education technology company and noted the benefits and examples of the startup. He went over Bright Cellars which is a subscription wine club e-commerce company in the food and beverage industry. They invested in 2014 via their accelerator fund at about \$0.35 a share and recently raised their most recent round of financing at \$9.39 a share. Pretty Litter is an example of a company that gener8tor was the very first outside investor and last year they were acquired by Mars for under \$1 billion.

Treasurer Conine asked if these companies are in the pipeline of the Impact Fund or if they are conceptual opportunities.

Mr. Vosseller responded stating these are vivid examples where they have been offered the right to invest.

Mr. Kirgues added that their graduates are raising about \$50-60 million a month.

Mr. Vosseller continued and noted they have a team of over 120 employees. They run pre-accelerator programs where they work with different units of government, corporations, economic development groups, and other venture firms that pay to sponsor. They have a line of corporate programming where they work under contract. This allows them to have robust staff and back-office functions that typical venture capital firms would not have. He noted they have a full-time general counsel, controller, and (3) full-time recruiters which gives them a lot of strength. He reviewed the mechanics of the funds. He noted they assess a \$50,000 per startup management fee which is inclusive of all partnership and fund expenses for the life of the fund. The impact fund is a limited partnership with the goal of raising \$30 million and has a 2% annual management fee as well as a 20% carried interest.

Treasurer Conine asked how the application pool from the Reno and Las Vegas investment looks so far compared to other markets.

Mr. Vosseller noted they are very strong and explained the startups apply for discreet programs which give good comparisons market by market. Concurrently they are doing a program in Alabama and Ohio, however, they notice both the Reno and Las Vegas programs have significantly more applications as they received a lot of response from the local community when the program was announced. He noted they are informal partners with organizations such as StartupNV and StartUp Vegas which have been helpful through the pipeline.

Mr. Kirgues shared where they can go on their web app to view what they have received. Since noon that day they received (5) applications for Vegas and Reno and the application deadline is the 17th. He stated it is a very high volume per the deadline.

Member Jones Blackhurst concurred they have a lot of interest from the Las Vegas market as there are a lot of funders.

Member Goldberg asked about the connection within their nets around the capital and their track record.

Mr. Vosseller responded that their \$100,000 investment tends to be the first institutional money for startups and aims to get each of the startups with (5) at a time and look at local

investors and groups to build out from that. One of the benefits of operating currently in (33) cities across (16) states is they have a deep bench of venture capitalists that want to invest. He stated that in total they have raised more than \$1 billion in follow-on funding. Anything starting in their network that is actively fundraising can opt-in to be included in the newsletter and goes out to more than 3,000 investors in their listserv network. They also have full-time dedicated staff focused on helping their alumni raise follow-on rounds on funding and have dedicated resources to do so.

Mr. Kirgues posted in the chat some of their most recent conferences that are public where they can also view the participating organizations. The links listed are as follows, <https://onrampeducation.com/>, <https://onrampagricultureconference.com/>, and <https://onrampinsurance.com/>.

Member Mirchandani asked if the average size of funding is \$50,000.

Mr. Vosseller noted it's \$100,000 and only invests in companies and opportunities they believe have a good chance of being high-growth skilled businesses. Within case studies, those companies employ between (50) and (100) people.

Member Mirchandani asked about their performance in other states using this model.

Mr. Vosseller reviewed back to the financial performance within their invested funds numbers and noted it has been consistent as they are able to maintain outcomes in the market and improve in expansion.

Member Mirchandani inquired about the percentage of projects that haven't been successful.

Mr. Vosseller responded by stating they have invested in (204) startups and a total of (33) have gone out of business.

Treasurer Conine inquired about the timeline of the Impact Fund and Fund VIII.

Mr. Vosseller noted they have \$13 million of the \$15 million committed and anticipate they will over-subscribe around \$20 million and will most likely keep Fund VII open through the end of the summer to see how far they can push it and if they go beyond \$15 million, it can allow them to do more investments in those cities or expand the investment period slightly longer. The Impact Fund is brand new, and they have about \$3 million of the \$30 million committed as they just started an earnest to fundraise for it.

Treasurer Conine and Mr. Vosseller agreed they will discuss the other predicates they can share offline as well.

This was not an action item and therefore did not require a vote of the members.

Agenda Item 6- Public Comment

No public comment in Carson City or Las Vegas.

Meeting adjourned at 4:00 pm.