Levin Steven R.
Form 4
March 26, 2013

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
Levin Steven R.
(Last) (First) (Middle)
C/O AVIV REIT, INC., 303 W. MADISON, SUITE 2400
(Street)
CHICAGO, IL 60606
(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
AVIV REIT, INC. [AVIV]

3. Date of Earliest Transaction (Month/Day/Year)
03/26/2013

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Vice President,Real Estate

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock (1)	03/26/2013		J		5,877	A	$ 0	5,877	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Levin Steven R. C/O AVIV REIT, INC., 303 W. MADISON SUITE 2400 CHICAGO, IL 60606			Vice President,Real Estate	

Signatures

/s/ Samuel H. Kovitz, as attorney-in-fact	03/26/2013
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Represents dividend equivalent rights payable in cash with respect to stock options that vested upon the initial public offering of Aviv REIT, Inc. and that were paid in shares of common stock upon vesting at the initial public offering price of $20 per share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. SIZE="1">

Total Clickfox, Inc.

1,676,691 1,074 1,373

Daegis Inc. (pka Unify Corporation)[3][13]

Software Warrant Common Stock 718,860 1,434 5

ForeScout Technologies, Inc.

Software Warrant Preferred Series E 80,587 41 74

Hillcrest Laboratories, Inc.[13]

Software Warrant Preferred Series E 1,865,650 54 106

JumpStart Games, Inc. (p.k.a Knowledge Holdings, Inc.)[13]

Software Warrant Preferred Series E 614,333 15 8

Mobile Posse, Inc.[13]

Software Warrant Preferred Series C 396,430 130 66

Neos Geosolutions, Inc.[13]

Software Warrant Preferred Series 3 221,150 22

NewVoiceMedia Limited[4][9]

Software Warrant Preferred Series E 225,586 33 34

Soasta, Inc.[13]

Software Warrant Preferred Series E 410,800 691 1,014

Sonian, Inc.[13]

Software Warrant Preferred Series C 185,949 106 72

StrongView Systems, Inc.

Software Warrant Preferred Series C 551,470 169 218

SugarSync, Inc.[13]

Software Warrant Preferred Series CC 332,726 78 78 Software Warrant Preferred Series DD 107,526 34 26

Total SugarSync, Inc.

440,252 112 104

Touchcommerce, Inc.[13]

Software Warrant Preferred Series E 992,595 252 164

White Sky, Inc.[13]

Software Warrant Preferred Series B-2 124,295 54 4

Subtotal: Software (0.62%)*

4,753 4,083

Specialty Pharmaceuticals

Alimera Sciences, Inc.[3]

Specialty
Pharmaceuticals Warrant Common Stock 285,016 728 656

QuatRx Pharmaceuticals Company

Specialty
Pharmaceuticals Warrant Preferred Series E 155,324 308

Subtotal: Specialty Pharmaceuticals (0.10%)*

1,036 656

Surgical Devices

Gynesonics, Inc.[13]

Surgical Devices Warrant Preferred Series C 180,480 74 48 Surgical Devices Warrant Preferred Series D 1,575,965 320 562

Total Gynesonics, Inc.

1,756,445 394 610

Transmedics, Inc.

Surgical Devices Warrant Preferred Series B 40,436 225 Surgical Devices Warrant Preferred Series D 175,000 100 352

Total Transmedics, Inc.

215,436 325 352

Explanation of Responses:

Subtotal: Surgical Devices (0.15%)*	719	962
Total Warrant Investments (3.81%)*	38,892	25,098
Total Investments (154.92%)*	$1,035,337	$1,020,737

* Value as a percent of net assets
(1) Preferred and common stock, warrants, and equity interests are generally non-income producing.
(2) Gross unrealized appreciation, gross unrealized depreciation, and net depreciation for federal income tax purposes totaled $46.1 million, $63.4 million and $17.3 million respectively. The tax cost of investments is $1.0 billion.
(3) Except for warrants in twenty-nine publicly traded companies and common stock in thirteen publicly traded companies, all investments are restricted at December 31, 2014 and were valued at fair value as determined in good faith by the Audit Committee of the Board of Directors. No unrestricted securities of the same issuer are outstanding. The Company uses the Standard Industrial Code for classifying the industry grouping of its portfolio companies.
(4) Non-U.S. company or the company s principal place of business is outside the United States.

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(dollars in thousands)

(5) Affiliate investment that is defined under the Investment Company Act of 1940 as companies in which HTGC owns at least 5% but not more than 25% of the voting securities of the company.
(6) Control investment that is defined under the Investment Company Act of 1940 as companies in which HTGC owns at least 25% of the voting securities of the company or has greater than 50% representation on its board. There were no control investments at December 31, 2014.
(7) Debt is on non-accrual status at December 31, 2014, and is therefore considered non-income producing.
(8) Denotes that all or a portion of the debt investment is convertible senior debt.
(9) Indicates assets that the Company deems not qualifying assets under section 55(a) of the Investment Company Act of 1940, as amended. Qualifying assets must represent at least 70% of the Company s total assets at the time of acquisition of any additional non-qualifying assets.
(10) Denotes that all or a portion of the debt investment secures the notes offered in the Debt Securitizations (as defined in Note 4).
(11) Denotes that all or a portion of the debt investment principal includes accumulated PIK, or paid-in-kind, interest and is net of repayments.
(12) Denotes that all or a portion of the debt investment includes an exit fee receivable.
(13) Denotes that all or a portion of the investment in this portfolio company is held by HT II or HT III, the Company s wholly-owned SBIC subsidiaries.
(14) Subsequent to December 31, 2014, this company completed an initial public offering. Note that the December 31, 2014 fair value does not reflect any potential impact of the conversion of our preferred shares to common shares which may include reverse splits associated with the offering.
(15) The stated Maturity Date for the Tectura assets reflects the last extension of the forbearance period on these loans. The borrower loans remain outstanding and management is continuing to work with the borrower to satisfy the obligations. The Company s investment team and Investment Committee continue to closely monitor developments at the borrower company.

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(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor	Principal Amount	Cost[2]	Value[3]
Debt Investments							
Biotechnology Tools							
1-5 Years Maturity							
Labcyte, Inc.[11]	Biotechnology Tools	Senior Secured	June 2016	Interest rate PRIME + 6.70% or Floor rate of 9.95%	$ 4,270	$ 4,323	$ 4,289
Subtotal: 1-5 Years Maturity						4,323	4,289
Subtotal: Biotechnology Tools (0.66%)*						4,323	4,289
Energy Technology							
Under 1 Year Maturity							
American Superconductor Corporation[3][11]	Energy Technology	Senior Secured	December 2014	Interest rate PRIME + 7.25% or Floor rate of 11.00%	$ 4,615	4,991	4,991
Brightsource Energy, Inc.	Energy Technology	Senior Secured	January 2014	Interest rate Prime + 8.25% or Floor rate of 11.50%	$ 15,000	15,886	15,886
Enphase Energy, Inc.[11]	Energy Technology	Senior Secured	June 2014	Interest rate PRIME + 5.75% or Floor rate of 9.00%	$ 1,315	1,358	1,358
Subtotal: Under 1 Year Maturity						22,236	22,236
1-5 Years Maturity							
Agrivida, Inc.	Energy Technology	Senior Secured	December 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%	$ 6,000	5,887	5,770
American Superconductor Corporation[3][11]	Energy Technology	Senior Secured	November 2016	Interest rate PRIME + 7.25% or Floor rate of 11.00%	$ 10,000	9,801	9,801
APTwater, Inc	Energy Technology	Senior Secured	April 2017	Interest rate PRIME + 6.75% or Floor rate of 10.00%, PIK Interest 2.75%	$ 18,085	17,874	17,874
BioAmber, Inc.[5][10]	Energy Technology	Senior Secured	June 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%	$ 25,000	25,298	25,798
Enphase Energy, Inc.[11]	Energy Technology	Senior Secured	August 2016	Interest rate PRIME + 8.25% or Floor rate of 11.50%	$ 7,400	7,422	7,314
Fluidic, Inc.	Energy Technology	Senior Secured	March 2016	Interest rate PRIME + 8.00% or Floor rate of 11.25%	$ 5,000	4,922	4,922
Fulcrum Bioenergy, Inc.[11]	Energy Technology	Senior Secured	November 2016	Interest rate PRIME + 7.75% or Floor rate of 11.00%	$ 10,000	9,944	9,694
Glori Energy, Inc.[11]	Energy Technology	Senior Secured	June 2015	Interest rate PRIME + 6.75% or Floor rate of 10.00%	$ 5,333	5,457	5,414
Polyera Corporation	Energy Technology	Senior Secured	June 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%	$ 5,809	5,797	5,686
SCIEnergy, Inc.[4]	Energy Technology	Senior Secured	September 2015	Interest rate PRIME + 8.75% or Floor rate of 12.00%	$ 4,448	4,596	4,685
Scifiniti (pka Integrated Photovoltaics, Inc.)	Energy Technology	Senior Secured	February 2015	Interest rate PRIME + 7.38% or Floor rate of 10.63%	$ 1,463	1,443	1,429

Stion Corporation.(4)(6)	Energy Technology	Senior Secured	February 2015	Interest rate PRIME + 6.75% or Floor rate of 10.00%	$ 4,571	4,005	4,096
TAS Energy, Inc.	Energy Technology	Senior Secured	February 2015	Interest rate PRIME + 7.75% or Floor rate of 11.00%	$ 15,000	15,277	15,421
	Energy Technology	Senior Secured	February 2015	Interest rate PRIME + 6.25% or Floor rate of 9.50%	$ 4,503	4,374	4,338
Total TAS Energy, Inc.						19,651	19,760
TPI Composites, Inc.	Energy Technology	Senior Secured	June 2016	Interest rate PRIME + 8.00% or Floor rate of 11.25%	$ 15,000	14,888	14,889
Subtotal: 1-5 Years Maturity						136,985	137,131
Subtotal: Energy Technology (24.52%)*(13)						159,221	159,367
Communications & Networking							
1-5 Years Maturity							
OpenPeak, Inc.(11)	Communications & Networking	Senior Secured	July 2015	Interest rate PRIME + 8.75% or Floor rate of 12.00%	$ 10,029	10,714	10,814
Spring Mobile Solutions, Inc.	Communications & Networking	Senior Secured	November 2016	Interest rate PRIME + 8.00% or Floor rate of 11.25%	$ 20,000	19,682	19,875
Subtotal: 1-5 Years Maturity						30,396	30,690
Subtotal: Communications &Networking (4.72%)*						30,396	30,690

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CONSOLIDATED SCHEDULE OF INVESTMENTS

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(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor	Principal Amount	Cost[2]	Value[3]
Drug Delivery							
1-5 Years Maturity							
AcelRx Pharmaceuticals, Inc.[3][10]	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 3.85% or Floor rate of 9.10%	$ 15,000	$ 14,556	$ 15,006
BIND Therapeutics, Inc.[3]	Drug Delivery	Senior Secured	September 2016	Interest rate Prime + 7.00% or Floor rate of 10.25%	$ 4,500	4,407	4,458
Celsion Corporation[3]	Drug Delivery	Senior Secured	June 2017	Interest rate Prime + 8.00% or Floor rate of 11.25%	$ 5,000	4,897	4,897
Dance Biopharm, Inc.	Drug Delivery	Senior Secured	August 2017	Interest rate PRIME + 7.4% or Floor rate of 10.65%	$ 1,000	974	974
Intelliject, Inc.[11]	Drug Delivery	Senior Secured	June 2016	Interest rate PRIME + 5.75% or Floor rate of 11.00%	$ 15,000	15,150	15,450
NuPathe, Inc.[3]	Drug Delivery	Senior Secured	May 2016	Interest rate Prime 3.25% or Floor rate of 9.85%	$ 5,749	5,629	5,744
Revance Therapeutics, Inc.	Drug Delivery	Senior Secured	March 2015	Interest rate PRIME + 6.60% or Floor rate of 9.85%	$ 9,798	10,032	9,943
	Drug Delivery	Senior Secured	March 2015	Interest rate PRIME + 6.60% or Floor rate of 9.85%	$ 980	1,011	994
Total Revance Therapeutics, Inc.						11,043	10,937
Subtotal: 1-5 Years Maturity						56,655	57,466
Subtotal: Drug Delivery (8.84%)*						56,655	57,466
Drug Discovery & Development							
1-5 Years Maturity							
ADMA Biologics, Inc.[3]	Drug Discovery & Development	Senior Secured	April 2016	Interest rate Prime + 2.75% or Floor rate of 8.50%	$ 5,000	4,956	4,892
Anacor Pharmaceuticals, Inc.	Drug Discovery & Development	Senior Secured	July 2017	Interst rate PRIME + 6.40% or Floor rate of 11.65%	$ 30,000	29,083	29,810
Aveo Pharmaceuticals, Inc.[3][10][11]	Drug Discovery & Development	Senior Secured	September 2015	Interest rate PRIME + 7.15% or Floor rate of 11.90%	$ 19,396	19,396	19,590
Cell Therapeutics, Inc.[3][11]	Drug Discovery & Development	Senior Secured	October 2016	Interest rate Prime + 9.00% or Floor rate of 12.25%	$ 15,000	14,750	15,200
Cempra, Inc.[3][11]	Drug Discovery & Development	Senior Secured	June 2017	Interest rate PRIME + 6.30% or Floor rate of 9.55%	$ 15,000	14,795	14,550
Cleveland BioLabs, Inc.[3]		Senior Secured			$ 6,000	5,909	5,909

	Drug Discovery & Development		January 2017	Interest rate PRIME + 6.20% or Floor rate of 10.45%			
Concert Pharmaceuticals, Inc.(4)	Drug Discovery & Development	Senior Secured	October 2015	Interest rate PRIME + 3.25% or Floor rate of 8.50%	$ 15,091	14,933	14,649
Coronado Biosciences, Inc.(3)(11)	Drug Discovery & Development	Senior Secured	March 2016	Interest rate PRIME + 6.00% or Floor rate of 9.25%	$ 13,654	13,720	13,449
Dicerna Pharmaceuticals, Inc.	Drug Discovery & Development	Senior Secured	January 2015	Interest rate PRIME + 4.40% or Floor rate of 10.15%	$ 5,026	4,991	4,981
Insmed, Incorporated(11)	Drug Discovery & Development	Senior Secured	January 2016	Interest rate PRIME + 4.75% or Floor rate of 9.25%	$ 20,000	19,708	19,535
Merrimack Pharmaceuticals, Inc.(3)	Drug Discovery & Development	Senior Secured	November 2016	Interest rate PRIME + 5.30% or Floor rate of 10.55%	$ 40,000	40,314	39,455
Neuralstem, Inc.(3)	Drug Discovery & Development	Senior Secured	June 2016	Interest rate PRIME + 7.75% or Floor rate of 11.00%	$ 8,000	7,874	8,035
Paratek Pharmaceuticals, Inc.	Drug Discovery & Development	Senior Secured	N/A	Interest rate Fixed 10.00%	$ 36	36	
	Drug Discovery & Development	Senior Secured	N/A	Interest rate Fixed 10.00%	$ 45	45	
	Drug Discovery & Development	Senior Secured	N/A	N/A	$ 28	28	
Total Paratek Pharmaceuticals, Inc.					$ 109	109	
uniQure B.V.(5)(10)(11)	Drug Discovery & Development	Senior Secured	October 2016	Interest rate PRIME + 8.60% or Floor rate of 11.85%	$ 10,000	9,695	9,818
Subtotal: 1-5 Years Maturity						200,232	199,872
Subtotal: Drug Discovery & Development (30.75%)*						200,232	199,872

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(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment(1)	Maturity Date	Interest Rate and Floor	Principal Amount	Cost(2)	Value(3)
Electronics & Computer Hardware							
1-5 Years Maturity							
Clustrix, Inc.	Electronics & Computer Hardware	Senior Secured	December 2015	Interest rate PRIME + 6.50% or Floor rate of 9.75%	$ 524	$ 526	$ 526
Identive Group, Inc.(3)(11)	Electronics & Computer Hardware	Senior Secured	November 2015	Interest rate PRIME + 7.75% or Floor rate of 11.00%	$ 5,938	5,696	5,755
OCZ Technology Group, Inc.	Electronics & Computer Hardware	Senior Secured	April 2016	Interest rate Prime + 8.75% or Floor rate of 12.50%, PIK Interest 3.00%	$ 1,221	1,221	1,221
Plures Technologies, Inc.(3)	Electronics & Computer Hardware	Senior Secured	October 2016	Interest rate Prime + 12.75% or Floor rate of 16.00%, PIK Interest 4.00%	$ 2,046	1,958	1,458
Subtotal: 1-5 Years Maturity						9,400	8,959
Subtotal: Electronics & Computer Hardware (1.38%)*						9,400	8,959
Healthcare Services, Other							
1-5 Years Maturity							
InstaMed Communications, LLC	Healthcare Services, Other	Senior Secured	December 2016	Interest rate PRIME + 7.25% or Floor rate of 10.50%	$ 3,000	2,979	2,979
MDEverywhere, Inc.	Healthcare Services, Other	Senior Secured	June 2016	Interest rate LIBOR + 9.50% or Floor rate of 10.75%	$ 2,000	1,875	1,907
Orion Healthcorp, Inc.	Healthcare Services, Other	Senior Secured	June 2017	Interest rate LIBOR + 10.50% or Floor rate of 12.00%, PIK Interest 3.00%	$ 6,591	6,467	6,413
	Healthcare Services, Other	Senior Secured	June 2017	Interest rate LIBOR + 9.50% or Floor rate of 11.00%	$ 9,000	8,838	8,445
		Senior Secured	June 2016		$ 500	465	461

	Healthcare Services, Other			Interest rate LIBOR + 8.25% or Floor rate of 9.50%				
Total Orion Healthcorp, Inc.					$	16,091	15,769	15,318
Pacific Child & Family Associates, LLC	Healthcare Services, Other	Senior Secured	January 2015	Interest rate LIBOR + 9.00% or Floor rate of 11.50%	$	1,946	2,017	1,988
	Healthcare Services, Other	Senior Secured	January 2015	Interest rate LIBOR + 11.00% or Floor rate of 14.00%, PIK Interest 3.75%	$	6,836	6,867	6,833
Total Pacific Child & Family Associates, LLC					$	8,782	8,884	8,822
Subtotal: 1-5 Years Maturity							29,508	29,025
Subtotal: Healthcare Services, Other (4.47%)*							29,508	29,025
Information Services								
1-5 Years Maturity								
Eccentex Corporation[11]	Information Services	Senior Secured	May 2015	Interest rate PRIME + 7.00% or Floor rate of 10.25%	$	657	658	185
InXpo, Inc.	Information Services	Senior Secured	April 2016	Interest rate PRIME + 7.50% or Floor rate of 10.75%	$	2,550	2,489	2,384
Jab Wireless, Inc.	Information Services	Senior Secured	November 2017	Interest rate Libor + 6.75% or Floor rate of 8.00%	$	30,000	29,822	29,822
	Information Services	Senior Secured	November 2017	Interest rate Prime + 6.75% or Floor rate of 8.00%	$	2,000	1,996	1,996
Total Jab Wireless, Inc.					$	32,000	31,818	31,818

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(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment(1)	Maturity Date	Interest Rate and Floor	Principal Amount	Cost(2)	Value(3)
Womensforum.com(11)	Information Services	Senior Secured	October 2016	Interest rate LIBOR + 7.50% or Floor rate of 10.25%, PIK Interest 2.00%	$ 4,607	$ 4,536	$ 4,127
	Information Services	Senior Secured	October 2016	Interest rate LIBOR + 6.50% or Floor rate of 9.25%	$ 6,900	6,793	6,470
	Information Services	Senior Secured	April 2015	Interest rate LIBOR + 6.50% or Floor rate of 9.00%	$ 1,250	1,227	1,156
Total Womensforum.com					$ 12,757	12,556	11,754
Subtotal: 1-5 Years Maturity						47,521	46,140
Subtotal: Information Services (7.10%)*						47,521	46,140
Internet Consumer & Business Services							
Under 1 Year Maturity							
Gazelle, Inc.	Internet Consumer & Business Services	Senior Secured	October 2014	Interest rate PRIME + 6.50% or Floor rate of 9.75%	$ 2,137	$ 2,115	$ 2,115
Tectura Corporation(8)	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	$ 6,468	6,467	3,566
	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 8.00% or Floor rate of 11.00%, PIK Interest 1.00%	$ 10,777	10,777	5,943
	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	$ 563	563	310
	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	$ 5,000	5,000	2,757
Total Tectura Corporation					$ 22,807	22,806	12,576
Subtotal: Under 1 Year Maturity						24,921	14,691
1-5 Years Maturity							
Blurb, Inc.		Senior Secured			$ 6,351	6,216	6,054

	Internet Consumer & Business Services		December 2015	Interest rate PRIME + 5.25% or Floor rate of 8.50%			
CashStar, Inc.	Internet Consumer & Business Services	Senior Secured	June 2016	Interest rate Prime + 6.25% or Floor rate 10.50%, PIK Interest 1.00%	$ 4,018	3,944	3,916
Education Dynamics, LLC	Internet Consumer & Business Services	Senior Secured	March 2016	Interest rate Libor + 12.5% or Floor rate 12.50%, PIK Interest 1.5%	$ 24,685	24,284	23,582
Gazelle, Inc.	Internet Consumer & Business Services	Senior Secured	April 2016	Interest rate Prime + 7.00% or Floor rate of 10.25%, PIK Interest 2.50%	$ 12,365	12,283	12,128
Just Fabulous, Inc.	Internet Consumer & Business Services	Senior Secured	February 2017	Interest rate PRIME + 8.25% or Floor rate of 11.50%	$ 5,000	4,842	4,842
NetPlenish[(8)]	Internet Consumer & Business Services	Senior Secured	September 2015	Interest rate FIXED 10.00%	$ 383	375	
	Internet Consumer & Business Services	Senior Secured	April 2015	Interest rate FIXED 10.00%	$ 97	97	
Total NetPlenish					$ 480	472	

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(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment(1)	Maturity Date	Interest Rate and Floor	Principal Amount	Cost(2)	Value(3)
Reply! Inc.(11)	Internet Consumer & Business Services	Senior Secured	February 2016	Interest rate PRIME + 7.25% or Floor rate of 10.50%, PIK Interest 2.00%	$ 3,031	$ 3,051	$ 3,034
	Internet Consumer & Business Services	Senior Secured	September 2015	Interest rate Prime + 6.88% or Floor rate of 10.13%, PIK Interest 2.00%	$ 9,169	9,086	9,169
	Internet Consumer & Business Services	Senior Secured	September 2015	Interest rate Prime + 7.25% or Floor rate of 11.00%, PIK Interest 2.00%	$ 2,020	2,044	2,070
Total Reply! Inc.					$ 14,220	14,181	14,273
ShareThis, Inc.	Internet Consumer & Business Services	Senior Secured	June 2016	Interest rate PRIME + 7.50% or Floor rate of 10.75%	$ 14,578	14,160	14,160
VaultLogix, LLC	Internet Consumer & Business Services	Senior Secured	September 2015	Interest rate LIBOR + 7.00% or Floor rate of 8.50%	$ 7,897	7,927	7,525
	Internet Consumer & Business Services	Senior Secured	September 2016	Interest rate LIBOR + 8.50% or Floor rate of 10.00%, PIK interest 2.50%	$ 7,949	7,898	7,397
Total VaultLogix, LLC					$ 15,847	15,826	14,923
WaveMarket, Inc.(11)	Internet Consumer & Business Services	Senior Secured	September 2015	Interest rate Prime + 5.75% or Floor rate of 9.50%	$ 10,000	9,940	9,665
Subtotal: 1-5 Years Maturity						106,148	103,545
Subtotal: Internet Consumer & Business Services (18.19%)*						131,069	118,236
Media/Content/Info							
Under 1 Year Maturity							
Zoom Media Group, Inc.	Media/Content/Info	Senior Secured	December 2014	Interest rate PRIME + 5.25% or Floor rate of 8.50%	$ 4,000	3,858	3,858
Subtotal: Under 1 Year Maturity						3,858	3,858

1-5 Years Maturity							
Zoom Media Group, Inc.	Media/Content/Info	Senior Secured	December 2015	Interest rate PRIME + 7.25% or Floor rate of 10.50%, PIK interest 3.75%	$ 4,288	4,122	4,071
Subtotal: 1-5 Years Maturity						4,122	4,071
Subtotal: Media/Content/Info (1.22%)*						7,981	7,929
Medical Devices & Equipment							
Under 1 Year Maturity							
Oraya Therapeutics, Inc.[9][11]	Medical Devices & Equipment	Senior Secured	December 2014	Interest rate Fixed 7.00%	$ 500	500	500
Subtotal: Under 1 Year Maturity						500	500
1-5 Years Maturity							
Baxano Surgical, Inc.[3]	Medical Devices & Equipment	Senior Secured	March 2017	Interest rate PRIME + 7.75% or Floor rate of 12.5%	$ 7,500	7,222	7,222
Home Dialysis Plus, Inc.	Medical Devices & Equipment	Senior Secured	April 2017	Interest rate PRIME + 6.35% or Floor rate of 9.60%	$ 10,000	9,732	9,732
InspireMD, Inc.[3][5][10]	Medical Devices & Equipment	Senior Secured	February 2017	Interest rate PRIME + 5.00% or Floor rate of 10.50%	$ 10,000	9,696	9,696
Medrobotics Corporation	Medical Devices & Equipment	Senior Secured	March 2016	Interest rate PRIME + 7.85% or Floor rate of 11.10%	$ 4,561	4,489	4,454
NetBio, Inc.	Medical Devices & Equipment	Senior Secured	August 2017	Interest rate PRIME + 5.00% or Floor rate of 11.00%	$ 5,000	4,788	4,788
NinePoint Medical, Inc.	Medical Devices & Equipment	Senior Secured	January 2016	Interest rate PRIME + 5.85% or Floor rate of 9.10%	$ 5,946	5,911	5,794

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Portfolio Company	Sub-Industry	Type of Investment(1)	Maturity Date	Interest Rate and Floor	Principal Amount	Cost(2)	Value(3)
Oraya Therapeutics, Inc.(9)(11)	Medical Devices & Equipment	Senior Secured	September 2015	Interest rate PRIME + 5.50% or Floor rate of 10.25%	$ 7,064	$ 6,980	$ 7,162
SonaCare Medical, LLC (pka US HIFU, LLC)(11)	Medical Devices & Equipment	Senior Secured	April 2016	Interest rate PRIME + 7.75% or Floor rate of 11.00%	$ 5,667	5,754	5,818
United Orthopedic Group, Inc.	Medical Devices & Equipment	Senior Secured	July 2016	Interest rate PRIME + 8.60% or Floor rate of 11.85%	$ 25,000	24,647	25,166
ViewRay, Inc.	Medical Devices & Equipment	Senior Secured	June 2017	Interest rate PRIME + 7.00% or Floor rate of 10.25%, PIK Interest 1.50%	$ 15,000	14,489	14,489
Subtotal: 1-5 Years Maturity						93,707	94,320
Subtotal: Medical Devices & Equipment (14.59%)*						94,206	94,819
Semiconductors							
1-5 Years Maturity							
Achronix Semiconductor Corporation	Semiconductors	Senior Secured	January 2015	Interest rate PRIME + 10.60% or Floor rate of 13.85%	$ 1,032	1,023	1,006
SiTime Corporation	Semiconductors	Senior Secured	September 2016	Interest rate PRIME + 6.50% or Floor rate of 9.75%	$ 3,500	3,473	3,473
Subtotal: 1-5 Years Maturity						4,495	4,479
Subtotal: Semiconductors (0.69%)*						4,495	4,479
Software							
Under 1 Year Maturity							
Clickfox, Inc.	Software	Senior Secured	September 2014	Interest rate PRIME + 6.75% or Floor rate of 10.00%	$ 2,000	1,979	1,979
StartApp, Inc.	Software	Senior Secured	December 2014	Interest rate PRIME + 2.75% or Floor rate of 6.00%	$ 200	191	191
Touchcommerce, Inc.	Software	Senior Secured	December 2014	Interest rate Prime + 2.25% or Floor rate of 6.50%	$ 3,111	3,071	2,970
Subtotal: Under 1 Year Maturity						5,241	5,140
1-5 Years Maturity							
Clickfox, Inc.	Software	Senior Secured	November 2015	Interest rate PRIME + 8.25% or Floor rate of 11.50%	$ 5,842	5,530	5,530
Hillcrest Laboratories, Inc.	Software	Senior Secured	July 2015	Interest rate PRIME + 7.50% or Floor rate of 10.75%	$ 2,660	2,630	2,604
Mobile Posse, Inc.	Software	Senior Secured	December 2016	Interest rate PRIME + 7.50% or Floor rate of 10.75%	$ 4,000	3,876	3,879
Neos Geosolutions, Inc.	Software	Senior Secured	May 2016	Interest rate Prime + 5.75% or Floor rate of 10.50%	$ 3,771	3,808	3,705
Sonian, Inc.	Software	Senior Secured	July 2017		$ 5,500	5,332	5,332

				Interest rate PRIME + 7.00% or Floor rate of 10.25%			
StartApp, Inc.	Software	Senior Secured	March 2017	Interest rate PRIME + 7.75% or Floor rate of 11.00%	$ 2,500	2,507	2,498
Touchcommerce, Inc.	Software	Senior Secured	June 2017	Interest rate Prime + 6.00% or Floor rate of 10.25%	$ 5,000	4,688	4,767
Subtotal: 1-5 Years Maturity						28,372	28,315
Subtotal: Software (5.15%)*						33,613	33,455
Specialty Pharmaceuticals							
1-5 Years Maturity							
Rockwell Medical, Inc.	Specialty Pharmaceuticals	Senior Secured	March 2017	Interest rate PRIME + 9.25% or Floor rate of 12.50%	$ 20,000	20,055	20,055
Subtotal: 1-5 Years Maturity						20,055	20,055
Subtotal: Specialty Pharmaceuticals (3.09%)*						20,055	20,055

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Portfolio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor	Principal Amount	Cost[2]	Value[3]
Surgical Devices							
1-5 Years Maturity							
Transmedics, Inc.[11]	Surgical Devices	Senior Secured	November 2015	Interest rate FIXED 12.95%	$ 7,250	$ 7,207	$ 7,207
Subtotal: 1-5 Years Maturity						7,207	7,207
Subtotal: Surgical Devices (1.11%)*						7,207	7,207
Total Debt Investments (126.46%)*						$ 835,882	$ 821,988

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Portfolio Company	Sub-Industry	Type of Investment(1)	Series	Shares	Cost(2)	Value(3)
Equity Investments						
Biotechnology Tools						
NuGEN Technologies, Inc.	Biotechnology Tools	Equity	Preferred Series C	189,394	$ 500	$ 687
Subtotal: Biotechnology Tools (0.11%)*					500	687
Communications & Networking						
GlowPoint, Inc.(3)	Communications & Networking	Equity	Common Stock	114,192	102	157
Peerless Network, Inc.	Communications & Networking	Equity	Preferred Series A	1,000,000	1,000	3,621
Stoke, Inc.	Communications & Networking	Equity	Preferred Series E	152,905	500	224
Subtotal: Communications & Networking (0.62%)*					1,602	4,002
Consumer & Business Products						
Caivis Acquisition Corporation	Consumer & Business Products	Equity	Common Stock	295,861	819	598
IPA Holdings, LLC	Consumer & Business Products	Equity	LLC Interest	500,000	500	676
Market Force Information, Inc.	Consumer & Business Products	Equity	Preferred Series B	187,970	500	285
Subtotal: Consumer & Business Products (0.24%)*					1,819	1,559
Diagnostic						
Singulex, Inc.	Diagnostic	Equity	Common Stock	937,998	750	750
Subtotal: Diagnostic (0.12%)*					750	750
Drug Delivery						
AcelRx Pharmaceuticals, Inc.(3)(10)	Drug Delivery	Equity	Common Stock	89,243	178	1,009
Merrion Pharmaceuticals, Plc(3)(5)(10)	Drug Delivery	Equity	Common Stock	20,000	9	
NuPathe, Inc.(3)	Drug Delivery	Equity	Common Stock	50,000	146	164
Transcept Pharmaceuticals, Inc.(3)	Drug Delivery	Equity	Common Stock	41,570	500	140

Subtotal: Drug Delivery (0.20%)*					833	1,313
Drug Discovery & Development						
Acceleron Pharma, Inc.(3)	Drug Discovery & Development	Equity	Common Stock	256,410	1,505	9,286
Aveo Pharmaceuticals, Inc.(3)(10)	Drug Discovery & Development	Equity	Common Stock	167,864	842	307
Dicerna Pharmaceuticals, Inc.(12)	Drug Discovery & Development	Equity	Preferred Series B	20,107	503	228
	Drug Discovery & Development	Equity	Preferred Series C	142,858	1,000	1,055
Total Dicerna Pharmaceuticals, Inc.				162,965	1,503	1,283
Inotek Pharmaceuticals Corporation	Drug Discovery & Development	Equity	Common Stock	15,334	1,500	
Merrimack Pharmaceuticals, Inc.(3)	Drug Discovery & Development	Equity	Common Stock	546,448	2,000	2,912
Paratek Pharmaceuticals, Inc.	Drug Discovery & Development	Equity	Common Stock	85,450	5	
	Drug Discovery & Development	Equity	Preferred Series H	244,158	1,000	
Total Paratek Pharmaceuticals, Inc.				329,608	1,005	
Subtotal: Drug Discovery & Development (2.12%)*					8,355	13,788
Information Services						
Buzznet, Inc.	Information Services	Equity	Preferred Series C	263,158	250	
Good Technologies, Inc. (pka Visto Corporation)	Information Services	Equity	Common Stock	500,000	603	
Subtotal: Information Services (0.00%)*					853	

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Portfolio Company	Sub-Industry	Type of Investment[1]	Series	Shares	Cost[2]	Value[3]
Internet Consumer & Business Services						
Blurb, Inc.	Internet Consumer & Business Services	Equity	Preferred Series B	220,653	$ 175	$ 444
Philotic, Inc.	Internet Consumer & Business Services	Equity	Common Stock	8,121	92	
Progress Financial	Internet Consumer & Business Services	Equity	Preferred Series G	218,351	250	280
Trulia, Inc.[3]	Internet Consumer & Business Services	Equity	Common Stock	29,340	141	1,035
Subtotal: Internet Consumer & Business Services (0.27%)*					658	1,759
Media/Content/Info						
Everyday Health, Inc. (pka Waterfront Media, Inc.)	Media/Content/Info	Equity	Preferred Series D	145,590	1,000	425
Subtotal: Media/Content/Info (0.07%)*					1,000	425
Medical Devices & Equipment						
Gelesis, Inc.[6]	Medical Devices & Equipment	Equity	LLC Interest	2,024,092	925	466
Medrobotics Corporation	Medical Devices & Equipment	Equity	Preferred Series E	136,798	250	269
Novasys Medical, Inc.	Medical Devices & Equipment	Equity	Preferred Series D-1	4,118,444	1,000	
Optiscan Biomedical, Corp.[6]	Medical Devices & Equipment	Equity	Preferred Series B	6,185,567	3,000	411
	Medical Devices & Equipment	Equity	Preferred Series C	1,927,309	655	135
	Medical Devices & Equipment	Equity	Preferred Series D	41,352,489	3,945	4,006
Total Optiscan Biomedical, Corp.				49,465,365	7,600	4,552

Subtotal: Medical Devices & Equipment (0.81%)*					9,775	5,287
Software						
Atrenta, Inc.	Software	Equity	Preferred Series C	1,196,845	986	1,607
	Software	Equity	Preferred Series D	635,513	508	1,088
Total Atrenta, Inc.				1,832,358	1,494	2,695
Box, Inc.	Software	Equity	Preferred Series C	390,625	500	7,031
	Software	Equity	Preferred Series D	158,133	500	2,846
	Software	Equity	Preferred Series D-1	124,511	1,000	2,241
	Software	Equity	Preferred Series D-2	220,751	2,001	3,974
	Software	Equity	Preferred Series E	38,183	500	687
Total Box, Inc.				932,203	4,501	16,779
CapLinked, Inc.	Software	Equity	Preferred Series A-3	53,614	51	94
ForeScout Technologies, Inc.	Software	Equity	Preferred Series D	319,099	398	849
HighRoads, Inc.	Software	Equity	Preferred Series B	190,170	307	337
Subtotal: Software (3.19%)*					6,751	20,754
Specialty Pharmaceuticals						
QuatRx Pharmaceuticals Company	Specialty Pharmaceuticals	Equity	Preferred Series E	241,829	750	
	Specialty Pharmaceuticals	Equity	Preferred Series E-1	26,955		
	Specialty Pharmaceuticals	Equity	Preferred Series G	4,667,636		
Total QuatRx Pharmaceuticals Company				4,936,420	750	
Subtotal: Specialty Pharmaceuticals (0.00%)*					750	

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Portfolio Company	Sub-Industry	Type of Investment(1)	Series	Shares	Cost(2)	Value(3)
Surgical Devices						
Gynesonics, Inc.	Surgical Devices	Equity	Preferred Series B	219,298	$ 250	$ 73
	Surgical Devices	Equity	Preferred Series C	656,538	282	123
	Surgical Devices	Equity	Preferred Series D	1,621,553	580	749
Total Gynesonics, Inc.				2,497,389	1,112	945
Transmedics, Inc.	Surgical Devices	Equity	Preferred Series B	88,961	1,100	303
	Surgical Devices	Equity	Preferred Series C	119,999	300	212
	Surgical Devices	Equity	Preferred Series D	260,000	650	886
Total Transmedics, Inc.				468,960	2,050	1,401
Subtotal: Surgical Devices (0.36%)*					3,162	2,346
Total Equity Investments (8.10%)*					36,808	52,670
Warrant Investments						
Biotechnology Tools						
Labcyte, Inc.	Biotechnology Tools	Warrant	Preferred Series C	1,127,624	323	65
NuGEN Technologies, Inc.	Biotechnology Tools	Warrant	Preferred Series B	234,659	78	234
Subtotal: Biotechnology Tools (0.05%)*					401	299
Energy Technology						
Agrivida, Inc.	Energy Technology	Warrant	Preferred Series C	77,447	120	243
Alphabet Energy, Inc.	Energy Technology	Warrant	Preferred Series A	86,329	82	176
American Superconductor Corporation(3)	Energy Technology	Warrant	Common Stock	512,820	391	175
Brightsource Energy, Inc.	Energy Technology	Warrant	Preferred Series 1	175,000	780	214
Calera, Inc.	Energy Technology	Warrant	Preferred Series C	44,529	513	
EcoMotors, Inc.	Energy Technology	Warrant	Preferred Series B	437,500	308	475
Fluidic, Inc.	Energy Technology	Warrant	Preferred Series C	59,665	102	138
Fulcrum Bioenergy, Inc.	Energy Technology	Warrant	Preferred Series C-1	280,897	275	210
Glori Energy, Inc.	Energy Technology	Warrant	Preferred Series C	145,932	165	50
GreatPoint Energy, Inc.	Energy Technology	Warrant	Preferred Series D-1	393,212	548	
Polyera Corporation	Energy Technology	Warrant	Preferred Series C	161,575	69	44
Propel Fuels	Energy Technology	Warrant	Preferred Series C	3,200,000	211	233
SCIEnergy, Inc.	Energy Technology	Warrant	Preferred Series D	1,061,623	360	2
Scifiniti (pka Integrated Photovoltaics, Inc.)	Energy Technology	Warrant	Preferred Series B	390,000	82	68
Solexel, Inc.	Energy Technology	Warrant	Preferred Series C	1,171,625	1,162	278
Stion Corporation(6)	Energy Technology	Warrant	Preferred Series Seed	2,154	1,378	1,627
TAS Energy, Inc.	Energy Technology	Warrant	Preferred Series F	428,571	299	756
TPI Composites, Inc.	Energy Technology	Warrant	Preferred Series B	120	172	376
Trilliant, Inc.	Energy Technology	Warrant	Preferred Series A	320,000	162	34

Subtotal: Energy Technology (0.78%)*(13)					7,179	5,099
Communications & Networking						
Intelepeer, Inc.	Communications & Networking	Warrant	Preferred Series C	117,958	102	112
OpenPeak, Inc.	Communications & Networking	Warrant	Preferred Series 2	108,982	149	
PeerApp, Inc.	Communications & Networking	Warrant	Preferred Series B	298,779	61	41
Peerless Network, Inc.	Communications & Networking	Warrant	Preferred Series A	135,000	95	368
Ping Identity Corporation	Communications & Networking	Warrant	Preferred Series B	1,136,277	52	98
Spring Mobile Solutions, Inc.	Communications & Networking	Warrant	Preferred Series D	2,834,375	417	661

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Portfolio Company	Sub-Industry	Type of Investment[1]	Series	Shares	Cost[2]	Value[3]
Stoke, Inc.	Communications & Networking	Warrant	Preferred Series C	158,536	$ 53	$ 5
	Communications & Networking	Warrant	Preferred Series D	72,727	65	2
Total Stoke, Inc.				231,263	118	7
Subtotal: Communications & Networking (0.20%)*					994	1,287
Consumer & Business Products						
Intelligent Beauty, Inc.	Consumer & Business Products	Warrant	Preferred Series B	190,234	230	1,027
IPA Holdings, LLC	Consumer & Business Products	Warrant	Common Stock	650,000	275	408
Market Force Information, Inc.	Consumer & Business Products	Warrant	Preferred Series A	99,286	24	1
Subtotal: Consumer & Business Products (0.22%)*					529	1,436
Diagnostic						
Navidea Biopharmaceuticals, Inc. (pka Neoprode)[3]	Diagnostic	Warrant	Common Stock	333,333	244	152
Subtotal: Diagnostic (0.02%)*					244	152
Drug Delivery						
AcelRx Pharmaceuticals, Inc.[3][10]	Drug Delivery	Warrant	Common Stock	176,730	786	961
Alexza Pharmaceuticals, Inc.[3]	Drug Delivery	Warrant	Common Stock	37,639	645	1
BIND Therapeutics, Inc.[3]	Drug Delivery	Warrant	Common Stock	71,359	367	294
Celsion Corporation[3]	Drug Delivery	Warrant	Common Stock	97,493	227	249
Dance Biopharm, Inc.	Drug Delivery	Warrant	Preferred Series A	97,701	74	154
Intelliject, Inc.	Drug Delivery	Warrant	Preferred Series B	82,500	594	1,115
NuPathe, Inc.[3]	Drug Delivery	Warrant	Common Stock	106,631	139	136
Revance Therapeutics, Inc.[12]	Drug Delivery	Warrant	Preferred Series E-5	802,675	557	330
Transcept Pharmaceuticals, Inc.[3]	Drug Delivery	Warrant	Common Stock	61,452	87	3
Subtotal: Drug Delivery (0.50%)*					3,476	3,243
Drug Discovery & Development						
Acceleron Pharma, Inc.[3]	Drug Discovery & Development	Warrant	Common Stock	11,611	39	294
ADMA Biologics, Inc.[3]	Drug Discovery & Development	Warrant	Common Stock	31,750	129	73
Anthera Pharmaceuticals, Inc.[3]	Drug Discovery & Development	Warrant	Common Stock	40,178	984	9

Cell Therapeutics, Inc.(3)	Drug Discovery & Development	Warrant	Common Stock	679,040	405	601
Cempra, Inc.(3)	Drug Discovery & Development	Warrant	Common Stock	138,797	458	728
Chroma Therapeutics, Ltd.(5)(10)	Drug Discovery & Development	Warrant	Preferred Series D	325,261	490	500
Cleveland BioLabs, Inc(3)	Drug Discovery & Development	Warrant	Common Stock	156,250	105	66
Concert Pharmaceuticals, Inc.(12)	Drug Discovery & Development	Warrant	Preferred Series C	400,000	367	577
Coronado Biosciences, Inc.(3)	Drug Discovery & Development	Warrant	Common Stock	73,009	142	41

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Portfolio Company	Sub-Industry	Type of Investment(1)	Series	Shares	Cost(2)	Value(3)
Dicerna Pharmaceuticals, Inc.(12)	Drug Discovery & Development	Warrant	Common Stock	200	$ 28	$
	Drug Discovery & Development	Warrant	Preferred Series A	21,000	237	38
	Drug Discovery & Development	Warrant	Preferred Series B	26,400	310	48
Total Dicerna Pharmaceuticals, Inc.				47,600	575	86
Horizon Pharma, Inc.(3)	Drug Discovery & Development	Warrant	Common Stock	22,408	231	5
Merrimack Pharmaceuticals, Inc.(3)	Drug Discovery & Development	Warrant	Common Stock	302,143	155	488
Neuralstem, Inc.(3)	Drug Discovery & Development	Warrant	Common Stock	648,798	295	1,045
Portola Pharmaceuticals, Inc.(3)	Drug Discovery & Development	Warrant	Common Stock	68,702	153	683
uniQure B.V.(5)(10)(12)	Drug Discovery & Development	Warrant	Preferred Series A	185,873	218	313
Subtotal: Drug Discovery & Development (0.85%)*					4,746	5,509
Electronics & Computer Hardware						
Clustrix, Inc.	Electronics & Computer Hardware	Warrant	Common Stock	50,000	12	16
Identive Group, Inc.(3)	Electronics & Computer Hardware	Warrant	Common Stock	992,084	247	136
Plures Technologies, Inc.(3)	Electronics & Computer Hardware	Warrant	Preferred Series A	552,467	124	100
Subtotal: Electronics & Computer Hardware (0.04%)*					383	252
Healthcare Services, Other						
MDEverywhere, Inc.	Healthcare Services, Other	Warrant	Common Stock	129	94	55
Subtotal: Healthcare Services, Other (0.01%)*					94	55
Information Services						
Buzznet, Inc.	Information Services	Warrant	Preferred Series B	19,962	9	
Cha Cha Search, Inc.	Information Services	Warrant	Preferred Series G	48,232	57	10
InXpo, Inc.	Information Services	Warrant	Preferred Series C	648,400	98	45
	Information Services	Warrant	Preferred Series C-1	582,015	49	40
Total InXpo, Inc.				1,230,415	147	85
Jab Wireless, Inc.	Information Services	Warrant	Preferred Series A	266,567	265	330
RichRelevance, Inc.	Information Services	Warrant	Preferred Series E	112,612	98	

Subtotal: Information Services (0.07%)*					576	425
Internet Consumer & Business Services						
Blurb, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	218,684	299	169
	Internet Consumer & Business Services	Warrant	Preferred Series C	234,280	636	248
Total Blurb, Inc.				452,964	935	417
CashStar, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series C-2	454,545	102	47
Gazelle, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series D	151,827	165	62
Invoke Solutions, Inc.	Internet Consumer & Business Services	Warrant	Common Stock	53,084	39	

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Portfolio Company	Sub-Industry	Type of Investment[1]	Series	Shares	Cost[2]	Value[3]
Just Fabulous, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	137,456	$ 589	$ 1,057
Prism Education Group, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	200,000	43	
Progress Financial	Internet Consumer & Business Services	Warrant	Preferred Series G	174,562	78	76
Reply! Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	137,225	320	93
ShareThis, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series C	493,502	546	241
Tectura Corporation	Internet Consumer & Business Services	Warrant	Preferred Series B-1	253,378	51	
WaveMarket, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B-1	1,083,779	105	85
Subtotal: Internet Consumer & Business Services (0.32%)*					2,973	2,078
Media/Content/Info						
Everyday Health, Inc. (pka Waterfront Media, Inc.)	Media/Content/Info	Warrant	Preferred Series C	110,018	60	50
Glam Media, Inc.	Media/Content/Info	Warrant	Preferred Series D	407,457	482	
Zoom Media Group, Inc.	Media/Content/Info	Warrant	Preferred Series A	1,204	348	275
Subtotal: Media/Content/Info (0.05%)*					890	325
Medical Devices & Equipment						
Baxano Surgical, Inc.[3]	Medical Devices & Equipment	Warrant	Common Stock	882,353	439	344
Gelesis, Inc.[6]	Medical Devices & Equipment	Warrant	LLC Interest	263,688	78	7
Home Dialysis Plus, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A	300,000	245	297
InspireMD, Inc.[3][5][10]	Medical Devices & Equipment	Warrant	Common Stock	168,351	242	167
Medrobotics Corporation	Medical Devices & Equipment	Warrant	Preferred Series D	424,008	343	184
	Medical Devices & Equipment	Warrant	Preferred Series E	34,199	27	23
Total Medrobotics Corporation				458,207	370	207
MELA Sciences, Inc.[3]	Medical Devices & Equipment	Warrant	Common Stock	693,202	401	94
NetBio, Inc.	Medical Devices & Equipment	Warrant	Common Stock	2,568	408	398
NinePoint Medical, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A-1	587,840	170	288
Novasys Medical, Inc.		Warrant	Common Stock	109,449	2	

	Medical Devices & Equipment					
	Medical Devices &Equipment	Warrant	Preferred Series D	526,840	125	
	Medical Devices &Equipment	Warrant	Preferred Series D-1	53,607	6	
Total Novasys Medical, Inc.				689,896	133	
Optiscan Biomedical, Corp.[(6)]	Medical Devices & Equipment	Warrant	Preferred Series D	10,535,275	1,252	232
Oraya Therapeutics, Inc.	Medical Devices & Equipment	Warrant	Common Stock	95,498	66	23
	Medical Devices & Equipment	Warrant	Preferred Series C	716,948	677	134
Total Oraya Therapeutics, Inc.				812,446	743	157

See notes to consolidated financial statements.

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HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2013

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment[1]	Series	Shares	Cost[2]	Value[3]
SonaCare Medical, LLC (pka US HIFU, LLC)	Medical Devices & Equipment	Warrant	Preferred Series A	409,704	$ 188	$ 201
United Orthopedic Group, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A	423,076	608	785
ViewRay, Inc.	Medical Devices & Equipment	Warrant	Preferred Series C	312,500	333	331
Subtotal: Medical Devices & Equipment (0.54%)*					5,610	3,508
Semiconductors						
Achronix Semiconductor Corporation	Semiconductors	Warrant	Preferred Series C	360,000	160	194
SiTime Corporation	Semiconductors	Warrant	Preferred Series G	195,683	24	12
Subtotal: Semiconductors (0.03%)*					184	206
Software						
Atrenta, Inc.	Software	Warrant	Preferred Series D	392,670	121	330
Box, Inc.	Software	Warrant	Preferred Series B	271,070	72	4,701
	Software	Warrant	Preferred Series C	199,219	117	3,331
	Software	Warrant	Preferred Series D-1	62,255	194	625
Total Box, Inc.				532,544	383	8,657
Braxton Technologies, LLC	Software	Warrant	Preferred Series A	168,750	187	
Central Desktop, Inc.	Software	Warrant	Preferred Series B	522,769	108	187
Clickfox, Inc.	Software	Warrant	Preferred Series B	1,038,563	330	495
	Software	Warrant	Preferred Series C	592,019	730	363
Total Clickfox, Inc.				1,630,582	1,060	858
Daegis Inc. (pka Unify Corporation)[3]	Software	Warrant	Common Stock	718,860	1,433	83
ForeScout Technologies, Inc.	Software	Warrant	Preferred Series E	80,587	41	82
Hillcrest Laboratories, Inc.	Software	Warrant	Preferred Series E	1,865,650	55	139
Mobile Posse, Inc.	Software	Warrant	Preferred Series C	396,430	130	129
Neos Geosolutions, Inc.	Software	Warrant	Preferred Series 3	221,150	22	
Sonian, Inc.	Software	Warrant	Preferred Series C	185,949	106	105
SugarSync, Inc.	Software	Warrant	Preferred Series CC	332,726	78	48
	Software	Warrant	Preferred Series DD	107,526	34	16
Total Sugarsync, Inc.				440,252	112	64
Touchcommerce, Inc.	Software	Warrant	Preferred Series E	992,595	251	248
White Sky, Inc.	Software	Warrant	Preferred Series B-2	124,295	54	4
WildTangent, Inc.	Software	Warrant	Preferred Series 3	100,000	238	123
Subtotal: Software (1.69%)*					4,301	11,009
Specialty Pharmaceuticals						

QuatRx Pharmaceuticals Company	Specialty Pharmaceuticals	Warrant	Preferred Series E	155,324	307	
Subtotal: Specialty Pharmaceuticals (0.00%)*					307	
Surgical Devices						
Gynesonics, Inc.	Surgical Devices	Warrant	Preferred Series C	180,480	74	27
	Surgical Devices	Warrant	Preferred Series D	1,575,965	320	383
Total Gynesonics, Inc.				1,756,445	394	410
Transmedics, Inc.	Surgical Devices	Warrant	Preferred Series B	40,436	225	9
	Surgical Devices	Warrant	Preferred Series D	175,000	100	335
Total Transmedics, Inc.				215,436	325	344
Subtotal: Surgical Devices (0.12%)*					719	754
Total Warrants Investments (5.48%)*					33,606	35,637
Total Investments (140.04%)*					$ 906,297	$ 910,295

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HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2013

(dollars in thousands)

* Value as a percent of net assets
(1) Preferred and common stock, warrants, and equity interests are generally non-income producing.
(2) Gross unrealized appreciation, gross unrealized depreciation, and net depreciation for federal income tax purposes totaled $48.8 million, $44.5 million and $4.3 million respectively. The tax cost of investments is $906.2 million
(3) Except for warrants in twenty-five publicly traded companies and common stock in nine publicly traded companies, all investments are restricted at December 31, 2013 and were valued at fair value as determined in good faith by the Audit Committee of the Board of Directors. No unrestricted securities of the same issuer are outstanding. The Company uses the Standard Industrial Code for classifying the industry grouping of its portfolio companies.
(4) Debt investments of this portfolio company have been pledged as collateral under the Wells Facility.
(5) Non-U.S. company or the company s principal place of business is outside the United States.
(6) Affiliate investment that is defined under the Investment Company Act of 1940 as companies in which HTGC owns at least 5% but not more than 25% of the voting securities of the company.
(7) Control investment that is defined under the Investment Company Act of 1940 as companies in which HTGC owners at least 25% of the voting securities of the company or has greater than 50% representation on its board.
(8) Debt is on non-accrual status at December 31, 2013, and is therefore considered non-income producing.
(9) Convertible Senior Debt
(10) Indicates assets that the Company deems not qualifying assets under section 55(a) of the Investment Company Act of 1940, as amended. Qualifying assets must represent at least 70% of the Company s total assets at the time of acquisition of any additional non-qualifying assets.
(11) Denotes that all or a portion of the debt investment secures the notes offered in the Debt Securitization (as defined in Note 4).
(12) Subsequent to December 31, 2013, this company completed an initial public offering. Note that the December 31, 2013 fair value does not reflect any potential impact of the conversion of our preferred shares to common shares which may include reverse split associated with the offering.
(13) In our quarterly and annual reports filed with the commission prior to this Annual Report on Form 10-K for the year ended December 31, 2013, we referred to this industry sector as Clean Tech.

See notes to consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business and Basis of Presentation

Hercules Technology Growth Capital, Inc. (the Company) is a specialty finance company focused on providing senior secured loans to venture capital-backed companies in technology-related industries, including technology, biotechnology, life science, and energy and renewables technology at all stages of development. The Company sources its investments through its principal office located in Palo Alto, CA, as well as through its additional offices in Boston, MA, New York, NY and McLean, VA. The Company was incorporated under the General Corporation Law of the State of Maryland in December 2003.

The Company is an internally managed, non-diversified closed-end investment company that has elected to be regulated as a business development company (BDC) under the Investment Company Act of 1940, as amended (the 1940 Act). From incorporation through December 31, 2005, the Company was taxed as a corporation under Subchapter C of the Internal Revenue Code of 1986, (the Code). Effective January 1, 2006, the Company elected to be treated for tax purposes as a regulated investment company, or RIC, under the Code (see Note 5). As an investment company, the Company follows accounting and reporting guidance as set forth in Accounting Standards Codification (ASC) 946.

Hercules Technology II, L.P. (HT II), Hercules Technology III, L.P. (HT III), and Hercules Technology IV, L.P. (HT IV), are Delaware limited partnerships that were formed in January 2005, September 2009 and December 2010, respectively. HT II and HT III were licensed to operate as small business investment companies (SBICs) under the authority of the Small Business Administration (SBA) on September 27, 2006 and May 26, 2010, respectively. As SBICs, HT II and HT III are subject to a variety of regulations concerning, among other things, the size and nature of the companies in which they may invest and the structure of those investments. HT IV was formed in anticipation of receiving an additional SBIC license; however, the Company has not yet applied for such license, and HT IV currently has no material assets or liabilities. The Company also formed Hercules Technology SBIC Management, LLC, or (HTM), a limited liability company in November 2003. HTM is a wholly owned subsidiary of the Company and serves as the limited partner and general partner of HT II and HT III (see Note 4 to the Company s consolidated financial statements).

HT II and HT III hold approximately $150.5 million and $314.8 million in assets, respectively, and they accounted for approximately 9.1% and 19.1% of the Company s total assets, respectively, prior to consolidation at December 31, 2014.

The Company also established wholly owned subsidiaries, all of which are structured as Delaware corporations and limited liability companies, to hold portfolio companies organized as limited liability companies, or LLCs (or other forms of pass-through entities). By investing through these wholly owned subsidiaries, the Company is able to benefit from the tax treatment of these entities and create a tax structure that is more advantageous with respect to the Company s RIC status.

The consolidated financial statements include the accounts of the Company, its subsidiaries and its consolidated securitization VIEs. All inter-company accounts and transactions have been eliminated in consolidation. In accordance with Article 6 of Regulation S-X under the Securities Act of 1933 and the Securities and Exchange Act of 1934, the Company does not consolidate portfolio company investments.

Financial statements prepared on a U.S. GAAP basis require management to make estimates and assumptions that affect the amounts and disclosures reported in the consolidated financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

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2. Summary of Significant Accounting Policies

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company and its subsidiaries and all VIEs of which the Company is the primary beneficiary. All intercompany accounts and transactions have been eliminated in consolidation.

A VIE is an entity that either (i) has insufficient equity to permit the entity to finance its activities without additional subordinated financial support or (ii) has equity investors who lack the characteristics of a controlling financial interest. The primary beneficiary of a VIE is the party with both the power to direct the activities of the VIE that most significantly impact the VIE s economic performance and the obligation to absorb the losses or the right to receive benefits that could potentially be significant to the VIE.

To assess whether the Company has the power to direct the activities of a VIE that most significantly impact its economic performance, the Company considers all the facts and circumstances including its role in establishing the VIE and its ongoing rights and responsibilities. This assessment includes identifying the activities that most significantly impact the VIE s economic performance and identifying which party, if any, has power over those activities. In general, the party that makes the most significant decisions affecting the VIE is determined to have the power to direct the activities of a VIE. To assess whether the Company has the obligation to absorb the losses or the right to receive benefits that could potentially be significant to the VIE, the Company considers all of its economic interests, including debt and equity interests, servicing rights and fee arrangements, and any other variable interests in the VIE. If the Company determines that it is the party with the power to make the most significant decisions affecting the VIE, and the Company has a potentially significant interest in the VIE, then it consolidates the VIE.

The Company performs ongoing reassessments, usually quarterly, of whether it is the primary beneficiary of a VIE. The reassessment process considers whether the Company has acquired or divested the power to direct the activities of the VIE through changes in governing documents or other circumstances. The Company also reconsiders whether entities previously determined not to be VIEs have become VIEs, based on certain events, and therefore are subject to the VIE consolidation framework.

As of the date of this report, the VIEs consolidated by the Company are its securitization VIEs formed in conjunction with the issuance of the Asset-Backed Notes (as defined herein) (See Note 4).

Valuation of Investments

At December 31, 2014, 78.6% of the Company s total assets represented investments in portfolio companies that are valued at fair value by the Board of Directors. Value, as defined in Section 2(a)(41) of the 1940 Act, is (i) the market price for those securities for which a market quotation is readily available and (ii) for all other securities and assets, fair value is as determined in good faith by the Board of Directors. The Company s investments are carried at fair value in accordance with the 1940 Act and Accounting Standards Codification topic 820 Fair Value Measurements and Disclosures (ASC 820). The Company s debt securities are primarily invested in venture capital-backed companies in technology-related industries, including technology, biotechnology, life science and energy and renewables technology. Given the nature of lending to these types of businesses, substantially all of the Company s investments in these portfolio companies are considered Level 3 assets under ASC 820 because there is no known or accessible market or market indexes for these investment securities to be traded or exchanged. As such, the Company values substantially all of its investments at fair value as determined in good faith pursuant to a consistent valuation policy and the Company s Board of Directors in accordance with the provisions of ASC 820 and the 1940 Act. Due to the inherent uncertainty in determining the fair value of investments that do not have a readily available market value, the fair value of the Company s investments determined in good faith by its Board may differ significantly from the value that would have been used had a readily available market existed for such investments, and the differences could be material.

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The Company may from time to time engage an independent valuation firm to provide the Company with valuation assistance with respect to certain portfolio investments on a quarterly basis. The Company intends to continue to engage an independent valuation firm to provide management with assistance regarding the Company s determination of the fair value of selected portfolio investments each quarter unless directed by the Board of Directors to cancel such valuation services. The scope of services rendered by an independent valuation firm is at the discretion of the Board of Directors. The Company s Board of Directors is ultimately and solely responsible for determining the fair value of the Company s investments in good faith.

With respect to investments for which market quotations are not readily available or when such market quotations are deemed not to represent fair value, the Company s Board of Directors has approved a multi-step valuation process each quarter, as described below:

(1) the Company s quarterly valuation process begins with each portfolio company being initially valued by the investment professionals responsible for the portfolio investment;

(2) preliminary valuation conclusions are then documented and business based assumptions are discussed with the Company s investment committee;

(3) the Audit Committee of the Board of Directors reviews the preliminary valuation of the investments in the portfolio as provided by the investment committee which incorporates the results of the independent valuation firm as appropriate, and

(4) the Audit Committee discusses valuations and determines the fair value of each investment in the Company s portfolio in good faith based on the input of, where applicable, the respective independent valuation firm and the investment committee.

ASC 820 establishes a framework for measuring the fair value of assets and liabilities and outlines a fair value hierarchy which prioritizes the inputs used to measure fair value and the effect of fair value measures on earnings. ASC 820 also requires disclosure for fair value measurements based on the level within the hierarchy of the information used in the valuation. ASC 820 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company has categorized all investments recorded at fair value in accordance with ASC 820 based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, defined by ASC 820 and directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities, are as follows:

Level 1 Inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date. The types of assets carried at Level 1 fair value generally are equities listed in active markets.

Level 2 Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset in connection with market data at the measurement date and for the extent of the instrument s anticipated life. Fair valued assets that are generally included in this category are warrants held in a public company.

Level 3 Inputs reflect management s best estimate of what market participants would use in pricing the asset at the measurement date. It includes prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. Generally, assets carried at fair value and included in this category are the debt investments and warrants and equities held in a private company.

In accordance with ASU 2011-04, the following tables provide quantitative information about the Company s Level 3 fair value measurements of the Company s investments as of December 31, 2014 and 2013. In addition to the techniques and inputs noted in the table below, according to the Company s valuation policy the Company may also use other valuation techniques and methodologies when determining the Company s fair

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value measurements. The below table is not intended to be all-inclusive, but rather provides information on the significant Level 3 inputs as they relate to the Company s fair value measurements.

Investment Type - Level Three Debt Investments	**Fair Value at December 31, 2014** *(in thousands)*	**Valuation Techniques/ Methodologies**	**Unobservable Input [a]**	**Range**	**Weighted Average [b]**
Pharmaceuticals	$117,229	Originated Within 6 Months	Origination Yield	10.34% - 16.52%	11.76%
	237,595	Market Comparable Companies	Hypothetical Market Yield	9.75% - 17.73%	10.62%
			Premium/(Discount)	(0.50%) - 1.00%	
Medical Devices	60,332	Originated Within 6 Months	Origination Yield	12.14% - 16.56%	13.69%
	60,658	Market Comparable Companies	Hypothetical Market Yield	11.64% - 22.22%	12.19%
			Premium/(Discount)	0.00% - 1.00%	
	12,970	Liquidation[c]	Probability weighting of alternative outcomes	50.00%	
Technology	152,645	Originated Within 6 Months	Origination Yield	10.54% - 20.02%	14.08%
	80,835	Market Comparable Companies	Hypothetical Market Yield	6.95% - 15.50%	13.01%
			Premium/(Discount)	0.00% - 0.50%	
	27,159	Liquidation[c]	Probability weighting of alternative outcomes	10.00% - 90.00%	
Energy Technology	4,437	Originated Within 6 Months	Origination Yield	13.85% - 21.57%	19.00%
	52,949	Market Comparable Companies	Hypothetical Market Yield	13.20% - 16.62%	15.41%
			Premium/(Discount)	0.00% - 1.50%	
	1,600	Liquidation[c]	Probability weighting of alternative outcomes	100.00%	
Lower Middle Market	2,962	Originated Within 6 Months	Origination Yield	14.04%	14.04%
	59,254	Market Comparable Companies	Hypothetical Market Yield	11.91% - 15.33%	13.98%
			Premium/(Discount)	0.00% - 0.50%	
	4,096	Liquidation[c]	Probability weighting of alternative outcomes	45.00% - 55.00%	
		Debt Investments Where Fair Value Approximates Cost			
	9,318	Imminent Payoffs			
	39,867	Debt Investments Maturing in Less than One Year			
	$923,906	**Total Level Three Debt Investments**			

(a) The significant unobservable inputs used in the fair value measurement of the Company s debt securities are hypothetical market yields and premiums/(discounts). The hypothetical market yield is defined as the exit price of an investment in a hypothetical market to hypothetical market participants where buyers and sellers are willing participants. The premiums (discounts) relate to company specific characteristics such as underlying investment performance, security liens, and other characteristics of the investment. Significant increases (decreases) in the inputs in isolation would result in a significantly lower (higher) fair value measurement, depending on the materiality of the investment. Debt investments in the industries noted in the Company s Consolidated Schedule of Investments are included in the industries note above as follows: Pharmaceuticals, above, is comprised of debt investments in the Therapeutic, Specialty Pharmaceuticals, Drug Discovery and Development, Drug Delivery, and Diagnostics and Biotechnology industries in the Consolidated Schedule of Investments. Medical Devices, above, is comprised of debt investments in the Therapeutic, Surgical Devices, Medical Devices and Equipment and Biotechnology Tools industries in the Consolidated Schedule of Investments. Technology, above, is comprised of debt investments in the Software, Semiconductors, Electronics and Computer Hardware, Internet Consumer and Business Services, Information Services, Media/Content/Info and Communications and Networking industries in the Consolidated Schedule of Investments. Lower Middle Market, above, is comprised of debt investments in the Communications and Networking, Internet Consumer and Business Services, Media/Content/Info, and Healthcare Services Other industries in the Consolidated Schedule of Investments. Energy Technology, above, aligns with the Energy Technology Industry in the Consolidated Schedule of Investments.

(b) The weighted averages are calculated based on the fair market value of each investment.

(c) The significant unobservable input used in the fair value measurement of impaired debt securities is the probability weighting of alternative outcomes.

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Investment Type - Level Three Debt Investments	Fair Value at December 31, 2013 (in thousands)	Valuation Techniques/ Methodologies	Unobservable Input (a)	Range	Weighted Average (c)
Pharmaceuticals	$ 25,811	Originated Within 6 Months	Origination Yield	12.56% - 14.53%	13.36%
	250,607	Market Comparable Companies			14.13%
			Hypothetical Market Yield	13.83% - 15.47%	
				(1.00%) - 0.00%	
			Premium/(Discount)		
Medical Devices	46,900	Originated Within 6 Months	Origination Yield	13.54% - 17.37%	14.87%
	34,723	Market Comparable Companies		14.32% - 17.37%	15.23%
			Hypothetical Market Yield	(1.00%) -1.00%	
			Premium/(Discount)		
Technology	18,796	Originated Within 6 Months	Origination Yield	10.62% - 15.97%	14.26%
	98,290	Market Comparable Companies		14.72% - 21.08%	15.48%
	1,643		Hypothetical Market Yield	0.00% - 1.00%	
		Liquidation			
			Premium/(Discount)	30.00% - 70.00%	
			Probability weighting of alternative outcomes		
Energy Technology	32,597	Originated Within 6 Months	Origination Yield	14.68% - 15.87%	15.17%
	108,238	Market Comparable Companies		15.37%	15.37%
			Hypothetical Market Yield		
				(0.50%) - 1.50%	
			Premium/(Discount)		
Lower Middle Market	121,347	Market Comparable Companies	Hypothetical Market Yield	14.83% - 19.73%	16.12%
	31,818	Broker Quote (b)		0.00% - 1.00%	
	12,576		Premium/(Discount)	99.50% - 100.25% of par	
		Liquidation		$2.0 - $22.5 million	
				20.00% - 80.00%	
			Price Quotes		
			Par Value		
			Probability weighting of alternative outcomes		
		Debt Investments Where Fair Value Approximates Amortized Cost			
	15,906	Imminent Payoffs			
	22,236	Debt Investments Maturing in Less than One Year			
	500	Convertible Debt at Par			
	$ 821,988	**Total Level Three Debt Investments**			

(a) The significant unobservable inputs used in the fair value measurement of the Company s debt securities are hypothetical market yields and premiums/(discounts). The hypothetical market yield is defined as the exit price of an investment in a hypothetical market to hypothetical market participants where buyers and sellers are willing participants. The premiums (discounts) relate to company specific characteristics such as underlying investment performance, security liens, and other characteristics of the investment. Significant increases (decreases) in the inputs in isolation would result in a significantly lower (higher) fair value measurement, depending on the materiality of the investment. Debt investments in the industries noted in the Company s Consolidated Schedule of Investments are included in the industries note above as follows:

Pharmaceuticals, above, is comprised of debt investments in the Specialty Pharmaceuticals, Drug Discovery and Development, Drug Delivery, and Diagnostics and Biotechnology industries in the Consolidated Schedule of Investments. Medical Devices, above, is comprised of debt investments in the Therapeutic, Surgical

Devices, Medical Devices and Equipment and Biotechnology Tools industries in the Consolidated Schedule of Investments.

Technology, above, is comprised of debt investments in the Software, Semiconductors, Electronics and Computer Hardware, Internet Consumer and Business Services, Information Services, Media/Content/Info and Communications and Networking industries in the Consolidated Schedule of Investments.

Lower Middle Market, above, is comprised of debt investments in the Communications and Networking, Software, Electronics and Computer Hardware, Information Services, Internet Consumer and Business Services, Media/Content/Info, and Specialty Pharmaceuticals industries in the Consolidated Schedule of Investments. Energy Technology, above, aligns with the Energy Technology industry in the Consolidated Schedule of Investments.

(b) A broker quote valuation technique was used to derive the fair value of loans which are part of a syndicated facility.

(c) Weighted averages are calculated based on the fair market value of each investment.

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Investment Type - Level Three Equity and Warrant Investments	**Fair Value at December 31, 2014** *(in thousands)*	**Valuation Techniques/ Methodologies**	**Unobservable Input[(a)]**	**Range**	**Weighted Average[(e)]**
Equity Investments	$12,249	Market Comparable Companies	EBITDA Multiple[(b)]	5.2x - 23.4x	8.5x
			Revenue Multiple[(b)]	0.9x - 3.6x	2.6x
			Discount for Lack of Marketability[(c)]	5.67% - 35.45%	15.95%
			Average Industry Volatility[(d)]	48.10% - 95.18%	62.78%
			Risk-Free Interest Rate	0.22% - 0.83%	0.24%
			Estimated Time to Exit (in months)	10 - 28	11
	46,686	Market Adjusted OPM Backsolve	Average Industry Volatility[(d)]	38.95% - 84.30%	55.04%
			Risk-Free Interest Rate	0.10% - 1.32%	0.24%
			Estimated Time to Exit (in months)	6 - 43	10
Warrant Investments	9,725	Market Comparable Companies	EBITDA Multiple[(b)]	0.0x - 98.9x	16.6x
			Revenue Multiple[(b)]	0.3x - 15.7x	4.3x
			Discount for Lack of Marketability[(c)]	12.12% - 35.50%	22.14%
			Average Industry Volatility[(d)]	37.70% - 108.86%	67.23%
			Risk-Free Interest Rate	0.22% - 1.34%	0.75%
			Estimated Time to Exit (in months)	10 - 47	27
	12,198	Market Adjusted OPM Backsolve	Average Industry Volatility[(d)]	32.85% - 99.81%	67.58%
			Risk-Free Interest Rate	0.21% - 2.95%	0.87%
			Estimated Time to Exit (in months)	10 - 48	28
Total Level Three Warrant and Equity Investments	$80,858				

(a) The significant unobservable inputs used in the fair value measurement of the Company s warrant and equity-related securities are revenue and/or EBITDA multiples and discounts for lack of marketability. Additional inputs used in the Black Scholes option pricing model include industry volatility, risk free interest rate and estimated time to exit. Significant increases (decreases) in the inputs in isolation would result in a significantly higher (lower) fair value measurement, depending on the materiality of the investment. For some investments, additional consideration may be given to data from the last round of financing or merger/acquisition events near the measurement date.

(b) Represents amounts used when the Company has determined that market participants would use such multiples when pricing the investments.

(c) Represents amounts used when the Company has determined market participants would take into account these discounts when pricing the investments.

(d) Represents the range of average industry volatility used by market participants when pricing the investment.

(e) Weighted averages are calculated based on the fair market value of each investment.

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Investment Type - Level Three Equity and Warrant Investments	**Fair Value at December 31, 2013** *(in thousands)*	**Valuation Techniques/ Methodologies**	**Unobservable Input[(a)]**	**Range**
Equity Investments	$10,244	Market Comparable Companies	EBITDA Multiple[(b)]	8.6x - 17.7x
			Revenue Multiple[(b)]	0.7x - 13.8x
			Discount for Lack of Marketability[(c)]	9.1% - 23.6%
			Average Industry Volatility[(d)]	43.4% - 110.7%
			Risk-Free Interest Rate	0.1% - 0.4%
			Estimated Time to Exit (in months)	6 - 30
	9,289	Market Adjusted OPM Backsolve	Average Industry Volatility[(d)]	45.6% - 109.7%
			Risk-Free Interest Rate	0.1% - 0.9%
			Estimated Time to Exit (in months)	6 - 42
	18,127	Other	Average Industry Volatility[(d)]	44.0%
			Risk-Free Interest Rate	0.1%
			Estimated Time to Exit (in months)	12
Warrant Investments	10,200	Market Comparable Companies	EBITDA Multiple[(b)]	5.0x - 51.4x
			Revenue Multiple[(b)]	0.5x - 13.8x
			Discount for Lack of Marketability[(c)]	6.4% - 36.0%
			Average Industry Volatility[(d)]	21.3% - 110.7%
			Risk-Free Interest Rate	0.1% - 1.0%
			Estimated Time to Exit (in months)	6 - 48
	8,913	Market Adjusted OPM Backsolve	Average Industry Volatility[(d)]	35.7% - 109.9%
			Risk-Free Interest Rate	0.1% - 2.7%
			Estimated Time to Exit (in months)	3 - 48
	9,595	Other	Average Industry Volatility[(d)]	44.0% - 56.9%
			Risk-Free Interest Rate	0.1% - 1.0%
			Estimated Time to Exit (in months)	12 - 48
Total Level Three Warrant and Equity Investments	$66,368			

(a) The significant unobservable inputs used in the fair value measurement of the Company s warrant and equity-related securities are revenue and/or EBITDA multiples and discounts for lack of marketability. Additional inputs used in the Black Scholes option pricing model include industry volatility, risk free interest rate and estimated time to exit. Significant increases (decreases) in the inputs in isolation would result in a significantly higher (lower) fair value measurement, depending on the materiality of the investment. For some investments, additional consideration may be given to data from the last round of financing or merger/acquisition events near the measurement date.

(b) Represents amounts used when the Company has determined that market participants would use such multiples when pricing the investments.

(c) Represents amounts used when the Company has determined market participants would take into account these discounts when pricing the investments.

(d) Represents the range of industry volatility used by market participants when pricing the investment.

Debt Investments

The Company follows the guidance set forth in ASC 820 which establishes a framework for measuring the fair value of assets and liabilities and outlines a fair value hierarchy which prioritizes the inputs used to measure fair value and the effect of fair value measures on earnings. The Company s debt securities are primarily invested in venture capital-backed companies in technology-related industries, including technology, biotechnology, life science and energy and renewables technology. Given the nature of lending to these types of businesses, the Company s investments in these portfolio companies are considered Level 3 assets under ASC 820 because there is no known or accessible market or market indexes for debt instruments for these investment securities to be traded or exchanged.

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In making a good faith determination of the value of the Company s investments, the Company generally starts with the cost basis of the investment, which includes the value attributed to the OID, if any, and PIK interest or other receivables which have been accrued to principal as earned. The Company then applies the valuation methods as set forth below.

The Company applies a procedure that assumes a sale of investment in a hypothetical market to a hypothetical market participant where buyers and sellers are willing participants. The hypothetical market does not include scenarios where the underlying security was simply repaid or extinguished, but includes an exit concept. The Company determines the yield at inception for each debt investment. The Company then uses senior secured, leveraged loan yields provided by third party providers to determine the change in market yields between inception of the debt security and the measurement date. Industry specific indices are used to benchmark/assess market based movements. Under this process, the Company also evaluates the collateral for recoverability of the debt investments as well as applies all of its historical fair value analysis.

The Company considers each portfolio company s credit rating, security liens and other characteristics of the investment to adjust the baseline yield to derive a credit adjusted hypothetical yield for each investment as of the measurement date. The anticipated future cash flows from each investment are then discounted at the hypothetical yield to estimate each investment s fair value as of the measurement date.

The Company s process includes, among other things, the underlying investment performance, the current portfolio company s financial condition and market changing events that impact valuation, estimated remaining life, current market yield and interest rate spreads of similar securities as of the measurement date. The Company values its syndicated loans using broker quotes and bond indices amongst other factors. If there is a significant deterioration of the credit quality of a debt investment, the Company may consider other factors to estimate fair value, including the proceeds that would be received in a liquidation analysis.

The Company records unrealized depreciation on investments when it believes that an investment has decreased in value, including where collection of a loan is doubtful or, if under the in-exchange premise, when the value of a debt security is less than amortized cost of the investment. Conversely, where appropriate, the Company records unrealized appreciation if it believes that the underlying portfolio company has appreciated in value and, therefore, that its investment has also appreciated in value or, if under the in-exchange premise, the value of a debt security is greater than amortized cost.

When originating a debt instrument, the Company generally receives warrants or other equity-related securities from the borrower. The Company determines the cost basis of the warrants or other equity-related securities received based upon their respective fair values on the date of receipt in proportion to the total fair value of the debt and warrants or other equity-related securities received. Any resulting discount on the debt investments from recordation of the warrant or other equity instruments is accreted into interest income over the life of the debt investment.

Equity-Related Securities and Warrants

Securities that are traded in the over-the-counter markets or on a stock exchange will be valued at the prevailing bid price at period end. The Company has a limited number of equity securities in public companies. In accordance with the 1940 Act, unrestricted publicly traded securities for which market quotations are readily available are valued at the closing market quote on the measurement date.

The Company estimates the fair value of warrants using a Black Scholes pricing model. At each reporting date, privately held warrant and equity-related securities are valued based on an analysis of various factors including, but not limited to, the portfolio company s operating performance and financial condition and general market conditions, price to enterprise value or price to equity ratios, discounted cash flow, valuation comparisons to comparable public companies or other industry benchmarks. When an external event occurs, such as a

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purchase transaction, public offering, or subsequent equity sale, the pricing indicated by that external event is utilized to corroborate the Company s valuation of the warrant and equity-related securities. The Company periodically reviews the valuation of its portfolio companies that have not been involved in a qualifying external event to determine if the enterprise value of the portfolio company may have increased or decreased since the last valuation measurement date.

Investments measured at fair value on a recurring basis are categorized in the tables below based upon the lowest level of significant input to the valuations as of December 31, 2014 and as of December 31, 2013. The Company transfers investments in and out of Level 1, 2 and 3 securities as of the beginning balance sheet date, based on changes in the use of observable and unobservable inputs utilized to perform the valuation for the period. During the year ended December 31, 2014, there were no transfers between Levels 1 or 2.

(in thousands) Description	Balance December 31, 2014	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Senior secured debt	$ 923,906	$	$	$ 923,906
Preferred stock	$ 57,548			57,548
Common stock	$ 14,185	12,798		1,387
Warrants	$ 25,098		3,175	21,923
Total	$ 1,020,737	$ 12,798	$ 3,175	$ 1,004,764

(in thousands) Description	Balance December 31, 2013	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Senior secured debt	$ 821,988	$	$	$ 821,988
Preferred stock	35,554			35,554
Common stock	17,116	15,009		2,107
Warrants	35,637		6,930	28,707
Total	$ 910,295	$ 15,009	$ 6,930	$ 888,356

The table below presents a reconciliation for all financial assets and liabilities measured at fair value on a recurring basis, excluding accrued interest components, using significant unobservable inputs (Level 3) for the years ended December 31, 2014 and December 31, 2013.

(in thousands)	Balance, January 1, 2014	Net Realized (Losses) [1]	Net Change in Unrealized Appreciation (Depreciation) [2]	Purchases [5]	Sales	Repayments [6]	Gross Transfers into Level 3 [3]	Gross Transfers out of Level 3 [3]	Balance, December 31, 2014
Senior Debt	$ 821,988	$	$ (14,182)	$ 615,596	$	$ (497,258)	$	$ (2,238)	$ 923,906
Preferred Stock	35,554	(750)	15,779	7,097	(503)		2,007	(1,636)	57,548
Common Stock	2,107	(130)	601		(1,189)			(2)	1,387
Warrants	28,707	(48)	(10,553)	8,596	(2,503)			(2,276)	21,923
Total	$ 888,356	$ (928)	$ (8,355)	$ 631,289	$ (4,195)	$ (497,258)	$ 2,007	$ (6,152)	$ 1,004,764

(in thousands)	Balance, January 1, 2013	Net Realized Gains (Losses) (1)	Net Change in Unrealized Appreciation (Depreciation) (2)	Purchases (5)	Sales	Repayments (6)	Gross Transfers into Level 3 (4)	Gross Transfers out of Level 3 (4)	Balance, December 31, 2013
Senior Debt	$ 827,540	$ (9,536)	$ (8,208)	$ 484,367	$ (8)	$ (469,780)	$ 769	$ (3,156)	$ 821,988
Preferred Stock	33,178	7,968	7,682	6,198	(18,572)		776	(1,676)	35,554
Common Stock	2,367		(1,103)	750			93		2,107
Warrants	22,140	5,257	6,173	6,524	(10,350)			(1,037)	28,707
Total	$ 885,225	$ 3,689	$ 4,544	$ 497,839	$ (28,930)	$ (469,780)	$ 1,638	$ (5,869)	$ 888,356

(1) Includes net realized gains (losses) recorded as realized gains or losses in the accompanying consolidated statements of operations.
(2) Included in change in net unrealized appreciation or depreciation in the accompanying consolidated statements of operations.
(3) Transfers in/out of Level 3 during the year ended December 31, 2014 relate to the conversion of Paratek Pharmaceuticals, Inc., SCI Energy, Inc., Oraya Therapeutics, Inc., and Neuralstem, Inc. debt to equity, the exercise of warrants in Box, Inc and WildTangent, Inc. to

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equity, the conversion of warrants in Glori Energy, Inc. to equity in the company s reverse public merger, the public merger of Paratek Pharmaceuticals, Inc. with Transcept Pharmaceuticals, Inc. and the initial public offerings of Concert Pharmaceuticals, Inc., Dicerna Pharmaceuticals, Inc., Everyday Health, Inc., Neothetics, Inc., Revance Therapeutics, Inc., and UniQure BV.

(4) Transfers in/out of Level 3 during the year ended December 31, 2013 relate to the conversion of Optiscan BioMedical, Inc., Gynesonics, Inc., Philotic, Inc., and Tethys BioScience, Inc. debt to equity, the conversion of OCZ Technology warrants to principal and the initial public offerings of Portola Pharmaceuticals, Inc., Acceleron Pharma, Inc., Bind, Inc., and ADMA Biologics, Inc.

(5) Amounts listed above are inclusive of loan origination fees received at the inception of the loan which are deferred and amortized into fee income as well as the accretion of existing loan discounts and fees during the period.

(6) Amounts listed above include the acceleration and payment of loan discounts and loan fees due to early payoffs or restructures.

For the year ended December 31, 2014, approximately $15.0 million and $555,000 in net unrealized appreciation was recorded for preferred stock and common stock Level 3 investments, respectively, relating to assets still held at the reporting date. For the same period, approximately $14.2 million and $2.8 million in net unrealized depreciation was recorded for debt and warrant Level 3 investments, respectively, relating to assets still held at the reporting date.

For the year ended December 31, 2013, approximately $4.4 million and $4.1 million in net unrealized appreciation was recorded for preferred stock and warrant Level 3 investments, respectively, relating to assets still held at the reporting date. For the same period, approximately $8.2 million and $1.1 million in net unrealized depreciation was recorded for debt and common stock Level 3 investments, respectively, relating to assets still held at the reporting date.

As required by the 1940 Act, the Company classifies its investments by level of control. Control investments are defined in the 1940 Act as investments in those companies that the Company is deemed to control . Generally, under the 1940 Act, the Company is deemed to control a company in which it has invested if it owns 25% or more of the voting securities of such company or has greater than 50% representation on its board. Affiliate investments are investments in those companies that are affiliated companies of the Company, as defined in the 1940 Act, which are not control investments. The Company is deemed to be an affiliate of a company in which it has invested if it owns 5% or more but less than 25% of the voting securities of such company. Non-control/non-affiliate investments are investments that are neither control investments nor affiliate investments.

The following table summarizes the Company s realized and unrealized gain and loss and changes in the Company s unrealized appreciation and depreciation on control and affiliate investments for the years ended December 31, 2014, 2013, and 2012. The Company did not hold any Control Investments at December 31, 2014, 2013 or 2012.

(in thousands)				Year ended December 31, 2014		
Portfolio Company	**Type**	**Fair Value at December 31, 2014**	**Investment Income**	**Unrealized (Depreciation)/ Appreciation**	**Reversal of Unrealized (Depreciation)/ Appreciation**	**Realized Gain/(Loss)**
Gelesis, Inc.	Affiliate	$ 327	$	$ (146)	$	$
Optiscan BioMedical, Corp.	Affiliate	6,072		(24)		
Stion Corporation	Affiliate	1,600	1,876	(3,112)		
Total		$ 7,999	$ 1,876	$ (3,282)	$	$

(in thousands)				Year ended December 31, 2013		
Portfolio Company	**Type**	**Fair Value at December 31, 2013**	**Investment Income**	**Unrealized (Depreciation)/ Appreciation**	**Reversal of Unrealized (Depreciation)/ Appreciation**	**Realized Gain/(Loss)**
Gelesis, Inc.	Affiliate	$ 473	$	$ (1,193)	$	$
Optiscan BioMedical, Corp.	Affiliate	4,784	1,933	(225)		
Stion Corporation	Affiliate	5,724	462	593		

Total	$	10,981	$ 2,395	$	(825)	$		$

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(in thousands)				Year ended December 31, 2012		
Portfolio Company	**Type**	**Fair Value at December 31, 2012**	**Investment Income**	**Unrealized (Depreciation) /Appreciation**	**Reversal of Unrealized (Depreciation)/ Appreciation**	**Realized Gain/(Loss)**
E-Band Communications, Corp.	Affiliate	$	$ 4	$ (18)	$	$
Gelesis, Inc.	Affiliate	1,665	712	672		
Optiscan BioMedical, Corp.	Affiliate	10,207	1,649	(2,722)		
Total		$ 11,872	$ 2,365	$ (2,068)	$	$

During the year ended December 31, 2013, Stion Corporation became classified as an affiliate. The Company s investment in E-Band Communications, Corp., a company that was an affiliate investment as of December 31, 2012, was liquidated during the year ended December 31, 2013. Approximately $3.3 million of realized losses and a reversal of $3.3 million of previously recorded unrealized depreciation was recognized on this affiliate equity investment during the year ended December 31, 2013.

A summary of the composition of the Company s investment portfolio as of December 31, 2014 and December 31, 2013 at fair value is shown as follows:

	December 31, 2014		December 31, 2013	
(in thousands)	**Investments at Fair Value**	**Percentage of Total Portfolio**	**Investments at Fair Value**	**Percentage of Total Portfolio**
Senior secured debt with warrants	$ 740,659	72.6%	$ 634,820	69.7%
Senior secured debt	208,345	20.4%	222,805	24.5%
Preferred stock	57,548	5.6%	35,554	3.9%
Common Stock	14,185	1.4%	17,116	1.9%
Total	$ 1,020,737	100.0%	$ 910,295	100.0%

A summary of the Company s investment portfolio, at value, by geographic location as of December 31, 2014 and December 31, 2013 is shown as follows:

	December 31, 2014		December 31, 2013	
(in thousands)	**Investments at Fair Value**	**Percentage of Total Portfolio**	**Investments at Fair Value**	**Percentage of Total Portfolio**
United States	$ 967,803	94.8%	$ 864,003	94.9%
India	24,175	2.4%		
Netherlands	19,913	2.0%	10,131	1.1%
Israel	6,498	0.6%	9,863	1.1%
Canada	2,314	0.2%	25,798	2.8%
England	34	0.0%	500	0.1%
Total	$ 1,020,737	100.0%	$ 910,295	100.0%

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The following table shows the fair value the Company s portfolio by industry sector at December 31, 2014 and December 31, 2013:

	December 31, 2014		December 31, 2013	
(in thousands)	Investments at Fair Value	Percentage of Total Portfolio	Investments at Fair Value	Percentage of Total Portfolio
Drug Discovery & Development	$ 267,618	26.2%	$ 219,169	24.1%
Medical Devices & Equipment	138,046	13.5%	103,614	11.4%
Software	125,412	12.3%	65,218	7.2%
Drug Delivery	88,491	8.7%	62,022	6.8%
Internet Consumer & Business Services	69,655	6.8%	122,073	13.4%
Energy Technology	68,280	6.7%	164,466	18.1%
Consumer & Business Products	63,225	6.2%	2,995	0.3%
Communications & Networking	61,433	6.0%	35,979	4.0%
Specialty Pharmaceuticals	51,536	5.0%	20,055	2.2%
Media/Content/Info	29,219	2.9%	8,679	1.0%
Information Services	27,016	2.6%	46,565	5.1%
Healthcare Services, Other	10,527	1.0%	29,080	3.2%
Surgical Devices	9,915	1.0%	10,307	1.0%
Semiconductors	5,126	0.5%	4,685	0.5%
Biotechnology Tools	3,721	0.4%	5,275	0.6%
Diagnostic	825	0.1%	902	0.1%
Electronics & Computer Hardware	692	0.1%	9,211	1.0%
Total	$ 1,020,737	100.0%	$ 910,295	100.0%

During the year ended December 31, 2014, the Company funded investments in debt securities and equity investments totaling approximately $611.0 million and $10.3 million, respectively. The Company converted approximately $2.2 million of debt to equity in four portfolio companies in the year ended December 31, 2014.

During the year ended December 31, 2013, the Company funded investments in debt securities and equity investments totaling approximately $491.1 million and $3.9 million, respectively. The Company converted approximately $3.2 million of debt to equity in four portfolio companies in the year ended December 31, 2013.

No single portfolio investment represents more than 10% of the fair value of the investments as of December 31, 2014 and December 31, 2013.

During the year ended December 31, 2014, the Company recognized net realized gains of approximately $20.1 million on the portfolio. These net realized gains included gross realized gains of approximately $24.0 million primarily from the sale of investments in seven portfolio companies including Acceleron Pharma, Inc., ($7.9 million), Merrimack Pharaceuticals, Inc., ($4.3 million), Neuralstem, Inc., ($2.7 million), IPA Holdings, LLC., ($1.5 million), Cell Therapeutics, Inc., ($1.3 million), Trulia, Inc. ($1.0 million), and Portola Pharmaceuticals, Inc. ($700,000). These gains were partially offset by gross realized losses of approximately $3.9 million primarily from the liquidation of the Company s investments in fifteen portfolio companies.

During the year ended December 31, 2013, the Company recognized net realized gains of approximately $14.8 million on the portfolio. These net realized gains included gross realized gains of approximately $32.6 million primarily from the sale of investments in nine portfolio companies, partially offset by gross realized losses of approximately $17.8 million primarily from the liquidation of the Company s investments in five portfolio companies.

Loan origination and commitment fees received in full at the inception of a loan are deferred and amortized into fee income as an enhancement to the related loan s yield over the contractual life of the loan. Loan exit fees to be paid at the termination of the loan are accreted into interest income over the contractual life of the loan. The Company had approximately $4.5 million and $4.0 million of unamortized fees at December 31, 2014 and December 31, 2013, respectively, and approximately $19.3 million and $14.4 million in exit fees receivable at December 31, 2014 and December 31, 2013, respectively.

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The Company has debt investments in its portfolio that contain a payment-in-kind (PIK) provision. The PIK interest, computed at the contractual rate specified in each loan agreement, is added to the principal balance of the loan and recorded as interest income. To maintain the Company s status as a RIC, this non-cash source of income must be paid out to stockholders in the form of dividends even though the Company has not yet collected the cash. Amounts necessary to pay these dividends may come from available cash or the liquidation of certain investments. The Company recorded approximately $3.3 million and $3.5 million in PIK income in the years ended December 31, 2014 and 2013, respectively.

In certain investment transactions, the Company may provide advisory services. For services that are separately identifiable and external evidence exists to substantiate fair value, income is recognized as earned, which is generally when the investment transaction closes. The Company had no income from advisory services in the years ended December 31, 2014 and December 31, 2013.

In the majority of cases, the Company collateralizes its investments by obtaining a first priority security interest in a portfolio company s assets, which may include its intellectual property. In other cases, the Company may obtain a negative pledge covering a company s intellectual property. At December 31, 2014, approximately 54.2% of the Company s portfolio company debt investments were secured by a first priority security in all of the assets of the portfolio company, including their intellectual property, and 45.8% of portfolio company debt investments were to portfolio companies that were prohibited from pledging or encumbering their intellectual property, or subject to a negative pledge. At December 31, 2014, the Company had no equipment only liens on any of the Company s portfolio companies.

Income Recognition

The Company records interest income on the accrual basis and recognizes it as earned in accordance with the contractual terms of the loan agreement, to the extent that such amounts are expected to be collected. Original Issue Discount (OID) initially represents the value of detachable equity warrants obtained in conjunction with the acquisition of debt securities and is accreted into interest income over the term of the loan as a yield enhancement. When a loan becomes 90 days or more past due, or if management otherwise does not expect the portfolio company to be able to service its debt and other obligations, we will generally place the loan on non-accrual status and cease recognizing interest income on that loan until all principal has been paid. Any uncollected interest related to prior periods is reversed from income in the period that collection of the interest receivable is determined to be doubtful. However, the Company may make exceptions to this policy if the investment has sufficient collateral value and is in the process of collection. At December 31, 2014, the Company had four debt investments on non-accrual with a cumulative investment cost and fair value of approximately $28.9 million and $10.6 million, respectively, compared to two debt investments on non-accrual at December 31, 2013 with a cumulative investment cost and fair value of approximately $23.3 million and $12.6 million, respectively.

Paid-In-Kind and End of Term Income

Contractual paid-in-kind (PIK) interest, which represents contractually deferred interest added to the loan balance that is generally due at the end of the loan term, is generally recorded on the accrual basis to the extent such amounts are expected to be collected. The Company will generally cease accruing PIK interest if there is insufficient value to support the accrual or management does not expect the portfolio company to be able to pay all principal and interest due. In addition, the Company may also be entitled to an end-of-term payment that is amortized into income over the life of the loan. To maintain the Company s status as a RIC, PIK and end-of-term income must be paid out to stockholders in the form of dividends even though the cash has not yet been collected. Amounts necessary to pay these dividends may come from available cash or the liquidation of certain investments.

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Fee Income

Fee income, generally collected in advance, includes loan commitment and facility fees for due diligence and deal structuring, as well as fees for transaction services and management services rendered by us to portfolio companies and other third parties. Loan and commitment fees are amortized into income over the contractual life of the loan. Management fees are generally recognized as income when the services are rendered. Loan origination fees are capitalized and then amortized into interest income using the effective interest rate method. In certain loan arrangements, warrants or other equity interests are received from the borrower as additional origination fees.

The Company recognizes nonrecurring fees amortized over the remaining term of the loan commencing in the quarter relating to specific loan modifications. Certain fees may still be recognized as one-time fees, including prepayment penalties, fees related to select covenant default waiver fees and acceleration of previously deferred loan fees and original issue discount (OID) related to early loan pay-off or material modification of the specific debt outstanding.

Equity Offering Expenses

The Company s offering costs are charged against the proceeds from equity offerings when received.

Debt Issuance Costs

Debt issuance costs are fees and other direct incremental costs incurred by the Company in obtaining debt financing. Debt issuance costs are recognized as prepaid expenses and amortized over the life of the related debt instrument using the effective yield method as applicable, or the straight line method, which closely approximates the effective yield method. Prepaid financing costs, net of accumulated amortization, were as follows as of December 31, 2014 and December 31, 2013.

(in thousands)	**December 31, 2014**	**December 31, 2013**
SBA Debentures	$ 4,038	$ 5,074
2019 Notes	4,352	5,319
2024 Notes	3,205	
2017 Asset-Backed Notes	506	2,686
2021 Asset-Backed Notes	3,207	
Convertible Senior Notes	175	1,323
Wells Facility	794	398
Union Bank Facility	156	
Total	$ 16,433	$ 14,800

Cash Equivalents

The Company considers money market funds and other highly liquid short-term investments with a maturity of less than 90 days to be cash equivalents.

Stock Based Compensation

The Company has issued and may, from time to time, issue additional stock options and restricted stock to employees under the Company s 2004 Equity Incentive Plan and Board members under the Company s 2006 Equity Incentive Plan. Management follows ASC 718, formally known as FAS 123R *Share-Based Payments* to account for stock based compensation for stock options and restricted stock granted. Under ASC 718, compensation expense associated with stock based compensation is measured at the grant date based on the fair value of the award and is recognized over the vesting period. Determining the appropriate fair value model and calculating the fair value of stock-based awards at the grant date may require judgment, including estimating stock price volatility, forfeiture rate and expected option life.

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Earnings Per Share (EPS)

Basic EPS is calculated by dividing net earnings applicable to common shareholders by the weighted average number of common shares outstanding. Common shares outstanding includes common stock and restricted stock for which no future service is required as a condition to the delivery of the underlying common stock. Diluted EPS includes the determinants of basic EPS and, in addition, reflects the dilutive effect of the common stock deliverable pursuant to stock options and to restricted stock for which future service is required as a condition to the delivery of the underlying common stock.

Income Taxes

The Company operates to qualify to be taxed as a RIC under the Code. Generally, a RIC is entitled to deduct dividends it pays to its shareholders from its income to determine taxable income. Taxable income includes the Company s taxable interest, dividend and fee income, as well as taxable net capital gains. Taxable income generally differs from net income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized appreciation or depreciation, as gains or losses are not included in taxable income until they are realized. In addition, gains realized for financial reporting purposes may differ from gains included in taxable income as a result of the Company s election to recognize gains using installment sale treatment, which generally results in the deferment of gains for tax purposes until notes or other amounts, including amounts held in escrow, received as consideration from the sale of investments are collected in cash. Taxable income includes non-cash income, such as changes in accrued and reinvested interest and dividends, which includes contractual payment-in-kind interest, and the amortization of discounts and fees. Cash collections of income resulting from contractual PIK interest or the amortization of discounts and fees generally occur upon the repayment of the loans or debt securities that include such items. Non-cash taxable income is reduced by non-cash expenses, such as realized losses and depreciation and amortization expense.

As a RIC, the Company will be subject to a 4% nondeductible federal excise tax on certain undistributed income unless the Company distributes in a timely manner an amount at least equal to the sum of (1) 98% of the Company s ordinary income for each calendar year, (2) 98.2% of the Company s capital gain net income for the 1-year period ending October 31 in that calendar year and (3) any income realized, but not distributed, in the preceding year (the Excise Tax Avoidance Requirements). The Company will not be subject to excise taxes on amounts on which the Company is required to pay corporate income tax (such as retained net capital gains). Depending on the level of taxable income earned in a tax year, the Company may choose to carry over taxable income in excess of current year distributions from such taxable income into the next tax year and pay a 4% excise tax on such income, as required. The maximum amount of excess taxable income that may be carried over for distribution in the next year under the Code is the total amount of dividends paid in the following year, subject to certain declaration and payment guidelines. To the extent the Company chooses to carry over taxable income into the next tax year, dividends declared and paid by the Company in a year may differ from taxable income for that year as such dividends may include the distribution of current year taxable income, the distribution of prior year taxable income carried over into and distributed in the current year, or returns of capital.

The Company intends to distribute approximately $16.7 million of spillover earnings from the year ended December 31, 2014 to the Company s shareholders in 2015. The Company distributed approximately $3.8 million of spillover earnings from the year ended December 31, 2013 to the Company s shareholders in 2014.

Because federal income tax regulations differ from accounting principles generally accepted in the United States, distributions in accordance with tax regulations may differ from net investment income and realized gains recognized for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain or loss are recognized at some time in the future. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes.

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Comprehensive Income

The Company reports all changes in comprehensive income in the Consolidated Statement of Operations. Comprehensive income is equal to net increase in net assets resulting from operations.

Dividends

Dividends and distributions to common stockholders are approved by the Board of Directors on a quarterly basis and the dividend payable is recorded on the ex-dividend date.

The Company maintains an opt out dividend reinvestment plan that provides for reinvestment of the Company s distribution on behalf of the Company s stockholders, unless a stockholder elects to receive cash. As a result, if the Company s Board of Directors authorizes, and the Company declares a cash dividend, then the Company s stockholders who have not opted out of the Company s dividend reinvestment plan will have their cash dividend automatically reinvested in additional shares of the Company s common stock, rather than receiving the cash dividends. During 2014, 2013, and 2012, the Company issued approximately 96,976, 159,000, and 219,000 shares, respectively, of common stock to shareholders in connection with the dividend reinvestment plan.

Segments

The Company lends to and invests in portfolio companies in various technology-related companies, including energy technology, life science, and special opportunity lower middle market companies. The Company separately evaluates the performance of each of its lending and investment relationships. However, because each of these loan and investment relationships has similar business and economic characteristics, they have been aggregated into a single lending and investment segment.

Recent Accounting Pronouncements

In June 2013, the FASB issued ASU 2013-08, Financial Services Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements, which amends the criteria that define an investment company and clarifies the measurement guidance and requires new disclosures for investment companies. Under ASU 2013-08, an entity already regulated under the 1940 Act is automatically an investment company under the new GAAP definition, so the Company has concluded there is no impact from adopting this standard on the Company s statement of assets and liabilities or results of operations. The Company has adopted this standard for the fiscal year ending December 31, 2014.

3. Fair Value of Financial Instruments

Fair value estimates are made at discrete points in time based on relevant information. These estimates may be subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. The Company believes that the carrying amounts of its financial instruments, consisting of cash and cash equivalents, receivables, accounts payable and accrued liabilities, approximate the fair values of such items due to the short maturity of such instruments. The Convertible Senior Notes, the April 2019 Notes, the September 2019 Notes (together with the April 2019 Notes, the 2019 Notes), the 2024 Notes, the 2017 Asset-Backed Notes, the 2021 Asset-Backed Notes and the SBA debentures, as each term is defined herein, as sources of liquidity remain a strategic advantage due to their flexible structure, long-term duration, and low fixed interest rates. At December 31, 2014, the April 2019 Notes were trading on the New York Stock Exchange for $25.58 per dollar at par value, the September 2019 Notes were trading on the New York Stock Exchange for $25.64 per dollar at par value and the 2024 Notes were trading on the New York Stock Exchange for $25.26 per dollar at par value. Based on market quotations on or around December 31, 2014, the Convertible Senior Notes were trading for 1.290 per dollar at par value, the 2017 Asset-Backed Notes were trading for 1.375 per dollar at par value and the 2021 Asset-Backed Notes were trading for 1.000 per dollar at par value.

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Calculated based on the net present value of payments over the term of the notes using estimated market rates for similar notes and remaining terms, the fair value of the SBA debentures would be approximately $191.8 million, compared to the carrying amount of $190.2 million as of December 31, 2014.

See the accompanying Consolidated Schedule of Investments for the fair value of the Company s investments. The methodology for the determination of the fair value of the Company s investments is discussed in Note 2.

The liabilities of the Company below are recorded at amortized cost and not at fair value on the Consolidated Statement of Assets and Liabilities. The following table provides additional information about the level in the fair value hierarchy of the Company s liabilities at December 31, 2014.

(in thousands) Description	December 31, 2014	Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Convertible Senior Notes	$ 22,799	$	$ 22,799	$
2017 Asset-Backed Notes	$ 22,068	$	$	$ 22,068
2021 Asset-Backed Notes	$ 129,300	$	$ 129,300	$
April 2019 Notes	$ 86,450	$	$ 86,450	$
September 2019 Notes	$ 88,073	$	$ 88,073	$
2024 Notes	$ 104,071	$	$ 104,071	$
SBA Debentures	$ 191,779	$	$	$ 191,779
Total	$ 644,540	$	$ 430,693	$ 213,847

The following table provides information about the level in the fair value hierarchy of the Company s liabilities at December 31, 2013.

(in thousands) Description	December 31, 2013	Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Convertible Senior Notes	$ 105,206	$	$ 105,206	$
2017 Asset-Backed Notes	$ 89,893	$	$	$ 89,893
April 2019 Notes	$ 86,281	$	$ 86,281	$
September 2019 Notes	$ 87,248	$	$ 87,248	$
SBA Debentures	$ 222,742	$	$	$ 222,742
Total	$ 591,370	$	$ 278,735	$ 312,635

4. Borrowings

Outstanding Borrowings

At December 31, 2014 and December 31, 2013, the Company had the following available borrowings and outstanding borrowings:

	December 31, 2014		December 31, 2013	
(in thousands)	Total Available	Carrying Value (1)	Total Available	Carrying Value (1)
SBA Debentures (2)	$ 190,200	$ 190,200	$ 225,000	$ 225,000
2019 Notes	170,364	170,364	170,364	170,364
2024 Notes	103,000	103,000		
2017 Asset-Backed Notes	16,049	16,049	89,557	89,557
2021 Asset-Backed Notes	129,300	129,300		

Convertible Senior Notes (3)	17,674	17,345	75,000	72,519
Wells Facility	75,000		75,000	
Union Bank Facility	75,000		30,000	
Total	$ 776,587	$ 626,258	$ 664,921	$ 557,440

(1) Except for the Convertible Senior Notes (as defined below), all carrying values are the same as the principal amount outstanding.

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(2) In March 2014, the Company repaid $34.8 million of SBA debentures under HT II, priced at approximately 6.38%, including annual fees. At December 31, 2014, the total available borrowings under the SBA debentures were $190.2 million, of which $41.2 million was available in HT II and $149.0 million was available in HT III. At December 31, 2013, the total available borrowings under the SBA debentures were $225.0 million, of which $76.0 million was available in HT II and $149.0 million was available in HT III.

(3) During the year ended December 31, 2014, holders of approximately $57.3 million of the Company s Convertible Senior Notes exercised their conversion rights. The balance at December 31, 2014 represents the remaining aggregate principal amount outstanding of the Convertible Senior Notes less the remaining unaccreted discount initially recorded upon issuance of the Convertible Senior Notes. The total remaining unaccreted discount for the Convertible Senior Notes was approximately $329,000 at December 31, 2014 and $2.5 million at December 31, 2013.

LongTerm SBA Debentures

On September 27, 2006, HT II received a license to operate as a SBIC under the SBIC program and is able to borrow funds from the SBA against eligible investments and regulatory capital. Under the Small Business Investment Company Act and current SBA policy applicable to SBICs, a SBIC can have outstanding at any time SBA guaranteed debentures up to twice the amount of its regulatory capital. With the Company s net investment of $38.0 million in HT II as of December 31, 2014, HT II has the capacity to issue a total of $41.2 million of SBA guaranteed debentures, subject to SBA approval, of which $41.2 million was outstanding as of December 31, 2014. As of December 31, 2014, HT II has paid commitment fees and facility fees of approximately $1.5 million and $3.6 million, respectively. As of December 31, 2014, the Company held investments in HT II in 38 companies with a fair value of approximately $109.5 million, accounting for approximately 10.7% of the Company s total portfolio.

On May 26, 2010, HT III received a license to operate as a SBIC under the SBIC program and is able to borrow funds from the SBA against eligible investments and regulatory capital. With the Company s net investment of $74.5 million in HT III as of December 31, 2014, HT III has the capacity to issue a total of $149.0 million of SBA guaranteed debentures, subject to SBA approval, of which $149.0 million was outstanding as of December 31, 2014. As of December 31, 2014, HT III has paid commitment fees and facility fees of approximately $1.5 million and $3.6 million, respectively. As of December 31, 2014, the Company held investments in HT III in 39 companies with a fair value of approximately $229.9 million, accounting for approximately 22.5% of the Company s total portfolio.

SBICs are designed to stimulate the flow of private equity capital to eligible small businesses. Under present SBA regulations, eligible small businesses include businesses that have a tangible net worth not exceeding $19.5 million and have average annual fully taxed net income not exceeding $6.5 million for the two most recent fiscal years. In addition, SBICs must devote 25.0% of its investment activity to smaller enterprises as defined by the SBA.

A smaller enterprise is one that has a tangible net worth not exceeding $6.0 million and has average annual fully taxed net income not exceeding $2.0 million for the two most recent fiscal years. SBA regulations also provide alternative size standard criteria to determine eligibility, which depend on the industry in which the business is engaged and are based on such factors as the number of employees and gross sales. According to SBA regulations, SBICs may make long-term loans to small businesses, invest in the equity securities of such businesses and provide them with consulting and advisory services. Through the Company s wholly-owned subsidiaries HT II and HT III, the Company plans to provide long-term loans to qualifying small businesses, and in connection therewith, make equity investments.

HT II and HT III are periodically examined and audited by the SBA s staff to determine their compliance with SBA regulations. If HT II or HT III fails to comply with applicable SBA regulations, the SBA could, depending on the severity of the violation, limit or prohibit HT II s or HT III s use of debentures, declare outstanding debentures immediately due and payable, and/or limit HT II or HT III from making new investments. In addition, HT II or HT III may also be limited in their ability to make distributions to the Company if they do not have sufficient capital in accordance with SBA regulations. Such actions by the SBA would, in turn,

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negatively affect the Company because HT II and HT III are the Company s wholly owned subsidiaries. HT II and HT III were in compliance with the terms of the SBIC s leverage as of December 31, 2014 as a result of having sufficient capital as defined under the SBA regulations.

The rates of borrowings under various draws from the SBA beginning in March 2009 are set semiannually in March and September and range from 2.25% to 4.62%. Interest payments on SBA debentures are payable semiannually. There are no principal payments required on these issues prior to maturity and no prepayment penalties.

Debentures under the SBA generally mature ten years after being borrowed. Based on the initial draw down date of March 2009, the initial maturity of SBA debentures will occur in March 2019. In addition, the SBA charges a fee that is set annually, depending on the Federal fiscal year the leverage commitment was delegated by the SBA, regardless of the date that the leverage was drawn by the SBIC. The annual fees related to HT II debentures that pooled on September 22, 2010 were 0.406% and 0.285%, depending upon the year in which the underlying commitment was closed. The annual fees related to HT III debentures that pooled on March 27, 2013, were 0.804%. The annual fees on other debentures have been set at 0.515%. The average amount of debentures outstanding for the year ended December 31, 2014 for HT II was approximately $46.7 million with an average interest rate of approximately 4.75%. The average amount of debentures outstanding for the year ended December 31, 2014 for HT III was approximately $149.0 million with an average interest rate of approximately 3.43%.

HT II and HT III hold approximately $150.5 million and $314.8 million in assets, respectively, and accounted for approximately 9.1% and 19.1% of the Company s total assets prior to consolidation at December 31, 2014.

As of December 31, 2014, the maximum statutory limit on the dollar amount of combined outstanding SBA guaranteed debentures is $225.0 million, subject to periodic adjustments by the SBA. In aggregate, at December 31, 2014, with the Company s net investment of $112.5 million, HT II and HT III have the capacity to issue a total of $190.2 million of SBA-guaranteed debentures, subject to SBA approval. In March 2014, the Company repaid $34.8 million of SBA debentures under HT II, priced at approximately 6.38%, including annual fees. At December 31, 2014, the Company has issued $190.2 million in SBA-guaranteed debentures in the Company s SBIC subsidiaries.

The Company reported the following SBA debentures outstanding on its Consolidated Statement of Assets and Liabilities as of December 31, 2014 and December 31, 2013:

(in thousands) Issuance/Pooling Date	Maturity Date	Interest Rate (1)	December 31, 2014	December 31, 2013
SBA Debentures:				
March 26, 2008	March 1, 2018	6.38%	$	$ 34,800
March 25, 2009	March 1, 2019	5.53%	18,400	18,400
September 23, 2009	September 1, 2019	4.64%	3,400	3,400
September 22, 2010	September 1, 2020	3.62%	6,500	6,500
September 22, 2010	September 1, 2020	3.50%	22,900	22,900
March 29, 2011	March 1, 2021	4.37%	28,750	28,750
September 21, 2011	September 1, 2021	3.16%	25,000	25,000
March 21, 2012	March 1, 2022	3.28%	25,000	25,000
March 21, 2012	March 1, 2022	3.05%	11,250	11,250
September 19, 2012	September 1, 2022	3.05%	24,250	24,250
March 27, 2013	March 1, 2023	3.16%	24,750	24,750
Total SBA Debentures			$ 190,200	$ 225,000

(1) Interest rate includes annual charge

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2019 Notes

On March 6, 2012, the Company and U.S. Bank National Association (the 2019 Trustee) entered into an indenture (the Base Indenture). On April 17, 2012, the Company and the Trustee entered into the First Supplemental Indenture to the Base Indenture (the First Supplemental Indenture), dated April 17, 2012, relating to the Company s issuance, offer and sale of $43.0 million aggregate principal amount of 7.00% senior notes due 2019 (the April 2019 Notes). The sale of the April 2019 Notes generated net proceeds, before expenses, of approximately $41.7 million.

In July 2012, the Company reopened the April 2019 Notes and issued an additional $41.5 million in aggregate principal amount of April 2019 Notes, which includes exercise of an over-allotment option, bringing the total amount of the April 2019 Notes issued to approximately $84.5 million in aggregate principal amount.

On September 24, 2012, the Company and the Trustee, entered into the Second Supplemental Indenture to the Base Indenture (the Second Supplemental Indenture), dated as of September 24, 2012, relating to the Company s issuance, offer and sale of $75.0 million aggregate principal amount of 7.00% senior notes due 2019 (the September 2019 Notes). The sale of the September 2019 Notes generated net proceeds, before expenses, of approximately $72.75 million.

In October 2012, the underwriters exercised their over-allotment option for an additional $10.9 million of the September 2019 Notes, bringing the total amount of the September 2019 Notes issued to approximately $85.9 million in aggregate principal amount.

As of December 31, 2014 and December 31, 2013, the 2019 Notes payable is comprised of:

(in thousands)	December 31, 2014	December 31, 2013
April 2019 Notes	$ 84,490	$ 84,490
September 2019 Notes	85,874	85,874
Carrying Value of 2019 Notes	$ 170,364	$ 170,364

April 2019 Notes

The April 2019 Notes will mature on April 30, 2019 and may be redeemed in whole or in part at the Company s option at any time or from time to time on or after April 30, 2015, upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price of 100% of the outstanding principal amount thereof plus accrued and unpaid interest payments otherwise payable for the then-current quarterly interest period accrued to but not including the date fixed for redemption. The April 2019 Notes bear interest at a rate of 7.00% per year payable quarterly on January 30, April 30, July 30 and October 30 of each year, commencing on July 30, 2012, and trade on the NYSE under the trading symbol HTGZ. See Subsequent Events.

The April 2019 Notes are the Company s direct unsecured obligations and rank: (i) *pari passu* with the Company s other outstanding and future senior unsecured indebtedness; (ii) senior to any of the Company s future indebtedness that expressly provides it is subordinated to the April 2019 Notes; (iii) effectively subordinated to all the Company s existing and future secured indebtedness (including indebtedness that is initially unsecured to which the Company subsequently grants security), to the extent of the value of the assets securing such indebtedness; (iv) structurally subordinated to all existing and future indebtedness and other obligations of any of the Company s subsidiaries.

The Base Indenture, as supplemented by the First Supplemental Indenture, contains certain covenants including covenants requiring the Company s compliance with (regardless of whether it is subject to) the asset coverage requirements set forth in Section 18 (a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act to comply with the restrictions on dividends, distributions and purchase of capital stock set forth in

Section 18(a)(1)(B) as modified by Section 61(a)(1) of the 1940 Act and to provide financial information to the holders of the April 2019 Notes and the Trustee if the Company should no longer be subject to the reporting requirements under the Securities Exchange Act of 1934. These covenants are subject to important limitations and exceptions that are described in the Base Indenture, as supplemented by the First Supplemental Indenture. The Base Indenture provides for customary events of default and further provides that the Trustee or the holders of 25% in aggregate principal amount of the outstanding April 2019 Notes in a series may declare such April 2019 Notes immediately due and payable upon the occurrence of any event of default after expiration of any applicable grace period.

The April 2019 Notes were sold pursuant to an underwriting agreement dated April 11, 2012 among the Company and Stifel, Nicolaus & Company, Incorporated, as representative of the several underwriters named in the underwriting agreement.

September 2019 Notes

The September 2019 Notes will mature on September 30, 2019 and may be redeemed in whole or in part at the Company s option at any time or from time to time on or after September 30, 2015, upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price of 100% of the outstanding principal amount thereof plus accrued and unpaid interest payments otherwise payable for the then-current quarterly interest period accrued to but not including the date fixed for redemption. The September 2019 Notes bear interest at a rate of 7.00% per year payable quarterly on March 30, June 30, September 30 and December 30 of each year, commencing on December 30, 2012, and trade on the NYSE under the trading symbol HTGY.

The September 2019 Notes are the Company s direct unsecured obligations and rank: (i) *pari passu* with the Company s other outstanding and future senior unsecured indebtedness; (ii) senior to any of the Company s future indebtedness that expressly provides it is subordinated to the September 2019 Notes; (iii) effectively subordinated to all the Company s existing and future secured indebtedness (including indebtedness that is initially unsecured to which the Company subsequently grants security), to the extent of the value of the assets securing such indebtedness; (iv) structurally subordinated to all existing and future indebtedness and other obligations of any of the Company s subsidiaries.

The Base Indenture, as supplemented by the Second Supplemental Indenture, contains certain covenants including covenants requiring the Company to comply with (regardless of whether it is subject to) the asset coverage requirements set forth in Section 18 (a) (1)(A) as modified by Section 61(a)(1) of the 1940 Act to comply with the restrictions on dividends, distributions and purchase of capital stock set forth in Section 18(a)(1)(B) as modified by Section 61(a)(1) of the 1940 Act and to provide financial information to the holders of the September 2019 Notes and the Trustee if the Company should no longer be subject to the reporting requirements under the Securities Exchange Act of 1934. These covenants are subject to important limitations and exceptions that are described in the Indenture, as supplemented by the Second Supplemental Indenture. The Indenture provides for customary events of default and further provides that the Trustee or the holders of 25% in aggregate principal amount of the outstanding September 2019 Notes in a series may declare such September 2019 Notes immediately due and payable upon the occurrence of any event of default after expiration of any applicable grace period.

The September 2019 Notes were sold pursuant to an underwriting agreement dated September 19, 2012 among the Company and Stifel, Nicolaus & Company, Incorporated, as representative of the several underwriters named in the underwriting agreement.

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For the years ended December 31, 2014 and 2013, the components of interest expense and related fees and cash paid for interest expense and fees for the April 2019 Notes and September 2019 Notes are as follows:

	Year Ended December 31,	
(in thousands)	**2014**	**2013**
Stated interest expense	$ 11,926	$ 11,926
Amortization of debt issuance cost	967	967
Total interest expense and fees	$ 12,893	$ 12,893
Cash paid for interest expense and fees	$ 11,926	$ 11,926

As of December 31, 2014, the Company is in compliance with the terms of the indenture, and respective supplemental indenture, governing the April 2019 Notes and September 2019 Notes.

2024 Notes

On July 14, 2014, the Company and U.S. Bank, N.A. (the 2024 Trustee), entered into the Third Supplemental Indenture (the Third Supplemental Indenture) to the Base Indenture between the Company and the 2024 Trustee, dated July 14, 2014, relating to the Company s issuance, offer and sale of $100.0 million aggregate principal amount of 2024 Notes. On August 6, 2014, the underwriters issued notification to exercise their over-allotment option for an additional $3.0 million in aggregate principal amount of the 2024 Notes. The sale of the 2024 Notes generated net proceeds of approximately $99.9 million.

The 2024 Notes will mature on July 30, 2024 and may be redeemed in whole or in part at the Company s option at any time or from time to time on or after July 30, 2017, upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price of 100% of the outstanding principal amount thereof plus accrued and unpaid interest payments otherwise payable for the then-current quarterly interest period accrued to but not including the date fixed for redemption. The 2024 Notes bear interest at a rate of 6.25% per year payable quarterly on January 30, April 30, July 30 and October 30 of each year, commencing on July 30, 2014, and trade on the NYSE under the trading symbol HTGX.

The 2024 Notes will be the Company s direct unsecured obligations and will rank: (i) *pari passu* with the Company s other outstanding and future senior unsecured indebtedness; (ii) senior to any of the Company s future indebtedness that expressly provides it is subordinated to the 2024 Notes; (iii) effectively subordinated to all the Company s existing and future secured indebtedness (including indebtedness that is initially unsecured to which the Company subsequently grants security), to the extent of the value of the assets securing such indebtedness; (iv) structurally subordinated to all existing and future indebtedness and other obligations of any of the Company s subsidiaries.

The Base Indenture, as supplemented by the Third Supplemental Indenture, contains certain covenants including covenants requiring the Company to comply with (regardless of whether it is subject to) the asset coverage requirements set forth in Section 18 (a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act and to comply with the restrictions on dividends, distributions and purchase of capital stock set forth in Section 18(a)(1)(B) as modified by Section 61(a)(1) of the 1940 Act. These covenants are subject to important limitations and exceptions that are described in the Base Indenture, as supplemented by the Third Supplemental Indenture. The Base Indenture, as supplemented by the Third Supplemental Indenture, also contains certain reporting requirements, including a requirement that the Company provide financial information to the holders of the 2024 Notes and the 2024 Trustee if the Company should no longer be subject to the reporting requirements under the Securities Exchange Act of 1934. The Base Indenture provides for customary events of default and further provides that the 2024 Trustee or the holders of 25% in aggregate principal amount of the outstanding 2024 Notes in a series may declare such 2024 Notes immediately due and payable upon the occurrence of any event of default after expiration of any applicable grace period. As of December 31, 2014, the Company was in compliance with the terms of the Base Indenture as supplemented by the Third Supplemental Indenture.

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At December 31, 2014, the 2024 Notes had an outstanding principal balance of $103.0 million.

For the years ended December 31, 2014 and 2013, the components of interest expense and related fees and cash paid for interest expense and fees for the 2024 Notes are as follows:

	December 31,	
(in thousands)	**2014**	**2013**
Stated interest expense	$ 2,955	$
Amortization of debt issuance cost	153	
Total interest expense and fees	$ 3,108	$
Cash paid for interest expense and fees	$ 1,887	$

2017 Asset-Backed Notes

On December 19, 2012, the Company completed a $230.7 million term debt securitization in connection with which an affiliate of the Company made an offer of $129.3 million in aggregate principal amount of fixed-rate asset-backed notes (the 2017 Asset-Backed Notes), which 2017 Asset-Backed Notes were rated A2(sf) by Moody s Investors Service, Inc. The 2017 Asset-Backed Notes were sold by Hercules Capital Funding Trust 2012-1 pursuant to a note purchase agreement, dated as of December 12, 2012, by and among the Company, Hercules Capital Funding 2012-1, LLC as trust depositor (the 2012 Trust Depositor), Hercules Capital Funding Trust 2012-1 as issuer (the 2012 Securitization Issuer), and Guggenheim Securities, LLC, as initial purchaser, and are backed by a pool of senior loans made to certain of the Company s portfolio companies and secured by certain assets of those portfolio companies and are to be serviced by the Company. Interest on the 2017 Asset-Backed Notes will be paid, to the extent of funds available, at a fixed rate of 3.32% per annum. The 2017 Asset-Backed Notes have a stated maturity of December 16, 2017. See Subsequent Events.

As part of this transaction, the Company entered into a sale and contribution agreement with the 2012 Trust Depositor under which the Company has agreed to sell or have contributed to the 2012 Trust Depositor certain senior loans made to certain of the Company s portfolio companies (the 2012 Loans). The Company has made customary representations, warranties and covenants in the sale and contribution agreement with respect to the 2012 Loans as of the date of their transfer to the 2012 Trust Depositor.

In connection with the sale of the 2017 Asset-Backed Notes, the Company has made customary representations, warranties and covenants in the note purchase agreement. The 2017 Asset-Backed Notes are secured obligations of the 2012 Securitization Issuer and are non-recourse to the Company. The 2012 Securitization Issuer also entered into an indenture governing the 2017Asset-Backed Notes, which includes customary representations, warranties and covenants. The 2017 Asset-Backed Notes were sold without being registered under the Securities Act (A) in the United States to qualified institutional buyers as defined in Rule 144A under the Securities Act and to institutional accredited investors (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) who in each case, are qualified purchasers as defined in Sec. 2(A)(51) of the 1940 Act and pursuant to an exemption under the Securities Act and (B) to non-U.S. purchasers acquiring interest in the 2017 Asset-Backed Notes outside the United States in accordance with Regulation S of the Securities Act. The 2012 Securitization Issuer will not be registered under the 1940 Act in reliance on an exemption provide by Section 3(c) (7) thereof. In addition, the 2012 Trust Depositor entered into an amended and restated trust agreement in respect of the 2012 Securitization Issuer, which includes customary representation, warranties and covenants.

The 2012 Loans are serviced by the Company pursuant to a sale and servicing agreement, which contains customary representations, warranties and covenants. The Company performs certain servicing and administrative functions with respect to the 2012 Loans. The Company is entitled to receive a monthly fee from the 2012 Securitization Issuer for servicing the 2012 Loans. This servicing fee is equal to the product of one-twelfth (or in the case of the first payment date, a fraction equal to the number of days from and including

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December 5, 2012 through and including January 15, 2013 over 360) of 2.00% and the aggregate outstanding principal balance of the 2012 Loans plus the amount of collections on deposit in the 2012 Securitization Issuer s collection account, as of the first day of the related collection period (the period from the 5th day of the immediately preceding calendar month through the 4th day of the calendar month in which a payment date occurs, and for the first payment date, the period from and including December 5, 2012, to the close of business on January 4, 2013).

The Company also serves as administrator to the 2012 Securitization Issuer under an administration agreement, which includes customary representations, warranties and covenants.

At December 31, 2014 and December 31, 2013, the 2017 Asset-Backed Notes had an outstanding principal balance of $16.0 million and $89.6 million, respectively.

Under the terms of the 2017 Asset Backed Notes, the Company is required to maintain a reserve cash balance, funded through interest and principal collections from the underlying securitized debt portfolio, which may be used to pay monthly interest and principal payments on the 2017Asset-Backed Notes. The Company has segregated these funds and classified them as restricted cash. There was approximately $1.2 million and $6.3 million of restricted cash as of December 31, 2014 and December 31, 2013, respectively, funded through interest collections.

2021 Asset-Backed Notes

On November 13, 2014, the Company completed a $237.4 million term debt securitization in connection with which an affiliate of the Company made an offer of $129.3 million in aggregate principal amount of fixed-rate asset-backed notes (the 2021 Asset-Backed Notes), which 2021 Asset-Backed Notes were rated A(sf) by Kroll Bond Rating Agency, Inc. (KBRA). The 2021 Asset-Backed Notes were sold by Hercules Capital Funding Trust 2014-1 pursuant to a note purchase agreement, dated as of November 13, 2014, by and among the Company, Hercules Capital Funding 2014-1, LLC as trust depositor (the 2014 Trust Depositor), Hercules Capital Funding Trust 2014-1 as issuer (the 2014 Securitization Issuer), and Guggenheim Securities, LLC, as initial purchaser, and are backed by a pool of senior loans made to certain of the Company s portfolio companies and secured by certain assets of those portfolio companies and are to be serviced by the Company. The securitization has an 18-month reinvestment period during which time principal collections may be reinvested into additional eligible loans. Interest on the 2021 Asset-Backed Notes will be paid, to the extent of funds available, at a fixed rate of 3.524% per annum. The 2021 Asset-Backed Notes have a stated maturity of April 16, 2021.

As part of this transaction, the Company entered into a sale and contribution agreement with the 2014 Trust Depositor under which the Company has agreed to sell or have contributed to the 2014 Trust Depositor certain senior loans made to certain of the Company s portfolio companies (the 2014 Loans). The Company has made customary representations, warranties and covenants in the sale and contribution agreement with respect to the 2014 Loans as of the date of their transfer to the 2014 Trust Depositor.

In connection with the issuance and sale of the 2021 Asset-Backed Notes, the Company has made customary representations, warranties and covenants in the note purchase agreement. The 2021 Asset-Backed Notes are secured obligations of the 2014 Securitization Issuer and are non-recourse to the Company. The 2014 Securitization Issuer also entered into an indenture governing the 2021 Asset-Backed Notes, which includes customary representations, warranties and covenants. The 2021 Asset-Backed Notes were sold without being registered under the Securities Act (A) in the United States to qualified institutional buyers as defined in Rule 144A under the Securities Act and to institutional accredited investors (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) who in each case, are qualified purchasers as defined in Sec. 2(A)(51) of the 1940 Act and pursuant to an exemption under the Securities Act and (B) to non-U.S. purchasers acquiring interest in the 2021 Asset-Backed Notes outside the United States in accordance with Regulation S of the Securities Act. The 2014 Securitization Issuer will not be registered under the 1940 Act in reliance on an exemption provide by

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Section 3(c) (7) thereof and Rule 3A-7 thereunder. In addition, the 2014 Trust Depositor entered into an amended and restated trust agreement in respect of the 2014 Securitization Issuer, which includes customary representation, warranties and covenants.

The 2014 Loans are serviced by the Company pursuant to a sale and servicing agreement, which contains customary representations, warranties and covenants. The Company performs certain servicing and administrative functions with respect to the 2014 Loans. The Company is entitled to receive a monthly fee from the 2014 Securitization Issuer for servicing the 2014 Loans. This servicing fee is equal to the product of one-twelfth (or in the case of the first payment date, a fraction equal to the number of days from and including October 5, 2014 through and including December 5, 2014 over 360) of 2.00% and the aggregate outstanding principal balance of the 2014 Loans plus collections on deposit in the 2014 Securitization Issuer s collections account, as of the first day of the related collection period (the period from the 5th day of the immediately preceding calendar month through the 4th day of the calendar month in which a payment date occurs, and for the first payment date, the period from and including October 5, 2014, to the close of business on December 5, 2014).

The Company also serves as administrator to the 2014 Securitization Issuer under an administration agreement, which includes customary representations, warranties and covenants.

At December 31, 2014, the 2021 Asset-Backed Notes had an outstanding principal balance of $129.3 million.

Under the terms of the 2021 Asset-Backed Notes, the Company is required to maintain a reserve cash balance, funded through interest and principal collections from the underlying securitized debt portfolio, which may be used to pay monthly interest and principal payments on the 2021 Asset-Backed Notes. The Company has segregated these funds and classified them as restricted cash. There was approximately $11.5 million of restricted cash as of December 31, 2014, funded through interest collections.

Convertible Senior Notes

In April 2011, the Company issued $75.0 million in aggregate principal amount of its 6.00% convertible senior notes due 2016 (the Convertible Senior Notes). During the year ended December 31, 2014, holders of approximately $57.3 million of the Company s Convertible Senior Notes exercised their conversion rights. As of December 31, 2014, the carrying value of the Convertible Senior Notes, comprised of the aggregate principal amount outstanding less the remaining unaccreted discount initially recorded upon issuance of the Convertible Senior Notes, is approximately $17.3 million.

The Convertible Senior Notes mature on April 15, 2016 (the Maturity Date), unless previously converted or repurchased in accordance with their terms. The Convertible Senior Notes bear interest at a rate of 6.00% per year payable semiannually in arrears on April 15 and October 15 of each year, commencing on October 15, 2011. The Convertible Senior Notes are the Company s senior unsecured obligations and rank senior in right of payment to the Company s existing and future indebtedness that is expressly subordinated in right of payment to the Convertible Senior Notes; equal in right of payment to the Company s existing and future unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company s secured indebtedness (including unsecured indebtedness that the Company later secures) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by the Company s subsidiaries, financing vehicles or similar facilities.

Prior to the close of business on the business day immediately preceding October 15, 2015, holders may convert their Convertible Senior Notes only under certain circumstances set forth in the Indenture. On or after October 15, 2015, until the close of business on the scheduled trading day immediately preceding the Maturity Date, holders may convert their Convertible Senior Notes at any time. Upon conversion, the Company will pay

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or deliver, as the case may be, at the Company s election, cash, shares of the Company s common stock or a combination of cash and shares of the Company s common stock. The conversion rate will initially be 84.0972 shares of common stock per $1,000 principal amount of Convertible Senior Notes (equivalent to an initial conversion price of approximately $11.89 per share of common stock). The conversion rate will be subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest. In addition, if certain corporate events occur prior to the Maturity Date, the conversion rate will be increased for converting holders. As of December 31, 2014, the conversion rate is 88.0615 shares of common stock per $1,000 principal amount of Convertible Senior Notes (equivalent to an adjusted conversion price of approximately $11.36 per share of common stock).

The Company may not redeem the Convertible Senior Notes prior to maturity. No sinking fund is provided for the Convertible Senior Notes. In addition, if certain corporate events occur, holders of the Convertible Senior Notes may require the Company to repurchase for cash all or part of their Convertible Senior Notes at a repurchase price equal to 100% of the principal amount of the Convertible Senior Notes to be repurchased, plus accrued and unpaid interest through, but excluding, the required repurchase date.

The Convertible Senior Notes are accounted for in accordance with ASC 470-20 (previously FASB Staff Position No. APB 14- 1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)). In accounting for the Convertible Senior Notes, the Company estimated at the time of issuance that the values of the debt and the embedded conversion feature of the Convertible Senior Notes were approximately 92.8% and 7.2%, respectively. The original issue discount of 7.2% attributable to the conversion feature of the Convertible Senior Notes was recorded in capital in excess of par value in the consolidated statement of assets and liabilities. As a result, the Company recorded interest expense comprised of both stated interest expense as well as accretion of the original issue discount resulting in an estimated effective interest rate of approximately 8.1%.

Upon meeting the stock trading price conversion requirement during the three-month periods ended June 30, 2014 and September 30, 2014, the Convertible Senior Notes became convertible on July 1, 2014 and continued to be convertible through December 31, 2014. As of December 31, 2014, approximately $57.3 million of the Convertible Senior Notes were converted and were settled with a combination of cash equal to the outstanding principal amount of the converted notes and approximately 1.5 million shares of the Company s common stock, or $24.3 million. Upon meeting the stock trading price conversion requirement during the three months ended December 31, 2014, the Convertible Senior Notes continue to be convertible through March 31, 2015. See Subsequent Events.

The Company recorded a loss on extinguishment of debt for the proportionate amount of unamortized debt issuance costs and original issue discount. The loss was partially offset by a gain in the amount of the difference between the outstanding principal balance of the converted notes and the fair value of the debt instrument. The net loss on extinguishment of debt the Company recorded for the year ended December 31, 2014 was approximately $1.6 million and was classified as a component of net investment income in the Company s Consolidated Statements of Operations.

As of December 31, 2014 and December 31, 2013, the components of the carrying value of the Convertible Senior Notes were as follows:

(in thousands)	**December 31, 2014**	**December 31, 2013**
Principal amount of debt	$ 17,674	$ 75,000
Original issue discount, net of accretion	(329)	(2,481)
Carrying value of Convertible Senior Debt	$ 17,345	$ 72,519

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For the years ended December 31, 2014 and 2013, the components of interest expense, fees and cash paid for interest expense for the Convertible Senior Notes were as follows:

	Year Ended December 31,	
(in thousands)	**2014**	**2013**
Stated interest expense	$ 2,753	$ 4,500
Accretion of original issue discount	843	1,083
Amortization of debt issuance cost	450	577
Total interest expense	$ 4,046	$ 6,160
Cash paid for interest expense	$ 3,465	$ 4,500

The estimated effective interest rate of the debt component of the Convertible Senior Notes, equal to the stated interest of 6.0% plus the accretion of the original issue discount, was approximately 8.1% for both the years ended December 31, 2014 and December 31, 2013. Interest expense decreased by approximately $1.7 million during the year ended December 31, 2014 from the year ended December 31, 2013, due to Convertible Senior Notes settled in the period. As of December 31, 2014, the Company is in compliance with the terms of the indentures governing the Convertible Senior Notes.

Wells Facility

In August 2008, the Company entered into a $50.0 million two-year revolving senior secured credit facility with Wells Fargo Capital Finance (the Wells Facility). On June 20, 2011, the Company renewed the Wells Facility, and the Wells Facility was further amended on August 1, 2012, December 17, 2012 and August 8, 2014. Under this senior secured facility, Wells Fargo Capital Finance has made commitments of $75.0 million. The facility contains an accordion feature, in which the Company can increase the credit line up to an aggregate of $300.0 million, funded by additional lenders and with the agreement of Wells Fargo Capital Finance and subject to other customary conditions. The Company expects to continue discussions with various other potential lenders to join the new facility; however, there can be no assurances that additional lenders will join the Wells Facility.

On August 1, 2012, the Company entered into an amendment to the Wells Facility that reduced the interest rate floor by 75 basis points to 4.25% and extended the maturity date by one year to August 2015. Additionally, the August 2012 amendment added an amortization period that commences on the day immediately following the end of the revolving credit availability period and ends one year thereafter on the maturity date. The August 2012 amendment also reduced the unused line fee, as further discussed below. On August 8, 2014, the Company entered into a further amendment to the Wells Facility to set the interest rate floor at 4.00% and to extend the revolving credit availability period to August 2017.

As amended, borrowings under the Wells Facility will generally bear interest at a rate per annum equal to LIBOR plus 3.50%, with a floor of 4.00% and an advance rate of 50% against eligible debt investments. The Wells Facility is secured by debt investments in the borrowing base. The Wells Facility requires payment of a non-use fee on a scale of 0.0% to 0.50% of the average monthly outstanding balance. The monthly payment of a non-use fee thereafter shall depend on the average balance that was outstanding on a scale between 0.0% and 0.50%. For the years ended December 31, 2014 and 2013, this non-use fee was approximately $380,000 and $380,000, respectively. On June 20, 2011 the Company paid an additional $1.1 million in structuring fees in connection with the Wells Facility which are being amortized through the end of the term of the Wells Facility. In connection with the August 2014 amendments, the Company paid an additional $750,000 in structuring fees in connection with the Wells Facility which are being amortized through the end of the term of the Wells Facility.

The Wells Facility includes various financial and operating covenants applicable to the Company and the Company s subsidiaries, in addition to those applicable to Hercules Funding II, LLC. As amended, these covenants require the Company to maintain certain financial ratios and a minimum tangible net worth in an amount, when added to outstanding subordinated indebtedness, that is in excess of $500.0 million plus 90% of

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the cumulative amount of equity raised after June 30, 2014. The Wells Facility provides for customary events of default, including, but not limited to, payment defaults, breach of representations or covenants, bankruptcy events and change of control. The Company was in compliance with all covenants at December 31, 2014.

At December 31, 2014 there were no borrowings outstanding on this facility.

Union Bank Facility

The Company has a $75.0 million revolving senior secured credit facility (the Union Bank Facility) with MUFG Union Bank, N.A. (MUFG Union Bank). The Company originally entered into the Union Bank Facility on February 10, 2010 but, following several amendments, amended and restated the Union Bank Facility on August 14, 2014. The amendment and restatement extends the maturity date of the Union Bank Facility to August 1, 2017, increases the size of the Union Bank Facility to $75.0 million from $30.0 million, and adjusts the interest rate for LIBOR borrowings under the Union Bank Facility. LIBOR-based borrowings by the Company under the Union Bank Facility will bear interest at a rate per annum equal to LIBOR plus 2.25% with no floor, whereas previously the Company paid a per annum interest rate on such borrowings equal to LIBOR plus 2.50% with a floor of 4.00%. Other borrowings by the Company under the Union Bank Facility, which are based on a reference rate instead of LIBOR, will continue to bear interest at a rate per annum equal to the reference rate (which is the greater of the federal funds rate plus 1.00% and a periodically announced MUFG Union Bank index rate) plus the greater of (i) 4.00% minus the reference rate and (ii) 1.00%. The Company continues to have the option of determining which type of borrowing to request under the Union Bank Facility. Subject to certain conditions, the amendment also removes a previous ceiling on the amount of certain unsecured indebtedness that the Company may incur.

MUFG Union Bank has made commitments to lend up to $75.0 million in aggregate principal amount. The Union Bank Facility contains an accordion feature, pursuant to which the Company may increase the size of the Union Bank Facility to an aggregate principal amount of $300.0 million by bringing in additional lenders, subject to the approval of MUFG Union Bank and other customary conditions. There can be no assurances that additional lenders will join the Union Bank Facility to increase available borrowings.

The Union Bank Facility requires the payment of a non-use fee of 0.50% annually. For the years ended December 31, 2014 and 2013, this non-use fee was approximately $240,000 and $152,000, respectively. The amount that the Company may borrow under the Union Bank Facility is determined by applying an advance rate to eligible loans. The Union Bank Facility generally requires payment of monthly interest on loans based on a reference rate and at the end of a one, two, or three-month period, as applicable, for loans based on LIBOR. All outstanding principal is due upon maturity.

The Union Bank Facility is collateralized by debt investments in the Company s portfolio companies, and includes an advance rate equal to 50.0% of eligible debt investments placed in the collateral pool.

The Company has various financial and operating covenants required by the Union Bank Facility. These covenants require, among other things, that the Company maintain certain financial ratios, including liquidity, asset coverage, and debt service coverage, and a minimum tangible net worth in an amount, when added to outstanding subordinated indebtedness, that is in excess of $550.0 million plus 90% of the amount of net cash proceeds received from the sale of common stock after June 30, 2014. The Union Bank Facility provides for customary events of default, including, but not limited to, payment defaults, breach of representations or covenants, bankruptcy events and change of control. The Company was in compliance with all covenants at December 31, 2014.

At December 31, 2014 there were no borrowings outstanding on this facility.

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Citibank Credit Facility

The Company, through Hercules Funding Trust I, an affiliated statutory trust, had a securitized credit facility (the Citibank Credit Facility) with Citigroup Global Markets Realty Corp. (Citigroup), which expired under normal terms. During the first quarter of 2009, the Company paid off all principal and interest owed under the Citibank Credit Facility. Citigroup has an equity participation right through a warrant participation agreement on the pool of debt investments and warrants collateralized under the Citibank Credit Facility. Pursuant to the warrant participation agreement, the Company granted to Citigroup a 10% participation in all warrants held as collateral. However, no additional warrants were included in collateral subsequent to the facility amendment on May 2, 2007. As a result, Citigroup is entitled to 10% of the realized gains on the warrants until the realized gains paid to Citigroup pursuant to the agreement equal $3,750,000 (the Maximum Participation Limit). The obligations under the warrant participation agreement continue even after the Citibank Credit Facility is terminated until the Maximum Participation Limit has been reached.

During the year ended December 31, 2014, the Company reduced its realized gain by approximately $465,000 for Citigroup s participation in the realized gain on sale of equity securities obtained from exercising portfolio company warrants which were included in the collateral pool. The Company recorded a decrease in participation liability and a decrease in unrealized appreciation by a net amount of approximately $270,000 primarily due to depreciation of fair value on the pool of warrants collateralized under the warrant participation agreement as a result of the sale of shares in Acceleron Pharma, Inc, Merrimack Pharmaceuticals, Inc., Portola Pharmaceuticals, Inc. and Everyday Health, Inc. that were subject to the agreement. The remaining value of their participation right on unrealized gains in the related equity investments is approximately $101,000 as of December 31, 2014 and is included in accrued liabilities. There can be no assurances that the unrealized appreciation of the warrants will not be higher or lower in future periods due to fluctuations in the value of the warrants, thereby increasing or reducing the effect on the cost of borrowing. Since inception of the agreement, the Company has paid Citigroup approximately $2.1 million under the warrant participation agreement thereby reducing realized gains by this amount. The Company will continue to pay Citigroup under the warrant participation agreement until the Maximum Participation Limit is reached or the warrants expire. Warrants subject to the Citigroup participation agreement are set to expire between February 2016 and January 2017.

5. Income Taxes

The Company intends to operate so as to qualify to be taxed as a RIC under Subchapter M of the Code and, as such, will not be subject to federal income tax on the portion of taxable income and gains distributed to stockholders.

To qualify as a RIC, the Company is required to meet certain income and asset diversification tests in addition to distributing at least 90% of its investment company taxable income, as defined by the Code. Because federal income tax regulations differ from accounting principles generally accepted in the United States, distributions in accordance with tax regulations may differ from net investment income and realized gains recognized for financial reporting purposes. Differences may be permanent or temporary in nature. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes. During the year ended December 31, 2014 and 2013, the Company reclassified for book purposes amounts arising from permanent book/tax differences primarily related to accelerated revenue recognition for income tax purposes, respectively, as follows:

	For the Year Ended December 31,	
(in thousands)	**2014**	**2013**
Distributions in excess of investment income	$ 6,382	$ 2,112
Accumulated realized gains (losses)	9,207	6,840
Additional paid-in capital	(15,589)	(8,952)

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For income tax purposes, distributions paid to shareholders are reported as ordinary income, return of capital, long-term capital gains or a combination thereof. The tax character of distributions paid for the years ended December 31, 2014 and 2013 was ordinary income in the amounts of $73.2 million and $66.5 million, respectively.

The aggregate gross unrealized appreciation of the Company s investments over cost for federal income tax purposes was $46.1 million and $48.8 million as of December 31, 2014 and 2013, respectively. The aggregate gross unrealized depreciation of the Company s investments under cost for federal income tax purposes was $63.4 million and $44.5 million as of December 31, 2014 and 2013, respectively. The net unrealized depreciation over cost for federal income tax purposes was $17.3 million and $4.3 million as of December 31, 2014 and 2013, respectively. The aggregate cost of securities for federal income tax purposes was $1.0 billion and $906.2 million as of December 31, 2014 and 2013, respectively.

At December 31, 2014 and 2013, the components of distributable earnings on a tax basis detailed below differ from the amounts reflected in the Company s Consolidated Statements of Assets and Liabilities by temporary book/tax differences primarily arising from the treatment of loan related yield enhancements.

	For the Year Ended December 31,	
(in thousands)	**2014**	**2013**
Accumulated Capital Gains (Losses)	$ 16,663	$ (6,417)
Other Temporary Differences	1,795	1,134
Undistributed Ordinary Income		3,764
Unrealized Appreciation (Depreciation)	(16,891)	(5,132)
Components of Distributable Earnings	$ 1,567	$ (6,651)

The Company will classify interest and penalties, if any, related to unrecognized tax benefits as a component of provision for income taxes.

Based on an analysis of the Company s tax position, there are no uncertain tax positions that met the recognition or measurement criteria. The Company is currently not undergoing any tax examinations. The Company does not anticipate any significant increase or decrease in unrecognized tax benefits for the next twelve months. The 2011- 2013 federal tax years for the Company remain subject to examination by the IRS. The 2010-2013 state tax years for the Company remain subject to examination by the state taxing authorities.

6. Shareholders Equity.

On August 16, 2013, the Company entered into an At-The-Market (ATM) equity distribution agreement with JMP Securities LLC (JMP). The equity distribution agreement provides that the Company may offer and sell up to 8.0 million shares of its common stock from time to time through JMP, as its sales agent. Sales of the Company s common stock, if any, may be made in negotiated transactions or transactions that are deemed to be at the market, as defined in Rule 415 under the Securities Act, including sales made directly on the NYSE or similar securities exchange or sales made to or through a market maker other than on an exchange, at prices related to the prevailing market prices or at negotiated prices.

During the year ended December 31, 2014, the Company sold 650,000 shares of common stock for total accumulated net proceeds of approximately $9.5 million, all of which is accretive to net asset value. The Company generally uses the net proceeds from these offerings to make investments, to repurchase or pay down liabilities and for general corporate purposes. As of December 31, 2014, approximately 7.35 million shares remained available for issuance and sale under the equity distribution agreement.

The Company has issued stock options for common stock subject to future issuance, of which 695,672 and 833,923 were outstanding at December 31, 2014 and December 31, 2013, respectively.

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7. Equity Incentive Plan

The Company and its stockholders have authorized and adopted the 2004 Equity Incentive Plan (the 2004 Plan) for purposes of attracting and retaining the services of its executive officers and key employees. Under the 2004 Plan, the Company is authorized to issue 7.0 million shares of common stock. On June 1, 2011, stockholders approved an amended and restated plan and provided an increase of 1.0 million shares, authorizing the Company to issue 8.0 million shares of common stock under the 2004 Plan.

The Company and its stockholders have authorized and adopted the 2006 Non-Employee Director Plan (the 2006 Plan and, together with the 2004 Plan, the Plans) for purposes of attracting and retaining the services of its Board of Directors. Under the 2006 Plan, the Company is authorized to issue 1.0 million shares of common stock. The Company filed an exemptive relief request with the Securities and Exchange Commission (SEC) to allow options to be issued under the 2006 Plan which was approved on October 10, 2007.

On June 21, 2007, the stockholders approved amendments to the 2004 Plan and the 2006 Plan allowing for the grant of restricted stock. The amended Plans limit the combined maximum amount of restricted stock that may be issued under both Plans to 10% of the outstanding shares of the Company s stock on the effective date of the Plans plus 10% of the number of shares of stock issued or delivered by the Company during the terms of the Plans. The amendments further specify that no one person shall be granted awards of restricted stock relating to more than 25% of the shares available for issuance under the 2004 Plan. Further, the amount of voting securities that would result from the exercise of all of the Company s outstanding warrants, options and rights, together with any restricted stock issued pursuant to the Plans, at the time of issuance shall not exceed 25% of its outstanding voting securities, except that if the amount of voting securities that would result from such exercise of all of the Company s outstanding warrants, options and rights issued to the Company s directors, officers and employees, together with any restricted stock issued pursuant to the Plans, would exceed 15% of the Company s outstanding voting securities, then the total amount of voting securities that would result from the exercise of all outstanding warrants, options and rights, together with any restricted stock issued pursuant to the Plans, at the time of issuance shall not exceed 20% of the Company s outstanding voting securities.

A summary of the restricted stock activity under the Company s 2006 and 2004 Plans for each of the three periods ended December 31 2014, 2013, and 2012 is as follows:

	2006 Plan	2004 Plan
Outstanding at December 31, 2011	31,668	1,191,201
Granted	5,000	686,859
Cancelled		(59,019)
Outstanding at December 31, 2012	36,668	1,819,041
Granted		607,001
Cancelled		(30,264)
Outstanding at December 31, 2013	36,668	2,395,778
Granted	8,333	981,550
Cancelled		(152,277)
Outstanding at December 31, 2014	45,001	3,225,051

In 2014, 2013, and 2012, the Company granted approximately 989,883, 607,001 and 691,859 shares, respectively, of restricted stock pursuant to the Plans. All restricted stock grants under the 2004 Plan made prior to March 4, 2013 will continue to vest on a monthly basis following their one year anniversary over the succeeding 36 months. During 2012, the Compensation Committee adopted a policy that provided for awards with different vesting schedules for short and long-term awards. Under the 2004 Plan, restricted stock awarded subsequent to March 3, 2013 will vest subject to continued employment based on two vesting schedules: short-term awards vest one-half on the one year anniversary of the date of the grant and quarterly over the succeeding 12 months, and long-term awards vest one-fourth on the one year anniversary of the date of grant and quarterly over the succeeding 36 months. No restricted stock was granted pursuant to the 2004 Plan prior to 2009.

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The Company determined that the fair value of restricted stock granted under the 2006 and 2004 Plans during the years ended December 31, 2014, 2013, and 2012 was approximately $13.7 million, $7.7 million and $7.5 million, respectively. During the years ended December 31, 2014, 2013, and 2012 the Company expensed approximately $9.2 million, $5.6 million and $3.9 million of compensation expense related to restricted stock, respectively. As of December 31, 2014, there was approximately $12.5 million of total unrecognized compensation costs related to restricted stock. These costs are expected to be recognized over a weighted average period of 1.43 years.

The following table summarizes the activities for the Company s unvested restricted stock for the years ended December 31, 2014, 2013, and 2012:

	Unvested Restricted Stock Units	
	Restricted Stock Units	**Weighted Average Issuance Price**
Unvested at December 31, 2011	621,509	$ 10.06
Granted	691,859	$ 10.83
Vested	(354,560)	$ 9.88
Forfeited	(59,019)	$ 9.95
Unvested at December 31, 2012	899,789	$ 10.73
Granted	607,001	$ 12.72
Vested	(440,629)	$ 10.59
Forfeited	(30,264)	$ 11.24
Unvested at December 31, 2013	1,035,897	$ 11.94
Granted	989,883	$ 13.82
Vested	(570,723)	$ 12.00
Forfeited	(152,277)	$ 12.82
Unvested at December 31, 2014	1,302,780	$ 13.23

The SEC, through an exemptive order granted on June 22, 2010, approved amendments to the Plans which allow participants to elect to have the Company withhold shares of the Company s common stock to pay for the exercise price and applicable taxes with respect to an option exercise (net issuance exercise). The exemptive order also permits the holders of restricted stock to elect to have the Company withhold shares of Hercules stock to pay the applicable taxes due on restricted stock at the time of vesting. Each individual can make a cash payment at the time of option exercise or to pay taxes on restricted stock.

The following table summarizes the common stock options activities under the Company s 2006 and 2004 Plans for each of the three periods ended December 31 2014, 2013, and 2012:

	Common Stock Options	**Weighted Average Exercise Price**
Shares Outstanding at December 31, 2011	4,213,604	$ 11.40
Granted	189,000	$ 10.71
Exercised	(564,196)	$ 5.56
Forfeited	(57,229)	$ 9.69
Expired	(1,206,430)	$ 12.84
Shares Outstanding at December 31, 2012	2,574,749	$ 12.00
Granted	443,500	$ 14.51

Exercised	(2,003,988)	$	12.38
Forfeited	(115,338)	$	10.38
Expired	(65,000)	$	13.30
Shares Outstanding at December 31, 2013	833,923	$	12.53
Granted	426,000	$	15.54
Exercised	(353,547)	$	10.76
Forfeited	(208,344)	$	14.80
Expired	(2,360)	$	13.78
Shares Outstanding at December 31, 2014	695,672	$	14.58
Shares Expected to Vest at December 31, 2014	537,296	$	14.58

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Options generally vest 33% one year after the date of grant and ratably over the succeeding 24 months. All options may be exercised for a period ending seven years after the date of grant. At December 31, 2014, options for approximately 158,000 shares were exercisable at a weighted average exercise price of approximately $13.08 per share with weighted average of remaining contractual term of 4.91 years.

The Company determined that the fair value of options granted under the 2006 and 2004 Plans during the years ended December 31, 2014, 2013, and 2012 was approximately $211,000, $1.1 million and $326,000, respectively. During the years ended December 31, 2014, 2013, and 2012, approximately $395,000, $422,000 and $416,000, of share-based cost due to stock option grants was expensed, respectively. As of December 31, 2014, there was $562,000 of total unrecognized compensation costs related to stock options. These costs are expected to be recognized over a weighted average period of 1.94 years.

The fair value of options granted is based upon a Black Scholes option pricing model using the assumptions in the following table for each of the three periods ended December 31, 2014, 2013, and 2012 is as follows:

	Year Ended December 31,		
	2014	**2013**	**2012**
Expected Volatility	19.90%	46.90%	46.39%
Expected Dividends	10%	10%	10%
Expected term (in years)	4.5	4.5	4.5
Risk-free rate	1.21% -1.66%	0.56% -1.63%	0.49% -1.07%

The following table summarizes stock options outstanding and exercisable at December 31, 2014:

(Dollars in thousands, except exercise price)	**Options outstanding**				**Options exercisable**			
Range of exercise prices	**Number of shares**	**Weighted average remaining contractual life**	**Aggregate intrinsic value**	**Weighted average exercise price**	**Number of shares**	**Weighted average remaining contractual life**	**Aggregate intrinsic value**	**Weighted average exercise price**
$9.25 - $14.49	208,172	5.43	$ 487,713	$ 12.54	74,440	3.94	$ 305,932	$ 10.77
$14.86 - $16.34	487,500	6.46	2,140	$ 15.45	83,936	5.77	892	$ 15.14
$9.25 - $16.34	695,672	6.15	$ 489,853	$ 14.58	158,376	4.91	$ 306,824	$ 13.08

8. Earnings per Share

Shares used in the computation of the Company s basic and diluted earnings per share are as follows:

(in thousands, except per share data)	**Year Ended December 31, 2014**	**2013**	**2012**
Numerator			
Net increase in net assets resulting from operations	$ 71,188	$ 99,446	$ 46,759
Less: Dividends declared-common and restricted shares	(78,562)	(66,454)	(47,983)
Undistributed earnings	(7,374)	32,992	(1,224)
Undistributed earnings-common shares	(7,374)	32,992	(1,224)
Add: Dividend declared-common shares	76,953	65,123	46,967

Numerator for basic and diluted change in net assets per common share	$ 69,579	$ 98,115	$ 45,743
Denominator			
Basic weighted average common shares outstanding	61,862	58,838	49,068
Common shares issuable	1,363	1,454	88
Weighted average common shares outstanding assuming dilution	63,225	60,292	49,156
Change in net assets per common share			
Basic	$ 1.12	$ 1.67	$ 0.93
Diluted	$ 1.10	$ 1.63	$ 0.93

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In the table above, unvested share-based payment awards that have non-forfeitable rights to dividends or dividend equivalents are treated as participating securities for calculating earnings per share.

For the purpose of calculating diluted earnings per share for year ended December 31, 2014, the dilutive effect of the Convertible Senior Notes under the treasury stock method is included in this calculation because the Company s share price was greater than the conversion price in effect ($11.36 as of December 31, 2014 and $11.63 as of December 31, 2013) for the Convertible Senior Notes for such period.

The calculation of change in net assets resulting from operations per common share assuming dilution, excludes all anti-dilutive shares. For the years ended December 31, 2014, 2013, and 2012, the number of anti-dilutive shares, as calculated based on the weighted average closing price of the Company s common stock for the periods, was approximately 727,733, 1,835,880 and 2,574,749 shares, respectively.

At December 31, 2014, the Company was authorized to issue 100,000,000 shares of common stock with a par value of $0.001. Each share of common stock entitles the holder to one vote.

9. Financial Highlights

Following is a schedule of financial highlights for the three years ended December 31, 2014.

	Year Ended December 31,		
	2014	**2013**	**2012**
Per share data(1):			
Net asset value at beginning of period	$ 10.51	$ 9.75	$ 9.83
Net investment income	1.16	1.24	0.98
Net realized gain on investments	0.32	0.25	0.06
Net unrealized appreciation (depreciation) on investments	(0.33)	0.20	(0.09)
Total from investment operations	1.15	1.69	0.95
Net increase (decrease) in net assets from capital share transactions	(0.37)	0.10	(0.14)
Distributions of net investment income	(1.27)	(1.13)	(0.98)
Stock-based compensation expense included in investment income(2)	0.16	0.10	0.09
Net asset value at end of period	$ 10.18	$ 10.51	$ 9.75
Ratios and supplemental data:			
Per share market value at end of period	$ 14.88	$ 16.40	$ 11.13
Total return(3)	-1.75%	58.49%	28.28%
Shares outstanding at end of period	64,715	61,837	52,925
Weighted average number of common shares outstanding	61,862	58,838	49,068
Net assets at end of period	$ 658,864	$ 650,007	$ 515,968
Ratio of operating expense to average net assets(4)(5)	10.72%	11.06%	10.28%
Ratio of net investment income before investment gains and losses to average net assets(4)	10.94%	12.12%	10.01%
Average debt outstanding	$ 535,127	$ 580,053	$ 360,857
Weighted average debt per common share	$ 8.65	$ 9.86	$ 7.35

(1) All per share activity is calculated based on the weighted average shares outstanding for the relevant period.
(2) Stock option expense is a non-cash expense that has no effect on net asset value. Pursuant to ASC 718, net investment income includes the expense associated with the granting of stock options which is offset by a corresponding increase in paid-in capital.
(3) The total return for the years ended December 31, 2014, 2013 and 2012 equals the change in the ending market value over the beginning of the period price per share plus dividends paid per share during the period, divided by the beginning price assuming the dividend is reinvested on the date of the distribution.
(4) All ratios are calculated based on weighted average net assets for the relevant period.
(5) Operating expense as used in the ratio of operating expense to average net assets does not include loss on debt extinguishment (long-term liabilities convertible senior notes). If loss on debt extinguishment (long-term liabilities convertible senior notes) were included in total expense, the ratio for the year ended December 31, 2014 would be 10.97%. There was no loss on debt extinguishment (long-term liabilities convertible senior notes) in the years

ended December 31, 2013 or 2012, so the ratio for that period would not change.

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10. Commitments and Contingencies

The Company s commitments and contingencies consist primarily of unused commitments to extend credit in the form of loans to the Company s portfolio companies. The balance of unfunded contractual commitments to extend credit at December 31, 2014 totaled approximately $339.0 million. Approximately $191.3 million of these unfunded contractual commitments as of December 31, 2014 are dependent upon the portfolio company reaching certain milestones before the debt commitment becomes available. Since a portion of these commitments may expire without being drawn, unfunded contractual commitments do not necessarily represent future cash requirements. In addition, the Company had approximately $108.2 million of non-binding term sheets outstanding at December 31, 2014. Non-binding outstanding term sheets are subject to completion of the Company s due diligence and final investment committee approval process, as well as the negotiation of definitive documentation with the prospective portfolio companies. These non-binding term sheets generally convert to contractual commitments in approximately 90 days from signing. Not all non-binding term sheets are expected to close and do not necessarily represent the Company s future cash requirements.

Certain premises are leased under agreements which expire at various dates through March 2020. Total rent expense amounted to approximately $1.6 million, $1.1 million and $1.2 million, during the years ended December 31, 2014, 2013, and 2012, respectively. Future commitments under the credit facility and operating leases were as follows at December 31, 2014:

	Payments due by period (in thousands)				
Contractual Obligations[(1)(2)]	**Total**	**Less than 1 year**	**1 - 3 years**	**3 - 5 years**	**After 5 years**
Borrowings [(3)] [(4)]	$ 626,258	$ 16,081	$ 17,313	$ 321,464	$ 271,400
Operating Lease Obligations [(5)]	6,258	1,554	3,055	1,590	59
Total	$ 632,516	$ 17,635	$ 20,368	$ 323,054	$ 271,459

(1) Excludes commitments to extend credit to the Company s portfolio companies.

(2) The Company also has a warrant participation agreement with Citigroup. See Note 4 to the Company s consolidated financial statements.

(3) Includes $190.2 million in borrowings under the SBA debentures, $170.4 million of the 2019 Notes, $103.0 million of the 2024 Notes, $16.0 million in aggregate principal amount of the 2017 Asset-Backed Notes, $129.3 million in aggregate principal amount of the 2021 Asset-Backed Notes and $17.3 million of the Convertible Senior Notes.

(4) Except for the Convertible Senior Notes, all carrying values are the same as the principal amount outstanding. The aggregate principal amount outstanding of the Convertible Senior Notes is $17.7 million less the remaining unaccreted discount initially recorded upon issuance of the Convertible Senior Notes. The total remaining unaccreted discount for the Convertible Senior Notes was $329,000 at December 31, 2014.

(5) Long-Term facility leases.

The Company may, from time to time, be involved in litigation arising out of its operations in the normal course of business or otherwise. Furthermore, third parties may try to seek to impose liability on the Company in connection with the activities of its portfolio companies. While the outcome of any current legal proceedings cannot at this time be predicted with certainty, the Company does not expect any current matters will materially affect the Company s financial condition or results of operations; however, there can be no assurance whether any pending legal proceedings will have a material adverse effect on the Company s financial condition or results of operations in any future reporting period.

11. Indemnification

The Company and its executives are covered by Directors and Officers Insurance, with the directors and officers being indemnified by the Company to the maximum extent permitted by Maryland law subject to the restrictions in the 1940 Act.

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12. Concentrations of Credit Risk

The Company s customers are primarily privately held companies and public companies which are active in the drug discovery and development, energy technology, internet consumer and business services, medical devices and equipment, software, drug delivery, information services, communications and networking, healthcare services, specialty pharmaceuticals, surgical devices, electronics and computer hardware, media/content/info, biotechnology tools, semiconductors, consumer and business products and diagnostic industry sectors. These sectors are characterized by high margins, high growth rates, consolidation and product and market extension opportunities. Value for companies in these sectors is often vested in intangible assets and intellectual property.

Industry and sector concentrations vary as new loans are recorded and loans pay off. Loan revenue, consisting of interest, fees, and recognition of gains on equity and equity-related interests, can fluctuate materially when a loan is paid off or a related warrant or equity interest is sold. Revenue recognition in any given year can be highly concentrated among several portfolio companies.

For the years ended December 31, 2014 and December 31, 2013, the Company s ten largest portfolio companies represented approximately 28.6% and 29.3% of the total fair value of the Company s investments in portfolio companies, respectively. At December 31, 2014 and December 31, 2013, we had three and one investment, respectively, that represented 5% or more of the Company s net assets. At December 31, 2014, we had three equity investments representing approximately 61.5% of the total fair value of the Company s equity investments, and each represented 5% or more of the total fair value of the Company s equity investments. At December 31, 2013, the Company had six equity investments which represented approximately 75.7% of the total fair value of the Company s equity investments, and each represented 5% or more of the total fair value of such investments.

13. Selected Quarterly Data (Unaudited)

The following tables set forth certain quarterly financial information for each of the last eight quarters ended December 31, 2014. This information was derived from the Company s unaudited consolidated financial statements. Results for any quarter are not necessarily indicative of results for the full year or for any further quarter.

	Quarter Ended			
(in thousands, except per share data)	**3/31/2014**	**6/30/2014**	**9/30/2014**	**12/31/2014**
Total investment income	$ 35,770	$ 34,001	$ 37,019	$ 36,875
Net investment income before investment gains and losses	18,304	18,551	18,995	15,899
Net increase (decrease) in net assets resulting from operations	22,185	13,191	15,177	20,635
Change in net assets per common share (basic)	0.36	0.21	0.24	0.32

	Quarter Ended			
	3/31/2013	**6/30/2013**	**9/30/2013**	**12/31/2013**
Total investment income	$ 30,957	$ 34,525	$ 41,021	$ 33,210
Net investment income before investment gains and losses	15,032	17,610	21,560	18,864
Net increase (decrease) in net assets resulting from operations	16,689	20,879	36,981	24,897
Change in net assets per common share (basic)	0.30	0.34	0.61	0.40

14. Subsequent Events

Dividend Declaration

On February 24, 2015 the Board of Directors declared a cash dividend of $0.31 per share to be paid on March 19, 2015 to shareholders of record as of March 12, 2015. This dividend would represent the Company s thirty-eighth consecutive dividend declaration since the Company s initial public offering, bringing the total cumulative dividend declared to date to $10.30 per share.

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Convertible Senior Notes

In April 2011, the Company issued $75.0 million in aggregate principal amount of 6.00% convertible senior notes, or the Convertible Senior Notes, due 2016. As of December 31, 2014, the carrying value of the Convertible Senior Notes, comprised of the aggregate principal amount outstanding less the remaining unaccreted discount initially recorded upon issuance of the Convertible Senior Notes, is approximately $17.3 million.

The Convertible Senior Notes are convertible into shares of the Company s common stock beginning October 15, 2015, or, under certain circumstances, earlier. Upon conversion of the Convertible Senior Notes, the Company has the choice to pay or deliver, as the case may be, at the Company s election, cash, shares of our common stock or a combination of cash and shares of our common stock. The current conversion price of the Convertible Senior Notes is approximately $11.36 per share of common stock, in each case subject to adjustment in certain circumstances. Upon meeting the stock trading price conversion requirement during the three months ended December 31, 2014, the Convertible Senior Notes continue to be convertible through March 31, 2015.

Subsequent to December 31, 2014 and as of February 26, 2015, approximately $32,000 of the Convertible Senior Notes were converted and were settled with a combination of cash equal to the outstanding principal amount of the converted notes and approximately 613 shares of the Company s common stock in January 2015.

April 2019 Notes Redemption

On February 24, 2015, the Board of Directors approved a redemption of $20.0 million of the $84.5 million in issued and outstanding aggregate principal amount of April 2019 Notes, and notice for such redemption has been provided. The Company intends to make additional redemptions on the April 2019 Notes throughout the 2015 calendar year, depending on the Company s anticipated cash needs. The Company will provide notice for and complete all redemptions in compliance with the terms of the Base Indenture, as supplemented by the First Supplemental Indenture.

2017 Asset-Backed Notes Contractual Amortization

In February 2015, changes in the payment schedule of obligors in the 2017 Asset-Backed Notes collateral pool triggered a Rapid Amortization Event in accordance with the sale and servicing agreement for the 2017 Asset-Backed Notes. Due to this Event, the 2017 Asset-Backed Notes are expected to fully amortize within the first half of 2015.

Share Repurchase Program

On February 24, 2015, the Company s Board of Directors approved a $50.0 million open market share repurchase program. The Company may repurchase shares of its common stock in the open market, including block purchases, at prices that may be above or below the net asset value as reported in our then most recently published financial statements.

The Company anticipates that the manner, timing, and amount of any share purchases will be determined by Company management based upon the evaluation of market conditions, stock price, and additional factors in accordance with regulatory requirements. As a 1940 Act reporting company, the Company is required to notify shareholders program when such a program is initiated or implemented. The repurchase program does not require the Company to acquire any specific number of shares and may be extended, modified, or discontinued at any time.

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Portfolio Company Developments

As of February 26, 2015, the Company held warrants or equity positions in six companies that have filed registration statements on Form S-1 with the SEC in contemplation of potential initial public offerings, including Good Technology Corp., ViewRay, Inc. and four companies which filed confidentially under the JOBS Act. There can be no assurance that these companies will complete their initial public offerings in a timely manner or at all. In addition, subsequent to December 31, 2014 the following current and former portfolio companies completed initial public offerings or were acquired:

1. In January 2015, the company s portfolio company Box, Inc. completed its initial public offering of 12,500,000 shares of its common stock at $14.00 per share. The shares the Company holds in Box, Inc. are subject to certain restrictions that govern the timing of the Company s divestment and may thus impact the Company s ultimate gain or (loss). In the case of Box, Inc., the Company is subject to a customary IPO lockup period and is obligated not to sell the shares of common stock that it owns for six months from the date of the initial public offering. The potential gain depends on the price of the shares when the Company exits the investment.

2. In January 2015, the company s portfolio company Zosano Pharma, Inc. completed its initial public offering of 4,500,000 shares of its common stock at $11.00 per share.

3. In February 2015, the Company s portfolio company Inotek Pharmaceuticals, Inc. completed its initial public offering of 6,667,000 shares of its common stock at a price to the public of $6.00 per share.

4. In February 2015, Zillow, Inc. completed its acquisition of the Company s former portfolio company Trulia, Inc. for $2.5 billion in a stock-for-stock transaction and formed Zillow Group, Inc. The Company no longer holds investments in the portfolio company.

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HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

SCHEDULE OF INVESTMENTS IN AND ADVANCES TO AFFILIATES

As of and for the year ended December 31, 2014

(in thousands)

Portfolio Company	Investment[(1)]	Amount of Interest Credited to Income[(2)]	As of December 31, 2013 Fair Value	Gross Additions[(3)]	Gross Reductions[(4)]	As of December 31, 2014 Fair Value
Affiliate Investments						
Gelesis, Inc.	Preferred Stock	$	$ 466	$	$ (140)	$ 326
	Preferred Warrants		7		(6)	1
Optiscan BioMedical, Corp.	Preferred Stock		4,552	1,301		5,853
	Preferred Warrants		232		(13)	219
Stion Corporation	Senior Debt	1,842	4,096		(2,496)	1,600
	Preferred Warrants		1,628		(1,628)	
Total Control and Affiliate Investments		$ 1,842	$ 10,981	$ 1,301	$ (4,283)	$ 7,999

(1) Stock and warrants are generally non-income producing and restricted. The principal amount for debt is shown in the Consolidated Schedule of Investments as of December 31, 2014.

(2) Represents the total amount of interest or dividends credited to income for the year an investment was an affiliate or control investment.

(3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, paid-in-kind interest or dividends, the amortization of discounts and closing fees and the exchange of one or more existing securities for one or more new securities. Gross additions also include net increase in unrealized appreciation or net decreases in unrealized depreciation.

(4) Gross reductions include decreases in the cost basis of investments resulting from principal repayments or sales and the exchange of one or more existing securities for one or more new securities. Gross reductions also include net increase in unrealized depreciation or net decreases in unrealized appreciation.

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PART I: FINANCIAL INFORMATION

In this Quarterly Report, the Company, Hercules, we, us and our refer to Hercules Technology Growth Capital, Inc. and its wholly owned subsidiaries and its affiliated securitization trusts unless the context otherwise requires.

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(unaudited)

(dollars in thousands, except per share data)

	June 30, 2015	December 31, 2014
Assets		
Investments:		
Non-control/Non-affiliate investments (cost of $1,245,406 and $1,019,799, respectively)	$ 1,228,202	$ 1,012,738
Affiliate investments (cost of $15,600 and $15,538, respectively)	10,453	7,999
Total investments, at value (cost of $1,261,006 and $1,035,337, respectively)	1,238,655	1,020,737
Cash and cash equivalents	115,987	227,116
Restricted cash	11,810	12,660
Interest receivable	9,226	9,453
Other assets	20,875	29,257
Total assets	$ 1,396,553	$ 1,299,223
Liabilities		
Accounts payable and accrued liabilities	$ 12,977	$ 14,101
Long-term Liabilities (Convertible Senior Notes)	17,399	17,345
Wells Facility	49,622	
2017 Asset-Backed Notes		16,049
2021 Asset-Backed Notes	129,300	129,300
2019 Notes	150,364	170,364
2024 Notes	103,000	103,000
Long-term SBA Debentures	190,200	190,200
Total liabilities	$ 652,862	$ 640,359
Net assets consist of:		
Common stock, par value	73	65
Capital in excess of par value	760,148	657,233
Unrealized depreciation on investments[1]	(24,238)	(17,076)
Accumulated realized gains on investments	16,137	14,079
Undistributed net investment income (Distributions in excess of net investment income)	(8,429)	4,563
Total net assets	$ 743,691	$ 658,864
Total liabilities and net assets	$ 1,396,553	$ 1,299,223
	72,493	64,715

Shares of common stock outstanding ($0.001 par value, 200,000,000 and 100,000,000 authorized, respectively)				
Net asset value per share	$	10.26	$	10.18

(1) Amounts includes $1.9 million in net unrealized depreciation on investments, other assets, and accrued liabilities including escrow receivables, estimated taxes payable, and Citigroup warrant participation agreement liabilities.

See notes to consolidated financial statements.

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The following table presents the assets and liabilities of our consolidated securitization trusts for the asset-backed notes (see Note 4), which are variable interest entities (VIE). The assets of our securitization VIEs can only be used to settle obligations of our consolidated securitization VIEs, these liabilities are only the obligations of our consolidated securitization VIEs, and the creditors (or beneficial interest holders) do not have recourse to our general credit. These assets and liabilities are included in the Consolidated Statement of Assets and Liabilities above.

(Dollars in thousands)	June 30, 2015	December 31, 2014
Assets		
Restricted Cash	$ 11,810	$ 12,660
Total investments, at value (cost of $226,338 and $296,314, respectively)	224,710	291,464
Total assets	$ 236,520	$ 304,124
Liabilities		
Asset-Backed Notes	$ 129,300	$ 145,349
Total liabilities	$ 129,300	$ 145,349

See notes to consolidated financial statements.

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HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED STATEMENT OF OPERATIONS

(unaudited)

(in thousands, except per share data)

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Investment income:				
Interest income				
Non-Control/Non-Affiliate investments	$ 35,144	$ 30,384	$ 65,605	$ 59,766
Affiliate investments	96	152	195	1,616
Total interest income	35,240	30,536	65,800	61,382
Fees				
Non-Control/Non-Affiliate investments	2,886	3,454	4,819	8,366
Affiliate investments		11	1	23
Total fees	2,886	3,465	4,820	8,389
Total investment income	38,126	34,001	70,620	69,771
Operating expenses:				
Interest	7,571	6,534	15,425	13,682
Loan fees	1,580	1,091	3,093	3,167
General and administrative	4,069	2,126	7,687	4,587
Employee Compensation:				
Compensation and benefits	5,857	3,233	9,653	7,454
Stock-based compensation	2,267	2,466	4,987	4,026
Total employee compensation	8,124	5,699	14,640	11,480
Total operating expenses	21,344	15,450	40,845	32,916
Loss on debt extinguishment (Long-term Liabilities Convertible Senior Notes)	(1)		(1)	
Net investment income	16,781	18,551	29,774	36,855
Net realized gain (loss) on investments				
Non-Control/Non-Affiliate investments	(1,254)	2,470	2,058	7,343
Total net realized gain (loss) on investments	(1,254)	2,470	2,058	7,343
Net increase in unrealized appreciation (depreciation) on investments				
Non-Control/Non-Affiliate investments	(12,854)	(4,378)	(9,554)	(5,418)
Affiliate investments	79	(3,452)	2,392	(3,404)
Total net unrealized appreciation (depreciation) on investments	(12,775)	(7,830)	(7,162)	(8,822)
Total net realized and unrealized gain (loss)	(14,029)	(5,360)	(5,104)	(1,479)

Net increase in net assets resulting from operations	$ 2,752	$ 13,191	$ 24,670	$ 35,376
Net investment income before investment gains and losses per common share:				
Basic	$ 0.23	$ 0.30	$ 0.43	$ 0.59
Change in net assets per common share:				
Basic	$ 0.03	$ 0.21	$ 0.35	$ 0.57
Diluted	$ 0.03	$ 0.20	$ 0.35	$ 0.55
Weighted average shares outstanding				
Basic	71,368	61,089	67,596	60,980
Diluted	71,593	62,588	67,901	62,642
Dividends declared per common share:				
Basic	$ 0.31	$ 0.31	$ 0.62	$ 0.62

See notes to consolidated financial statements.

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HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(unaudited)

(dollars and shares in thousands)

	Common Stock					Undistributed net investment income/		
	Shares	Par Value	Capital in excess of par value	Unrealized Appreciation (Depreciation) on Investments	Accumulated Realized Gains (Losses) on Investments	(Distributions in excess of investment income)	Provision for Income Taxes on Investment Gains	Net Assets
Balance at December 31, 2013	61,837	$ 62	$ 656,594	$ 3,598	$ (15,240)	$ 5,335	$ (342)	$ 650,007
Net increase (decrease) in net assets resulting from operations				(8,822)	7,343	36,855		35,376
Public offering, net of offering expenses	650	1	9,457					9,458
Issuance of common stock due to stock option exercises	104		1,342					1,342
Retired shares from net issuance	(82)		(1,237)					(1,237)
Issuance of common stock under restricted stock plan	982	1	(1)					
Retired shares for restricted stock vesting	(285)		(2,207)					(2,207)
Issuance of common stock as stock dividend	45		664					664
Dividends distributed						(38,555)		(38,555)
Stock-based compensation			4,061					4,061
Balance at June 30, 2014	63,251	$ 64	$ 668,673	$ (5,224)	$ (7,897)	$ 3,635	$ (342)	$ 658,909
Balance at December 31, 2014	64,715	$ 65	$ 657,233	$ (17,076)	$ 14,079	$ 4,905	$ (342)	$ 658,864
Net increase (decrease) in net assets resulting from operations				(7,162)	2,058	29,774		24,670
Public offering, net of offering expenses	7,591	8	100,084					100,092
Issuance of common stock due to stock option exercises	36		428					428
Retired shares from net issuance	(28)		(423)					(423)
Issuance of common stock under restricted stock plan	603	1	(1)					
Retired shares for restricted stock vesting	(514)	(1)	(3,399)					(3,400)
Issuance of common stock as stock dividend	90		1,199					1,199
Dividends distributed						(42,766)		(42,766)
Stock-based compensation			5,027					5,027
Balance at June 30, 2015	72,493	$ 73	$ 760,148	$ (24,238)	$ 16,137	$ (8,087)	$ (342)	$ 743,691

See notes to consolidated financial statements.

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HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

(dollars in thousands)

	For the Six Months Ended June 30, 2015	2014
Cash flows from operating activities:		
Net increase in net assets resulting from operations	$ 24,670	$ 35,376
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Purchase of investments	(373,422)	(286,837)
Principal and fee payments received on investments	154,208	204,966
Proceeds from the sale of investments	7,494	10,271
Net unrealized depreciation on investments	7,162	8,822
Net realized gain on investments	(2,058)	(7,343)
Accretion of paid-in-kind principal	(1,584)	(1,337)
Accretion of loan discounts	(3,412)	(5,170)
Accretion of loan discount on Convertible Senior Notes	123	541
Loss on debt extinguishment (Long-term Liabilities Convertible Senior Notes)	1	
Payment of loan discount on Convertible Senior Notes	(5)	
Accretion of loan exit fees	(6,624)	(6,091)
Change in deferred loan origination revenue	1,758	(349)
Unearned fees related to unfunded commitments	1,074	(598)
Amortization of debt fees and issuance costs	2,669	2,889
Depreciation	111	106
Stock-based compensation and amortization of restricted stock grants	5,027	4,061
Change in operating assets and liabilities:		
Interest and fees receivable	227	262
Prepaid expenses and other assets	2,744	(2,410)
Accounts payable	(732)	571
Accrued liabilities	200	(4,849)
Net cash provided by (used in) operating activities	(180,369)	(47,119)
Cash flows from investing activities:		
Purchases of capital equipment	(80)	(57)
Reduction of (investment in) restricted cash	850	2,780
Net cash provided by (used in) investing activities	770	2,723
Cash flows from financing activities:		
Issuance of common stock, net	100,092	9,873
Issuance (retirement) of employee shares	(3,395)	(2,102)
Dividends paid	(41,567)	(37,891)
Repayments of 2019 Notes Payable	(20,000)	
Repayments of 2017 Asset-Backed Notes	(16,049)	(43,010)
Repayments of Long-Term SBA Debentures		(34,800)
Borrowings of credit facilities	50,000	
Repayments of credit facilities	(378)	
Cash Paid for redemption of Convertible Senior Notes	(65)	

Fees paid for credit facilities and debentures	(168)	(34)
Net cash provided by (used in) financing activities	68,470	(107,964)
Net decrease in cash and cash equivalents	(111,129)	(152,360)
Cash and cash equivalents at beginning of period	227,116	268,368
Cash and cash equivalents at end of period	$ 115,987	$ 116,008
Supplemental non-cash investing and financing activities:		
Dividends Reinvested	$ 1,199	$ 664
Paid-in-kind Principal	$ 2,012	$ 1,365

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Portfolio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor	Principal Amount	Cost[2]	Value[3]
Debt Investment							
Communications & Networking							
1-5 Years Maturity							
OpenPeak, Inc.[10][12]	Communications & Networking	Senior Secured	April 2017	Interest rate PRIME + 8.75% or Floor rate of 12.00%, 7.45% Exit Fee	$ 10,440	$ 10,788	$ 6,352
SkyCross, Inc.[11][12][13]	Communications & Networking	Senior Secured	January 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%, PIK Interest 5.00%, 7.60% Exit Fee	$ 22,000	21,781	19,594
Subtotal: 1-5 Years Maturity						32,569	25,946
Subtotal: Communications & Networking (3.49%)*						32,569	25,946
Consumer & Business Products							
Under 1 Year Maturity							
Antenna79 (p.k.a. Pong Research Corporation)[11][13]	Consumer & Business Products	Senior Secured	June 2016	Interest rate PRIME + 7.75% or Floor rate of 11.00%	$ 1,033	1,033	1,033
Subtotal: Under 1 Year Maturity						1,033	1,033
1-5 Years Maturity							
Antenna79 (p.k.a. Pong Research Corporation)[11][12][13][16]	Consumer & Business Products	Senior Secured	December 2017	Interest rate PRIME + 6.75% or Floor rate of 10.00%, PIK Interest 2.50%, 5.65% Exit Fee	$ 4,892	4,870	4,967
Fluc, Inc.[8]	Consumer & Business Products	Convertible Debt	March 2017	Interest rate FIXED 4.00%	$ 100	100	
IronPlanet, Inc.[12]	Consumer & Business Products	Senior Secured	November 2017	Interest rate PRIME + 6.20% or Floor rate of 9.45%, 9.45% Exit Fee	$ 37,500	37,508	37,306
The Neat Company[11][12][13]	Consumer & Business Products	Senior Secured	September 2017	Interest rate PRIME + 7.75% or Floor rate of 11.00%, PIK Interest 1.00%, 3.00% Exit Fee	$ 18,414	18,079	18,079
Subtotal: 1-5 Years Maturity						60,557	60,352

Subtotal: Consumer & Business Products (8.25%)*						61,590	61,385
Drug Delivery							
1-5 Years Maturity							
AcelRx Pharmaceuticals, Inc.(9)(10)(12)(13)	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 3.85% or Floor rate of 9.10%, 4.25% Exit Fee	$ 22,760	22,964	23,124
Agile Therapeutics, Inc(10)(12)	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 5.75% or Floor rate of 9.00%, 3.70% Exit Fee	$ 16,500	16,009	16,009
BIND Therapeutics, Inc.(12)(13)	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 5.10% or Floor rate of 8.35%, 6.11% Exit Fee	$ 15,000	14,893	14,944

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BioQuiddity Incorporated(10)(12)	Drug Delivery	Senior Secured	May 2018	Interest rate PRIME + 8.00% or Floor rate of 11.25%, 6.00% Exit Fee	$ 10,000	$10,024	$ 10,094
Celator Pharmaceuticals, Inc.(10)(12)	Drug Delivery	Senior Secured	June 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%, 3.95% Exit Fee	$ 15,000	14,909	14,945
Celsion Corporation(10)(12)	Drug Delivery	Senior Secured	June 2017	Interest rate PRIME + 8.00% or Floor rate of 11.25%, 3.50% Exit Fee	$ 8,223	8,257	8,376
Dance Biopharm, Inc.(12)(13)	Drug Delivery	Senior Secured	November 2017	Interest rate PRIME + 7.40% or Floor rate of 10.65%, 4.00% Exit Fee	$ 3,321	3,342	3,349
Edge Therapeutics, Inc.(10)(12)	Drug Delivery	Senior Secured	March 2018	Interest rate PRIME + 5.95% or Floor rate of 9.95%, 1.50% Exit Fee	$ 6,000	5,920	5,844
Egalet Corporation(12)	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 6.15% or Floor rate of 9.40%, 3.85% Exit Fee	$ 15,000	14,853	15,040
Neos Therapeutics, Inc.(12)(13)	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 5.75% or Floor rate of 9.00%, 4.25% Exit Fee	$ 5,000	4,898	4,948
	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 7.25% or Floor rate of 10.50%, 4.25% Exit Fee	$ 10,000	9,914	10,014
	Drug Delivery	Senior Secured	October 2017	Interest rate FIXED 9.00%, 2.13% Exit Fee	$ 10,000	10,000	9,927
Total Neos Therapeutics, Inc.					$ 25,000	24,812	24,889
Pulmatrix Inc.(8)(12)	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 6.25% or Floor rate of 9.50%, 3.50% Exit Fee	$ 7,000	6,786	6,786
ZP Opco, Inc (pka Zosano Pharma)(10)(12)	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 4.70% or Floor rate of 7.95%, 2.87% Exit Fee	$ 15,000	14,789	14,898
Subtotal: 1-5 Years Maturity						157,558	158,298
Subtotal: Drug Delivery (21.29%)*						157,558	158,298

Drug Discovery & Development							
Under 1 Year Maturity							
Aveo Pharmaceuticals, Inc.(9)(13)	Drug Discovery & Development	Senior Secured	December 2015	Interest rate PRIME + 7.15% or Floor rate of 11.90%	$ 6,018	6,018	6,018
Concert Pharmaceuticals, Inc.(10)	Drug Discovery & Development	Senior Secured	October 2015	Interest rate PRIME + 3.25% or Floor rate of 8.50%	$ 2,954	2,950	2,950
Insmed, Incorporated(10)(12)	Drug Discovery & Development	Senior Secured	January 2016	Interest rate PRIME + 4.75% or Floor rate of 9.25%, 1.95% Exit Fee	$ 25,000	25,097	25,097
Subtotal: Under 1 Year Maturity						34,065	34,065

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1-5 Years Maturity							
Aveo Pharmaceuticals, Inc.[9][12][13]	Drug Discovery & Development	Senior Secured	January 2018	Interest rate PRIME + 6.65% or Floor rate of 11.90%, 5.40% Exit Fee	$ 10,000	$ 9,930	$ 9,975
Celladon Corporation[12][13]	Drug Discovery & Development	Senior Secured	February 2018	Interest rate PRIME + 5.00% or Floor rate of 8.25%, 7.00% Exit Fee	$ 10,000	10,193	10,193
Cempra, Inc.[10][12]	Drug Discovery & Development	Senior Secured	April 2018	Interest rate PRIME + 6.30% or Floor rate of 9.55%, 2.00% Exit Fee	$ 17,557	17,630	17,630
Cerecor Inc.[12]	Drug Discovery & Development	Senior Secured	August 2017	Interest rate PRIME + 4.70% or Floor rate of 7.95%, 2.50% Exit Fee	$ 7,247	7,196	7,181
Cerulean Pharma Inc.[12]	Drug Discovery & Development	Senior Secured	July 2018	Interest rate PRIME + 4.05% or Floor rate of 7.30%, 6.70% Exit Fee	$ 15,000	14,860	14,860
Cleveland BioLabs, Inc.[12][13]	Drug Discovery & Development	Senior Secured	January 2017	Interest rate LIBOR + 6.20% or Floor rate of 10.45%, 5.50% Exit Fee	$ 1,518	1,783	1,761
CTI BioPharma Corp. (p.k.a. Cell Therapeutics, Inc.)[10][12]	Drug Discovery & Development	Senior Secured	December 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%, 8.50% Exit Fee	$ 20,000	20,588	20,603
Dynavax Technologies[9][12]	Drug Discovery & Development	Senior Secured	July 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%, 8.40% Exit Fee	$ 10,000	10,074	10,115
Epirus Biopharmaceuticals, Inc.[12]	Drug Discovery & Development	Senior Secured	April 2018	Interest rate PRIME + 4.70% or Floor rate of 7.95%, 3.00% Exit Fee	$ 15,000	14,672	14,896
Genocea Biosciences, Inc.[10][12]	Drug Discovery & Development	Senior Secured	January 2019	Interest rate PRIME + 4.00% or Floor rate of 7.25%, 4.95% Exit Fee	$ 12,000	11,970	11,888
Melinta Therapeutics[12]	Drug Discovery & Development	Senior Secured	June 2018	Interest rate PRIME + 5.00% or Floor rate of 8.25%, 3.50% Exit Fee	$ 20,000	19,592	19,729
Merrimack Pharmaceuticals, Inc.[12]	Drug Discovery & Development	Senior Secured	November 2018	Interest rate PRIME + 7.30% or Floor rate of 10.55%, 3.00% Exit Fee	$ 40,000	40,569	40,569
Neothetics, Inc. (p.k.a. Lithera, Inc)[12][13]	Drug Discovery & Development	Senior Secured	January 2018	Interest rate PRIME + 5.75% or Floor rate of 9.00%, 3.00% Exit Fee	$ 10,000	9,857	9,865

Neuralstem, Inc.[12][13]	Drug Discovery & Development	Senior Secured	April 2017	Interest rate PRIME + 6.75% or Floor rate of 10.00%, 6.00% Exit Fee	$ 9,489	9,448	9,605
uniQure B.V.[4][9][10][12]	Drug Discovery & Development	Senior Secured	June 2018	Interest rate PRIME + 5.00% or Floor rate of 10.25%, 2.98% Exit Fee	$ 20,000	19,905	19,984
XOMA Corporation[9][12][13]	Drug Discovery & Development	Senior Secured	September 2018	Interest rate PRIME + 6.15% or Floor rate of 9.40%, 5.75% Exit Fee	$ 20,000	19,676	19,676
Subtotal: 1-5 Years Maturity						237,943	238,530
Subtotal: Drug Discovery & Development (36.65%)*						272,008	272,595

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Portfolio Company	Sub-Industry	Type of Investment(1)	Maturity Date	Interest Rate and Floor	Principal Amount	Cost(2)	Value(3)
Electronics & Computer Hardware							
1-5 Years Maturity							
Plures Technologies, Inc.(7)(11)	Electronics & Computer Hardware	Senior Secured	October 2016	Interest rate LIBOR + 8.75% or Floor rate of 12.00%, PIK Interest 4.00%	$ 267	$ 180	$
Subtotal: 1-5 Years Maturity						180	
Subtotal: Electronics & Computer Hardware (0.00%)*						180	
Energy Technology							
Under 1 Year Maturity							
Fluidic, Inc.(10)(12)	Energy Technology	Senior Secured	March 2016	Interest rate PRIME + 8.00% or Floor rate of 11.25%, 3.00% Exit Fee	$ 2,270	2,392	2,392
Polyera Corporation(12)(13)	Energy Technology	Senior Secured	June 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%, 4.25% Exit Fee	$ 2,492	2,706	2,706
Stion Corporation(5)(12)	Energy Technology	Senior Secured	March 2016	Interest rate PRIME + 8.75% or Floor rate of 12.00%, 3.00% Exit Fee	$ 3,055	3,055	1,600
Sungevity Development, LLC	Energy Technology	Senior Secured	April 2016	Interest rate PRIME + 3.70% or Floor rate 6.95%	$ 17,214	17,214	17,214
TAS Energy, Inc.(10)(12)	Energy Technology	Senior Secured	December 2015	Interest rate PRIME + 7.75% or Floor rate of 11.00%, 1.67% Exit Fee	$ 4,153	4,344	4,344
Subtotal: Under 1 Year Maturity						29,711	28,256
1-5 Years Maturity							
Agrivida, Inc.(12)(13)	Energy Technology	Senior Secured	December 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%, 5.00% Exit Fee	$ 4,362	4,549	4,497
American Superconductor Corporation(10)(12)	Energy Technology	Senior Secured	November 2016	Interest rate PRIME + 7.25% or Floor rate of 11.00%, 5.00% Exit Fee	$ 5,667	6,020	5,965
	Energy Technology	Senior Secured	June 2017	Interest rate PRIME + 7.75% or Floor rate of 11.00%, 5.00%	$ 1,500	1,472	1,476

				Exit Fee			
Total American Superconductor Corporation					$ 7,167	7,492	7,441
Amyris, Inc.(9)(12)	Energy Technology	Senior Secured	February 2017	Interest rate PRIME + 6.25% or Floor rate of 9.50%, 10.00% Exit Fee	$ 22,909	22,909	23,138
	Energy Technology	Senior Secured	February 2017	Interest rate PRIME + 5.25% or Floor rate of 8.50%, 10.00% Exit Fee	$ 4,578	4,578	4,624
Total Amyris, Inc.					$ 27,487	27,487	27,762
Modumetal, Inc.(12)	Energy Technology	Senior Secured	March 2017	Interest rate PRIME + 11.20% or Floor rate of 14.45%, 8.82% Exit Fee	$ 2,412	2,534	2,606

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Portfolio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor	Principal Amount	Cost[2]	Value[3]
Polyera Corporation[12][13]	Energy Technology	Senior Secured	April 2018	Interest rate PRIME + 6.70% or Floor rate of 9.95%, 3.45% Exit Fee	$ 3,000	$ 2,933	$ 2,933
Proterra, Inc.[12]	Energy Technology	Senior Secured	June 2018	Interest rate PRIME + 6.95% or Floor rate of 10.20%, 5.95% Exit Fee	$ 20,000	19,788	19,788
Sungevity Development, LLC[12]	Energy Technology	Senior Secured	October 2017	Interest rate PRIME + 3.70% or Floor rate 6.95%, 9.95% Exit Fee	$ 25,000	24,397	24,820
Tendril Networks[12]	Energy Technology	Senior Secured	June 2019	Interest rate FIXED 7.25%, 10.45% Exit Fee	$ 10,000	9,671	9,671
Subtotal: 1-5 Years Maturity						98,851	99,518
Subtotal: Energy Technology (17.18%)*						128,562	127,774
Healthcare Services, Other							
1-5 Years Maturity							
Chromadex Corporation[12][13]	Healthcare Services, Other	Senior Secured	April 2018	Interest rate PRIME + 6.10% or Floor rate of 9.35%, 3.75% Exit Fee	$ 5,000	4,820	4,877
InstaMed Communications, LLC[12][13]	Healthcare Services, Other	Senior Secured	March 2018	Interest rate PRIME + 6.75% or Floor rate of 10.00%, 7.62% Exit Fee	$ 5,000	5,081	5,071
Subtotal: 1-5 Years Maturity						9,901	9,948
Subtotal: Healthcare Services, Other (1.34%)*						9,901	9,948
Information Services							
Under 1 Year Maturity							
Eccentex Corporation[12][15]	Information Services	Senior Secured	May 2015	Interest rate PRIME + 7.00% or Floor rate of 10.25%, 1.50% Exit Fee	$ 13	28	28
Subtotal: Under 1 Year Maturity						28	28

1-5 Years Maturity							
INMOBI Inc.(4)(9)(11)(12)	Information Services	Senior Secured	December 2016	Interest rate PRIME + 7.00% or Floor rate of 10.25%	$ 14,612	14,612	14,612
	Information Services	Senior Secured	December 2017	Interest rate PRIME + 5.75% or Floor rate of 9.00%, PIK Interest 2.50%, 4.00% Exit Fee	$ 15,203	15,196	15,225
Total INMOBI Inc.					$ 29,815	29,808	29,837
InXpo, Inc.(12)(13)	Information Services	Senior Secured	October 2016	Interest rate PRIME + 7.50% or Floor rate of 10.75%, 3.00% Exit Fee	$ 1,713	1,736	1,740
Subtotal: 1-5 Years Maturity						31,544	31,577
Subtotal: Information Services (4.25%)*						31,572	31,605

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Portfolio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor	Principal Amount	Cost[2]	Value[3]
Internet Consumer & Business Services							
Under 1 Year Maturity							
Education Dynamics, LLC[11][13]	Internet Consumer & Business Services	Senior Secured	March 2016	Interest rate LIBOR + 12.50% or Floor rate of 12.50%, PIK Interest 1.50%	$ 20,719	$ 20,709	$ 20,709
Gazelle, Inc.[11]	Internet Consumer & Business Services	Senior Secured	December 2015	Interest rate PRIME + 6.50% or Floor rate of 9.75%	$ 437	437	437
NetPlenish[7][8][13]	Internet Consumer & Business Services	Convertible Debt	April 2016	Interest rate FIXED 10.00%	$ 429	421	
Tectura Corporation[7][11][14]	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 8.00% or Floor rate of 11.00%, PIK Interest 1.00%	$ 8,770	8,770	3,881
	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	$ 563	563	249
	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	$ 5,000	5,000	2,212
	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	$ 6,468	6,468	2,862
Total Tectura Corporation					$ 20,801	20,801	9,204
Subtotal: Under 1 Year Maturity						42,368	30,350
1-5 Years Maturity							
Aria Systems, Inc.[11]	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 3.20% or Floor rate of 6.95%, PIK Interest 1.95%	$ 2,001	1,971	1,971
	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 5.20% or Floor rate of 8.95%, PIK Interest 1.95%	$ 8,004	7,882	7,882
Total Aria Systems, Inc.					$ 10,005	9,853	9,853
Gazelle, Inc.[11]	Internet Consumer & Business Services	Senior Secured	July 2017	Interest rate PRIME + 7.00% or Floor rate of 10.25%, PIK Interest 2.50%	$ 13,736	13,604	13,639

Just Fabulous, Inc.(10)(12)	Internet Consumer & Business Services	Senior Secured	February 2017	Interest rate PRIME + 8.25% or Floor rate of 11.50%, 3.00% Exit Fee	$ 15,000	14,817	14,817
Lightspeed POS, Inc.(4)(9)(10)	Internet Consumer & Business Services	Senior Secured	May 2018	Interest rate PRIME + 3.25% or Floor rate of 6.50%	$ 5,000	4,972	4,998

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Portfolio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor	Principal Amount	Cost[2]	Value[3]
ReachLocal[12]	Internet Consumer & Business Services	Senior Secured	April 2018	Interest rate PRIME + 8.50% or Floor rate of 11.75%, 5.90% Exit Fee	$ 25,000	$ 24,687	$ 24,687
Reply! Inc.[7][11]	Internet Consumer & Business Services	Senior Secured	March 2019	Interest rate PRIME + 4.25% or Floor rate of 7.50%	$ 6,240	5,872	3,308
	Internet Consumer & Business Services	Senior Secured	March 2019	PIK Interest 2.00%	$ 5,964	5,964	3,360
Total Reply! Inc.					$ 12,204	11,836	6,668
Tapjoy, Inc.[12]	Internet Consumer & Business Services	Senior Secured	July 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%, 0.50% Exit Fee	$ 20,000	19,571	19,553
WaveMarket, Inc.[12]	Internet Consumer & Business Services	Senior Secured	March 2017	Interest rate PRIME + 6.50% or Floor rate of 9.75%, 1.00% Exit Fee	$ 236	238	242
Subtotal: 1-5 Years Maturity						99,578	94,457
Subtotal: Internet Consumer & Business Services (16.78%)*						141,946	124,807
Media/Content/Info							
Under 1 Year Maturity							
Zoom Media Group, Inc.[10][11]	Media/Content/ Info	Senior Secured	December 2015	Interest rate PRIME + 7.25% or Floor rate of 10.50%, PIK Interest 3.75%	$ 1,521	1,508	1,508
	Media/Content/ Info	Senior Secured	December 2015	Interest rate PRIME + 5.25% or Floor rate of 8.50%	$ 5,060	5,060	5,060
Total Zoom Media Group, Inc.					$ 6,581	6,568	6,568
Subtotal: Under 1 Year Maturity						6,568	6,568
1-5 Years Maturity							
Machine Zone, Inc.[11]	Media/Content/ Info	Senior Secured	May 2018	Interest rate PRIME + 3.50% or Floor rate of 6.75%, PIK Interest 3.00%	$ 30,018	29,287	29,287
Rhapsody International, Inc.[10][11][13]	Media/Content/ Info	Senior Secured	April 2018	Interest rate PRIME + 5.25% or Floor rate of 9.00%, PIK	$ 19,392	19,050	19,052

				interest 1.50%			
Subtotal: 1-5 Years Maturity						48,337	48,339
Subtotal: Media/Content/Info (7.38%)*						54,905	54,907
Medical Devices & Equipment							
Under 1 Year Maturity							
Medrobotics Corporation(12)(13)	Medical Devices & Equipment	Senior Secured	March 2016	Interest rate PRIME + 7.85% or Floor rate of 11.10%, 3.25% Exit Fee	$ 1,657	1,791	1,791

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SonaCare Medical, LLC (p.k.a. US HIFU, LLC)[12]	Medical Devices & Equipment	Senior Secured	April 2016	Interest rate PRIME + 7.75% or Floor rate of 11.00%, 6.80% Exit Fee	$ 729	$ 1,113	$ 1,113
Subtotal: Under 1 Year Maturity						2,904	2,904
1-5 Years Maturity							
Amedica Corporation[8][12][13]	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%, 7.25% Exit Fee	$ 20,000	20,131	17,015
Aspire Bariatrics, Inc.[12][13]	Medical Devices & Equipment	Senior Secured	April 2018	Interest rate PRIME + 6.00% or Floor rate of 9.25%, 8.04% Exit Fee	$ 4,000	3,675	3,675
Avedro, Inc.[12][13]	Medical Devices & Equipment	Senior Secured	June 2018	Interest rate PRIME + 6.00% or Floor rate of 9.25%, 3.50% Exit Fee	$ 12,500	12,190	12,030
Flowonix Medical Incorporated[12]	Medical Devices & Equipment	Senior Secured	May 2018	Interest rate PRIME + 5.25% or Floor rate of 10.00%, 5.00% Exit Fee	$ 15,000	14,865	14,936
Gamma Medica, Inc.[10][12]	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%, 6.00% Exit Fee	$ 4,000	3,942	3,944
InspireMD, Inc.[4][9][12]	Medical Devices & Equipment	Senior Secured	February 2017	Interest rate PRIME + 7.25% or Floor rate of 10.50%, 5.00% Exit Fee	$ 6,963	7,205	7,150
nContact Surgical, Inc[12][13]	Medical Devices & Equipment	Senior Secured	November 2018	Interest rate PRIME + 9.25% or Floor rate of 9.25%, 3.95% Exit Fee	$ 10,000	9,833	9,845
Quanterix Corporation[10][12]	Medical Devices & Equipment	Senior Secured	February 2018	Interest rate PRIME + 2.75% or Floor rate of 8.00%, 4.00% Exit Fee	$ 10,000	9,903	9,963
SynergEyes, Inc.[12][13]	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.75% or Floor rate of 11.00%, 4.80% Exit Fee	$ 5,000	5,143	5,118
Subtotal: 1-5 Years Maturity						86,887	83,676
Subtotal: Medical Devices & Equipment (11.64%)*						89,791	86,580
Semiconductors							

1-5 Years Maturity							
Achronix Semiconductor Corporation(12)(13)	Semiconductors	Senior Secured	July 2018	Interest rate PRIME + 8.25% or Floor rate of 11.50%, 6.50% Exit Fee	$ 5,000	4,929	4,929
Avnera Corporation(10)(12)	Semiconductors	Senior Secured	April 2018	Interest rate PRIME + 5.25% or Floor rate of 8.50%, 3.50% Exit Fee	$ 7,500	7,442	7,535
Subtotal: 1-5 Years Maturity						12,371	12,464
Subtotal: Semiconductors (1.68%)*						12,371	12,464

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Portfolio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor	Principal Amount	Cost[2]	Value[3]
Software							
Under 1 Year Maturity							
CareCloud Corporation[13]	Software	Senior Secured	July 2015	Interest rate PRIME + 1.40% or Floor rate of 4.65%	$ 3,000	$ 3,000	$ 3,000
Clickfox, Inc.[12][13]	Software	Senior Secured	August 2015	Interest rate PRIME + 8.75% or Floor rate of 12.00%, 5.00% Exit Fee	$ 3,000	3,108	3,108
	Software	Senior Secured	July 2015	Interest rate PRIME + 6.75% or Floor rate of 10.00%	$ 2,000	2,000	2,000
Total Clickfox, Inc.					$ 5,000	5,108	5,108
Mobile Posse, Inc.[13]	Software	Senior Secured	June 2016	Interest rate PRIME + 2.00% or Floor rate of 5.25%	$ 1,000	1,000	1,000
Neos Geosolutions, Inc.[12][13]	Software	Senior Secured	May 2016	Interest rate PRIME + 5.75% or Floor rate of 10.50%, 4.25% Exit Fee	$ 1,552	1,701	1,701
Subtotal: Under 1 Year Maturity						10,809	10,809
1-5 Years Maturity							
CareCloud Corporation[12][13]	Software	Senior Secured	July 2017	Interest rate PRIME + 5.50% or Floor rate of 8.75%, 12.00% Exit Fee	$ 3,000	2,966	2,947
	Software	Senior Secured	July 2017	Interest rate PRIME + 5.50% or Floor rate of 8.75%, 2.95% Exit Fee	$ 10,000	9,934	9,932
	Software	Senior Secured	January 2018	Interest rate PRIME + 1.70% or Floor rate of 4.95%, 2.95% Exit Fee	$ 3,000	2,971	2,949
	Software	Senior Secured	December 2017	Interest rate PRIME + 3.25% or Floor rate of 6.50%, 12.00% Exit Fee	$ 202	206	204
Total Carecloud Corporation					$ 16,202	16,077	16,032
Clickfox, Inc.[12][13]	Software	Senior Secured	March 2018	Interest rate PRIME + 8.25% or Floor rate of 11.50%, 3.50% Exit Fee	$ 6,000	5,930	5,724

Druva, Inc.(12)	Software	Senior Secured	March 2018	Interest rate PRIME + 4.60% or Floor rate of 7.85%, 6.50% Exit Fee	$ 9,000	8,961	8,961
JumpStart Games, Inc. (p.k.a. Knowledge Adventure, Inc.)(7)(11)(12)(13)(16)	Software	Senior Secured	March 2018	Interest rate PRIME + 8.25% or Floor rate of 11.50%, PIK Interest 6.50%, 5.07% Exit Fee	$ 12,803	12,903	7,089
Message Systems, Inc.(13)	Software	Senior Secured	February 2019	Interest rate PRIME + 7.25% or Floor rate of 10.50%	$ 17,500	17,030	17,030
	Software	Senior Secured	February 2017	Interest rate PRIME + 2.75% or Floor rate of 6.00%	$ 1,618	1,618	1,618
Total Message Systems, Inc.					$ 19,118	18,648	18,648

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Portfolio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor	Principal Amount	Cost[2]	Value[3]
Mobile Posse, Inc.[12][13]	Software	Senior Secured	December 2016	Interest rate PRIME + 7.50% or Floor rate of 10.75%, 2.00% Exit Fee	$ 2,273	$ 2,310	$ 2,333
RedSeal Inc.[12][13]	Software	Senior Secured	June 2018	Interest rate PRIME + 7.75% or Floor rate of 11.00%, 3.95% Exit Fee	$ 5,000	4,943	4,943
Soasta, Inc.[12][13]	Software	Senior Secured	February 2018	Interest rate PRIME + 2.25% or Floor rate of 5.50%, 0.81% Exit Fee	$ 3,500	3,391	3,391
	Software	Senior Secured	February 2019	Interest rate PRIME + 4.75% or Floor rate of 8.00%, 0.81% Exit Fee	$ 15,000	14,527	14,527
Total Soasta, Inc.					$ 18,500	17,918	17,918
Sonian, Inc.[12][13]	Software	Senior Secured	July 2017	Interest rate PRIME + 7.00% or Floor rate of 10.25%, 2.00% Exit Fee	$ 4,548	4,551	4,552
StrongView Systems, Inc.[11][12]	Software	Senior Secured	December 2017	Interest rate PRIME + 6.00% or Floor rate of 9.25%, PIK Interest 3.00%, 3.00% Exit Fee	$ 10,152	9,982	9,982
Touchcommerce, Inc.[12][13]	Software	Senior Secured	February 2018	Interest rate PRIME + 6.00% or Floor Rate of 10.25%, 3.43% Exit Fee	$ 7,000	6,793	6,863
	Software	Senior Secured	August 2016	Interest rate PRIME + 2.25% or Floor Rate of 6.50%	$ 4,811	4,811	4,732
Total Touchcommerce, Inc.					$ 11,811	11,604	11,595
Subtotal: 1-5 Years Maturity						113,827	107,777
Subtotal: Software (15.95%)*						124,636	118,586
Specialty Pharmaceuticals							
Under 1 Year Maturity							
Cranford Pharmaceuticals, LLC[10][11][13]	Specialty Pharmaceuticals	Senior Secured	August 2015	Interest rate LIBOR + 8.25% or Floor rate of 9.50%	$ 1,100	1,100	1,100
Subtotal: Under 1 Year Maturity						1,100	1,100

1-5 Years Maturity							
Alimera Sciences, Inc.[(10)]	Specialty Pharmaceuticals	Senior Secured	May 2018	Interest rate PRIME + 7.65% or Floor rate of 10.90%	$ 35,000	34,316	33,959
Cranford Pharmaceuticals, LLC[(10)(11)(12)(13)]	Specialty Pharmaceuticals	Senior Secured	February 2017	Interest rate LIBOR + 9.55% or Floor rate of 10.80%, PIK Interest 1.35%, 1.75% Exit Fee	$ 12,518	12,609	12,658
Subtotal: 1-5 Years Maturity						46,925	46,617
Subtotal: Specialty Pharmaceuticals (6.42%)*						48,025	47,717

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Portfolio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor	Principal Amount	Cost[2]	Value[3]
Surgical Devices							
Under 1 Year Maturity							
Gynesonics, Inc.[13]	Surgical Devices	Convertible Debt	December 2015	Interest rate FIXED 8.00%	$ 14	$ 14	$ 14
	Surgical Devices	Convertible Debt	December 2015	Interest rate FIXED 8.00%	$ 51	51	51
Total Gynesonics, Inc.					$ 65	65	65
Transmedics, Inc.	Surgical Devices	Senior Secured	November 2015	Interest rate FIXED 12.95%	$ 4,963	4,942	4,942
Subtotal: Under 1 Year Maturity						5,007	5,007
Subtotal: Surgical Devices (0.67%)*						5,007	5,007
Total Debt Investments (152.97%)*						$ 1,170,621	$ 1,137,619

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Portfolio Company	Sub-Industry	Type of Investment[1]	Series	Shares	Cost[2]	Value[3]
Equity Investments						
Biotechnology Tools						
NuGEN Technologies, Inc.[13]	Biotechnology Tools	Equity	Preferred Series C	189,394	$ 500	$ 529
Subtotal: Biotechnology Tools (0.07%)*					500	529
Communications & Networking						
GlowPoint, Inc.[3]	Communications & Networking	Equity	Common Stock	114,192	102	93
Peerless Network, Inc.	Communications & Networking	Equity	Preferred Series A	1,000,000	1,000	5,965
Subtotal: Communications & Networking (0.81%)*					1,102	6,058
Consumer & Business Products						
Market Force Information, Inc.	Consumer & Business Products	Equity	Preferred Series B-1	187,970	500	3
	Consumer & Business Products	Equity	Common Stock	480,261		230
Total: Market Force Information, Inc.				668,231	500	233
Subtotal: Consumer & Business Products (0.03%)*					500	233
Diagnostic						
Singulex, Inc.	Diagnostic	Equity	Common Stock	937,998	750	209
Subtotal: Diagnostic (0.03%)*					750	209
Drug Delivery						
AcelRx Pharmaceuticals, Inc.[3][9][13]	Drug Delivery	Equity	Common Stock	54,240	108	230
Edge Therapeutics, Inc.	Drug Delivery	Equity	Preferred Series C-2	215,053	1,000	1,072
Merrion Pharmaceuticals, Plc[3][4][9]	Drug Delivery	Equity	Common Stock	20,000	9	
Neos Therapeutics, Inc.[13][17]	Drug Delivery	Equity	Preferred Series C	300,000	1,500	1,902
Subtotal: Drug Delivery (0.43%)*					2,617	3,204
Drug Discovery & Development						
Aveo Pharmaceuticals, Inc.[3][9][13]		Equity	Common Stock	167,864	842	292

	Drug Discovery & Development					
Cerecor Inc.	Drug Discovery & Development	Equity	Preferred Series B	3,334,445	1,000	639
Cerulean Pharma Inc.(3)	Drug Discovery & Development	Equity	Common Stock	135,501	1,000	623
Dicerna Pharmaceuticals, Inc.(3)(13)	Drug Discovery & Development	Equity	Common Stock	142,858	1,000	1,993
Epirus Biopharmaceuticals, Inc.(3)	Drug Discovery & Development	Equity	Common Stock	200,000	1,000	1,143
Genocea Biosciences, Inc.(3)	Drug Discovery & Development	Equity	Common Stock	223,463	2,000	3,068
Inotek Pharmaceuticals Corporation(3)	Drug Discovery & Development	Equity	Common Stock	3,778	1,500	19
Insmed, Incorporated(3)	Drug Discovery & Development	Equity	Common Stock	70,771	1,000	1,728
Melinta Therapeutics	Drug Discovery & Development	Equity	Preferred Series 4	957,224	1,000	1,010
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.)(3)	Drug Discovery & Development	Equity	Common Stock	31,580	1,744	813
Subtotal: Drug Discovery & Development (1.52%)*					12,086	11,328

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Portfolio Company	Sub-Industry	Type of Investment[1]	Series	Shares	Cost[2]	Value[3]
Electronics & Computer Hardware						
Identiv, Inc.[3]	Electronics & Computer Hardware	Equity	Common Stock	6,700	$ 34	$ 39
Subtotal: Electronics & Computer Hardware (0.01%)*					34	39
Energy Technology						
Glori Energy, Inc.[3]	Energy Technology	Equity	Common Stock	18,208	165	26
Modumetal, Inc.	Energy Technology	Equity	Preferred Series C	3,107,520	500	500
SCIEnergy, Inc.	Energy Technology	Equity	Preferred Series 1	385,000	761	21
Subtotal: Energy Technology (0.07%)*					1,426	547
Information Services						
Good Technology Corporation (p.k.a. Visto Corporation)[13]	Information Services	Equity	Common Stock	500,000	603	584
Subtotal: Information Services (0.08%)*					603	584
Internet Consumer & Business Services						
Blurb, Inc.[13]	Internet Consumer & Business Services	Equity	Preferred Series B	220,653	175	283
Lightspeed POS, Inc.[4][9]	Internet Consumer & Business Services	Equity	Preferred Series C	23,003	250	280
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Equity	Preferred Series G	218,351	250	356
	Internet Consumer & Business Services	Equity	Preferred Series H	87,802	250	251
Total: Oportun (p.k.a. Progress Financial)				306,153	500	607
Philotic, Inc.	Internet Consumer & Business Services	Equity	Common Stock	9,023	93	
RazorGator Interactive Group, Inc.	Internet Consumer & Business Services	Equity	Preferred Series AA	34,783	15	35
Taptera, Inc.	Internet Consumer & Business Services	Equity	Preferred Series B	454,545	150	182
Subtotal: Internet Consumer & Business Services (0.19%)*					1,183	1,387
Medical Devices & Equipment						
Flowonix Medical Incorporated	Medical Devices & Equipment	Equity	Preferred Series E	221,893	1,500	2,048
Gelesis, Inc.[5][13]		Equity	Common Stock	198,202		657

	Medical Devices & Equipment					
	Medical Devices & Equipment	Equity	Preferred Series A-1	674,208	425	736
	Medical Devices & Equipment	Equity	Preferred Series A-2	675,676	500	685
Total: Gelesis, Inc.				1,548,086	925	2,078
Home Dialysis Plus, Inc.	Medical Devices & Equipment	Equity	Preferred Series B	232,061	527	541
Medrobotics Corporation[13]	Medical Devices & Equipment	Equity	Preferred Series E	136,798	250	160
	Medical Devices & Equipment	Equity	Preferred Series F	73,971	155	176
Total: Medrobotics Corporation				210,769	405	336
Novasys Medical, Inc.	Medical Devices & Equipment	Equity	Preferred Series D-1	4,118,444	1,000	
Optiscan Biomedical, Corp.[5][13]	Medical Devices & Equipment	Equity	Preferred Series B	6,185,567	3,000	545
	Medical Devices & Equipment	Equity	Preferred Series C	1,927,309	655	163

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Portfolio Company	Sub-Industry	Type of Investment(1)	Series	Shares	Cost(2)	Value(3)
	Medical Devices & Equipment	Equity	Preferred Series D	55,103,923	$ 5,257	$ 5,695
Total: Optiscan Biomedical, Corp.				63,216,799	8,912	6,403
Oraya Therapeutics, Inc.	Medical Devices & Equipment	Equity	Preferred Series 1	1,086,969	500	375
Subtotal: Medical Devices & Equipment (1.58%)*					13,769	11,781
Software						
Atrenta, Inc.	Software	Equity	Preferred Series C	1,196,845	986	1,639
	Software	Equity	Preferred Series D	1,028,183	959	1,550
Total: Atrenta, Inc.				2,225,028	1,945	3,189
Box, Inc.(3)(13)	Software	Equity	Common Stock	1,464,747	5,818	27,303
CapLinked, Inc.	Software	Equity	Preferred Series A-3	53,614	51	84
ForeScout Technologies, Inc.	Software	Equity	Preferred Series D	319,099	398	653
	Software	Equity	Preferred Series E	80,587	131	168
Total: ForeScout Technologies, Inc.				399,686	529	821
HighRoads, Inc.	Software	Equity	Preferred Series B	190,170	307	233
NewVoiceMedia Limited(4)(9)	Software	Equity	Preferred Series E	669,173	963	1,010
WildTangent, Inc.(13)	Software	Equity	Preferred Series 3	100,000	402	238
Subtotal: Software (4.42%)*					10,015	32,878
Specialty Pharmaceuticals						
QuatRx Pharmaceuticals Company	Specialty Pharmaceuticals	Equity	Preferred Series E	241,829	750	
	Specialty Pharmaceuticals	Equity	Preferred Series E-1	26,955		
	Specialty Pharmaceuticals	Equity	Preferred Series G	4,667,636		

Total: QuatRx Pharmaceuticals Company				4,936,420	750	
Subtotal: Specialty Pharmaceuticals (0.00%)*					750	
Surgical Devices						
Gynesonics, Inc.[13]	Surgical Devices	Equity	Preferred Series B	219,298	250	105
	Surgical Devices	Equity	Preferred Series C	656,538	282	197
	Surgical Devices	Equity	Preferred Series D	1,991,157	712	1,088
Total: Gynesonics, Inc.				2,866,993	1,244	1,390
Transmedics, Inc.	Surgical Devices	Equity	Preferred Series B	88,961	1,100	217
	Surgical Devices	Equity	Preferred Series C	119,999	300	149

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	Surgical Devices	Equity	Preferred Series D	260,000	$ 650	$ 661
Total: Transmedics, Inc.	Surgical Devices	Equity	Preferred Series D	468,960	2,050	1,027
Subtotal: Surgical Devices (0.33%)*					3,294	2,417
Total: Equity Investments (9.57%)*					48,629	71,194
Warrant Investments						
Biotechnology Tools						
Labcyte, Inc.[13]	Biotechnology Tools	Warrant	Preferred Series C	1,127,624	323	421
Subtotal: Biotechnology Tools (0.06%)*					323	421
Communications & Networking						
Intelepeer, Inc.[13]	Communications & Networking	Warrant	Preferred Series C	117,958	102	
OpenPeak, Inc.	Communications & Networking	Warrant	Common Stock	108,982	148	
PeerApp, Inc.	Communications & Networking	Warrant	Preferred Series B	298,779	61	81
Peerless Network, Inc.	Communications & Networking	Warrant	Preferred Series A	135,000	95	608
Ping Identity Corporation	Communications & Networking	Warrant	Preferred Series B	1,136,277	52	234
SkyCross, Inc.[13]	Communications & Networking	Warrant	Preferred Series F	9,762,777	394	
Spring Mobile Solutions, Inc.	Communications & Networking	Warrant	Preferred Series D	2,834,375	418	181
Subtotal: Communications & Networking (0.15%)*					1,270	1,104
Consumer & Business Products						
Antenna79 (p.k.a. Pong Research Corporation)[13]	Consumer & Business Products	Warrant	Preferred Series A	1,662,441	228	28
Intelligent Beauty, Inc.[13]	Consumer & Business Products	Warrant	Preferred Series B	190,234	230	272
IronPlanet, Inc.	Consumer & Business Products	Warrant	Preferred Series D	1,155,821	1,076	1,092
Market Force Information, Inc.	Consumer & Business Products	Warrant	Preferred Series A-1	150,212	25	10

The Neat Company[13]	Consumer & Business Products	Warrant	Preferred Series C-1	540,540	365	280
Subtotal: Consumer & Business Products (0.23%)*					1,924	1,682
Diagnostic						
Navidea Biopharmaceuticals, Inc. (p.k.a. Neoprobe)[3][13]	Diagnostic	Warrant	Common Stock	333,333	244	42
Subtotal: Diagnostic (0.01%)*					244	42
Drug Delivery						
AcelRx Pharmaceuticals, Inc.[3][9][13]	Drug Delivery	Warrant	Common Stock	176,730	786	231
Agile Therapeutics, Inc[3]	Drug Delivery	Warrant	Common Stock	180,274	730	607
BIND Therapeutics, Inc.[3][13]	Drug Delivery	Warrant	Common Stock	152,586	488	77
BioQuiddity Incorporated	Drug Delivery	Warrant	Common Stock	459,183	1	
Celator Pharmaceuticals, Inc.[3]	Drug Delivery	Warrant	Common Stock	210,675	138	106
Celsion Corporation[3]	Drug Delivery	Warrant	Common Stock	194,986	428	68
Dance Biopharm, Inc.[13]	Drug Delivery	Warrant	Preferred Series A	97,701	74	60
Edge Therapeutics, Inc.	Drug Delivery	Warrant	Preferred Series C-1	107,526	390	303
Egalet Corporation[3]	Drug Delivery	Warrant	Common Stock	113,421	130	853

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Kaleo, Inc. (p.k.a. Intelliject, Inc.)	Drug Delivery	Warrant	Preferred Series B	82,500	$ 594	$ 1,313
Neos Therapeutics, Inc.[13][17]	Drug Delivery	Warrant	Preferred Series C	170,000	285	332
Pulmatrix Inc.[3]	Drug Delivery	Warrant	Common Stock	25,150	116	85
Revance Therapeutics, Inc.[3]	Drug Delivery	Warrant	Common Stock	53,511	557	460
ZP Opco, Inc. (p.k.a. Zosano Pharma)[3]	Drug Delivery	Warrant	Common Stock	72,379	265	130
Subtotal: Drug Delivery (0.62%)*					4,982	4,625
Drug Discovery & Development						
ADMA Biologics, Inc.[3]	Drug Discovery & Development	Warrant	Common Stock	89,750	295	239
Anthera Pharmaceuticals, Inc.[3][13]	Drug Discovery & Development	Warrant	Common Stock	40,178	984	4
Aveo Pharmaceuticals, Inc.[3][9][13]	Drug Discovery & Development	Warrant	Common Stock	608,696	194	380
Cerecor Inc.	Drug Discovery & Development	Warrant	Preferred Series B	625,208	70	15
Cerulean Pharma Inc.[3]	Drug Discovery & Development	Warrant	Common Stock	137,521	357	203
Chroma Therapeutics, Ltd.[4][9]	Drug Discovery & Development	Warrant	Preferred Series D	325,261	490	
Cleveland BioLabs, Inc.[3][13]	Drug Discovery & Development	Warrant	Common Stock	7,813	105	9
Concert Pharmaceuticals, Inc.[3]	Drug Discovery & Development	Warrant	Common Stock	70,796	367	216
Coronado Biosciences, Inc.[3]	Drug Discovery & Development	Warrant	Common Stock	73,009	142	61
CTI BioPharma Corp. (p.k.a. Cell Therapeutics, Inc.)[3]	Drug Discovery & Development	Warrant	Common Stock	292,398	166	163
Dicerna Pharmaceuticals, Inc.[3][13]	Drug Discovery & Development	Warrant	Common Stock	200	28	
Epirus Biopharmaceuticals, Inc.[3]	Drug Discovery & Development	Warrant	Common Stock	64,194	276	209
Genocea Biosciences, Inc.[3]	Drug Discovery & Development	Warrant	Common Stock	73,725	266	466
Horizon Pharma, Inc.[3]	Drug Discovery & Development	Warrant	Common Stock	3,735	52	51
Melinta Therapeutics	Drug Discovery & Development	Warrant	Preferred Series 3	1,151,936	603	362
Nanotherapeutics, Inc.[13]	Drug Discovery & Development	Warrant	Common Stock	171,389	838	2,788
Neothetics, Inc. (p.k.a. Lithera, Inc)[3][13]	Drug Discovery & Development	Warrant	Common Stock	46,838	266	143
Neuralstem, Inc.[3][13]	Drug Discovery & Development	Warrant	Common Stock	75,187	77	43

Paratek Pharmaceutcals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.)(3)	Drug Discovery & Development	Warrant	Common Stock	5,121	87	2
uniQure B.V.(3)(4)(9)	Drug Discovery & Development	Warrant	Common Stock	37,174	218	447
XOMA Corporation(3)(9)(13)	Drug Discovery & Development	Warrant	Common Stock	181,268	279	291
Subtotal: Drug Discovery & Development (0.82%)*					6,160	6,092

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Portfolio Company	Sub-Industry	Type of Investment[1]	Series	Shares	Cost[2]	Value[3]
Electronics & Computer Hardware						
Clustrix, Inc.	Electronics & Computer Hardware	Warrant	Common Stock	50,000	$ 12	$ 7
Subtotal: Electronics & Computer Hardware (0.00%)*					12	7
Energy Technology						
Agrivida, Inc.[13]	Energy Technology	Warrant	Preferred Series D	471,327	120	162
Alphabet Energy, Inc.[13]	Energy Technology	Warrant	Preferred Series A	86,329	82	162
American Superconductor Corporation[3]	Energy Technology	Warrant	Common Stock	58,823	39	51
Brightsource Energy, Inc.[13]	Energy Technology	Warrant	Preferred Series 1	175,000	780	119
Calera, Inc.[13]	Energy Technology	Warrant	Preferred Series C	44,529	513	
EcoMotors, Inc.[13]	Energy Technology	Warrant	Preferred Series B	437,500	308	154
Fluidic, Inc.	Energy Technology	Warrant	Preferred Series D	61,804	102	28
Fulcrum Bioenergy, Inc.	Energy Technology	Warrant	Preferred Series C-1	280,897	275	102
GreatPoint Energy, Inc.[13]	Energy Technology	Warrant	Preferred Series D-1	393,212	548	
Polyera Corporation[13]	Energy Technology	Warrant	Preferred Series C	311,609	338	509
Proterra, Inc.	Energy Technology	Warrant	Preferred Series 4	318,345	21	140
SCIEnergy, Inc.	Energy Technology	Warrant	Common Stock	530,811	181	
	Energy Technology	Warrant	Preferred Series 1	145,811	50	
Total: SCIEnergy, Inc.				676,622	231	
Scifiniti (p.k.a. Integrated Photovoltaics, Inc.)[13]	Energy Technology	Warrant	Preferred Series A-1	390,000	82	66
Solexel, Inc.[13]	Energy Technology	Warrant	Preferred Series C	1,171,625	1,162	517
Stion Corporation[5]	Energy Technology	Warrant	Preferred Series Seed	2,154	1,378	
Sungevity Development, LLC	Energy Technology	Warrant	Preferred Series C	32,472,222	902	1,012
TAS Energy, Inc.	Energy Technology	Warrant	Preferred Series AA	428,571	299	
Tendril Networks	Energy Technology	Warrant	Preferred Series 3-A	679,862	111	111
TPI Composites, Inc.	Energy Technology	Warrant	Preferred Series B	160	273	241
Trilliant, Inc.[13]	Energy Technology	Warrant	Preferred Series A	320,000	162	20
Subtotal: Energy Technology (0.46%)*					7,726	3,394
Healthcare Services, Other						
Chromadex Corporation[3][13]	Healthcare Services, Other	Warrant	Common Stock	419,020	157	181
Subtotal: Healthcare Services, Other (0.02%)*					157	181
Information Services						
Cha Cha Search, Inc.[13]	Information Services	Warrant	Preferred Series G	48,232	58	6
INMOBI Inc.[4][9]	Information Services	Warrant	Common Stock	46,874	82	24
InXpo, Inc.[13]	Information Services	Warrant	Preferred Series C	648,400	98	10

	Information Services	Warrant	Preferred Series C-1	873,599	64	13
Total: InXpo, Inc.				1,521,999	162	23
RichRelevance, Inc.[13]	Information Services	Warrant	Preferred Series E	112,612	98	
Subtotal: Information Services (0.01%)*					400	53

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Portfolio Company	Sub-Industry	Type of Investment(1)	Series	Shares	Cost(2)	Value(3)
Internet Consumer & Business Services						
Aria Systems, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series E	119,846	$ 37	$ 36
Blurb, Inc.(13)	Internet Consumer & Business Services	Warrant	Preferred Series C	234,280	636	188
CashStar, Inc.(13)	Internet Consumer & Business Services	Warrant	Preferred Series C-2	727,272	130	51
Gazelle, Inc.(13)	Internet Consumer & Business Services	Warrant	Preferred Series A-1	991,288	158	94
Just Fabulous, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	206,184	1,102	1,356
Lightspeed POS, Inc.(4)(9)	Internet Consumer & Business Services	Warrant	Preferred Series C	24,561	20	73
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Warrant	Preferred Series G	174,562	78	97
Prism Education Group, Inc.(13)	Internet Consumer & Business Services	Warrant	Preferred Series B	200,000	43	
ReachLocal(3)	Internet Consumer & Business Services	Warrant	Common Stock	177,304	155	191
ShareThis, Inc.(13)	Internet Consumer & Business Services	Warrant	Preferred Series C	493,502	547	266
Tapjoy, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series D	748,670	316	103
Tectura Corporation	Internet Consumer & Business Services	Warrant	Preferred Series B-1	253,378	51	
Subtotal: Internet Consumer & Business Services (0.33%)*					3,273	2,455
Media/Content/Info						
Machine Zone, Inc.	Media/Content/Info	Warrant	Common Stock	73,756	918	848
Rhapsody International, Inc.(13)	Media/Content/Info	Warrant	Common Stock	715,755	384	220
Zoom Media Group, Inc.	Media/Content/Info	Warrant	Preferred Series A	1,204	348	110
Subtotal: Media/Content/Info (0.16%)*					1,650	1,178
Medical Devices & Equipment						
Amedica Corporation(3)(13)	Medical Devices & Equipment	Warrant	Common Stock	516,129	459	
Aspire Bariatrics, Inc.(13)	Medical Devices & Equipment	Warrant	Preferred Series D	335,000	419	426
Avedro, Inc.(13)	Medical Devices & Equipment	Warrant	Preferred Series D	1,308,451	401	228
Flowonix Medical Incorporated	Medical Devices & Equipment	Warrant	Preferred Series E	110,947	203	460

Gamma Medica, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A	357,500	170	183
Gelesis, Inc.(5)(13)	Medical Devices & Equipment	Warrant	Preferred Series A-1	263,688	78	157
Home Dialysis Plus, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A	500,000	402	245
InspireMD, Inc.(3)(4)(9)	Medical Devices & Equipment	Warrant	Common Stock	168,351	242	2
Medrobotics Corporation(13)	Medical Devices & Equipment	Warrant	Preferred Series E	455,539	370	199
MELA Sciences, Inc.(3)	Medical Devices & Equipment	Warrant	Common Stock	69,320	402	2
nContact Surgical, Inc.(13)	Medical Devices & Equipment	Warrant	Preferred Series D-1	201,439	266	555
NetBio, Inc.	Medical Devices & Equipment	Warrant	Common Stock	2,568	408	38

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Portfolio Company	Sub-Industry	Type of Investment[1]	Series	Shares	Cost[2]	Value[3]
NinePoint Medical, Inc.[13]	Medical Devices & Equipment	Warrant	Preferred Series A-1	587,840	$ 170	$ 294
Novasys Medical, Inc.	Medical Devices & Equipment	Warrant	Common Stock	109,449	2	
	Medical Devices & Equipment	Warrant	Preferred Series D	526,840	125	
	Medical Devices & Equipment	Warrant	Preferred Series D-1	53,607	6	
Total: Novasys Medical, Inc.				689,896	133	
Optiscan Biomedical, Corp.[5][13]	Medical Devices & Equipment	Warrant	Preferred Series D	10,535,275	1,252	215
Oraya Therapeutics, Inc.	Medical Devices & Equipment	Warrant	Common Stock	954	66	
	Medical Devices & Equipment	Warrant	Preferred Series 1	1,632,084	676	87
Total: Oraya Therapeutics, Inc.				1,633,038	742	87
Quanterix Corporation	Medical Devices & Equipment	Warrant	Preferred Series C	115,618	156	107
SonaCare Medical, LLC (p.k.a. US HIFU, LLC)	Medical Devices & Equipment	Warrant	Preferred Series A	6,464	188	
ViewRay, Inc.[13][17]	Medical Devices & Equipment	Warrant	Preferred Series C	43,103	333	306
Subtotal: Medical Devices & Equipment (0.47%)*					6,794	3,504
Semiconductors						
Achronix Semiconductor Corporation[13]	Semiconductors	Warrant	Preferred Series C	360,000	160	22
	Semiconductors	Warrant	Preferred Series D-1	500,000	6	6
Total: Achronix Semiconductor Corporation				860,000	166	28
Aquantia Corp.	Semiconductors	Warrant	Preferred Series G	196,831	4	8
Avnera Corporation	Semiconductors	Warrant	Preferred Series E	141,567	47	34
Subtotal: Semiconductors (0.01%)*					217	70
Software						
Braxton Technologies, LLC	Software	Warrant	Preferred Series A	168,750	188	
CareCloud Corporation[13]	Software	Warrant	Preferred Series B	413,433	258	581
Clickfox, Inc.[13]	Software	Warrant	Preferred Series B	1,038,563	330	648
	Software	Warrant	Preferred Series C	592,019	730	439
	Software	Warrant	Preferred Series C-A	46,109	13	29

Total: Clickfox, Inc.				1,676,691	1,073	1,116
Daegis Inc. (p.k.a. Unify Corporation)(3)(13)	Software	Warrant	Common Stock	718,860	1,434	3
Hillcrest Laboratories, Inc.(13)	Software	Warrant	Preferred Series E	1,865,650	55	135
JumpStart Games, Inc. (p.k.a Knowledge Holdings, Inc.)(13)	Software	Warrant	Preferred Series E	614,333	16	
Message Systems, Inc.(13)	Software	Warrant	Preferred Series B	408,011	334	386
Mobile Posse, Inc.(13)	Software	Warrant	Preferred Series C	396,430	130	61
Neos Geosolutions, Inc.(13)	Software	Warrant	Preferred Series 3	221,150	22	185
NewVoiceMedia Limited(4)(9)	Software	Warrant	Preferred Series E	225,586	33	46
Poplicus Incorporated(13)	Software	Warrant	Preferred Series C	2,595,230		90
Soasta, Inc.(13)	Software	Warrant	Preferred Series E	410,800	691	636
Sonian, Inc.(13)	Software	Warrant	Preferred Series C	185,949	106	45
StrongView Systems, Inc.	Software	Warrant	Preferred Series C	551,470	168	221
Touchcommerce, Inc.(13)	Software	Warrant	Preferred Series E	1,885,930	361	228
Subtotal: Software (0.50%)*					4,869	3,733

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Portfolio Company	Sub-Industry	Type of Investment(1)	Series	Shares	Cost(2)	Value(3)
Specialty Pharmaceuticals						
Alimera Sciences, Inc.(3)	Specialty Pharmaceuticals	Warrant	Common Stock	285,016	$ 729	$ 423
QuatRx Pharmaceuticals Company	Specialty Pharmaceuticals	Warrant	Preferred Series E	155,324	307	
Subtotal: Specialty Pharmaceuticals (0.06%)*					1,036	423
Surgical Devices						
Gynesonics, Inc.(13)	Surgical Devices	Warrant	Preferred Series C	180,480	75	51
	Surgical Devices	Warrant	Preferred Series D	1,575,965	320	582
Total: Gynesonics, Inc.				1,756,445	395	633
Transmedics, Inc.	Surgical Devices	Warrant	Preferred Series B	40,436	224	4
	Surgical Devices	Warrant	Preferred Series D	175,000	100	241
Total: Transmedics, Inc.				215,436	324	245
Subtotal: Surgical Devices (0.12%)*					719	878
Total: Warrant Investments (4.01%)*					41,756	29,842
Total Investments (166.55%)*					**$ 1,261,006**	**$ 1,238,655**

* Value as a percent of net assets

(1) Preferred and common stock, warrants, and equity interests are generally non-income producing.

(2) Gross unrealized appreciation, gross unrealized depreciation, and net depreciation for federal income tax purposes totaled $45.7 million, $68.8 million and $23.1 million respectively. The tax cost of investments is $1.3 billion.

(3) Except for warrants in 35 publicly traded companies and common stock in 14 publicly traded companies, all investments are restricted at June 30, 2015 and were valued at fair value as determined in good faith by the Audit Committee of the Board of Directors. No unrestricted securities of the same issuer are outstanding. The Company uses the Standard Industrial Code for classifying the industry grouping of its portfolio companies.

(4) Non-U.S. company or the company s principal place of business is outside the United States.

(5) Affiliate investment that is defined under the Investment Company Act of 1940 as companies in which HTGC owns at least 5% but not more than 25% of the voting securities of the company.

(6) Control investment that is defined under the Investment Company Act of 1940 as companies in which HTGC owns at least 25% of the voting securities of the company or has greater than 50% representation on its board. There were no control investments at June 30, 2015.

(7) Debt is on non-accrual status at June 30, 2015, and is therefore considered non-income producing.

(8) Denotes that all or a portion of the debt investment is convertible debt.

(9) Indicates assets that the Company deems not qualifying assets under section 55(a) of the Investment Company Act of 1940, as amended. Qualifying assets must represent at least 70% of the Company s total assets at the time of acquisition of any additional non-qualifying assets.

(10) Denotes that all or a portion of the debt investment secures the notes offered in the Debt Securitization (as defined in Note 4).
(11) Denotes that all or a portion of the debt investment principal includes accumulated PIK, or payment-in-kind, interest and is net of repayments.
(12) Denotes that all or a portion of the debt investment includes an exit fee receivable.
(13) Denotes that all or a portion of the investment in this portfolio company is held by HT II or HT III, the Company s wholly-owned SBIC subsidiaries.
(14) The stated Maturity Date for the Tectura assets reflects the last extension of the forbearance period on these loans. The borrower loans remain outstanding and management is continuing to work with the borrower to satisfy the obligations. The Company s investment team and Investment Committee continue to closely monitor developments at the borrower company.
(15) Repayment of debt investment is delinquent within 60 days of the contractual maturity date as of June 30, 2015.
(16) The stated PIK interest rate may be reduced to 1.50% subject to achievement of a milestone by the portfolio company.
(17) Subsequent to June 30, 2015, this company completed an initial public offering or alternative public offering. Note that the June 30, 2015 fair value does not reflect any potential impact of the conversion of our preferred shares to common shares which may include reverse splits associated with the offering.

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Portfolio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor	Principal Amount	Cost[2]	Value[3]
Debt Investments							
Biotechnology Tools							
1-5 Years Maturity							
Labcyte, Inc.[10][12][13]	Biotechnology Tools	Senior Secured	June 2016	Interest rate PRIME + 6.70%			
				or Floor rate of 9.95%	$ 2,695	$ 2,869	$ 2,869
Subtotal: 1-5 Years Maturity						2,869	2,869
Subtotal: Biotechnology Tools (0.44%)*						2,869	2,869
Communications & Networking							
1-5 Years Maturity							
OpenPeak, Inc.[10][12]	Communications & Networking	Senior Secured	April 2017	Interest rate PRIME + 8.75%			
				or Floor rate of 12.00%	$ 12,889	13,193	13,193
SkyCross, Inc.[12][13]	Communications & Networking	Senior Secured	January 2018	Interest rate PRIME + 9.70%			
				or Floor rate of 12.95%	$ 22,000	21,580	20,149
Spring Mobile Solutions, Inc.[10][12]	Communications & Networking	Senior Secured	November 2016	Interest rate PRIME + 8.00%			
				or Floor rate of 11.25%	$ 18,840	18,928	19,116
Subtotal: 1-5 Years Maturity						53,701	52,458
Subtotal: Communications & Networking (7.96%)*						53,701	52,458
Consumer & Business Products							
1-5 Years Maturity							
Antenna79 (p.k.a. Pong Research Corporation)[12][13]	Consumer & Business Products	Senior Secured	December 2017	Interest rate PRIME + 6.75%			
				or Floor rate of 10.00%	$ 5,000	4,912	4,884
	Consumer & Business Products	Senior Secured	June 2016	Interest rate PRIME + 6.75%			
				or Floor rate of 10.00%	$ 216	89	89
Total Antenna79 (p.k.a. Pong Research Corporation)					$ 5,216	5,001	4,973
Fluc, Inc.[8]	Consumer & Business Products	Convertible Senior Note	March 2017	Interest rate FIXED 4.00%	$ 100	100	100
IronPlanet, Inc.[12]	Consumer & Business Products	Senior Secured	November 2017	Interest rate PRIME + 6.20%			
				or Floor rate of 9.45%	$ 37,500	36,345	36,345

The Neat Company[11][12][13]	Consumer & Business Products	Senior Secured	September 2017	Interest rate PRIME + 7.75% or Floor rate of 11.00%, PIK Interest 1.00%	$ 20,061	19,422	19,422
Subtotal: 1-5 Years Maturity						60,868	60,840
Subtotal: Consumer & Business Products (9.23%)*						60,868	60,840
Drug Delivery							
Under 1 Year Maturity							
Revance Therapeutics, Inc.[10][12]	Drug Delivery	Senior Secured	March 2015	Interest rate PRIME + 6.60% or Floor rate of 9.85%	$ 2,098	2,458	2,458
	Drug Delivery	Senior Secured	March 2015	Interest rate PRIME + 6.60% or Floor rate of 9.85%	$ 210	246	246
Total Revance Therapeutics, Inc.					$ 2,308	2,704	2,704
Subtotal: Under 1 Year Maturity						2,704	2,704
1-5 Years Maturity							
AcelRx Pharmaceuticals, Inc.[9][10][12][13]	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 3.85% or Floor rate of 9.10%	$ 25,000	24,831	24,969
BIND Therapeutics, Inc.[12][13]	Drug Delivery	Senior Secured	September 2016	Interest rate PRIME + 7.00% or Floor rate of 10.25%	$ 3,274	3,343	3,228
BioQuiddity Incorporated[12]	Drug Delivery	Senior Secured	May 2018	Interest rate PRIME + 8.00% or Floor rate of 11.25%	$ 7,500	7,439	7,439
Celator Pharmaceuticals, Inc.[10][12]	Drug Delivery	Senior Secured	June 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%	$ 10,000	9,927	9,899
Celsion Corporation[10][12]	Drug Delivery	Senior Secured	June 2017	Interest rate PRIME + 8.00% or Floor rate of 11.25%	$ 10,000	9,858	10,027

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Portfolio Company	Sub-Industry	Type of Investment(1)	Maturity Date	Interest Rate and Floor	Principal Amount	Cost(2)	Value(3)
Dance Biopharm, Inc.(12)(13)	Drug Delivery	Senior Secured	November 2017	Interest rate PRIME + 7.40% or Floor rate of 10.65%	$ 3,905	$ 3,871	$ 3,864
Edge Therapeutics, Inc.(12)	Drug Delivery	Senior Secured	March 2018	Interest rate PRIME + 5.95% or Floor rate of 10.45%	$ 3,000	2,847	2,847
Neos Therapeutics, Inc.(12)(13)	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 7.25% or Floor rate of 10.50%	$ 5,000	4,916	4,916
	Drug Delivery	Senior Secured	October 2017	Interest rate FIXED 9.00%	$ 10,000	10,010	10,063
Total Neos Therapeutics, Inc.					$ 15,000	14,926	14,979
Zosano Pharma, Inc.(10)(12)	Drug Delivery	Senior Secured	June 2017	Interest rate PRIME + 6.80% or Floor rate of 12.05%	$ 4,000	3,894	3,881
Subtotal: 1-5 Years Maturity						80,936	81,133
Subtotal: Drug Delivery (12.72%)*						83,640	83,837
Drug Discovery & Development							
Under 1 Year Maturity							
Aveo Pharmaceuticals, Inc.(9)(10)(12)(13)	Drug Discovery & Development	Senior Secured	December 2015	Interest rate PRIME + 7.15% or Floor rate of 11.90%	$ 11,611	11,611	11,611
Concert Pharmaceuticals, Inc.(10)	Drug Discovery & Development	Senior Secured	October 2015	Interest rate PRIME + 3.25% or Floor rate of 8.50%	$ 7,175	7,142	7,142
Subtotal: Under 1 Year Maturity						18,753	18,753
1-5 Years Maturity							
ADMA Biologics, Inc.(10)(11)(12)	Drug Discovery & Development	Senior Secured	December 2017	Interest rate PRIME + 5.5% or Floor rate of 8.75%, PIK Interest 1.95%	$ 5,000	4,879	4,933
	Drug Discovery & Development	Senior Secured	December 2017	Interest rate PRIME + 3.00% or Floor rate of 8.75%,	$ 10,153	10,032	10,144

				PIK Interest 1.95%			
Total ADMA Biologics, Inc.					$ 15,153	14,911	15,077
Aveo Pharmaceuticals, Inc.(9)(10)(12)(13)	Drug Discovery & Development	Senior Secured	January 2018	Interest rate PRIME + 6.65% or Floor rate of 11.90%	$ 10,000	9,766	9,766
Celladon Corporation(12)(13)	Drug Discovery & Development	Senior Secured	February 2018	Interest rate PRIME + 5.00% or Floor rate of 8.25%	$ 10,000	10,022	10,022
Cempra, Inc.(10)(12)	Drug Discovery & Development	Senior Secured	April 2018	Interest rate PRIME + 6.30% or Floor rate of 9.55%	$ 18,000	18,020	18,560
Cerecor Inc.(12)	Drug Discovery & Development	Senior Secured	August 2017	Interest rate PRIME + 6.30% or Floor rate of 9.55%	$ 7,500	7,374	7,374
Cleveland BioLabs, Inc.(12)(13)	Drug Discovery & Development	Senior Secured	January 2017	Interest rate PRIME + 6.10% or Floor rate of 9.35%	$ 1,883	1,883	1,920
CTI BioPharma Corp. (pka Cell Therapeutics, Inc.)(10)(12)	Drug Discovery & Development	Senior Secured	October 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%	$ 4,584	4,584	4,712
	Drug Discovery & Development	Senior Secured	October 2016	Interest rate PRIME + 9.00% or Floor rate of 12.25%	$ 13,890	13,890	14,279
Total CTI BioPharma Corp. (pka Cell Therapeutics, Inc.)					$ 18,474	18,474	18,991
Dynavax Technologies(9)(12)	Drug Discovery & Development	Senior Secured	July 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%	$ 10,000	9,897	9,897
Epirus Biopharmaceuticals, Inc.(12)	Drug Discovery & Development	Senior Secured	April 2018	Interest rate PRIME + 4.70% or Floor rate of 7.95%	$ 7,500	7,308	7,308
Genocea Biosciences, Inc.(12)	Drug Discovery & Development	Senior Secured	July 2018	Interest rate PRIME + 2.25% or Floor rate of 7.25%	$ 12,000	11,814	11,814
Insmed, Incorporated(10)(12)	Drug Discovery & Development	Senior Secured	January 2018	Interest rate PRIME + 4.75% or Floor rate of 9.25%	$ 25,000	24,854	24,854
Melinta Therapeutics(12)	Drug Discovery & Development	Senior Secured	June 2018	Interest rate PRIME + 5.00% or Floor rate of 8.25%	$ 20,000	19,272	19,272
Merrimack Pharmaceuticals, Inc.(12)	Drug Discovery & Development	Senior Secured	November 2016	Interest rate PRIME + 5.30% or Floor rate of 10.55%	$ 40,000	40,578	40,677

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Portfolio Company	Sub-Industry	Type of Investment(1)	Maturity Date	Interest Rate and Floor	Principal Amount	Cost(2)	Value(3)
Neothetics, Inc. (pka Lithera, Inc)(12)(13)	Drug Discovery & Development	Senior Secured	January 2018	Interest rate PRIME + 5.75% or Floor rate of 9.00%	$ 10,000	$ 9,751	$ 9,697
Neuralstem, Inc.(12)(13)	Drug Discovery & Development	Senior Secured	April 2017	Interest rate PRIME + 6.75% or Floor rate of 10.00%	$ 9,489	9,333	9,333
uniQure B.V.(4)(9)(10)(12)	Drug Discovery & Development	Senior Secured	June 2018	Interest rate PRIME + 5.00% or Floor rate of 10.25%	$ 15,000	14,890	14,798
	Drug Discovery & Development	Senior Secured	June 2018	Interest rate PRIME + 5.25% or Floor rate of 10.25%	$ 5,000	4,962	4,931
Total Uniqure B.V.					$ 20,000	19,852	19,729
Subtotal: 1-5 Years Maturity						233,109	234,291
Subtotal: Drug Discovery & Development (38.41%)*						251,862	253,044
Electronics & Computer Hardware							
1-5 Years Maturity							
Plures Technologies, Inc.(7)(11)	Electronics & Computer Hardware	Senior Secured	October 2016	Interest rate LIBOR + 8.75% or Floor rate of 12.00%, PIK Interest 4.00%	$ 267	180	
Subtotal: 1-5 Years Maturity						180	
Subtotal: Electronics & Computer Hardware (0.00%)*						180	
Energy Technology							
Under 1 Year Maturity							
Glori Energy, Inc.(10)(12)	Energy Technology	Senior Secured	June 2015	Interest rate PRIME + 6.75% or Floor rate of 10.00%	$ 1,778	2,042	2,042
Scifiniti (pka Integrated Photovoltaics, Inc.)(13)	Energy Technology	Senior Secured	February 2015	Interest rate PRIME + 7.38% or Floor rate of 10.63%	$ 227	227	227
Stion Corporation(5)(12)	Energy Technology	Senior Secured	February 2015	Interest rate PRIME + 8.75% or Floor rate of 12.00%	$ 2,954	2,993	1,600
TAS Energy, Inc.(10)(12)	Energy Technology	Senior Secured	December 2015	Interest rate PRIME + 7.75%	$ 6,901	7,091	7,091

				or Floor rate of 11.00%			
Subtotal: Under 1 Year Maturity						12,353	10,960
1-5 Years Maturity							
Agrivida, Inc.(12)(13)	Energy Technology	Senior Secured	December 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%	$ 4,921	5,013	4,923
American Superconductor Corporation(10)(12)	Energy Technology	Senior Secured	March 2017	Interest rate PRIME + 7.75% or Floor rate of 11.00%	$ 1,500	1,446	1,446
	Energy Technology	Senior Secured	November 2016	Interest rate PRIME + 7.25% or Floor rate of 11.00%	$ 7,667	7,847	7,847
Total American Superconductor Corporation					$ 9,167	9,293	9,293
Amyris, Inc.(9)(12)	Energy Technology	Senior Secured	February 2017	Interest rate PRIME + 6.25% or Floor rate of 9.50%	$ 25,000	25,000	25,170
	Energy Technology	Senior Secured	February 2017	Interest rate PRIME + 5.25% or Floor rate of 8.50%	$ 5,000	5,000	5,034
Total Amyris, Inc.					$ 30,000	30,000	30,204
Fluidic, Inc.(10)(12)	Energy Technology	Senior Secured	March 2016	Interest rate PRIME + 8.00% or Floor rate of 11.25%	$ 3,674	3,747	3,721
Modumetal, Inc.(12)	Energy Technology	Senior Secured	March 2017	Interest rate PRIME + 8.70% or Floor rate of 11.95%	$ 3,000	2,991	2,991

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Portfolio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor	Principal Amount	Cost[2]	Value[3]
Polyera Corporation[12][13]	Energy Technology	Senior Secured	June 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%	$ 3,654	$ 3,818	$ 3,810
Subtotal: 1-5 Years Maturity						54,862	54,942
Subtotal: Energy Technology (10.00%)*						67,215	65,902
Healthcare Services, Other							
1-5 Years Maturity							
Chromadex Corporation[12][13]	Healthcare Services, Other	Senior Secured	April 2018	Interest rate PRIME + 4.70% or Floor rate of 7.95%	$ 2,500	2,407	2,407
InstaMed Communications, LLC[13]	Healthcare Services, Other	Senior Secured	March 2018	Interest rate PRIME + 6.75% or Floor rate of 10.00%	$ 5,000	5,041	5,041
MDEverywhere, Inc.[10][12]	Healthcare Services, Other	Senior Secured	January 2018	Interest rate LIBOR + 9.50% or Floor rate of 10.75%	$ 3,000	2,962	2,962
Subtotal: 1-5 Years Maturity						10,410	10,410
Subtotal: Healthcare Services, Other (1.58%)*						10,410	10,410
Information Services							
Under 1 Year Maturity							
Eccentex Corporation[10][12]	Information Services	Senior Secured	May 2015	Interest rate PRIME + 7.00% or Floor rate of 10.25%	$ 204	218	184
Subtotal: Under 1 Year Maturity						218	184
1-5 Years Maturity							
INMOBI Inc.[4][9][11][12]	Information Services	Senior Secured	December 2016	Interest rate PRIME + 7.00% or Floor rate of 10.25%	$ 9,612	9,283	9,283
	Information Services	Senior Secured	December 2017	Interest rate PRIME + 5.75% or Floor rate of 9.00%, PIK Interest 2.50%	$ 15,013	14,820	14,820

Total INMOBI Inc.					$ 24,625	24,103	24,103
InXpo, Inc.(12)(13)	Information Services	Senior Secured	July 2016	Interest rate PRIME + 7.75% or Floor rate of 10.75%	$ 2,057	2,073	1,976
Subtotal: 1-5 Years Maturity						26,176	26,079
Subtotal: Information Services (3.99%)*						26,394	26,263
Internet Consumer & Business Services							
Under 1 Year Maturity							
Gazelle, Inc.(11)(13)	Internet Consumer & Business Services	Senior Secured	December 2015	Interest rate PRIME + 6.50% or Floor rate of 9.75%	$ 1,231	1,231	1,231
NetPlenish(7)(8)(13)	Internet Consumer & Business Services	Convertible Senior Note	April 2015	Interest rate FIXED 10.00%	$ 89	89	
	Internet Consumer & Business Services	Senior Secured	September 2015	Interest rate FIXED 10.00%	$ 381	373	
Total NetPlenish					$ 470	462	
Reply! Inc.(10)(11)(12)	Internet Consumer & Business Services	Senior Secured	September 2015	Interest rate PRIME + 6.88% or Floor rate of 10.13%, PIK Interest 2.00%	$ 7,615	7,757	4,322
	Internet Consumer & Business Services	Senior Secured	September 2015	Interest rate PRIME + 7.25% or Floor rate of 11.00%, PIK Interest 2.00%	$ 1,680	1,749	955
Total Reply! Inc.					$ 9,295	9,506	5,277

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Tectura Corporation(7)(11)(15)	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	$ 563	$ 563	$ 121
	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 8.00% or Floor rate of 11.00%, PIK Interest 1.00%	$ 9,070	9,070	1,511
	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	$ 5,000	5,000	1,074
	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	$ 6,468	6,468	1,390
Total Tectura Corporation					$ 21,101	21,101	4,096
Subtotal: Under 1 Year Maturity						32,300	10,604
1-5 Years Maturity							
Education Dynamics, LLC(11)(13)	Internet Consumer & Business Services	Senior Secured	March 2016	Interest rate LIBOR + 12.5% or Floor rate of 12.50%, PIK Interest 1.50%	$ 20,563	20,546	20,559
Gazelle, Inc.(11)(13)	Internet Consumer & Business Services	Senior Secured	July 2017	Interest rate PRIME + 7.00% or Floor rate of 10.25%, PIK Interest 2.50%	$ 13,712	13,498	13,498
Just Fabulous, Inc.(10)(12)	Internet Consumer & Business Services	Senior Secured	February 2017	Interest rate PRIME + 8.25% or Floor rate of 11.50%	$ 15,000	14,468	14,768
Lightspeed POS, Inc.(4)(9)(10)	Internet Consumer & Business Services	Senior Secured	May 2018	Interest rate PRIME + 3.25% or Floor rate of 6.50%	$ 2,000	1,985	1,994
Reply! Inc.(10)(11)(12)	Internet Consumer & Business Services	Senior Secured	February 2016	Interest rate PRIME + 7.25% or Floor rate of 10.50%, PIK Interest 2.00%	$ 2,721	2,658	1,548

Tapjoy, Inc.(12)	Internet Consumer & Business Services	Senior Secured	July 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%	$ 3,000	2,921	2,921
WaveMarket, Inc.(12)	Internet Consumer & Business Services	Senior Secured	March 2017	Interest rate PRIME + 6.50% or Floor rate of 9.75%	$ 300	303	303
Subtotal: 1-5 Years Maturity						56,379	55,591
Subtotal: Internet Consumer & Business Services (10.05%)*						88,679	66,195
Media/Content/Info							
Under 1 Year Maturity							
Zoom Media Group, Inc.(10)(11)	Media/Content/Info	Senior Secured	December 2015	Interest rate PRIME + 7.25% or Floor rate of 10.50%, PIK Interest 3.75%	$ 2,510	2,466	2,466
	Media/Content/Info	Senior Secured	December 2015	Interest rate PRIME + 5.25% or Floor rate of 8.50%	$ 5,060	5,002	5,002
Total Zoom Media Group, Inc.					$ 7,570	7,468	7,468
Subtotal: Under 1 Year Maturity						7,468	7,468
1-5 Years Maturity							
Rhapsody International, Inc.(10)(11)(13)	Media/Content/Info	Senior Secured	April 2018	Interest rate PRIME + 5.25% or Floor rate of 9.00%, PIK interest of 1.50%	$ 20,206	19,750	19,579
Subtotal: 1-5 Years Maturity						19,750	19,579
Subtotal: Media/Content/Info (4.11%)*						27,218	27,047

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Portfolio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor	Principal Amount	Cost[2]	Value[3]
Medical Devices & Equipment							
Under 1 Year Maturity							
Baxano Surgical, Inc.[7][12]	Medical Devices & Equipment	Senior Secured	February 2015	Interest rate FIXED 12.50%	$ 100	$ 86	$ 80
Home Dialysis Plus, Inc.[10][12]	Medical Devices & Equipment	Senior Secured	September 2015	Interest rate FIXED 8.00%	$ 500	500	500
Oraya Therapeutics, Inc.[10][11][12]	Medical Devices & Equipment	Senior Secured	September 2015	Interest rate PRIME + 5.50% or Floor rate of 10.25%, PIK Interest 1.00%	$ 6,174	6,146	6,146
Subtotal: Under 1 Year Maturity						6,732	6,726
1-5 Years Maturity							
Amedica Corporation[8][12][13]	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%	$ 20,000	19,704	19,902
Avedro, Inc.[12][13]	Medical Devices & Equipment	Senior Secured	December 2017	Interest rate PRIME + 8.25% or Floor rate of 11.50%	$ 7,500	7,247	7,247
Baxano Surgical, Inc.[7][12]	Medical Devices & Equipment	Senior Secured	March 2017	Interest rate PRIME + 7.75% or Floor rate of 12.50%	$ 7,113	7,040	6,405
Flowonix Medical Incorporated[12]	Medical Devices & Equipment	Senior Secured	May 2018	Interest rate PRIME + 5.25% or Floor rate of 10.00%	$ 15,000	14,675	14,675
Gamma Medica, Inc.[12]	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%	$ 4,000	3,874	3,874
Home Dialysis Plus, Inc.[10][12]	Medical Devices & Equipment	Senior Secured	October 2017	Interest rate PRIME + 6.35% or Floor rate of 9.60%	$ 15,000	14,780	14,780
InspireMD, Inc.[4][9][10][12]	Medical Devices & Equipment	Senior Secured	February 2017	Interest rate PRIME +7.25% or Floor rate of 10.50%	$ 8,818	8,897	6,486
Medrobotics Corporation[12][13]	Medical Devices & Equipment	Senior Secured	March 2016	Interest rate PRIME + 7.85% or Floor rate of 11.10%	$ 2,680	2,765	2,755
nContact Surgical, Inc[12]	Medical Devices & Equipment	Senior Secured	November 2018	Interest rate PRIME + 9.25% or Floor rate of 9.25%	$ 10,000	9,735	9,735
NetBio, Inc.[10]	Medical Devices & Equipment	Senior Secured	August 2017	Interest rate PRIME + 5.00%	$ 4,870	4,669	4,718

				or Floor rate of 11.00%			
NinePoint Medical, Inc.(12)(13)	Medical Devices & Equipment	Senior Secured	January 2016	Interest rate PRIME + 5.85%			
				or Floor rate of 9.10%	$ 3,241	3,357	3,342
Quanterix Corporation(10)(12)	Medical Devices & Equipment	Senior Secured	November 2017	Interest rate PRIME + 2.75%			
				or Floor rate of 8.00%	$ 5,000	4,930	4,911
SonaCare Medical, LLC (pka US HIFU, LLC)(10)(12)	Medical Devices & Equipment	Senior Secured	April 2016	Interest rate PRIME + 7.75%			
				or Floor rate of 11.00%	$ 875	1,200	1,209
SynergEyes, Inc.(12)(13)	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.75%			
				or Floor rate of 11.00%	$ 5,000	5,034	4,983
ViewRay, Inc.(11)(13)	Medical Devices & Equipment	Senior Secured	June 2017	Interest rate PRIME + 7.00%			
				or Floor rate of 10.25%,			
				PIK Interest 1.50%	$ 15,220	14,920	14,973
Subtotal: 1-5 Years Maturity						122,827	119,995
Subtotal: Medical Devices & Equipment (19.23%)*						129,559	126,721
Semiconductors							
Under 1 Year Maturity							
Achronix Semiconductor Corporation	Semiconductors	Senior Secured	January 2015	Interest rate PRIME + 10.60%			
				or Floor rate of 13.85%	$ 95	95	95
Subtotal: Under 1 Year Maturity						95	95

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1-5 Years Maturity							
Avnera Corporation(10)(12)	Semiconductors	Senior Secured	April 2017	Interest rate PRIME + 5.75% or Floor rate of 9.00%	$ 5,000	$ 4,983	$ 4,990
Subtotal: 1-5 Years Maturity						4,983	4,990
Subtotal: Semiconductors (0.77%)*						5,078	5,085
Software							
Under 1 Year Maturity							
CareCloud Corporation(12)(13)	Software	Senior Secured	July 2015	Interest rate PRIME + 1.40% or Floor rate of 4.65%	$ 3,000	2,968	2,968
Clickfox, Inc.(12)(13)	Software	Senior Secured	July 2015	Interest rate PRIME + 6.75% or Floor rate of 10.00%	$ 2,000	2,000	2,000
Mobile Posse, Inc.(12)(13)	Software	Senior Secured	June 2015	Interest rate PRIME + 2.00% or Floor rate of 5.25%	$ 1,000	993	988
Touchcommerce, Inc.(12)(13)	Software	Senior Secured	January 2015	Interest rate PRIME + 2.25% or Floor rate of 6.50%	$ 3,811	3,811	3,805
Subtotal: Under 1 Year Maturity						9,772	9,761
1-5 Years Maturity							
CareCloud Corporation(12)(13)	Software	Senior Secured	December 2017	Interest rate PRIME + 3.25% or Floor rate of 6.50%	$ 208	204	201
	Software	Senior Secured	July 2017	Interest rate PRIME + 5.50% or Floor rate of 8.75%	$ 10,000	9,839	9,740
	Software	Senior Secured	January 2018	Interest rate PRIME + 1.70% or Floor rate of 4.95%	$ 3,000	2,929	2,884
Total CareCloud Corporation					$ 13,208	12,972	12,825
Clickfox, Inc.(12)(13)	Software	Senior Secured	December 2017	Interest rate PRIME + 8.25% or Floor rate of 11.50%	$ 6,000	6,010	5,948

JumpStart Games, Inc. (p.k.a Knowledge Adventure, Inc.)(12)(13)	Software	Senior Secured	March 2018	Interest rate PRIME + 8.25% or Floor rate of 11.50%	$ 11,750	11,771	11,709
	Software	Senior Secured	October 2016	Interest rate PRIME + 8.25% or Floor rate of 11.50%	$ 1,356	1,332	1,332
Total JumpStart Games, Inc. (p.k.a Knowledge Adventure, Inc.)					$ 13,106	13,103	13,041
Mobile Posse, Inc.(12)(13)	Software	Senior Secured	December 2016	Interest rate PRIME + 7.50% or Floor rate of 10.75%	$ 2,950	2,943	2,972
Neos Geosolutions, Inc.(12)(13)	Software	Senior Secured	May 2016	Interest rate PRIME + 5.75% or Floor rate of 10.50%	$ 2,332	2,454	2,444
Poplicus, Inc.(12)(13)	Software	Senior Secured	June 2017	Interest rate PRIME + 5.25% or Floor rate of 8.50%	$ 1,500	1,504	1,487
Soasta, Inc.(12)(13)	Software	Senior Secured	February 2018	Interest rate PRIME + 4.75% or Floor rate of 8.00%	$ 15,000	14,367	14,367
	Software	Senior Secured	February 2018	Interest rate PRIME + 2.25% or Floor rate of 5.50%	$ 3,500	3,353	3,353
Total Soasta, Inc.					$ 18,500	17,720	17,720
Sonian, Inc.(12)(13)	Software	Senior Secured	July 2017	Interest rate PRIME + 7.00% or Floor rate of 10.25%	$ 5,500	5,450	5,436
StrongView Systems, Inc.(12)	Software	Senior Secured	December 2017	Interest rate PRIME + 6.00% or Floor rate of 9.25%, PIK Interest 3.00%	$ 10,000	9,779	9,779

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Portfolio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor	Principal Amount	Cost[2]	Value[3]
Touchcommerce, Inc.[12][13]	Software	Senior Secured	June 2017	Interest rate PRIME + 6.00% or Floor rate of 10.25%	$ 5,000	$ 4,903	$ 4,953
Subtotal: 1-5 Years Maturity						76,838	76,605
Subtotal: Software (13.11%)*						86,610	86,366
Specialty Pharmaceuticals							
Under 1 Year Maturity							
Cranford Pharmaceuticals, LLC[11][12][13]	Specialty Pharmaceuticals	Senior Secured	August 2015	Interest rate LIBOR + 8.25% or Floor rate of 9.50%	$ 2,000	1,977	1,986
Subtotal: Under 1 Year Maturity						1,977	1,986
1-5 Years Maturity							
Alimera Sciences, Inc.[10]	Specialty Pharmaceuticals	Senior Secured	May 2018	Interest rate PRIME + 7.65% or Floor rate of 10.90%	$ 35,000	34,138	33,429
Cranford Pharmaceuticals, LLC[11][12][13]	Specialty Pharmaceuticals	Senior Secured	February 2017	Interest rate LIBOR + 9.55% or Floor rate of 10.80%, PIK Interest 1.35%	$ 15,644	15,595	15,465
Subtotal: 1-5 Years Maturity						49,733	48,894
Subtotal: Specialty Pharmaceuticals (7.72%)*						51,710	50,880
Surgical Devices							
Under 1 Year Maturity							
Transmedics, Inc.[10][12]	Surgical Devices	Senior Secured	November 2015	Interest rate FIXED 12.95%	$ 6,061	5,989	5,989
Subtotal: Under 1 Year Maturity						5,989	5,989
Subtotal: Surgical Devices (0.91%)*						5,989	5,989
Total Debt Investments (140.23%)*						951,982	923,906

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Portfolio Company	Sub-Industry	Type of Investment[1]	Series	Shares	Cost[2]	Value[3]
Equity Investments						
Biotechnology Tools						
NuGEN Technologies, Inc.[13]	Biotechnology Tools	Equity	Preferred Series C	189,394	$ 500	$ 498
Subtotal: Biotechnology Tools (0.08%)*					500	498
Communications & Networking						
GlowPoint, Inc.[3]	Communications & Networking	Equity	Common Stock	114,192	102	126
Peerless Network, Inc.	Communications & Networking	Equity	Preferred Series A	1,000,000	1,000	7,229
Subtotal: Communications & Networking (1.12%)*					1,102	7,355
Consumer & Business Products						
Market Force Information, Inc.	Consumer & Business Products	Equity	Preferred Series B	187,970	500	317
Subtotal: Consumer & Business Products (0.05%)*					500	317
Diagnostic						
Singulex, Inc.	Diagnostic	Equity	Common Stock	937,998	750	750
Subtotal: Diagnostic (0.11%)*					750	750
Drug Delivery						
AcelRx Pharmaceuticals, Inc.[3][9][13]	Drug Delivery	Equity	Common Stock	54,240	109	365
Merrion Pharmaceuticals, Plc[3][4][9]	Drug Delivery	Equity	Common Stock	20,000	9	
Neos Therapeutics, Inc.[13]	Drug Delivery	Equity	Preferred Series C	300,000	1,500	1,635
Subtotal: Drug Delivery (0.30%)*					1,618	2,000
Drug Discovery & Development						
Aveo Pharmaceuticals, Inc.[3][9][13]	Drug Discovery & Development	Equity	Common Stock	167,864	842	141
Celladon Corporation[3][13]	Drug Discovery & Development	Equity	Common Stock	105,263	1,000	2,056
Cempra, Inc.[3]	Drug Discovery & Development	Equity	Common Stock	97,931	458	2,303
Cerecor Inc.	Drug Discovery & Development	Equity	Preferred Series B	3,334,445	1,000	922

Dicerna Pharmaceuticals, Inc.(3)(13)	Drug Discovery & Development	Equity	Common Stock	142,858	1,000	2,353
Genocea Biosciences, Inc.(3)	Drug Discovery & Development	Equity	Common Stock	223,463	2,000	1,262
Inotek Pharmaceuticals Corporation(14)	Drug Discovery & Development	Equity	Common Stock	4,523	1,500	
Insmed, Incorporated(3)	Drug Discovery & Development	Equity	Common Stock	70,771	1,000	845
Paratek Pharmaceuticals, Inc. (p.k.a Transcept Pharmaceuticals, Inc.)(3)	Drug Discovery & Development	Equity	Common Stock	31,580	1,743	1,158
Subtotal: Drug Discovery & Development (1.68%)*					10,543	11,040

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Electronics & Computer Hardware						
Identiv, Inc.[3]	Electronics & Computer Hardware	Equity	Common Stock	49,097	$ 247	$ 682
Subtotal: Electronics & Computer Hardware (0.10%)*					247	682
Energy Technology						
Glori Energy, Inc.[3]	Energy Technology	Equity	Common Stock	18,208	165	76
SCIEnergy, Inc.	Energy Technology	Equity	Preferred Series 1	385,000	761	22
Subtotal: Energy Technology (0.01%)*					926	98
Information Services						
Good Technology Corporation (pka Visto Corporation)[13]	Information Services	Equity	Common Stock	500,000	603	605
Subtotal: Information Services (0.09%)*					603	605
Internet Consumer & Business Services						
Blurb, Inc.[13]	Internet Consumer & Business Services	Equity	Preferred Series B	220,653	175	265
Lightspeed POS, Inc.[4][9]	Internet Consumer & Business Services	Equity	Preferred Series C	23,003	250	260
Philotic, Inc.	Internet Consumer & Business Services	Equity	Common Stock	9,023	93	
Progress Financial	Internet Consumer & Business Services	Equity	Preferred Series G	218,351	250	233
Taptera, Inc.	Internet Consumer & Business Services	Equity	Preferred Series B	454,545	150	162
Subtotal: Internet Consumer & Business Services (0.14%)*					918	920
Media/Content/Info						
Everyday Health, Inc. (pka Waterfront Media, Inc.)[3]	Media/Content/Info	Equity	Common Stock	97,060	1,000	1,432
Subtotal: Media/Content/Info (0.22%)*					1,000	1,432
Medical Devices & Equipment						
Flowonix Medical Incorporated	Medical Devices & Equipment	Equity	Preferred Series E	221,893	1,500	1,614
Gelesis, Inc.[5][13]	Medical Devices & Equipment	Equity	LLC Interest	674,208	425	181

	Medical Devices & Equipment	Equity	LLC Interest	675,676	500	114
	Medical Devices & Equipment	Equity	LLC interests (Common)	674,208		31
Total Gelesis, Inc.				2,024,092	925	326
Medrobotics Corporation(13)	Medical Devices & Equipment	Equity	Preferred Series E	136,798	250	149
	Medical Devices & Equipment	Equity	Preferred Series F	73,971	155	167
Total Medrobotics Corporation				210,769	405	316
Novasys Medical, Inc.	Medical Devices & Equipment	Equity	Preferred Series D-1	4,118,444	1,000	
Optiscan Biomedical, Corp.(5)(13)	Medical Devices & Equipment	Equity	Preferred Series B	6,185,567	3,000	455

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	Medical Devices & Equipment	Equity	Preferred Series C	1,927,309	$ $655	$ $138
	Medical Devices & Equipment	Equity	Preferred Series D	55,103,923	5,257	5,260
Total Optiscan Biomedical, Corp				63,216,799	8,912	5,853
Oraya Therapeutics, Inc.	Medical Devices & Equipment	Equity	Preferred Series 1	1,086,969	500	
Subtotal: Medical Devices & Equipment (1.23%)*					13,242	8,109
Software						
Atrenta, Inc.	Software	Equity	Preferred Series C	1,196,845	986	1,745
	Software	Equity	Preferred Series D	635,513	508	1,109
Total Atrenta, Inc				1,832,358	1,494	2,854
Box, Inc.[13][14]	Software	Equity	Preferred Series B	271,070	251	5,747
	Software	Equity	Preferred Series C	589,844	872	12,506
	Software	Equity	Preferred Series D	158,133	500	3,352
	Software	Equity	Preferred Series D-1	186,766	1,694	3,960
	Software	Equity	Preferred Series D-2	220,751	2,001	4,680
	Software	Equity	Preferred Series E	38,183	500	810
Total Box, Inc				1,464,747	5,818	31,055
CapLinked, Inc.	Software	Equity	Preferred Series A-3	53,614	51	79
ForeScout Technologies, Inc.	Software	Equity	Preferred Series D	319,099	398	519
HighRoads, Inc.	Software	Equity	Preferred Series B	190,170	307	228
WildTangent, Inc.[13]	Software	Equity	Preferred Series 3	100,000	402	228
Subtotal: Software (5.31%)*					8,470	34,963
Specialty Pharmaceuticals						
QuatRx Pharmaceuticals Company	Specialty Pharmaceuticals	Equity	Preferred Series E	241,829	750	
	Specialty Pharmaceuticals	Equity	Preferred Series E-1	26,955		
	Specialty Pharmaceuticals	Equity	Preferred Series G	4,667,636		
Total QuatRx Pharmaceuticals Company				4,936,420	750	
Subtotal: Specialty Pharmaceuticals (0.00%)*					750	
Surgical Devices						

Gynesonics, Inc.[13]	Surgical Devices	Equity	Preferred Series B	219,298	250	101
	Surgical Devices	Equity	Preferred Series C	656,538	282	186
	Surgical Devices	Equity	Preferred Series D	1,991,157	712	1,073
Total Gynesonics, Inc.				2,866,993	1,244	1,360
Transmedics, Inc.	Surgical Devices	Equity	Preferred Series B	88,961	1,100	353
	Surgical Devices	Equity	Preferred Series C	119,999	300	180
	Surgical Devices	Equity	Preferred Series D	260,000	650	1,071
Total Transmedics, Inc.				468,960	2,050	1,604
Subtotal: Surgical Devices (0.45%)*					3,294	2,964
Total: Equity Investments (10.89%)*					44,463	71,733
Warrant Investments						
Biotechnology Tools						
Labcyte, Inc.[13]	Biotechnology Tools	Warrant	Preferred Series C	1,127,624	323	354
Subtotal: Biotechnology Tools (0.05%)*					323	354

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(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment[1]	Series	Shares	Cost[2]	Value[3]
Communications & Networking						
Intelepeer, Inc.[13]	Communications & Networking	Warrant	Preferred Series C	117,958	$ 102	$ 18
OpenPeak, Inc.	Communications & Networking	Warrant	Common Stock	108,982	149	104
PeerApp, Inc.	Communications & Networking	Warrant	Preferred Series B	298,779	61	45
Peerless Network, Inc.	Communications & Networking	Warrant	Preferred Series A	135,000	95	844
Ping Identity Corporation	Communications & Networking	Warrant	Preferred Series B	1,136,277	52	183
SkyCross, Inc.[13]	Communications & Networking	Warrant	Preferred Series F	9,762,777	394	
Spring Mobile Solutions, Inc.	Communications & Networking	Warrant	Preferred Series D	2,834,375	418	426
Subtotal: Communications & Networking (0.25%)*					1,271	1,620
Consumer & Business Products						
Antenna79 (p.k.a. Pong Research Corporation)[13]	Consumer & Business Products	Warrant	Preferred Series A	1,662,441	228	202
Intelligent Beauty, Inc.[13]	Consumer & Business Products	Warrant	Preferred Series B	190,234	230	327
IronPlanet, Inc.	Consumer & Business Products	Warrant	Preferred Series D	1,155,821	1,077	1,067
Market Force Information, Inc.	Consumer & Business Products	Warrant	Preferred Series A	99,286	24	21
The Neat Company[13]	Consumer & Business Products	Warrant	Preferred Series C-1	540,540	365	451
Subtotal: Consumer & Business Products (0.31%)*					1,924	2,068
Diagnostic						
Navidea Biopharmaceuticals, Inc. (pka Neoprobe)[3][13]	Diagnostic	Warrant	Common Stock	333,333	244	75
Subtotal: Diagnostic (0.01%)*					244	75
Drug Delivery						
AcelRx Pharmaceuticals, Inc.[3][9][13]	Drug Delivery	Warrant	Common Stock	176,730	786	420
Alexza Pharmaceuticals, Inc.[3]	Drug Delivery	Warrant	Common Stock	37,639	645	
BIND Therapeutics, Inc.[3][13]	Drug Delivery	Warrant	Common Stock	71,359	367	6
BioQuiddity Incorporated	Drug Delivery	Warrant	Common Stock	459,183	1	1
Celator Pharmaceuticals, Inc.[3]	Drug Delivery	Warrant	Common Stock	158,006	107	67
Celsion Corporation[3]	Drug Delivery	Warrant	Common Stock	194,986	428	248

Dance Biopharm, Inc.[13]	Drug Delivery	Warrant	Preferred Series A	97,701	74	109
Edge Therapeutics, Inc.	Drug Delivery	Warrant	Preferred Series C-1	107,526	390	217
Kaleo, Inc. (p.k.a. Intelliject, Inc.)	Drug Delivery	Warrant	Preferred Series B	82,500	594	1,108
Neos Therapeutics, Inc.[13]	Drug Delivery	Warrant	Preferred Series C	170,000	285	235
Revance Therapeutics, Inc.[3]	Drug Delivery	Warrant	Common Stock	53,511	557	64
Zosano Pharma, Inc.[14]	Drug Delivery	Warrant	Common Stock	31,674	164	179
Subtotal: Drug Delivery (0.40%)*					4,398	2,654

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December 31, 2014

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment(1)	Series	Shares	Cost(2)	Value(3)
Drug Discovery & Development						
ADMA Biologics, Inc.(3)	Drug Discovery & Development	Warrant	Common Stock	89,750	$ 295	$ 366
Anthera Pharmaceuticals, Inc.(3)(13)	Drug Discovery & Development	Warrant	Common Stock	40,178	984	
Aveo Pharmaceuticals, Inc.(3)(9)(13)	Drug Discovery & Development	Warrant	Common Stock	608,696	194	107
Cerecor Inc.	Drug Discovery & Development	Warrant	Preferred Series B	625,208	70	47
Chroma Therapeutics, Ltd.(4)(9)	Drug Discovery & Development	Warrant	Preferred Series D	325,261	490	
Cleveland BioLabs, Inc.(3)(13)	Drug Discovery & Development	Warrant	Common Stock	156,250	105	10
Concert Pharmaceuticals, Inc.(3)	Drug Discovery & Development	Warrant	Common Stock	70,796	367	164
Coronado Biosciences, Inc.(3)	Drug Discovery & Development	Warrant	Common Stock	73,009	142	43
Dicerna Pharmaceuticals, Inc.(3)(13)	Drug Discovery & Development	Warrant	Common Stock	200	28	
Epirus Biopharmaceuticals, Inc.(3)	Drug Discovery & Development	Warrant	Common Stock	64,194	276	207
Genocea Biosciences, Inc.(3)	Drug Discovery & Development	Warrant	Common Stock	73,725	266	188
Horizon Pharma, Inc.(3)	Drug Discovery & Development	Warrant	Common Stock	3,735	52	4
Melinta Therapeutics	Drug Discovery & Development	Warrant	Preferred Series 3	1,151,936	604	590
Nanotherapeutics, Inc.(13)	Drug Discovery & Development	Warrant	Common Stock	171,389	838	1,421
Neothetics, Inc. (pka Lithera, Inc)(3)(13)	Drug Discovery & Development	Warrant	Common Stock	46,838	266	122
Neuralstem, Inc.(3)(13)	Drug Discovery & Development	Warrant	Common Stock	75,187	77	71
Paratek Pharmaceutcals, Inc. (p.k.a Transcept Pharmaceuticals, Inc)(3)	Drug Discovery & Development	Warrant	Common Stock	5,121	87	10
uniQure B.V.(3)(4)(9)	Drug Discovery & Development	Warrant	Common Stock	37,174	218	184
Subtotal: Drug Discovery & Development (0.54%)*					5,359	3,534
Electronics & Computer Hardware						
Clustrix, Inc.	Electronics & Computer Hardware	Warrant	Common Stock	50,000	12	10
Subtotal: Electronics & Computer Hardware (0.00%)*					12	10

Energy Technology						
Agrivida, Inc.[13]	Energy Technology	Warrant	Preferred Series D	471,327	120	186
Alphabet Energy, Inc.[13]	Energy Technology	Warrant	Preferred Series A	86,329	81	135
American Superconductor Corporation[3]	Energy Technology	Warrant	Common Stock	588,235	39	40
Brightsource Energy, Inc.[13]	Energy Technology	Warrant	Preferred Series 1	174,999	780	213
Calera, Inc.[13]	Energy Technology	Warrant	Preferred Series C	44,529	513	
EcoMotors, Inc.[13]	Energy Technology	Warrant	Preferred Series B	437,500	308	256
Fluidic, Inc.	Energy Technology	Warrant	Preferred Series C	59,665	102	60
Fulcrum Bioenergy, Inc.	Energy Technology	Warrant	Preferred Series C-1	280,897	275	135
GreatPoint Energy, Inc.[13]	Energy Technology	Warrant	Preferred Series D-1	393,212	548	
Polyera Corporation[13]	Energy Technology	Warrant	Preferred Series C	161,575	69	228

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(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment[1]	Series	Shares	Cost[2]	Value[3]
SCIEnergy, Inc.	Energy Technology	Warrant	Common Stock	530,811	$ 181	$
	Energy Technology	Warrant	Preferred Series 1	145,811	50	
Total SCIEnergy, Inc.				676,622	231	
Scifiniti (pka Integrated Photovoltaics, Inc.)[13]	Energy Technology	Warrant	Preferred Series A-1	390,000	82	65
Solexel, Inc.[13]	Energy Technology	Warrant	Preferred Series C	1,171,625	1,162	666
Stion Corporation[5]	Energy Technology	Warrant	Preferred Series Seed	2154	1,378	
TAS Energy, Inc.	Energy Technology	Warrant	Preferred Series F	428,571	299	157
TPI Composites, Inc.	Energy Technology	Warrant	Preferred Series B	160	273	107
Trilliant, Inc.[13]	Energy Technology	Warrant	Preferred Series A	320,000	161	32
Subtotal: Energy Technology (0.35%)*					6,421	2,280
Healthcare Services, Other						
Chromadex Corporation[3][13]	Healthcare Services, Other	Warrant	Common Stock	419,020	156	106
MDEverywhere, Inc.	Healthcare Services, Other	Warrant	Common Stock	129	94	11
Subtotal: Healthcare Services, Other (0.02%)*					250	117
Information Services						
Cha Cha Search, Inc.[13]	Information Services	Warrant	Preferred Series G	48,232	58	20
INMOBI Inc.[4][9]	Information Services	Warrant	Common Stock	42,187	74	72
InXpo, Inc.[13]	Information Services	Warrant	Preferred Series C	648,400	98	26
	Information Services	Warrant	Preferred Series C-1	740,832	58	30
Total InXpo, Inc.				1,389,232	156	56
RichRelevance, Inc.[13]	Information Services	Warrant	Preferred Series E	112,612	98	
Subtotal: Information Services (0.02%)*					386	148
Internet Consumer & Business Services						
Blurb, Inc.[13]	Internet Consumer & Business Services	Warrant	Preferred Series B	218,684	299	79
	Internet Consumer & Business Services	Warrant	Preferred Series C	234,280	636	173
Total Blurb, Inc.				452,964	935	252
CashStar, Inc.[13]	Internet Consumer & Business Services	Warrant	Preferred Series C-2	727,272	130	83
Gazelle, Inc.[13]		Warrant	Preferred Series A-1	991,288	158	185

	Internet Consumer & Business Services					
Just Fabulous, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	206,184	1,101	1,490
Lightspeed POS, Inc.(4)(9)	Internet Consumer & Business Services	Warrant	Preferred Series C	24,561	20	60
Prism Education Group, Inc.(13)	Internet Consumer & Business Services	Warrant	Preferred Series B	200,000	43	
Progress Financial	Internet Consumer & Business Services	Warrant	Preferred Series G	174,562	78	63
Reply! Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	137,225	320	
ShareThis, Inc.(13)	Internet Consumer & Business Services	Warrant	Preferred Series C	493,502	547	282
Tapjoy, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series D	430,485	263	125
Tectura Corporation	Internet Consumer & Business Services	Warrant	Preferred Series B-1	253,378	51	
Subtotal: Internet Consumer & Business Services (0.39%)*					3,646	2,540

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HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

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(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment[1]	Series	Shares	Cost[2]	Value[3]
Media/Content/Info						
Mode Media Corporation[13]	Media/Content/ Info	Warrant	Preferred Series D	407,457	$ 482	$
Rhapsody International, Inc.[13]	Media/Content/ Info	Warrant	Common Stock	715,755	385	358
Zoom Media Group, Inc.	Media/Content/ Info	Warrant	Preferred Series A	1,204	348	382
Subtotal: Media/Content/Info (0.11%)*					1,215	740
Medical Devices & Equipment						
Amedica Corporation[3][13]	Medical Devices & Equipment	Warrant	Common Stock	516,129	459	
Avedro, Inc.[13]	Medical Devices & Equipment	Warrant	Preferred Series D	1,308,451	401	553
Baxano Surgical, Inc.[3]	Medical Devices & Equipment	Warrant	Common Stock	882,353	439	
Flowonix Medical Incorporated	Medical Devices & Equipment	Warrant	Preferred Series E	66,568	203	228
Gamma Medica, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A	357,500	170	196
Gelesis, Inc.[5][13]	Medical Devices & Equipment	Warrant	LLC Interest	263,688	78	1
Home Dialysis Plus, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A	500,000	402	587
InspireMD, Inc.[3][4][9]	Medical Devices & Equipment	Warrant	Common Stock	168,351	242	12
Medrobotics Corporation[13]	Medical Devices & Equipment	Warrant	Preferred Series E	455,539	370	182
MELA Sciences, Inc.[3]	Medical Devices & Equipment	Warrant	Common Stock	69,320	401	1
nContact Surgical, Inc	Medical Devices & Equipment	Warrant	Preferred Series D-1	201,439	266	450
NetBio, Inc.	Medical Devices & Equipment	Warrant	Common Stock	2,568	408	60
NinePoint Medical, Inc.[13]	Medical Devices & Equipment	Warrant	Preferred Series A-1	587,840	170	204
Novasys Medical, Inc.	Medical Devices & Equipment	Warrant	Common Stock	109,449	2	
	Medical Devices & Equipment	Warrant	Preferred Series D	526,840	125	
	Medical Devices & Equipment	Warrant	Preferred Series D-1	53,607	6	
Total Novasys Medical, Inc.				689,896	133	
Optiscan Biomedical, Corp.[5][13]	Medical Devices & Equipment	Warrant	Preferred Series D	10,535,275	1,252	219

Oraya Therapeutics, Inc.	Medical Devices & Equipment	Warrant	Common Stock	954	66	
	Medical Devices & Equipment	Warrant	Preferred Series 1	1,632,084	676	
Total Oraya Therapeutics, Inc.				1,633,038	742	
Quanterix Corporation	Medical Devices & Equipment	Warrant	Preferred Series C	69,371	104	164
SonaCare Medical, LLC (pka US HIFU, LLC)	Medical Devices & Equipment	Warrant	Preferred Series A	6,464	188	
ViewRay, Inc.(13)	Medical Devices & Equipment	Warrant	Preferred Series C	312,500	333	359
Subtotal: Medical Devices & Equipment (0.49%)*					6,761	3,216

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(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment[1]	Series	Shares	Cost[2]	Value[3]
Semiconductors						
Achronix Semiconductor Corporation	Semiconductors	Warrant	Preferred Series C	360,000	$ 160	$ 9
Avnera Corporation	Semiconductors	Warrant	Preferred Series E	102,958	14	32
Subtotal: Semiconductors (0.01%)*					174	41
Software						
Atrenta, Inc.	Software	Warrant	Preferred Series D	392,670	120	359
Braxton Technologies, LLC	Software	Warrant	Preferred Series A	168,750	188	
CareCloud Corporation[13]	Software	Warrant	Preferred Series B	413,433	258	482
Clickfox, Inc.[13]	Software	Warrant	Preferred Series B	1,038,563	330	783
	Software	Warrant	Preferred Series C	592,019	730	555
	Software	Warrant	Preferred Series C-A	46,109	14	35
Total Clickfox, Inc.				1,676,691	1,074	1,373
Daegis Inc. (pka Unify Corporation)[3][13]	Software	Warrant	Common Stock	718,860	1,434	5
ForeScout Technologies, Inc.	Software	Warrant	Preferred Series E	80,587	41	74
Hillcrest Laboratories, Inc.[13]	Software	Warrant	Preferred Series E	1,865,650	54	106
JumpStart Games, Inc. (p.k.a Knowledge Holdings, Inc.)[13]	Software	Warrant	Preferred Series E	614,333	15	8
Mobile Posse, Inc.[13]	Software	Warrant	Preferred Series C	396,430	130	66
Neos Geosolutions, Inc.[13]	Software	Warrant	Preferred Series 3	221,150	22	
NewVoiceMedia Limited[4][9]	Software	Warrant	Preferred Series E	225,586	33	34
Soasta, Inc.[13]	Software	Warrant	Preferred Series E	410,800	691	1,014
Sonian, Inc.[13]	Software	Warrant	Preferred Series C	185,949	106	72
StrongView Systems, Inc.	Software	Warrant	Preferred Series C	551,470	169	218
SugarSync, Inc.[13]	Software	Warrant	Preferred Series CC	332,726	78	78
	Software	Warrant	Preferred Series DD	107,526	34	26
Total SugarSync, Inc.				440,252	112	104
Touchcommerce, Inc.[13]	Software	Warrant	Preferred Series E	992,595	252	164
White Sky, Inc.[13]	Software	Warrant	Preferred Series B-2	124,295	54	4
Subtotal: Software (0.62%)*					4,753	4,083
Specialty Pharmaceuticals						
Alimera Sciences, Inc.[3]	Specialty Pharmaceuticals	Warrant	Common Stock	285,016	728	656
QuatRx Pharmaceuticals Company	Specialty Pharmaceuticals	Warrant	Preferred Series E	155,324	308	
Subtotal: Specialty Pharmaceuticals (0.10%)*					1,036	656
Surgical Devices						

Gynesonics, Inc.[13]	Surgical Devices	Warrant	Preferred Series C	180,480	74	48
	Surgical Devices	Warrant	Preferred Series D	1,575,965	320	562
Total Gynesonics, Inc.				1,756,445	394	610
Transmedics, Inc.	Surgical Devices	Warrant	Preferred Series B	40,436	225	
	Surgical Devices	Warrant	Preferred Series D	175,000	100	352
Total Transmedics, Inc.				215,436	325	352
Subtotal: Surgical Devices (0.15%)*					719	962
Total Warrant Investments (3.81%)*					38,892	25,098
Total Investments (154.92%)*					$ 1,035,337	$ 1,020,737

* Value as a percent of net assets

(1) Preferred and common stock, warrants, and equity interests are generally non-income producing.

(2) Gross unrealized appreciation, gross unrealized depreciation, and net depreciation for federal income tax purposes totaled $46.1 million, $63.4 million and $17.3 million respectively. The tax cost of investments is $1.0 billion.

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(dollars in thousands)

(3) Except for warrants in twenty-nine publicly traded companies and common stock in thirteen publicly traded companies, all investments are restricted at December 31, 2014 and were valued at fair value as determined in good faith by the Audit Committee of the Board of Directors. No unrestricted securities of the same issuer are outstanding. The Company uses the Standard Industrial Code for classifying the industry grouping of its portfolio companies.
(4) Non-U.S. company or the company s principal place of business is outside the United States.
(5) Affiliate investment that is defined under the Investment Company Act of 1940 as companies in which HTGC owns at least 5% but not more than 25% of the voting securities of the company.
(6) Control investment that is defined under the Investment Company Act of 1940 as companies in which HTGC owns at least 25% of the voting securities of the company or has greater than 50% representation on its board. There were no control investments at December 31, 2014.
(7) Debt is on non-accrual status at December 31, 2014, and is therefore considered non-income producing.
(8) Denotes that all or a portion of the debt investment is convertible senior debt.
(9) Indicates assets that the Company deems not qualifying assets under section 55(a) of the Investment Company Act of 1940, as amended. Qualifying assets must represent at least 70% of the Company s total assets at the time of acquisition of any additional non-qualifying assets.
(10) Denotes that all or a portion of the debt investment secures the notes offered in the Debt Securitizations (as defined in Note 4).
(11) Denotes that all or a portion of the debt investment principal includes accumulated PIK, or payment-in-kind, interest and is net of repayments.
(12) Denotes that all or a portion of the debt investment includes an exit fee receivable.
(13) Denotes that all or a portion of the investment in this portfolio company is held by HT II or HT III, the Company s wholly-owned SBIC subsidiaries.
(14) Subsequent to December 31, 2014, this company completed an initial public offering. Note that the December 31, 2014 fair value does not reflect any potential impact of the conversion of our preferred shares to common shares which may include reverse splits associated with the offering.
(15) The stated Maturity Date for the Tectura assets reflects the last extension of the forbearance period on these loans. The borrower loans remain outstanding and management is continuing to work with the borrower to satisfy the obligations. The Company s investment team and Investment Committee continue to closely monitor developments at the borrower company.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

1. Description of Business and Basis of Presentation

Hercules Technology Growth Capital, Inc. (the Company) is a specialty finance company focused on providing senior secured loans to high-growth venture capital-backed companies in technology-related industries, including technology, biotechnology, life science, and energy and renewables technology. The Company sources its investments through its principal office located in Palo Alto, CA, as well as through its additional offices in Boston, MA, New York, NY, McLean, VA and Radnor, PA. The Company was incorporated under the General Corporation Law of the State of Maryland in December 2003.

The Company is an internally managed, non-diversified closed-end investment company that has elected to be regulated as a business development company (BDC) under the Investment Company Act of 1940, as amended (the 1940 Act). From incorporation through December 31, 2005, the Company was taxed as a corporation under Subchapter C of the Internal Revenue Code of 1986, (the Code). Effective January 1, 2006, the Company elected to be treated for tax purposes as a regulated investment company, or RIC, under the Code (see Note 5). As an investment company, the Company follows accounting and reporting guidance as set forth in Accounting Standards Codification (ASC) 946.

Hercules Technology II, L.P. (HT II), Hercules Technology III, L.P. (HT III), and Hercules Technology IV, L.P. (HT IV), are Delaware limited partnerships that were formed in January 2005, September 2009 and December 2010, respectively. HT II and HT III were licensed to operate as small business investment companies (SBICs) under the authority of the Small Business Administration (SBA) on September 27, 2006 and May 26, 2010, respectively. As SBICs, HT II and HT III are subject to a variety of regulations concerning, among other things, the size and nature of the companies in which they may invest and the structure of those investments. HT IV was formed in anticipation of receiving an additional SBIC license; however, the Company has not yet applied for such license, and HT IV currently has no material assets or liabilities. The Company also formed Hercules Technology SBIC Management, LLC, or (HTM), a limited liability company in November 2003. HTM is a wholly owned subsidiary of the Company and serves as the limited partner and general partner of HT II and HT III (see Note 4 to the Company s consolidated financial statements).

HT II and HT III hold approximately $155.1 million and $323.3 million in assets, respectively, and they accounted for approximately 8.9% and 18.5% of the Company s total assets, respectively, prior to consolidation at June 30, 2015.

The Company also established wholly owned subsidiaries, all of which are structured as Delaware corporations and limited liability companies, to hold portfolio companies organized as limited liability companies, or LLCs (or other forms of pass-through entities). By investing through these wholly owned subsidiaries, the Company is able to benefit from the tax treatment of these entities and create a tax structure that is more advantageous with respect to the Company s RIC status.

The consolidated financial statements include the accounts of the Company, its subsidiaries and its consolidated securitization VIEs. All inter-company accounts and transactions have been eliminated in consolidation. In accordance with Article 6 of Regulation S-X under the Securities Act of 1933 and the Securities and Exchange Act of 1934, the Company does not consolidate portfolio company investments. The accompanying consolidated interim financial statements are presented in conformity with U.S. generally accepted accounting principles (U.S. GAAP) for interim financial information, and pursuant to the requirements for reporting on Form 10-Q and Article 10 of Regulation S-X under the Securities Act of 1933 and the Securities Exchange Act of 1934. Accordingly, certain disclosures accompanying annual consolidated financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, all adjustments consisting solely of normal recurring accruals considered necessary for the fair statement of consolidated financial statements for the interim periods have been included. The current period s results of operations are not necessarily indicative of results that ultimately may be achieved for the year. Therefore, the interim unaudited consolidated financial statements and notes should be read in conjunction with the audited consolidated financial statements and notes thereto for the period ended December 31, 2014. The year-end Consolidated Statement of Assets and Liabilities data was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP. Financial statements prepared on a U.S. GAAP basis require management to make estimates and assumptions that affect the amounts and disclosures reported in the consolidated financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company and its subsidiaries and all VIEs of which the Company is the primary beneficiary. All intercompany accounts and transactions have been eliminated in consolidation.

A VIE is an entity that either (i) has insufficient equity to permit the entity to finance its activities without additional subordinated financial support or (ii) has equity investors who lack the characteristics of a controlling financial interest. The primary beneficiary of a VIE is the party with both the power to direct the activities of the VIE that most significantly impact the VIE s economic performance and the obligation to absorb the losses or the right to receive benefits that could potentially be significant to the VIE.

To assess whether the Company has the power to direct the activities of a VIE that most significantly impact its economic performance, the Company considers all the facts and circumstances including its role in establishing the VIE and its ongoing rights and responsibilities. This assessment includes identifying the activities that most significantly impact the VIE s economic performance and identifying which party, if any, has power over those activities. In general, the party that makes the most significant decisions affecting the VIE is determined to have the power to direct the activities of a VIE. To assess whether the Company has the obligation to absorb the losses or the right to receive benefits that could potentially be significant to the VIE, the Company considers all of its economic interests, including debt and equity interests, servicing rights and fee arrangements, and any other variable interests in the VIE. If the Company determines that it is the party with the power to make the most significant decisions affecting the VIE, and the Company has a potentially significant interest in the VIE, then it consolidates the VIE.

The Company performs ongoing reassessments, usually quarterly, of whether it is the primary beneficiary of a VIE. The reassessment process considers whether the Company has acquired or divested the power to direct the activities of the VIE through changes in governing documents or other circumstances. The Company also reconsiders whether entities previously determined not to be VIEs have become VIEs, based on certain events, and therefore are subject to the VIE consolidation framework.

As of the date of this report, the VIE consolidated by the Company is its securitization VIE formed in conjunction with the issuance of the Asset-Backed Notes (as defined herein) (See Note 4).

Reclassification

Certain balances from prior years have been reclassified in order to conform to the current year presentation.

Valuation of Investments

At June 30, 2015, 88.7% of the Company s total assets represented investments in portfolio companies that are valued at fair value by the Board of Directors. Value, as defined in Section 2(a)(41) of the 1940 Act, is (i) the

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market price for those securities for which a market quotation is readily available and (ii) for all other securities and assets, fair value is as determined in good faith by the Board of Directors. The Company s investments are carried at fair value in accordance with the 1940 Act and Accounting Standards Codification topic 820 Fair Value Measurements and Disclosures (ASC 820). The Company s debt securities are primarily invested in venture capital-backed companies in technology-related industries, including technology, biotechnology, life science and energy and renewables technology at all stages of development. Given the nature of lending to these types of businesses, substantially all of the Company s investments in these portfolio companies are considered Level 3 assets under ASC 820 because there is no known or accessible market or market indexes for these investment securities to be traded or exchanged. As such, the Company values substantially all of its investments at fair value as determined in good faith pursuant to a consistent valuation policy by the Company s Board of Directors in accordance with the provisions of ASC 820 and the 1940 Act. Due to the inherent uncertainty in determining the fair value of investments that do not have a readily available market value, the fair value of the Company s investments determined in good faith by its Board of Directors may differ significantly from the value that would have been used had a readily available market existed for such investments, and the differences could be material.

The Company may from time to time engage an independent valuation firm to provide the Company with valuation assistance with respect to certain portfolio investments on a quarterly basis. The Company engages independent valuation firms on a discretionary basis. Specifically, on a quarterly basis, the Company will identify portfolio investments with respect to which an independent valuation firm will assist in valuing. The Company selects these portfolio investments based on a number of factors, including, but not limited to, the potential for material fluctuations in valuation results, credit quality and the time lapse since the last valuation of the portfolio investment by an independent valuation firm.

The Company intends to continue to engage an independent valuation firm to provide management with assistance regarding the Company s determination of the fair value of selected portfolio investments each quarter unless directed by the Board of Directors to cancel such valuation services. The scope of services rendered by an independent valuation firm is at the discretion of the Board of Directors. The Company s Board of Directors is ultimately and solely responsible for determining the fair value of the Company s investments in good faith.

With respect to investments for which market quotations are not readily available or when such market quotations are deemed not to represent fair value, the Company s Board of Directors has approved a multi-step valuation process each quarter, as described below:

(1) the Company s quarterly valuation process begins with each portfolio company being initially valued by the investment professionals responsible for the portfolio investment;

(2) preliminary valuation conclusions are then documented and business based assumptions are discussed with the Company s investment committee;

(3) the Audit Committee of the Board of Directors reviews the preliminary valuation of the investments in the portfolio as provided by the investment committee, which incorporates the results of the independent valuation firm as appropriate; and

(4) the Board of Directors, upon the recommendation of the Audit Committee, discusses valuations and determines the fair value of each investment in the Company s portfolio in good faith based on the input of, where applicable, the respective independent valuation firm and the investment committee.

ASC 820 establishes a framework for measuring the fair value of assets and liabilities and outlines a fair value hierarchy which prioritizes the inputs used to measure fair value and the effect of fair value measures on earnings. ASC 820 also requires disclosure for fair value measurements based on the level within the hierarchy of the information used in the valuation. ASC 820 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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The Company has categorized all investments recorded at fair value in accordance with ASC 820 based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, defined by ASC 820 and directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities, are as follows:

Level 1 Inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date. The types of assets carried at Level 1 fair value generally are equities listed in active markets.

Level 2 Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset in connection with market data at the measurement date and for the extent of the instrument s anticipated life. Fair valued assets that are generally included in this category are warrants held in a public company.

Level 3 Inputs reflect management s best estimate of what market participants would use in pricing the asset at the measurement date. It includes prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. Generally, assets carried at fair value and included in this category are the debt investments and warrants and equities held in a private company.

Investments measured at fair value on a recurring basis are categorized in the tables below based upon the lowest level of significant input to the valuations as of June 30, 2015 (unaudited) and as of December 31, 2014. The Company transfers investments in and out of Level 1, 2 and 3 securities as of the beginning balance sheet date, based on changes in the use of observable and unobservable inputs utilized to perform the valuation for the period. During the six months ended June 30, 2015, there were no transfers between Levels 1 or 2.

(in thousands) Description	Balance June 30, 2015	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Senior Secured Debt	$ 1,137,619	$	$	$ 1,137,619
Preferred Stock	32,143			32,143
Common Stock	39,051	37,371		1,680
Warrants	29,842		6,438	23,404
Escrow Receivable	2,637			2,637
Total	$ 1,241,292	$ 37,371	$ 6,438	$ 1,197,483

(in thousands) Description	Balance December 31, 2014	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Senior Secured Debt	$ 923,906	$	$	$ 923,906
Preferred Stock	57,548			57,548
Common Stock	14,185	12,798		1,387
Warrants	25,098		3,175	21,923
Total	$ 1,020,737	$ 12,798	$ 3,175	$ 1,004,764

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The table below presents a reconciliation for all financial assets and liabilities measured at fair value on a recurring basis, excluding accrued interest components, using significant unobservable inputs (Level 3) for the six months ended June 30, 2015 (unaudited) and the year ended December 31, 2014.

(in thousands)	Balance January 1, 2015	Net Realized (Losses)[1]	Net Change in Unrealized Appreciation (Depreciation)[2]	Purchases[5]	Sales	Repayments[6]	Gross Transfers into Level 3[3]	Gross Transfers out of Level 3[3]	Balance June 30, 2015
Senior Debt	$ 923,906	$ (318)	$ (4,926)	$ 372,488	$	$ (153,031)	$	$ (500)	$ 1,137,619
Preferred Stock	57,548		813	4,148			689	(31,055)	32,143
Common Stock	1,387		293						1,680
Warrants	21,923	(1,360)	(103)	3,285				(341)	23,404
Escrow Receivable	3,598	71			(1,032)				2,637
Total	$ 1,008,362	$ (1,607)	$ (3,923)	$ 379,921	$ (1,032)	$ (153,031)	$ 689	$ (31,896)	$ 1,197,483

(in thousands)	Balance January 1, 2014	Net Realized (Losses)[1]	Net Change in Unrealized Appreciation (Depreciation)[2]	Purchases[5]	Sales	Repayments[6]	Gross Transfers into Level 3[4]	Gross Transfers out of Level 3[4]	Balance December 31, 2014
Senior Debt	$ 821,988	$	$ (14,182)	$ 615,596	$	$ (497,258)	$	$ (2,238)	$ 923,906
Preferred Stock	35,554	(750)	15,779	7,097	(503)		2,007	(1,636)	57,548
Common Stock	2,107	(130)	601		(1,189)			(2)	1,387
Warrants	28,707	(48)	(10,553)	8,596	(2,503)			(2,276)	21,923
Total	$ 888,356	$ (928)	$ (8,355)	$ 631,289	$ (4,195)	$ (497,258)	$ 2,007	$ (6,152)	$ 1,004,764

(1) Includes net realized gains (losses) recorded as realized gains or losses in the accompanying Consolidated Statement of Operations.
(2) Included in change in net unrealized appreciation (depreciation) in the accompanying Consolidated Statement of Operations.
(3) Transfers out of Level 3 during the six months ended June 30, 2015 relate to the initial public offerings of Box, Inc. and ZP Opco, Inc. (p.k.a. Zosano Pharma, Inc). in addition to the exercise of warrants in both Forescout, Inc. and Atrenta, Inc. to preferred stock. Transfers into Level 3 during the six months ended June 30, 2015 relate to the acquisition of preferred stock as a result of the exercise of warrants in both Forescout, Inc. and Atrenta, Inc.
(4) Transfers in/out of Level 3 during the year ended December 31, 2014 relate to the conversion of Paratek Pharmaceuticals, Inc., SCI Energy, Inc., Oraya Therapeutics, Inc., and Neuralstem, Inc. debt to equity, the exercise of warrants in Box, Inc and WildTangent, Inc. to equity, the conversion of warrants in Glori Energy, Inc. to equity in the company s reverse public merger, the public merger of Paratek Pharmaceuticals, Inc. with Transcept Pharmaceuticals, Inc. and the initial public offerings of Concert Pharmaceuticals, Inc., Dicerna Pharmaceuticals, Inc., Everyday Health, Inc., Neothetics, Inc., Revance Therapeutics, Inc., and UniQure BV.
(5) Amounts listed above are inclusive of loan origination fees received at the inception of the loan which are deferred and amortized into fee income as well as the accretion of existing loan discounts and fees during the period.
(6) Amounts listed above include the acceleration and payment of loan discounts and loan fees due to early payoffs or restructures.

For the six months ended June 30, 2015, approximately $813,000 and $293,000 in net unrealized appreciation was recorded for preferred stock and common stock Level 3 investments, respectively, relating to assets still held at the reporting date. For the same period, approximately $5.1 million and $1.0 million in net unrealized depreciation was recorded for debt and warrant Level 3 investments, respectively, relating to assets still held at the reporting date.

For the year ended December 31, 2014, approximately $15.0 million and $555,000 in net unrealized appreciation was recorded for preferred stock and common stock Level 3 investments, respectively, relating to assets still held at the reporting date. For the same period, approximately $14.2 million and $2.8 million in net unrealized depreciation was recorded for debt and warrant Level 3 investments, respectively, relating to assets still held at the reporting date.

In accordance with ASU 2011-04, the following tables provide quantitative information about the Company s Level 3 fair value measurements of the Company s investments as of June 30, 2015 (unaudited) and December 31, 2014. In addition to the techniques and inputs noted in the tables below, according to the Company s valuation policy, the Company may also use other valuation techniques and methodologies when determining the Company s fair value measurements. The tables below are not intended to be all-inclusive, but rather provide information on the significant Level 3 inputs as they relate to the Company s fair value measurements.

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The significant unobservable input used in the fair value measurement of the Company s escrow receivables is the amount recoverable at the contractual maturity date of the escrow receivable.

Investment Type - Level Three Debt Investments	Fair Value at June 30, 2015 (in thousands)	Valuation Techniques/ Methodologies	Unobservable Input[(a)]	Range	Weighted Average[(b)]
Pharmaceuticals	$57,331	Originated Within 6 Months	Origination Yield	11.73% - 13.16%	12.63%
	349,706	Market Comparable Companies	Hypothetical Market Yield	9.95% - 16.01%	12.47%
			Premium/(Discount)	(0.50%) - 1.00%	
Technology	101,308	Originated Within 6 Months	Origination Yield	6.15% - 16.32%	13.18%
	193,158	Market Comparable Companies	Hypothetical Market Yield	6.55% - 18.29%	13.29%
	57,782	Liquidation[(c)]	Premium/(Discount)	0.00% - 0.50%	
			Probability weighting of alternative outcomes	20.00% - 100.00%	
Medical Devices	3,675	Originated Within 6 Months	Origination Yield	21.03%	21.03%
	66,334	Market Comparable Companies	Hypothetical Market Yield	11.09% - 15.80%	13.47%
	17,015	Liquidation[(c)]	Premium/(Discount)	0.00% - 1.00%	
			Probability weighting of alternative outcomes	30.00% - 70.00%	
Energy Technology	32,392	Originated Within 6 Months	Origination Yield	12.64% - 14.16%	13.51%
	67,126	Market Comparable Companies	Hypothetical Market Yield	13.68% - 21.05%	14.60%
	1,600	Liquidation[(c)]	Premium/(Discount)	0.00 - 0.50%	
			Probability weighting of alternative outcomes	100.00%	
Lower Middle Market	19,052	Market Comparable Companies	Hypothetical Market Yield	12.91%	12.91%
	9,204	Liquidation[(c)]	Premium/(Discount)	0.50%	
			Probability weighting of alternative outcomes	40.00% - 60.00%	
		Debt Investments Where Fair Value Approximates Cost			
	56,965	Imminent Payoffs[(d)]			
	104,971	Debt Investments Maturing in Less than One Year			
	$1,137,619	**Total Level Three Debt Investments**			

(a) The significant unobservable inputs used in the fair value measurement of the Company s debt securities are hypothetical market yields and premiums/(discounts). The hypothetical market yield is defined as the exit price of an investment in a hypothetical market to hypothetical market participants where buyers and sellers are willing participants. The premiums (discounts) relate to company specific characteristics such as underlying investment performance, security liens, and other characteristics of the investment. Significant increases (decreases) in the inputs in isolation may result in a significantly lower (higher) fair value measurement, depending on the materiality of the investment. Debt investments in the industries noted in the Company s Consolidated Schedule of Investments are included in the industries note above as follows:

Pharmaceuticals, above, is comprised of debt investments in the Specialty Pharmaceuticals, Drug Discovery and Development, Drug Delivery, Diagnostic and Biotechnology Tools industries in the Consolidated Schedule of Investments.

Technology, above, is comprised of debt investments in the Software, Semiconductors, Internet Consumer and Business Services, Consumer and Business Products, Information Services, and Communications and Networking industries in the Consolidated Schedule of Investments.

Medical Devices, above, is comprised of debt investments in the Surgical Devices, Medical Devices and Equipment and Biotechnology Tools industries in the Consolidated Schedule of Investments.

Energy Technology, above, aligns with the Energy Technology Industry in the Consolidated Schedule of Investments.

Lower Middle Market, above, is comprised of debt investments in the Communications and Networking, Electronics and Computer Hardware, Healthcare Services Other, Information Services, Internet Consumer and Business Services, Media/Content/Info, and Specialty Pharmaceuticals industries in the Consolidated Schedule of Investments.

(b) The weighted averages are calculated based on the fair market value of each investment.

(c) The significant unobservable input used in the fair value measurement of impaired debt securities is the probability weighting of alternative outcomes.

(d) Imminent payoffs represent debt investments that the Company expects to be fully repaid within the next three months, prior to their scheduled maturity date.

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Investment Type - Level Three Debt Investments	Fair Value at December 31, 2014 (in thousands)	Valuation Techniques/ Methodologies	Unobservable Input[(a)]	Range	Weighted Average[(b)]
Pharmaceuticals	$117,229	Originated Within 6 Months	Origination Yield	10.34% - 16.52%	11.76%
	237,595	Market Comparable Companies	Hypothetical Market Yield	9.75% - 17.73%	10.62%
			Premium/(Discount)	(0.50%) - 1.00%	
Medical Devices	60,332	Originated Within 6 Months	Origination Yield	12.14% - 16.56%	13.69%
	60,658	Market Comparable Companies	Hypothetical Market Yield	11.64% - 22.22%	12.19%
	12,970	Liquidation[(c)]	Premium/(Discount)	0.00% - 1.00%	
			Probability weighting of alternative outcomes	50.00%	
Technology	152,645	Originated Within 6 Months	Origination Yield	10.54% - 20.02%	14.08%
	80,835	Market Comparable Companies	Hypothetical Market Yield	6.95% - 15.50%	13.01%
	27,159	Liquidation[(c)]	Premium/(Discount)	0.00% - 0.50%	
			Probability weighting of alternative outcomes	10.00% - 90.00%	
Energy Technology	4,437	Originated Within 6 Months	Origination Yield	13.85% - 21.57%	19.00%
	52,949	Market Comparable Companies	Hypothetical Market Yield	13.20% - 16.62%	15.41%
	1,600	Liquidation[(c)]	Premium/(Discount)	0.00% - 1.50%	
			Probability weighting of alternative outcomes	100.00%	
Lower Middle Market	2,962	Originated Within 6 Months	Origination Yield	14.04%	14.04%
	59,254	Market Comparable Companies	Hypothetical Market Yield	11.91% - 15.33%	13.98%
	4,096	Liquidation[(c)]	Premium/(Discount)	0.00% - 0.50%	
			Probability weighting of alternative outcomes	45.00% - 55.00%	
		Debt Investments Where Fair Value Approximates Cost			
	9,318	Imminent Payoffs[(d)]			
	39,867	Debt Investments Maturing in Less than One Year			
	$923,906	**Total Level Three Debt Investments**			

(a) The significant unobservable inputs used in the fair value measurement of the Company s securities are hypothetical market yields and premiums/(discounts). The hypothetical market yield is defined as the exit price of an investment in a hypothetical market to hypothetical market participants where buyers and sellers are willing participants. The premiums (discounts) relate to company specific characteristics such as underlying investment performance, security liens, and other characteristics of the investment. Significant increases (decreases) in the inputs in isolation may result in a significantly lower (higher) fair value measurement, depending on the materiality of the investment. Debt investments in the industries noted in the Company s Consolidated Schedule of Investments are included in the industries note above as follows:

Pharmaceuticals, above, is comprised of debt investments in the Specialty Pharmaceuticals, Drug Discovery and Development, Drug Delivery, Diagnostic and Biotechnology Tools industries in the Consolidated Schedule of Investments.

Medical Devices, above, is comprised of debt investments in the Surgical Devices, Medical Devices and Equipment and Biotechnology Tools industries in the Consolidated Schedule of Investments.

Technology, above, is comprised of debt investments in the Software, Semiconductors, Internet Consumer and Business Services, Consumer and Business Products, Information Services, and Communications and Networking industries in the Consolidated Schedule of Investments.

Energy Technology, above, aligns with the Energy Technology Industry in the Consolidated Schedule of Investments.

Lower Middle Market, above, is comprised of debt investments in the Communications and Networking, Electronics and Computer Hardware, Healthcare Services Other, Information Services, Internet Consumer and Business Services, Media/Content/Info, and Specialty Pharmaceuticals industries in the Consolidated Schedule of Investments.

(b) The weighted averages are calculated based on the fair market value of each investment.
(c) The significant unobservable input used in the fair value measurement of impaired debt securities is the probability weighting of alternative outcomes.
(d) Imminent payoffs represent debt investments that the Company expects to be fully repaid within the next three months, prior to their scheduled maturity date.

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Investment Type - Level Three Equity and Warrant Investments	Fair Value at June 30, 2015 (in thousands)	Valuation Techniques/ Methodologies	Unobservable Input[a]	Range	Weighted Average[e]
Equity Investments	$12,019	Market Comparable Companies	EBITDA Multiple[b]	4.8x - 21.2x	8.5x
			Revenue Multiple[b]	0.9x - 3.5x	2.3x
			Discount for Lack of Marketability[c]	5.13% - 27.47%	16.69%
			Average Industry Volatility[d]	34.79% - 98.98%	59.76%
			Risk-Free Interest Rate	0.24% - 0.87%	0.39%
			Estimated Time to Exit (in months)	10 - 32	16
	21,804	Market Adjusted OPM Backsolve	Average Industry Volatility[d]	30.81% - 106.81%	68.53%
			Risk-Free Interest Rate	0.06% - 1.32%	0.58%
			Estimated Time to Exit (in months)	4 - 42	20
Warrant Investments	9,901	Market Comparable Companies	EBITDA Multiple[b]	6.0x - 79.0x	17.2x
			Revenue Multiple[b]	0.3x - 12.0x	3.9x
			Discount for Lack of Marketability[c]	13.65% - 35.42%	26.45%
			Average Industry Volatility[d]	40.16% - 71.23%	45.40%
			Risk-Free Interest Rate	0.24% - 1.28%	0.57%
			Estimated Time to Exit (in months)	10 - 47	21
	13,503	Market Adjusted OPM Backsolve	Average Industry Volatility[d]	30.81% - 106.81%	66.59%
			Risk-Free Interest Rate	0.06% - 1.71%	0.78%
			Estimated Time to Exit (in months)	4 - 47	26
Total Level Three Warrant and Equity Investments	$57,227				

(a) The significant unobservable inputs used in the fair value measurement of the Company s warrant and equity-related securities are revenue and/or EBITDA multiples and discounts for lack of marketability. Additional inputs used in the Black Scholes Option Pricing Model (OPM) include industry volatility, risk free interest rate and estimated time to exit. Significant increases (decreases) in the inputs in isolation may result in a significantly higher (lower) fair value measurement, depending on the materiality of the investment. For some investments, additional consideration may be given to data from the last round of financing or merger/acquisition events near the measurement date.
(b) Represents amounts used when the Company has determined that market participants would use such multiples when pricing the investments.
(c) Represents amounts used when the Company has determined market participants would take into account these discounts when pricing the investments.
(d) Represents the range of industry volatility used by market participants when pricing the investment.
(e) Weighted averages are calculated based on the fair market value of each investment.

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Investment Type - Level Three Equity and Warrant Investments	Fair Value at December 31, 2014 (in thousands)	Valuation Techniques/ Methodologies	Unobservable Input[(a)]	Range	Weighted Average[(e)]
Equity Investments	$12,249	Market Comparable Companies	EBITDA Multiple[(b)]	5.2x - 23.4x	8.5x
			Revenue Multiple[(b)]	0.9x - 3.6x	2.6x
			Discount for Lack of Marketability[(c)]	5.67% - 35.45%	15.95%
			Average Industry Volatility[(d)]	48.10% - 95.18%	62.78%
			Risk-Free Interest Rate	0.22% - 0.83%	0.24%
			Estimated Time to Exit (in months)	10 - 28	11
	46,686	Market Adjusted OPM Backsolve	Average Industry Volatility[(d)]	38.95% - 84.30%	55.04%
			Risk-Free Interest Rate	0.10% - 1.32%	0.24%
			Estimated Time to Exit (in months)	6 - 43	10
Warrant Investments	9,725	Market Comparable Companies	EBITDA Multiple[(b)]	0.0x - 98.9x	16.6x
			Revenue Multiple[(b)]	0.3x - 15.7x	4.3x
			Discount for Lack of Marketability[(c)]	12.12% - 35.50%	22.14%
			Average Industry Volatility[(d)]	37.70% - 108.86%	67.23%
			Risk-Free Interest Rate	0.22% - 1.34%	0.75%
			Estimated Time to Exit (in months)	10 - 47	27
	12,198	Market Adjusted OPM Backsolve	Average Industry Volatility[(d)]	32.85% - 99.81%	67.58%
			Risk-Free Interest Rate	0.21% - 2.95%	0.87%
			Estimated Time to Exit (in months)	10 - 48	28
Total Level Three Warrant and Equity Investments	$80,858				

(a) The significant unobservable inputs used in the fair value measurement of the Company s warrant and equity-related securities are revenue and/or EBITDA multiples and discounts for lack of marketability. Additional inputs used in the Black Scholes Option Pricing Model (OPM) include industry volatility, risk free interest rate and estimated time to exit. Significant increases (decreases) in the inputs in isolation may result in a significantly higher (lower) fair value measurement, depending on the materiality of the investment. For some investments, additional consideration may be given to data from the last round of financing or merger/acquisition events near the measurement date.

(b) Represents amounts used when the Company has determined that market participants would use such multiples when pricing the investments.

(c) Represents amounts used when the Company has determined market participants would take into account these discounts when pricing the investments.

(d) Represents the range of industry volatility used by market participants when pricing the investment.

(e) Weighted averages are calculated based on the fair market value of each investment.

Debt Investments

The Company follows the guidance set forth in ASC 820 which establishes a framework for measuring the fair value of assets and liabilities and outlines a fair value hierarchy which prioritizes the inputs used to measure fair value and the effect of fair value measures on earnings. The Company s debt securities are primarily invested in venture capital-backed companies in technology-related industries, including technology, biotechnology, life science and energy and renewables technology. Given the nature of lending to these types of businesses, the Company s investments in these portfolio companies are considered Level 3 assets under ASC 820 because there is no known or accessible market or market indexes for debt instruments for these investment securities to be traded or exchanged.

In making a good faith determination of the value of the Company s investments, the Company generally starts with the cost basis of the investment, which includes the value attributed to the Original Issue Discount

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(OID), if any, and payment-in-kind (PIK) interest or other receivables which have been accrued to principal as earned. The Company then applies the valuation methods as set forth below.

The Company applies a procedure for debt investments that assumes the sale of each investment in a hypothetical market to a hypothetical market participant where buyers and sellers are willing participants. The hypothetical market does not include scenarios where the underlying security was simply repaid or extinguished, but includes an exit concept. The Company determines the yield at inception for each debt investment. The Company then uses senior secured, leveraged loan yields provided by third party providers to determine the change in market yields between inception of the debt security and the measurement date. Industry specific indices are used to benchmark/assess market based movements.

Under this process, the Company also evaluates the collateral for recoverability of the debt investment. The Company considers each portfolio company s credit rating, security liens and other characteristics of the investment to adjust the baseline yield to derive a credit adjusted hypothetical yield for each investment as of the measurement date. The anticipated future cash flows from each investment are then discounted at the hypothetical yield to estimate each investment s fair value as of the measurement date.

The Company s process includes, among other things, the underlying investment performance, the current portfolio company s financial condition and market changing events that impact valuation, estimated remaining life, current market yield and interest rate spreads of similar securities as of the measurement date. The Company values its syndicated loans using broker quotes and bond indices amongst other factors. If there is a significant deterioration of the credit quality of a debt investment, the Company may consider other factors to estimate fair value, including the proceeds that would be received in a liquidation analysis.

The Company records unrealized depreciation on investments when it believes that an investment has decreased in value, including where collection of a loan is doubtful or, if under the in-exchange premise, when the value of a debt security is less than amortized cost of the investment. Conversely, where appropriate, the Company records unrealized appreciation if it believes that the underlying portfolio company has appreciated in value and, therefore, that its investment has also appreciated in value or, if under the in-exchange premise, the value of a debt security is greater than amortized cost.

When originating a debt instrument, the Company generally receives warrants or other equity-related securities from the borrower. The Company determines the cost basis of the warrants or other equity-related securities received based upon their respective fair values on the date of receipt in proportion to the total fair value of the debt and warrants or other equity-related securities received. Any resulting discount on the debt investments from recordation of the warrant or other equity instruments is accreted into interest income over the life of the debt investment.

Equity-Related Securities and Warrants

Securities that are traded in the over-the-counter markets or on a stock exchange will be valued at the prevailing bid price at period end. The Company has a limited number of equity securities in public companies. In accordance with the 1940 Act, unrestricted publicly traded securities for which market quotations are readily available are valued at the closing market quote on the measurement date.

The Company estimates the fair value of warrants using a Black Scholes Option Pricing Model (OPM). At each reporting date, privately held warrant and equity-related securities are valued based on an analysis of various factors including, but not limited to, the portfolio company s operating performance and financial condition and general market conditions, price to enterprise value or price to equity ratios, discounted cash flow, valuation comparisons to comparable public companies or other industry benchmarks. When an external event occurs, such as a purchase transaction, public offering, or subsequent equity sale, the pricing indicated by that external event is utilized to corroborate the Company s valuation of the warrant and equity-related securities. The

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Company periodically reviews the valuation of its portfolio companies that have not been involved in a qualifying external event to determine if the enterprise value of the portfolio company may have increased or decreased since the last valuation measurement date.

As required by the 1940 Act, the Company classifies its investments by level of control. Control investments are defined in the 1940 Act as investments in those companies that the Company is deemed to control . Generally, under the 1940 Act, the Company is deemed to control a company in which it has invested if it owns 25% or more of the voting securities of such company or has greater than 50% representation on its board. Affiliate investments are investments in those companies that are affiliated companies of the Company, as defined in the 1940 Act, which are not control investments. The Company is deemed to be an affiliate of a company in which it has invested if it owns 5% or more but less than 25% of the voting securities of such company. Non-control/non-affiliate investments are investments that are neither control investments nor affiliate investments.

The following table summarizes the Company s realized and unrealized gain and loss and changes in our unrealized appreciation and depreciation on affiliate investments for the three and six months ended June 30, 2015 and 2014 (unaudited). The Company did not hold any Control investments at either June 30, 2015 or 2014.

(in thousands)			For the Three Months Ended June 30, 2015				For the Six Months Ended June 30, 2015			
Portfolio Company	**Type**	**Fair Value at June 30, 2015**	**Investment Income**	**Unrealized (Depreciation)/ Appreciation**	**Reversal of Unrealized (Depreciation)/ Appreciation**	**Realized Gain/(Loss)**	**Investment Income**	**Net Change in Unrealized (Depreciation)/ Appreciation**	**Reversal of Unrealized (Depreciation)/ Appreciation**	**Realized Gain/(Loss)**
Gelesis, Inc.	Affiliate	$ 2,235	$	$ (179)	$	$	$	$ 1,908	$	$
Optiscan BioMedical, Corp.	Affiliate	6,618		(150)				545		
Stion Corporation	Affiliate	1,600	96	408			196	(61)		
Total		$ 10,453	$ 96	$ 79	$	$	$ 196	$ 2,392	$	$

(in thousands)			For the Three Months Ended June 30, 2014				For the Six Months Ended June 30, 2014			
Portfolio Company	**Type**	**Fair Value at June 30, 2014**	**Investment Income**	**Unrealized (Depreciation)/ Appreciation**	**Reversal of Unrealized (Depreciation)/ Appreciation**	**Realized Gain/(Loss)**	**Investment Income**	**Net Change in Unrealized (Depreciation)/ Appreciation**	**Reversal of Unrealized (Depreciation)/ Appreciation**	**Realized Gain/(Loss)**
Gelesis, Inc.	Affiliate	$ 353	$	$ (144)	$	$	$	$ (120)	$	$
Optiscan BioMedical, Corp.	Affiliate	4,740		(292)				(44)		
Stion Corporation	Affiliate	2,300	163	(3,016)			1,639	(3,240)		
Total		$ 7,393	$ 163	$ (3,452)	$	$	$ 1,639	$ (3,404)	$	$

A summary of the composition of the Company s investment portfolio as of June 30, 2015 (unaudited) and December 31, 2014 at fair value is shown as follows:

	June 30, 2015		December 31, 2014	
(in thousands)	**Investments at Fair Value**	**Percentage of Total Portfolio**	**Investments at Fair Value**	**Percentage of Total Portfolio**
Senior secured debt with warrants	$ 967,992	78.1%	$ 740,659	72.6%

Senior secured debt	199,469	16.1%	208,345	20.4%
Preferred stock	32,143	2.6%	57,548	5.6%
Common stock	39,051	3.2%	14,185	1.4%
Total	$ 1,238,655	100.0%	$ 1,020,737	100.0%

The increase in common stock and the decrease in preferred stock is primarily due to the initial public offering of Box, Inc. on January 23, 2015 in which all of our preferred shares were converted to common stock in

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the public portfolio company. The shares held by the Company in Box, Inc. are subject to a customary IPO lockup period and the Company is restricted from selling these shares of common stock for approximately six months from the date of the initial public offering. The Company s potential gain is subject to the price of the shares when the Company exits the investment.

A summary of the Company s investment portfolio, at value, by geographic location as of June 30, 2015 (unaudited) and December 31, 2014 is shown as follows:

	June 30, 2015		December 31, 2014	
(in thousands)	**Investments at Fair Value**	**Percentage of Total Portfolio**	**Investments at Fair Value**	**Percentage of Total Portfolio**
United States	$ 1,174,804	94.9%	$ 967,803	94.8%
India	29,861	2.4%	24,175	2.4%
Netherlands	20,432	1.6%	19,913	2.0%
Israel	7,152	0.6%	6,498	0.6%
Canada	5,350	0.4%	2,314	0.2%
England	1,056	0.1%	34	
Total	$ 1,238,655	100.0%	$ 1,020,737	100.0%

The following table shows the fair value of the Company s portfolio by industry sector at June 30, 2015 (unaudited) and December 31, 2014:

	June 30, 2015		December 31, 2014	
(in thousands)	**Investments at Fair Value**	**Percentage of Total Portfolio**	**Investments at Fair Value**	**Percentage of Total Portfolio**
Drug Discovery & Development	$ 290,015	23.5%	$ 267,618	26.2%
Drug Delivery	166,127	13.4%	88,491	8.7%
Software	155,197	12.5%	125,412	12.3%
Energy Technology	131,715	10.6%	68,280	6.7%
Internet Consumer & Business Services	128,649	10.4%	69,655	6.8%
Medical Devices & Equipment	101,865	8.2%	138,046	13.5%
Consumer & Business Products	63,300	5.1%	63,225	6.2%
Media/Content/Info	56,085	4.5%	29,219	2.9%
Specialty Pharmaceuticals	48,140	3.9%	51,536	5.0%
Communications & Networking	33,108	2.7%	61,433	6.0%
Information Services	32,242	2.6%	27,016	2.6%
Semiconductors	12,534	1.0%	5,126	0.5%
Healthcare Services, Other	10,129	0.8%	10,527	1.0%
Surgical Devices	8,302	0.7%	9,915	1.0%
Biotechnology Tools	950	0.1%	3,721	0.4%
Diagnostic	251	0.0%	825	0.1%
Electronics & Computer Hardware	46	0.0%	692	0.1%
Total	$ 1,238,655	100.0%	$ 1,020,737	100.0%

During the three and six months ended June 30, 2015, the Company funded and or restructured investments in debt securities totaling approximately $160.2 million and $367.2 million, respectively. During the three and six months ended June 30, 2015, the Company funded equity investments totaling approximately $3.8 million and $6.2 million, respectively. During the three and six months ended June 30, 2015, the Company converted approximately $500,000 of debt to equity in one portfolio company. During the six months ended June 30, 2015 the Company converted approximately $330,000 of warrants to equity in two portfolio companies.

During the three and six months ended June 30, 2014, the Company funded investments in debt securities totaling approximately $172.8 million and $283.2 million, respectively. During the three and six months ended June 30, 2014, the Company funded equity investments totaling approximately $132,000 and $1.6 million, respectively. During the three months ended June 30, 2014 the Company converted approximately $500,000 of debt to equity in one portfolio company. During the six months ended June 30, 2014 the Company converted approximately $2.0 million of warrants to equity in four portfolio companies.

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No single portfolio investment represents more than 10% of the fair value of the investments as of June 30, 2015 and December 31, 2014.

During the three and six months ended June 30, 2015, the Company recognized net realized losses of approximately $1.3 million and net realized gains of approximately $2.1 million, respectively. During the three months ended June 30, 2015, the Company recorded gross realized gains of approximately $495,000 primarily from subsequent recoveries received on two previously written-off debt investments. These gains were offset by gross realized losses of approximately $1.8 million from the liquidation of the Company s investments in five portfolio companies. During the six months ended June 30, 2015, the Company recorded gross realized gains of approximately $4.8 million primarily from the sale of investments in four portfolio companies, including Cempra, Inc. ($2.0 million), Celladon Corporation ($1.4 million), Everyday Health, Inc. ($387,000) and Identiv, Inc. ($304,000). These gains were partially offset by gross realized losses of approximately $2.7 million from the liquidation of the Company s investments in eight portfolio companies.

During the three and six months ended June 30, 2014, the Company recognized net realized gains of approximately $2.5 million and $7.3 million on the portfolio, respectively. During the three months ended June 30, 2014, the Company recorded gross realized gains of approximately $2.5 million primarily from the sale of investments in two portfolio companies, including Trulia ($1.0 million) and Acceleron Pharmaceuticals ($712,000). During the six months ended June 30, 2014, the Company recorded gross realized gains of approximately $7.9 million primarily from the sale of investments in seven portfolio companies, including Cell Therapeutics ($1.3 million), Neuralstem ($1.2 million), Trulia ($1.0 million), Acceleron Pharmaceuticals ($712,000), Portola Pharmaceuticals ($700,000), AcelRx ($485,000) and Dicerna ($200,000).These gains were partially offset by gross realized losses of approximately $500,000 from the liquidation of the Company s investments in five portfolio companies.

Loan origination and commitment fees received in full at the inception of a loan are deferred and amortized into fee income as an enhancement to the related loan s yield over the contractual life of the loan. Loan exit fees to be paid at the termination of the loan are accreted into interest income over the contractual life of the loan. The Company had approximately $6.2 million and $4.5 million of unamortized fees at June 30, 2015 and December 31, 2014, respectively, and approximately $21.9 million and $19.3 million in exit fees receivable at June 30, 2015 and December 31, 2014, respectively.

The Company has debt investments in its portfolio that contain a PIK provision. The PIK interest, computed at the contractual rate specified in each loan agreement, is added to the principal balance of the loan and recorded as interest income. To maintain the Company s status as a RIC, this non-cash source of income must be paid out to stockholders in the form of dividends even though the Company has not yet collected the cash. Amounts necessary to pay these dividends may come from available cash or the liquidation of certain investments. The Company recorded approximately $973,000 and $872,000 in PIK income during the three months ended June 30, 2015 and 2014, respectively. The Company recorded approximately $1.9 million and $1.7 million in PIK income during the six months ended June 30, 2015 and 2014, respectively.

In certain investment transactions, the Company may provide advisory services. For services that are separately identifiable and external evidence exists to substantiate fair value, income is recognized as earned, which is generally when the investment transaction closes. The Company had no income from advisory services in either the three months or six months ended June 30, 2015 or 2014.

In the majority of cases, the Company collateralizes its investments by obtaining a first priority security interest in a portfolio company s assets, which may include its intellectual property. In other cases, the Company may obtain a negative pledge covering a company s intellectual property. At June 30, 2015, approximately 45.6% of the Company s portfolio company debt investments were secured by a first priority security in all of the assets of the portfolio company, including their intellectual property, 51.8% of the Company s portfolio company debt investments were to portfolio companies that were prohibited from pledging or encumbering their

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intellectual property, or subject to a negative pledge and approximately 2.6% of the Company s portfolio company debt investments were secured by a second priority security interest in all of the portfolio company s assets, other than intellectual property. At June 30, 2015 the Company had no equipment only liens on any of our portfolio companies.

3. Fair Value of Financial Instruments

Fair value estimates are made at discrete points in time based on relevant information. These estimates may be subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. The Company believes that the carrying amounts of its financial instruments, consisting of cash and cash equivalents, receivables including escrow receivables, accounts payable and accrued liabilities, approximate the fair values of such items due to the short maturity of such instruments. The Convertible Senior Notes, the April 2019 Notes, the September 2019 Notes (together with the April 2019 Notes, the 2019 Notes), the 2024 Notes, the 2021 Asset-Backed Notes, the Wells Facility and the SBA debentures, as each term is defined herein, as sources of liquidity remain a strategic advantage due to their flexible structure, long-term duration, and low fixed interest rates. At June 30, 2015, the April 2019 Notes were trading on the New York Stock Exchange for $25.45 per dollar at par value, the September 2019 Notes were trading on the New York Stock Exchange for $25.33 per dollar at par value and the 2024 Notes were trading on the New York Stock Exchange for $25.25 per dollar at par value. Based on market quotations on or around June 30, 2015, the Convertible Senior Notes were trading for 1.0400 per dollar at par value, and the 2021 Asset-Backed Notes were trading for 1.0019 per dollar at par value. Calculated based on the net present value of payments over the term of the notes using estimated market rates for similar notes and remaining terms, the fair value of the SBA debentures would be approximately $196.7 million, compared to the carrying amount of $190.2 million as of June 30, 2015. The fair value of the Wells Facility at June 30, 2015 is equal to its transaction price as the Company drew on the facility on June 29, 2015.

See the accompanying Consolidated Schedule of Investments for the fair value of the Company s investments. The methodology for the determination of the fair value of the Company s investments is discussed in Note 2.

The liabilities of the Company are recorded at amortized cost and not at fair value on the Consolidated Statement of Assets and Liabilities. The following table provides additional information about the level in the fair value hierarchy of the Company s liabilities at June 30, 2015 (unaudited) and December 31, 2014:

(in thousands) Description[(1)]	**June 30, 2015**	**Identical Assets (Level 1)**	**Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**
Convertible Senior Notes	$ 18,308	$	$ 18,308	$
Wells Facility	49,622			49,622
2021 Asset-Backed Notes	129,542		129,542	
April 2019 Notes	65,651		65,651	
September 2019 Notes	87,008		87,008	
2024 Notes	104,030		104,030	
SBA Debentures	196,681			196,681
Total	$ 650,842	$	$ 404,539	$ 246,303

(in thousands) Description	**December 31, 2014**	**Identical Assets (Level 1)**	**Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**
Convertible Senior Notes	$ 22,799	$	$ 22,799	$
2017 Asset-Backed Notes	22,068			22,068
2021 Asset-Backed Notes	129,300		129,300	
April 2019 Notes	86,450		86,450	
September 2019 Notes	88,073		88,073	
2024 Notes	104,071		104,071	
SBA Debentures	191,779			191,779
Total	$ 644,540	$	$ 430,693	$ 213,847

(1) As of April 16, 2015, the 2017 Asset-Backed Notes were fully repaid.

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4. Borrowings Long Term

Outstanding Borrowings

At June 30, 2015 (unaudited) and December 31, 2014, the Company had the following available borrowings and outstanding borrowings:

	June 30, 2015		December 31, 2014	
(in thousands)	**Total Available**	**Carrying Value(1)**	**Total Available**	**Carrying Value(1)**
SBA Debentures(2)	$ 190,200	$ 190,200	$ 190,200	$ 190,200
2019 Notes	150,364	150,364	170,364	170,364
2024 Notes	103,000	103,000	103,000	103,000
2017 Asset-Backed Notes			16,049	16,049
2021 Asset-Backed Notes	129,300	129,300	129,300	129,300
Convertible Senior Notes(3)	17,604	17,399	17,674	17,345
Wells Facility(4)	75,000	49,622	75,000	
Union Bank Facility(4)	75,000		75,000	
Total	$ 740,468	$ 639,885	$ 776,587	$ 626,258

(1) Except for the Convertible Senior Notes, all carrying values are the same as the principal amount outstanding.

(2) At both June 30, 2015 and December 31, 2014, the total available borrowings under the SBA debentures were $190.2 million, of which $41.2 million was available in HT II and $149.0 million was available in HT III.

(3) During the three and six months ended June 30, 2015, holders of approximately $38,000 and $70,000 of the Company s Convertible Senior Notes have exercised their conversion rights, respectively. The balance at June 30, 2015 represents the remaining aggregate principal amount outstanding of the Convertible Senior Notes less the unaccreted discount initially recorded upon issuance of the Convertible Senior Notes. The total unaccreted discount for the Convertible Senior Notes was approximately $205,000 at June 30, 2015 and $329,000 at December 31, 2014.

(4) Availability subject to the Company meeting the borrowing base requirements.

Long-Term SBA Debentures

On September 27, 2006, HT II received a license to operate as a SBIC under the SBIC program and is able to borrow funds from the SBA against eligible investments and regulatory capital. Under the Small Business Investment Company Act and current SBA policy applicable to SBICs, a SBIC can have outstanding at any time SBA guaranteed debentures up to twice the amount of its regulatory capital. With the Company s net investment of $38.0 million in HT II as of June 30, 2015, HT II has the capacity to issue a total of $41.2 million of SBA guaranteed debentures, subject to SBA approval, of which $41.2 million was available at June 30, 2015. As of June 30, 2015, HT II has paid the SBA commitment fees and facility fees of approximately $1.5 million and $3.6 million, respectively. As of June 30, 2015 the Company held investments in HT II in 37 companies with a fair value of approximately $114.9 million, accounting for approximately 9.3% of the Company s total portfolio at June 30, 2015.

On May 26, 2010, HT III received a license to operate as a SBIC under the SBIC program and is able to borrow funds from the SBA against eligible investments and additional contributions to regulatory capital. With the Company s net investment of $74.5 million in HT III as of June 30, 2015, HT III has the capacity to issue a total of $149.0 million of SBA guaranteed debentures, of which $149.0 million was outstanding as of June 30, 2015. As of June 30, 2015, HT III has paid commitment fees and facility fees of approximately $1.5 million and $3.6 million, respectively. As of June 30, 2015, the Company held investments in HT III in 42 companies with a fair value of approximately $271.2 million, accounting for approximately 21.9% of the Company s total portfolio at June 30, 2015.

SBICs are designed to stimulate the flow of private equity capital to eligible small businesses. Under present SBA regulations, eligible small businesses include businesses that have a tangible net worth not exceeding $19.5 million and have average annual fully taxed net income not exceeding $6.5 million for the two most recent fiscal years. In addition, SBICs must devote 25.0% of its investment activity to smaller enterprises as defined by the

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SBA. A smaller enterprise is one that has a tangible net worth not exceeding $6.0 million and has average annual fully taxed net income not exceeding $2.0 million for the two most recent fiscal years. SBA regulations also provide alternative size standard criteria to determine eligibility, which depend on the industry in which the business is engaged and are based on such factors as the number of employees and gross sales. According to SBA regulations, SBICs may make long-term loans to small businesses, invest in the equity securities of such businesses and provide them with consulting and advisory services. Through the Company s wholly-owned subsidiaries HT II and HT III, the Company plans to provide long-term loans to qualifying small businesses, and in connection therewith, make equity investments.

HT II and HT III are periodically examined and audited by the SBA s staff to determine their compliance with SBA regulations. If HT II or HT III fails to comply with applicable SBA regulations, the SBA could, depending on the severity of the violation, limit or prohibit HT II s or HT III s use of debentures, declare outstanding debentures immediately due and payable, and/or limit HT II or HT III from making new investments. In addition, HT II or HT III may also be limited in their ability to make distributions to the Company if they do not have sufficient capital in accordance with SBA regulations. Such actions by the SBA would, in turn, negatively affect the Company because HT II and HT III are the Company s wholly owned subsidiaries. HT II and HT III were in compliance with the terms of the SBIC s leverage as of June 30, 2015 as a result of having sufficient capital as defined under the SBA regulations.

The rates of borrowings under various draws from the SBA beginning in March 2009 are set semiannually in March and September and range from 2.25% to 4.62%. Interest payments on SBA debentures are payable semiannually. There are no principal payments required on these issues prior to maturity and no prepayment penalties. Debentures under the SBA generally mature ten years after being borrowed. Based on the initial draw down date of March 2009, the initial maturity of SBA debentures will occur in March 2019. In addition, the SBA charges a fee that is set annually, depending on the Federal fiscal year the leverage commitment was delegated by the SBA, regardless of the date that the leverage was drawn by the SBIC. The annual fees related to HT II debentures that pooled on September 22, 2010 were 0.406% and 0.285%, depending upon the year in which the underlying commitment was closed. The annual fees on other debentures have been set at 0.906%. The annual fees related to HT III debentures that pooled on March 27, 2013 were 0.804%. The annual fees on other debentures have been set at 0.515%. The rates of borrowings on the Company s SBA debentures range from 3.05% to 5.53% when including these annual fees.

The average amount of debentures outstanding for the three months ended June 30, 2015 for HT II was approximately $41.2 million with an average interest rate of approximately 4.51%. The average amount of debentures outstanding for the six months ended June 30, 2015 for HT II was approximately $41.2 million with an average interest rate of approximately 4.48%. The average amount of debentures outstanding for the three months ended June 30, 2015 for HT III was approximately $149.0 million with an average interest rate of approximately 3.42%. The average amount of debentures outstanding for the three months ended June 30, 2015 for HT III was approximately $149.0 million with an average interest rate of approximately 3.40%.

For the three and six months ended June 30, 2015 and 2014 (unaudited), the components of interest expense and related fees and cash paid for interest expense for the SBA debentures are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2015**	**2014**	**2015**	**2014**
Interest expense	$ 1,737	$ 1,711	$ 3,456	$ 3,814
Amortization of debt issuance cost (loan fees)	166	164	331	710
Total interest expense and fees	$ 1,903	$ 1,875	$ 3,787	$ 4,524
Cash paid for interest expense and fees	$	$	$ 3,442	$ 4,543

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As of June 30, 2015, the maximum statutory limit on the dollar amount of combined outstanding SBA guaranteed debentures is $225.0 million, subject to periodic adjustments by the SBA. In aggregate, at June 30, 2015, with the Company s net investment of $112.5 million, HT II and HT III have the capacity to issue a total of $190.2 million of SBA-guaranteed debentures, subject to SBA approval. At June 30, 2015, the Company has issued $190.2 million in SBA-guaranteed debentures in the Company s SBIC subsidiaries.

The Company reported the following SBA debentures outstanding as of June 30, 2015 (unaudited) and December 31, 2014:

(in thousands) Issuance/Pooling Date	Maturity Date	Interest Rate[1]	June 30, 2015	December 31, 2014
SBA Debentures:				
March 25, 2009	March 1, 2019	5.53%	$ 18,400	$ 18,400
September 23, 2009	September 1, 2019	4.64%	3,400	3,400
September 22, 2010	September 1, 2020	3.62%	6,500	6,500
September 22, 2010	September 1, 2020	3.50%	22,900	22,900
March 29, 2011	March 1, 2021	4.37%	28,750	28,750
September 21, 2011	September 1, 2021	3.16%	25,000	25,000
March 21, 2012	March 1, 2022	3.28%	25,000	25,000
March 21, 2012	March 1, 2022	3.05%	11,250	11,250
September 19, 2012	September 1, 2022	3.05%	24,250	24,250
March 27, 2013	March 1, 2023	3.16%	24,750	24,750
Total SBA Debentures			$ 190,200	$ 190,200

(1) Interest rate includes annual charge

2019 Notes

On March 6, 2012, the Company and U.S. Bank National Association (the 2019 Trustee) entered into an indenture (the Base Indenture). On April 17, 2012, the Company and the 2019 Trustee entered into the First Supplemental Indenture to the Base Indenture (the First Supplemental Indenture), dated April 17, 2012, relating to the Company s issuance, offer and sale of $43.0 million aggregate principal amount of 7.00% notes due 2019 (the April 2019 Notes). The sale of the April 2019 Notes generated net proceeds, before expenses, of approximately $41.7 million.

In July 2012, the Company reopened the Company s April 2019 Notes and issued an additional $41.5 million in aggregate principal amount of April 2019 Notes, which included the exercise of an over-allotment option, bringing the total amount of the April 2019 Notes issued to approximately $84.5 million in aggregate principal amount.

On September 24, 2012, the Company and the 2019 Trustee, entered into the Second Supplemental Indenture to the Base Indenture (the Second Supplemental Indenture), dated as of September 24, 2012, relating to the Company s issuance, offer and sale of $75.0 million aggregate principal amount of 7.00% notes due 2019 (the September 2019 Notes and, together with the April 2019 Notes, the 2019 Notes). The sale of the September 2019 Notes generated net proceeds, before expenses, of approximately $72.75 million.

In October 2012, the underwriters exercised their over-allotment option for an additional $10.9 million of the September 2019 Notes, bringing the total amount of the September 2019 Notes issued to approximately $85.9 million in aggregate principal outstanding.

In April 2015, the Company redeemed $20.0 million of the $84.5 million issued and outstanding aggregate principal amount of April 2019 Notes, as previously approved by the Board of Directors.

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As of June 30, 2015 (unaudited) and December 31, 2014, the 2019 Notes payable is comprised of:

(in thousands)	June 30, 2015	December 31, 2014
April 2019 Notes	$ 64,490	$ 84,490
September 2019 Notes	85,874	85,874
Carrying Value of 2019 Notes	$ 150,364	$ 170,364

April 2019 Notes

The April 2019 Notes will mature on April 30, 2019 and may be redeemed in whole or in part at the Company s option at any time or from time to time on or after April 30, 2015, upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price of 100% of the outstanding principal amount thereof plus accrued and unpaid interest payments otherwise payable for the then-current quarterly interest period accrued to but not including the date fixed for redemption. The April 2019 Notes bear interest at a rate of 7.00% per year payable quarterly on January 30, April 30, July 30 and October 30 of each year, commencing on July 30, 2012, and trade on the New York Stock Exchange under the trading symbol HTGZ.

The April 2019 Notes are the Company s direct unsecured obligations and rank: (i) *pari passu* with the Company s other outstanding and future senior unsecured indebtedness; (ii) senior to any of the Company s future indebtedness that expressly provides it is subordinated to the April 2019 Notes; (iii) effectively subordinated to all the Company s existing and future secured indebtedness (including indebtedness that is initially unsecured to which the Company subsequently grant security), to the extent of the value of the assets securing such indebtedness; (iv) structurally subordinated to all existing and future indebtedness and other obligations of any of the Company s subsidiaries.

The Base Indenture, as supplemented by the First Supplemental Indenture, contains certain covenants including covenants requiring the Company s compliance with (regardless of whether it is subject to) the asset coverage requirements set forth in Section 18(a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act to comply with the restrictions on dividends, distributions and purchase of capital stock set forth in Section 18(a)(1)(B) as modified by Section 61(a)(1) of the 1940 Act and to provide financial information to the holders of the April 2019 Notes and the 2019 Trustee if the Company should no longer be subject to the reporting requirements under the Securities Exchange Act of 1934. These covenants are subject to important limitations and exceptions that are described in the Base Indenture, as supplemented by the First Supplemental Indenture. The Base Indenture provides for customary events of default and further provides that the 2019 Trustee or the holders of 25% in aggregate principal amount of the outstanding April 2019 Notes in a series may declare such April 2019 Notes immediately due and payable upon the occurrence of any event of default after expiration of any applicable grace period.

The April 2019 Notes were sold pursuant to an underwriting agreement dated April 11, 2012 among the Company and Stifel, Nicolaus & Company, Incorporated, as representative of the several underwriters named in the underwriting agreement.

September 2019 Notes

The September 2019 Notes will mature on September 30, 2019 and may be redeemed in whole or in part at the Company s option at any time or from time to time on or after September 30, 2015, upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price of 100% of the outstanding principal amount thereof plus accrued and unpaid interest payments otherwise payable for the then-current quarterly interest period accrued to but not including the date fixed for redemption. The September 2019 Notes bear interest at a rate of 7.00% per year payable quarterly on March 30, June 30, September 30 and December 30 of each year, commencing on December 30, 2012, and trade on the New York Stock Exchange under the trading symbol HTGY.

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The September 2019 Notes are the Company s direct unsecured obligations and rank: (i) *pari passu* with the Company s other outstanding and future senior unsecured indebtedness; (ii) senior to any of the Company s future indebtedness that expressly provides it is subordinated to the September 2019 Notes; (iii) effectively subordinated to all the Company s existing and future secured indebtedness (including indebtedness that is initially unsecured to which the Company subsequently grants security), to the extent of the value of the assets securing such indebtedness; (iv) structurally subordinated to all existing and future indebtedness and other obligations of any of the Company s subsidiaries.

The Base Indenture, as supplemented by the Second Supplemental Indenture, contains certain covenants including covenants requiring the Company to comply with (regardless of whether it is subject to) the asset coverage requirements set forth in Section 18 (a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act to comply with the restrictions on dividends, distributions and purchase of capital stock set forth in Section 18(a)(1)(B) as modified by Section 61(a)(1) of the 1940 Act and to provide financial information to the holders of the September 2019 Notes and the 2019 Trustee if the Company should no longer be subject to the reporting requirements under the Securities Exchange Act of 1934. These covenants are subject to important limitations and exceptions that are described in the Base Indenture, as supplemented by the Second Supplemental Indenture. The Base Indenture provides for customary events of default and further provides that the Trustee or the holders of 25% in aggregate principal amount of the outstanding September 2019 Notes in a series may declare such September 2019 Notes immediately due and payable upon the occurrence of any event of default after expiration of any applicable grace period.

The September 2019 Notes were sold pursuant to an underwriting agreement dated September 19, 2012 among the Company and Stifel, Nicolaus & Company, Incorporated, as representative of the several underwriters named in the underwriting agreement.

For the three and six months ended June 30, 2015 and 2014 (unaudited), the components of interest expense and related fees and cash paid for interest expense for the April 2019 Notes and September 2019 Notes are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2015**	**2014**	**2015**	**2014**
Interest expense	$ 2,748	$ 2,981	$ 5,729	$ 5,963
Amortization of debt issuance cost (loan fees)	711	242	952	482
Total interest expense and fees	$ 3,459	$ 3,223	$ 6,681	$ 6,445
Cash paid for interest expense and fees	$ 2,981	$ 2,981	$ 5,963	$ 5,963

As of June 30, 2015, the Company was in compliance with the terms of the Base Indenture, and respective supplemental indentures thereto, governing the April 2019 Notes and September 2019 Notes.

2024 Notes

On July 14, 2014, the Company and U.S. Bank, N.A. (the 2024 Trustee), entered into the Third Supplemental Indenture (the Third Supplemental Indenture) to the Base Indenture between the Company and the 2024 Trustee, dated July 14, 2014, relating to the Company s issuance, offer and sale of $100.0 million aggregate principal amount of 2024 Notes. On August 6, 2014, the underwriters issued notification to exercise their over-allotment option for an additional $3.0 million in aggregate principal amount of the 2024 Notes. The sale of the 2024 Notes generated net proceeds of approximately $99.9 million.

The 2024 Notes will mature on July 30, 2024 and may be redeemed in whole or in part at the Company s option at any time or from time to time on or after July 30, 2017, upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price of 100% of the

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outstanding principal amount thereof plus accrued and unpaid interest payments otherwise payable for the then-current quarterly interest period accrued to but not including the date fixed for redemption. The 2024 Notes bear interest at a rate of 6.25% per year payable quarterly on January 30, April 30, July 30 and October 30 of each year, commencing on July 30, 2014, and trade on the New York Stock Exchange under the trading symbol HTGX.

The 2024 Notes will be the Company s direct unsecured obligations and will rank: (i) *pari passu* with the Company s other outstanding and future senior unsecured indebtedness; (ii) senior to any of the Company s future indebtedness that expressly provides it is subordinated to the 2024 Notes; (iii) effectively subordinated to all the Company s existing and future secured indebtedness (including indebtedness that is initially unsecured to which the Company subsequently grants security), to the extent of the value of the assets securing such indebtedness; (iv) structurally subordinated to all existing and future indebtedness and other obligations of any of the Company s subsidiaries.

The Base Indenture, as supplemented by the Third Supplemental Indenture, contains certain covenants including covenants requiring the Company to comply with (regardless of whether it is subject to) the asset coverage requirements set forth in Section 18(a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act and to comply with the restrictions on dividends, distributions and purchase of capital stock set forth in Section 18(a)(1)(B) as modified by Section 61(a)(1) of the 1940 Act. These covenants are subject to important limitations and exceptions that are described in the Base Indenture, as supplemented by the Third Supplemental Indenture. The Base Indenture, as supplemented by the Third Supplemental Indenture, also contains certain reporting requirements, including a requirement that the Company provide financial information to the holders of the 2024 Notes and the 2024 Trustee if the Company should no longer be subject to the reporting requirements under the Securities Exchange Act of 1934. The Base Indenture provides for customary events of default and further provides that the 2024 Trustee or the holders of 25% in aggregate principal amount of the outstanding 2024 Notes in a series may declare such 2024 Notes immediately due and payable upon the occurrence of any event of default after expiration of any applicable grace period. As of June 30, 2015, the Company was in compliance with the terms of the Base Indenture as supplemented by the Third Supplemental Indenture.

At both June 30, 2015 and December 31, 2014, the 2024 Notes had an outstanding principal balance of $103.0 million.

For the three and six months ended June 30, 2015 and 2014, (unaudited), the components of interest expense and related fees and cash paid for interest expense for the 2024 Notes are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2015**	**2014**	**2015**	**2014**
Interest expense	$ 1,609	$	$ 3,219	$
Amortization of debt issuance cost (loan fees)	83		166	
Total interest expense and fees	$ 1,692	$	$ 3,385	$
Cash paid for interest expense and fees	$ 1,609	$	$ 3,219	$

2017 Asset-Backed Notes

On December 19, 2012, the Company completed a $230.7 million term debt securitization in connection with which an affiliate of the Company made an offer of $129.3 million in aggregate principal amount of fixed-rate asset-backed notes (the 2017 Asset-Backed Notes), which 2017 Asset-Backed Notes were rated A2(sf) by Moody s Investors Service, Inc. The 2017 Asset-Backed Notes were sold by Hercules Capital Funding Trust 2012-1 pursuant to a note purchase agreement, dated as of December 12, 2012, by and among the Company, Hercules Capital Funding 2012-1, LLC as trust depositor (the 2012 Trust Depositor), Hercules Capital Funding Trust 2012-1 as issuer (the 2012 Securitization Issuer), and Guggenheim Securities, LLC, as initial purchaser, and are backed by a pool of senior loans made to certain of the Company s portfolio companies and secured by certain assets of those portfolio companies and are to be serviced by the Company. Interest on the 2017 Asset-Backed Notes will be paid, to the extent of funds available, at a fixed rate of 3.32% per annum. The 2017 Asset-Backed Notes have a stated maturity of December 16, 2017.

As part of this transaction, the Company entered into a sale and contribution agreement with the 2012 Trust Depositor under which the Company has agreed to sell or have contributed to the 2012 Trust Depositor certain senior loans made to certain of the Company s portfolio companies (the 2012 Loans). The Company has made customary representations, warranties and covenants in the sale and contribution agreement with respect to the 2012 Loans as of the date of their transfer to the 2012 Trust Depositor.

At December 31, 2014, the 2017 Asset-Backed Notes had outstanding principal balance of $16.0 million. In February 2015, changes in the payment schedule of obligors in the 2017 Asset-Backed Notes collateral pool triggered a rapid amortization event in accordance with the sale and servicing agreement for the 2017 Asset-Backed Notes. Due to this event, the 2017 Asset-Backed Notes were fully repaid as of April 16, 2015.

For the three and six months ended June 30, 2015 and 2014 (unaudited), the components of interest expense and related fees and cash paid for interest expense for the 2017 Asset-Backed Notes are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2015**	**2014**	**2015**	**2014**
Interest expense	$ 11	$ 446	$ 141	$ 1,113
Amortization of debt issuance cost (loan fees)	63	340	506	1,206
Total interest expense	$ 74	$ 786	$ 647	$ 2,319
Cash paid for interest expense	$	$	$	$

Under the terms of the 2017 Asset-Backed Notes, the Company is required to maintain a reserve cash balance, funded through interest and principal collections from the underlying securitized debt portfolio, which may be used to pay monthly interest and principal payments on the 2017 Asset-Backed Notes. The Company segregated these funds and classified them as restricted cash. There was approximately $1.2 million of restricted cash as of December 31, 2014, funded through interest collections. As the 2017 Asset-Backed Notes were fully repaid as of April 16, 2015 there were no funds segregated as restricted cash related to the 2017 Asset-Backed Notes at June 30, 2015.

2021 Asset-Backed Notes

On November 13, 2014, the Company completed a $237.4 million term debt securitization in connection with which an affiliate of the Company made an offer of $129.3 million in aggregate principal amount of fixed-rate asset-backed notes (the 2021 Asset-Backed Notes), which 2021 Asset-Backed Notes were rated A(sf) by Kroll Bond Rating Agency, Inc. (KBRA). The 2021 Asset-Backed Notes were sold by Hercules Capital Funding Trust 2014-1 pursuant to a note purchase agreement, dated as of November 13, 2014, by and among the Company, Hercules Capital Funding 2014-1, LLC as trust depositor (the 2014 Trust Depositor), Hercules Capital Funding Trust 2014-1 as issuer (the 2014 Securitization Issuer), and Guggenheim Securities, LLC, as initial purchaser, and are backed by a pool of senior loans made to certain of the Company s portfolio companies and secured by certain assets of those portfolio companies and are to be serviced by the Company. The securitization has an 18-month reinvestment period during which time principal collections may be reinvested into additional eligible loans. Interest on the 2021 Asset-Backed Notes will be paid, to the extent of funds available, at a fixed rate of 3.524% per annum. The 2021 Asset-Backed Notes have a stated maturity of April 16, 2021.

As part of this transaction, the Company entered into a sale and contribution agreement with the 2014 Trust Depositor under which the Company has agreed to sell or have contributed to the 2014 Trust Depositor certain

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senior loans made to certain of the Company s portfolio companies (the 2014 Loans). The Company has made customary representations, warranties and covenants in the sale and contribution agreement with respect to the 2014 Loans as of the date of their transfer to the 2014 Trust Depositor.

In connection with the issuance and sale of the 2021 Asset-Backed Notes, the Company has made customary representations, warranties and covenants in the note purchase agreement. The 2021 Asset-Backed Notes are secured obligations of the 2014 Securitization Issuer and are non-recourse to the Company. The 2014 Securitization Issuer also entered into an indenture governing the 2021 Asset-Backed Notes, which includes customary representations, warranties and covenants. The 2021 Asset-Backed Notes were sold without being registered under the Securities Act (A) in the United States to qualified institutional buyers as defined in Rule 144A under the Securities Act and to institutional accredited investors (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) who in each case, are qualified purchasers as defined in Sec. 2 (A)(51) of the 1940 Act and pursuant to an exemption under the Securities Act and (B) to non-U.S. purchasers acquiring interest in the 2021 Asset-Backed Notes outside the United States in accordance with Regulation S of the Securities Act. The 2014 Securitization Issuer will not be registered under the 1940 Act in reliance on an exemption provide by Section 3(c) (7) thereof and Rule 3A-7 thereunder. In addition, the 2014 Trust Depositor entered into an amended and restated trust agreement in respect of the 2014 Securitization Issuer, which includes customary representation, warranties and covenants.

The 2014 Loans are serviced by the Company pursuant to a sale and servicing agreement, which contains customary representations, warranties and covenants. The Company performs certain servicing and administrative functions with respect to the 2014 Loans. The Company is entitled to receive a monthly fee from the 2014 Securitization Issuer for servicing the 2014 Loans. This servicing fee is equal to the product of one-twelfth (or in the case of the first payment date, a fraction equal to the number of days from and including October 5, 2014 through and including December 5, 2014 over 360) of 2.00% and the aggregate outstanding principal balance of the 2014 Loans plus collections on deposit in the 2014 Securitization Issuer s collections account, as of the first day of the related collection period (the period from the 5th day of the immediately preceding calendar month through the 4th day of the calendar month in which a payment date occurs, and for the first payment date, the period from and including October 5, 2014, to the close of business on December 5, 2014).

The Company also serves as administrator to the 2014 Securitization Issuer under an administration agreement, which includes customary representations, warranties and covenants.

At both June 30, 2015 and December 31, 2014, the 2021 Asset-Backed Notes had an outstanding principal balance of $129.3 million.

For the three and six months ended June 30, 2015 and 2014 (unaudited), the components of interest expense and related fees and cash paid for interest expense for the 2021 Asset-Backed Notes are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2015**	**2014**	**2015**	**2014**
Interest expense	$ 1,139	$	$ 2,278	$
Amortization of debt issuance cost (loan fees)	224		446	
Total interest expense	$ 1,363	$	$ 2,724	$
Cash paid for interest expense	$ 1,139	$	$ 2,278	$

Under the terms of the 2021 Asset-Backed Notes, the Company is required to maintain a reserve cash balance, funded through interest and principal collections from the underlying securitized debt portfolio, which may be used to pay monthly interest and principal payments on the 2021 Asset-Backed Notes. The Company has segregated these funds and classified them as restricted cash. There was approximately $11.8 million and $11.5 million of restricted cash as of June 30, 2015 and December 31, 2014, respectively, funded through interest collections.

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Convertible Senior Notes

In April 2011, the Company issued $75.0 million in aggregate principal amount of 6.00% convertible senior notes due 2016 (the Convertible Senior Notes). During the three and six months ended June 30, 2015, holders of approximately $38,000 and $70,000 of the Company s Convertible Senior Notes have exercised their conversion rights, respectively. As of June 30, 2015, the carrying value of the Convertible Senior Notes, comprised of the aggregate principal amount outstanding less the unaccreted discount initially recorded upon issuance of the Convertible Senior Notes, is approximately $17.4 million.

The Convertible Senior Notes mature on April 15, 2016 (the Maturity Date), unless previously converted or repurchased in accordance with their terms. The Convertible Senior Notes bear interest at a rate of 6.00% per year payable semiannually in arrears on April 15 and October 15 of each year, commencing on October 15, 2011. The Convertible Senior Notes are the Company s senior unsecured obligations and rank senior in right of payment to the Company s existing and future indebtedness that is expressly subordinated in right of payment to the Convertible Senior Notes; equal in right of payment to the Company s existing and future unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company s secured indebtedness (including unsecured indebtedness that the Company later secures) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by the Company s subsidiaries, financing vehicles or similar facilities.

Prior to the close of business on the business day immediately preceding October 15, 2015, holders may convert their Convertible Senior Notes only under certain circumstances set forth in the indenture. On or after October 15, 2015 until the close of business on the scheduled trading day immediately preceding the Maturity Date, holders may convert their Convertible Senior Notes at any time. Upon conversion, the Company will pay or deliver, as the case may be, at the Company s election, cash, shares of the Company s common stock or a combination of cash and shares of the Company s common stock. The conversion rate will initially be 84.0972 shares of common stock per $1,000 principal amount of Convertible Senior Notes (equivalent to an initial conversion price of approximately $11.89 per share of common stock). The conversion rate will be subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest. In addition, if certain corporate events occur prior to the Maturity Date, the conversion rate will be increased for converting holders. As of June 30, 2015, the conversion rate was 89.2454 shares of common stock per $1,000 principal amount of Convertible Senior Notes (equivalent to an adjusted conversion price of approximately $11.21 per share of common stock).

The Company may not redeem the Convertible Senior Notes prior to maturity. No sinking fund is provided for the Convertible Senior Notes. In addition, if certain corporate events occur, holders of the Convertible Senior Notes may require the Company to repurchase for cash all or part of their Convertible Senior Notes at a repurchase price equal to 100% of the principal amount of the Convertible Senior Notes to be repurchased, plus accrued and unpaid interest through, but excluding, the required repurchase date.

The Convertible Senior Notes are accounted for in accordance with ASC 470-20 (previously FASB Staff Position No. APB 14- 1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)). In accounting for the Convertible Senior Notes, the Company estimated at the time of issuance that the values of the debt and the embedded conversion feature of the Convertible Senior Notes were approximately 92.8% and 7.2%, respectively. The original issue discount of 7.2% attributable to the conversion feature of the Convertible Senior Notes was recorded in capital in excess of par value in the Consolidated Statement of Assets and Liabilities. As a result, the Company recorded interest expense comprised of both stated interest expense as well as accretion of the original issue discount resulting in an estimated effective interest rate of approximately 8.1%.

Upon meeting the stock trading price conversion requirement as set forth in the Indenture, dated April 15, 2011, between the Company and U.S. Bank National Association, during the three months ended June 30,

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2014, September 30, 2014 and December 31, 2014, the Convertible Senior Notes became convertible on July 1, 2014 and continued to be convertible during each of the three months ended September 30, 2014, December 31, 2014 and March 31, 2015, respectively. During this period and as of June 30, 2015, approximately $57.4 million of the Convertible Senior Notes have been converted and were settled with a combination of cash equal to the outstanding principal amount of the converted notes and approximately 1.5 million shares of the Company s common stock, or $24.3 million. By not meeting the stock trading price conversion requirement during either the three months ended March 31, 2015 or June 30, 2015, the Convertible Senior Notes are not convertible for the six-month period between April 1, 2015 and September 30, 2015.

The Company recorded a loss on extinguishment of debt for the proportionate amount of unamortized debt issuance costs and original issue discount on Notes converted during the period. The loss was partially offset by a gain in the amount of the difference between the outstanding principal balance of the converted notes and the fair value of the debt instrument. The net loss on extinguishment of debt the Company recorded for both the three and six months ended June 30, 2015 was approximately $1,000 and $1.6 million for the year ended December 31, 2014. The loss on extinguishment of debt was classified as a component of net investment income in the Company s Consolidated Statement of Operations.

As of June 30, 2015 (unaudited) and December 31, 2014, the components of the carrying value of the Convertible Senior Notes were as follows:

(in thousands)	June 30, 2015	December 31, 2014
Principal amount of debt	$ 17,604	$ 17,674
Original issue discount, net of accretion	(205)	(329)
Carrying value of Convertible Senior Notes	$ 17,399	$ 17,345

For the three and six months ended June 30, 2015 and 2014 (unaudited), the components of interest expense, fees and cash paid for interest expense for the Convertible Senior Notes were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2015	2014	2015	2014
Interest expense	$ 264	$ 1,125	$ 479	$ 2,250
Accretion of original issue discount	62	271	123	541
Amortization of debt issuance cost (loan fees)	33	144	66	289
Total interest expense	$ 359	$ 1,540	$ 668	$ 3,080
Cash paid for interest expense	$ 529	$ 2,250	$ 529	$ 2,250

The estimated effective interest rate of the debt component of the Convertible Senior Notes, equal to the stated interest of 6.0% plus the accretion of the original issue discount, was approximately 8.1% for the three and six months ended June 30, 2015 and 2014. Interest expense decreased by approximately $861,000 and $1.8 million during the three and six months ended June 30, 2015 from the three and six months ended June 30, 2014, due to Convertible Senior Notes settled between periods. As of June 30, 2015, the Company is in compliance with the terms of the indentures governing the Convertible Senior Notes.

Wells Facility

On June 29, 2015, the Company, through a special purpose wholly-owned subsidiary, Hercules Funding II LLC (Hercules Funding II), entered into an Amended and Restated Loan and Security Agreement (the Wells Facility) with Wells Fargo Capital Finance, LLC, as a lender and as the arranger and the administrative agent, and the lenders party thereto from time to time. The Wells Facility amends, restates, and otherwise replaces the Loan and Security Agreement, which was originally entered into on August 25, 2008, with Wells Fargo Capital Finance, LLC, and had been amended from time to time. The Wells Facility was amended and restated to, among other things, consolidate prior amendments and update certain provisions to reflect current operations and personnel of the Company and Hercules Funding II. Many other terms and provisions of the Wells Facility remain the same or substantially similar to the terms and provisions of the original Wells Facility.

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Under the Wells Facility, Wells Fargo Capital Finance, LLC has made commitments of $75.0 million. The Wells Facility contains an accordion feature, in which the Company can increase the credit line up to an aggregate of $300.0 million, funded by additional lenders and with the agreement of Wells Fargo and subject to other customary conditions. The Company expects to continue discussions with various other potential lenders to join the facility; however, there can be no assurances that additional lenders will join the Wells Facility. Borrowings under the Wells Facility generally bear interest at a rate per annum equal to LIBOR plus 3.25%, and the Wells Facility has an advance rate of 50% against eligible debt investments. The Wells Facility is secured by all of the assets of Hercules Funding II. The Wells Facility requires payment of a non-use fee on a scale of 0.0% to 0.50% depending on the average monthly outstanding balance under the facility relative to the maximum amount of commitments at such time. For the three and six months ended June 30, 2015, this non-use fee was approximately $94,000 and $188,000, respectively. For the three and six months ended June 30, 2014, this non-use fee was approximately $95,000 and $189,000, respectively.

The Wells Facility also includes various financial and other covenants applicable to the Company and the Company s subsidiaries, in addition to those applicable to Hercules Funding II, including covenants relating to certain changes of control of the Company and Hercules Funding II. Among other things, these covenants also require the Company to maintain certain financial ratios, including a maximum debt to worth ratio, minimum interest coverage ratio, minimum portfolio funding liquidity, and a minimum tangible net worth in an amount, when added to outstanding subordinated indebtedness, that is in excess of $500.0 million plus 90% of the cumulative amount of equity raised after June 30, 2014. As of June 30, 2015, the minimum tangible net worth covenant has increased to $590.4 million as a result of the March 2015 follow-on public offering of 7.6 million shares of common stock for total net proceeds of approximately $100.1 million. The Wells Facility provides for customary events of default, including, without limitation, with respect to payment defaults, breach of representations and covenants, certain key person provisions, cross acceleration provisions to certain other debt, lien and judgment limitations, and bankruptcy.

The Wells Facility matures on August 2, 2018, unless sooner terminated in accordance with its terms.

On June 20, 2011 the Company paid an additional $1.1 million in structuring fees in connection with the original Wells Facility which are being amortized through the end of the term of the Wells Facility. In connection with an amendment to the original Wells Facility in August 2014, the Company paid an additional $750,000 in structuring fees in connection with the facility, which are being amortized through the end of the term of the Wells Facility.

At June 30, 2015 the Wells Facility had an outstanding principal balance of $49.6 million after the Company drew on the available facility in June 2015.

Union Bank Facility

The Company has a $75.0 million revolving senior secured credit facility (the Union Bank Facility) with MUFG Union Bank, N.A. (MUFG Union Bank). The Company originally entered into the Union Bank Facility on February 10, 2010 but, following several amendments, amended and restated the Union Bank Facility on August 14, 2014. The amendment and restatement extends the maturity date of the Union Bank Facility to August 1, 2017, increases the size of the Union Bank Facility to $75.0 million from $30.0 million, and adjusts the interest rate for LIBOR borrowings under the Union Bank Facility. LIBOR-based borrowings by the Company under the Union Bank Facility will bear interest at a rate per annum equal to LIBOR plus 2.25% with no floor, whereas previously the Company paid a per annum interest rate on such borrowings equal to LIBOR plus 2.50% with a floor of 4.00%. Other borrowings by the Company under the Union Bank Facility, which are based on a reference rate instead of LIBOR, will continue to bear interest at a rate per annum equal to the reference rate (which is the greater of the federal funds rate plus 1.00% and a periodically announced MUFG Union Bank index rate) plus the greater of (i) 4.00% minus the reference rate and (ii) 1.00%. The Company continues to have the option of determining which type of borrowing to request under the Union Bank Facility. Subject to certain conditions, the amendment also removes a previous ceiling on the amount of certain unsecured indebtedness that the Company may incur.

The Union Bank Facility contains an accordion feature, pursuant to which the Company may increase the size of the Union Bank Facility to an aggregate principal amount of $300.0 million by bringing in additional lenders, subject to the approval of MUFG Union Bank and other customary conditions. There can be no assurances that additional lenders will join the Union Bank Facility to increase available borrowings.

The Union Bank Facility requires the payment of a non-use fee of 0.50% annually. For the three and six months ended June 30, 2015, this non-use fee was approximately $95,000 and $189,000, respectively. For the three and six months ended June 30, 2014, this non-use fee was approximately $13,000 and $51,000, respectively. The amount that the Company may borrow under the Union Bank Facility is determined by applying an advance rate to eligible loans. The Union Bank Facility generally requires payment of monthly interest on loans based on a reference rate and at the end of a one, two, or three-month period, as applicable, for loans based on LIBOR. All outstanding principal is due upon maturity.

The Union Bank Facility is collateralized by debt investments in the Company s portfolio companies, and includes an advance rate equal to 50.0% of eligible debt investments placed in the collateral pool.

The Company has various financial and operating covenants required by the Union Bank Facility. These covenants require, among other things, that the Company maintain certain financial ratios, including liquidity, asset coverage, and debt service coverage, and a minimum tangible net worth in an amount, when added to outstanding subordinated indebtedness, that is in excess of $550.0 million plus 90% of the amount of net cash proceeds received from the sale of common stock after June 30, 2014. As of June 30, 2015, the minimum tangible net worth covenant has increased to $640.1 million as a result of the March 2015 follow-on public offering of 7.6 million shares of common stock for total net proceeds of approximately $100.1 million. The Union Bank Facility provides for customary events of default, including, but not limited to, payment defaults, breach of representations or covenants, bankruptcy events and change of control.

At June 30, 2015 there were no borrowings outstanding on this facility.

Citibank Credit Facility

The Company, through Hercules Funding Trust I, an affiliated statutory trust, had a securitized credit facility (the Citibank Credit Facility) with Citigroup Global Markets Realty Corp. (Citigroup), which expired under normal terms. During the first quarter of 2009, the Company paid off all principal and interest owed under the Citibank Credit Facility. Citigroup has an equity participation right through a warrant participation agreement on the pool of debt investments and warrants collateralized under the Citibank Credit Facility. Pursuant to the warrant participation agreement, the Company granted to Citigroup a 10% participation in all warrants held as collateral. However, no additional warrants were included in collateral subsequent to the facility amendment on May 2, 2007. As a result, Citigroup is entitled to 10% of the realized gains on the warrants until the realized gains paid to Citigroup pursuant to the agreement equal $3,750,000 (the Maximum Participation Limit). The obligations under the warrant participation agreement continue even after the Citibank Credit Facility is terminated until the Maximum Participation Limit has been reached.

During the six months ended June 30, 2015, the Company recorded an increase in participation liability and a decrease in unrealized appreciation by a net amount of approximately $7,000 primarily due to appreciation of fair value on the pool of warrants collateralized under the warrant participation. The remaining value of Citigroup s participation right on unrealized gains in the related equity investments is approximately $108,000 as of June 30, 2015 and is included in accrued liabilities. There can be no assurances that the unrealized appreciation of the warrants will not be higher or lower in future periods due to fluctuations in the value of the

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warrants, thereby increasing or reducing the effect on the cost of borrowing. Since inception of the agreement, the Company has paid Citigroup approximately $2.1 million under the warrant participation agreement thereby reducing realized gains by this amount. The Company will continue to pay Citigroup under the warrant participation agreement until the Maximum Participation Limit is reached or the warrants expire. Warrants subject to the Citigroup participation agreement are set to expire between February 2016 and January 2017.

5. Income taxes

The Company intends to continue to operate so as to qualify to be taxed as a RIC under Subchapter M of the Code and, as such, will not be subject to federal income tax on the portion of taxable income and gains distributed to stockholders.

To qualify as a RIC, the Company is required to meet certain income and asset diversification tests in addition to distributing at least 90% of its investment company taxable income, as defined by the Code. The amount to be paid out as a dividend is determined by the Board of Directors each quarter and is based upon the annual earnings estimated by the management of the Company. To the extent that the Company s earnings fall below the amount of dividends declared, however, a portion of the total amount of the Company s dividends for the fiscal year may be deemed a return of capital for tax purposes to the Company s stockholders.

Taxable income includes the Company s taxable interest, dividend and fee income, as well as taxable net capital gains. Taxable income generally differs from net income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized appreciation or depreciation, as gains or losses are not included in taxable income until they are realized.

Taxable income includes non-cash income, such as changes in accrued and reinvested interest and dividends, which includes contractual payment-in-kind interest, and the amortization of discounts and fees. Cash collections of income resulting from contractual PIK interest arrangements or the amortization of discounts and fees generally occur upon the repayment of the loans or debt securities that include such items. Non-cash taxable income is reduced by non-cash expenses, such as realized losses and depreciation and amortization expense.

During the three months ended June 30, 2015, the Company declared a distribution of $0.31 per share. The determination of the tax attributes of the Company s distributions is made annually as of the end of the Company s fiscal year based upon its taxable income for the full year and distributions paid for the full year. As a result, a determination made on a quarterly basis may not be representative of the actual tax attributes of the Company s distributions for a full year. If the Company had determined the tax attributes of our distributions year-to-date as of June 30, 2015, approximately 100% would be from ordinary income and spillover earnings from 2014. However there can be no certainty to shareholders that this determination is representative of what the tax attributes of its 2015 distributions to shareholders will actually be.

As a RIC, the Company will be subject to a 4% nondeductible federal excise tax on certain undistributed income unless the Company distributes in a timely manner an amount at least equal to the sum of (1) 98% of its ordinary income for each calendar year, (2) 98.2% of its capital gain net income for the 1-year period ending October 31 in that calendar year and (3) any income realized, but not distributed, in the preceding year (the Excise Tax Avoidance Requirements). The Company will not be subject to excise taxes on amounts on which the Company is required to pay corporate income tax (such as retained net capital gains). Depending on the level of taxable income earned in a tax year, the Company may choose to carry over taxable income in excess of current year distributions from such taxable income into the next tax year and pay a 4% excise tax on such income, as required. The maximum amount of excess taxable income that may be carried over for distribution in the next year under the Code is the total amount of dividends paid in the following year, subject to certain declaration and payment guidelines. To the extent the Company chooses to carry over taxable income into the next tax year, dividends declared and paid by the Company in a year may differ from taxable income for that year

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as such dividends may include the distribution of current year taxable income, the distribution of prior year taxable income carried over into and distributed in the current year, or returns of capital.

Taxable income for the six months ended June 30, 2015 was approximately $32.0 million or $0.48 per share. Taxable net realized loss for the same period was $3.0 million or approximately $0.05 per share. Taxable income for the six months ended June 30, 2014 was approximately $27.8 million or $0.45 per share. Taxable net realized gains for the same period were $9.1 million or approximately $0.15 per share.

The Company intends to distribute approximately $16.7 million of spillover from long term earnings from the year ended December 31, 2014 to the Company s shareholders in 2015.

6. Shareholders Equity

On August 16, 2013, the Company entered into an At-The-Market (ATM) equity distribution agreement with JMP Securities LLC (JMP). The equity distribution agreement provides that the Company may offer and sell up to 8.0 million shares of its common stock from time to time through JMP, as its sales agent. Sales of the Company s common stock, if any, may be made in negotiated transactions or transactions that are deemed to be at the market, as defined in Rule 415 under the Securities Act, including sales made directly on the NYSE or similar securities exchange or sales made to or through a market maker other than on an exchange, at prices related to the prevailing market prices or at negotiated prices.

During the year ended December 31, 2014, the Company sold 650,000 shares of common stock for total accumulated net proceeds of approximately $9.5 million, all of which is accretive to net asset value. The Company generally uses net proceeds from these offerings to make investments, to repurchase or pay down liabilities and for general corporate purposes. As of June 30, 2015, approximately 7.35 million shares remain available for issuance and sale under the equity distribution agreement.

On February 24, 2015, the Company s Board of Directors authorized a stock repurchase plan permitting the Company to repurchase up to $50.0 million of its common stock. The Company may repurchase shares of its common stock in the open market, including block purchases, at prices that may be above or below the net asset value as reported in the most recently published financial statements. During the three month period ended June 30, 2015, the Company did not repurchase any common stock.

The Company anticipates that the manner, timing, and amount of any share purchases will be determined by management based upon the evaluation of market conditions, stock price, and additional factors in accordance with regulatory requirements. Pursuant to the 1940 Act, the Company is required to notify shareholders when such a program is initiated or implemented. The repurchase program does not require the Company to acquire any specific number of shares and may be extended, modified, or discontinued at any time.

On March 27, 2015, the Company raised approximately $100.1 million, after deducting offering expenses, in a public offering of 7,590,000 shares of its common stock.

The Company has issued stock options for common stock subject to future issuance, of which 577,951 and 695,672 were outstanding at June 30, 2015 and December 31, 2014, respectively.

7. Equity Incentive Plan

The Company and its stockholders have authorized and adopted the 2004 Equity Incentive Plan (the 2004 Plan) for purposes of attracting and retaining the services of its executive officers and key employees. Under the 2004 Plan, the Company is authorized to issue 7.0 million shares of common stock. On June 1, 2011, stockholders approved an amended and restated plan and provided an increase of 1.0 million shares, authorizing the Company to issue 8.0 million shares of common stock under the 2004 Plan. Stockholders approved further amendments to the 2004 Plan at the 2015 Annual Meeting of the Stockholders. See Note 12 Subsequent Events .

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The Company and its stockholders have authorized and adopted the 2006 Non-Employee Director Plan (the 2006 Plan and, together with the 2004 Plan, the Plans) for purposes of attracting and retaining the services of its Board of Directors. Under the 2006 Plan, the Company is authorized to issue 1.0 million shares of common stock. The Company filed an exemptive relief request with the Securities and Exchange Commission (SEC) to allow options to be issued under the 2006 Plan which was approved on October 10, 2007.

On June 21, 2007, the stockholders approved amendments to the 2004 Plan and the 2006 Plan allowing for the grant of restricted stock. The amended Plans limit the combined maximum amount of restricted stock that may be issued under both Plans to 10% of the outstanding shares of the Company s stock on the effective date of the Plans plus 10% of the number of shares of stock issued or delivered by the Company during the terms of the Plans. The amendments further specify that no one person shall be granted awards of restricted stock relating to more than 25% of the shares available for issuance under the 2004 Plan. Further, the amount of voting securities that would result from the exercise of all of the Company s outstanding warrants, options and rights, together with any restricted stock issued pursuant to the Plans, at the time of issuance shall not exceed 25% of its outstanding voting securities, except that if the amount of voting securities that would result from such exercise of all of the Company s outstanding warrants, options and rights issued to the Company s directors, officers and employees, together with any restricted stock issued pursuant to the Plans, would exceed 15% of the Company s outstanding voting securities, then the total amount of voting securities that would result from the exercise of all outstanding warrants, options and rights, together with any restricted stock issued pursuant to the Plans, at the time of issuance shall not exceed 20% of our outstanding voting securities.

The following table summarizes the common stock options activities for the six months ended June 30, 2015 and 2014 (unaudited):

	Six Months Ended June 30,			
	2015		2014	
	Common Stock Options	Weighted Average Exercise Price	Common Stock Options	Weighted Average Exercise Price
Outstanding at December 31,	695,672	$ 14.58	833,923	$ 12.53
Granted	78,500	$ 14.04		$
Exercised	(36,331)	$ 10.81	(103,374)	$ 11.53
Forfeited	(155,280)	$ 14.77	(77,616)	$ 14.33
Expired	(4,610)	$ 12.28		$
Outstanding at June 30,	577,951	$ 14.71	652,933	$ 12.47
Shares Expected to Vest at June 30,	405,484	$ 14.71	394,293	$ 12.47

The following table summarizes common stock options outstanding and exercisable at June 30, 2015 (unaudited):

(Dollars in thousands, except except exercise price)	Options outstanding				Options exercisable			
Range of exercise prices	Number of shares	Weighted average remaining contractual life	Aggregate intrinsic value	Weighted average exercise price	Number of shares	Weighted average remaining contractual life	Aggregate intrinsic value	Weighted average exercise price
$9.25 - $14.02	139,867	5.75	$ 49,453	$ 12.55	55,196	4.34	$ 42,349	$ 10.96
$14.60 - $16.34	438,084	6.02		$ 15.40	117,271	5.27		$ 15.14
$9.25 - $16.34	577,951	5.95	$ 49,453	$ 14.71	172,467	4.98	$ 42,349	$ 13.80

Options generally vest 33% one year after the date of grant and ratably over the succeeding 24 months.

All options may be exercised for a period ending seven years after the date of grant. At June 30, 2015, options for 172,467 shares were exercisable at a weighted average exercise price of approximately $13.80 per share with a weighted average remaining contractual term of 4.98 years.

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The Company determined that the fair value of options granted under the 2006 and 2004 Plans during the six months ended June 30, 2015 was approximately $30,000. No options were granted during the six months ended June 30, 2014. During the six months ended June 30, 2015 and 2014, approximately $137,000 and $215,000 of share-based cost due to stock option grants was expensed, respectively. As of June 30, 2015, there was approximately $363,000 of total unrecognized compensation costs related to stock options. These costs are expected to be recognized over a weighted average remaining vesting period of 1.52 years.

The fair value of options granted is based upon a Black Scholes option pricing model using the assumptions in the following table for the six months ended June 30, 2015:

	Six Months Ended June 30, 2015
Expected Volatility	18.94%
Expected Dividends	10%
Expected term (in years)	4.5
Risk-free rate	1.08% - 1.64%

During the six months ended June 30, 2015 and 2014 the Company granted 602,916 shares and 981,550 shares, respectively, of restricted stock pursuant to the Plans. The Company determined that the fair value of restricted stock granted under the 2006 and 2004 Plans during the six months ended June 30, 2015 and 2014 was approximately $8.4 million and $13.5 million, respectively. During the six months ended June 30, 2015 and 2014, the Company expensed approximately $4.9 million and $3.8 million of compensation expense related to restricted stock, respectively. As of June 30, 2015, there was approximately $12.5 million of total unrecognized compensation costs related to restricted stock. These costs are expected to be recognized over a weighted average remaining vesting period of 1.97 years.

The following table summarizes the activities for the Company s unvested restricted stock for the six months ended June 30, 2015 and 2014 (unaudited):

	Six Months Ended June 30, 2015		2014	
	Restricted Stock Units	Weighted Average Grant Date Fair Value	Restricted Stock Units	Weighted Average Grant Date Fair Value
Unvested at December 31,	1,302,780	$ 13.23	1,035,897	$ 11.94
Granted	602,916	$ 13.98	981,550	$ 13.79
Vested	(587,095)	$ 13.31	(384,636)	$ 12.09
Forfeited	(267,656)	$ 13.26	(130,290)	$ 12.72
Unvested at June 30,	1,050,945	$ 13.62	1,502,521	$ 13.04

The SEC, through an exemptive order granted on June 22, 2010, approved amendments to the Plans which allow participants to elect to have the Company withhold shares of the Company s common stock to pay for the exercise price and applicable taxes with respect to an option exercise (net issuance exercise). The exemptive order also permits the holders of restricted stock to elect to have the Company withhold shares of Hercules stock to pay the applicable taxes due on restricted stock at the time of vesting. Each individual can make a cash payment at the time of option exercise or to pay taxes on restricted stock.

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8. Earnings Per Share

Shares used in the computation of the Company s basic and diluted earnings per share are as follows (unaudited):

(in thousands, except per share data)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Numerator				
Net increase in net assets resulting from operations	$ 2,752	$ 13,191	$ 24,670	$ 35,376
Less: Dividends declared-common and restricted shares	(22,501)	(19,389)	(42,766)	(38,555)
Undistributed earnings	(19,749)	(6,198)	(18,096)	(3,179)
Undistributed earnings-common shares	(19,749)	(6,198)	(18,096)	(3,179)
Add: Dividend declared-common shares	22,154	18,901	41,867	37,829
Numerator for basic and diluted change in net assets per common share	$ 2,405	$ 12,703	$ 23,771	$ 34,650
Denominator				
Basic weighted average common shares outstanding	71,368	61,089	67,596	60,980
Common shares issuable	225	1,499	305	1,662
Weighted average common shares outstanding assuming dilution	71,593	62,588	67,901	62,642
Change in net assets per common share				
Basic	$ 0.03	$ 0.21	$ 0.35	$ 0.57
Diluted	$ 0.03	$ 0.20	$ 0.35	$ 0.55

In the table above, unvested share-based payment awards that have non-forfeitable rights to dividends or dividend equivalents are treated as participating securities for calculating earnings per share.

For the purpose of calculating diluted earnings per share for three and six months ended June 30, 2015 and 2014, the dilutive effect of the Convertible Senior Notes under the treasury stock method is included in this calculation because the Company s share price was greater than the conversion price in effect ($11.21 as of June 30, 2015 and $11.49 as of June 30, 2014) for the Convertible Senior Notes for such periods.

The calculation of change in net assets resulting from operations per common share assuming dilution, excludes all anti-dilutive shares. For the three months ended June 30, 2015 and 2014, the number of anti-dilutive shares, as calculated based on the weighted average closing price of the Company s common stock for the periods, was approximately 588,498 shares and 717,424 shares, respectively. For the six months ended June 30, 2015 and 2014, the number of anti-dilutive shares, as calculated based on the weighted average closing price of the Company s common stock for the periods, was 620,124 shares and 757,235 shares, respectively.

Effective as of April 6, 2015, the Company amended its charter to increase the number of shares of common stock it is authorized to issue from 100,000,000 to 200,000,000. The Company affected the increase in authorized shares by filing Articles of Amendment with the State Department of Assessments and Taxation of Maryland. At June 30, 2015, the Company was authorized to issue 200,000,000 shares of common stock with a par value of $0.001. Each share of common stock entitles the holder to one vote.

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9. Financial Highlights

Following is a schedule of financial highlights for the six months ended June 30, 2015 and 2014:

	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Per share data[1]:		
Net asset value at beginning of period	$ 10.18	$ 10.51
Net investment income	0.44	0.60
Net realized gain on investments	0.03	0.12
Net unrealized appreciation (depreciation) on investments	(0.09)	(0.14)
Total from investment operations	0.38	0.58
Net increase (decrease) in net assets from capital share transactions	0.26	(0.11)
Distributions of net investment income	(0.63)	(0.63)
Stock-based compensation expense included in investment income[2]	0.07	0.07
Net asset value at end of period	$ 10.26	$ 10.42
Ratios and supplemental data:		
Per share market value at end of period	$ 11.55	$ 16.16
Total return[3]	(18.82%)	2.69%
Shares outstanding at end of period	72,493	63,251
Weighted average number of common shares outstanding	67,596	60,980
Net assets at end of period	$ 743,691	$ 658,909
Ratio of total expense to average net assets[4]	11.46%	10.10%
Ratio of net investment income before investment gains and losses to average net assets[4]	8.36%	11.31%
Portfolio turnover rate[5]	14.42%	23.18%
Average debt outstanding	$ 611,061	$ 510,390
Weighted average debt per common share	$ 9.04	$ 8.37

(1) All per share activity is calculated based on the weighted average shares outstanding for the relevant period.
(2) Stock option expense is a non-cash expense that has no effect on net asset value. Pursuant to ASC 718, net investment income includes the expense associated with the granting of stock options which is offset by a corresponding increase in paid-in capital.
(3) The total return for the six months ended June 30, 2015 and 2014 equals the change in the ending market value over the beginning of the period price per share plus dividends paid per share during the period, divided by the beginning price assuming the dividend is reinvested on the date of the distribution. As such, the total return is not annualized.
(4) All ratios are calculated based on weighted average net assets for the relevant period and are annualized.
(5) The portfolio turnover rate for the six months ended June 30, 2015 and 2014 equals the lesser of investment portfolio purchases or sales during the period, divided by the average investment portfolio value during the period. As such, portfolio turnover rate is not annualized.

10. Commitments and Contingencies

The Company s commitments and contingencies consist primarily of unused commitments to extend credit in the form of loans to the Company s portfolio companies. A portion of these unfunded contractual commitments are dependent upon the portfolio company reaching certain milestones before the debt commitment becomes available. Furthermore, our credit agreements contain customary lending provisions which allow us relief from funding obligations for previously made commitments in instances where the underlying company experiences materially adverse events that affect the financial condition or business outlook for the Company. Since a portion of these commitments may expire without being drawn, unfunded contractual commitments do not necessarily represent future cash requirements. As such, the Company has updated its current disclosure of unfunded contractual commits to include only those which are available at the request of the portfolio company and unencumbered by milestones.

At June 30, 2015, the Company had approximately $159.1 million of unfunded commitments, including undrawn revolving facilities, which were available at the request of the portfolio company and unencumbered by milestones. In addition, the Company had approximately $254.8 million of unavailable commitments to portfolio companies due to milestone and other covenant restrictions.

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The Company also had approximately $65.4 million of non-binding term sheets outstanding at June 30, 2015. Non-binding outstanding term sheets are subject to completion of the Company s due diligence and final investment committee approval process, as well as the negotiation of definitive documentation with the prospective portfolio companies. These non-binding term sheets generally convert to contractual commitments in approximately 90 days from signing. Not all non-binding term sheets are expected to close and do not necessarily represent the Company s future cash requirements.

The fair value of the Company s unfunded commitments are considered to be immaterial as the yield determined at the time of underwriting is expected to be materially consistent with the yield upon funding, given that interest rates are generally pegged to a market indices and given the existence of milestones, conditions and/or obligations imbedded in the borrowing agreements.

Certain premises are leased under agreements which expire at various dates through March 2020. Total rent expense amounted to approximately $409,000 and $818,000 during the three and six months ended June 30, 2015, respectively. Total rent expense amounted to approximately $396,000 and $783,000 during the same periods ended June 30, 2014. Future commitments under the credit facility and operating leases were as follows at June 30, 2015:

	Payments due by period (in thousands)				
Contractual Obligations(1)(2)	**Total**	**Less than 1 year**	**1 - 3 years**	**3 - 5 years**	**After 5 years**
Borrowings(3)(4)	$ 639,885	$ 17,399	$ 129,300	$ 221,786	$ 271,400
Operating Lease Obligations(5)	5,578	1,626	3,091	684	177
Total	$ 645,463	$ 19,025	$ 132,391	$ 222,470	$ 271,577

(1) Excludes commitments to extend credit to our portfolio companies.
(2) The Company also has a warrant participation agreement with Citigroup. See Note 4 to the Company s consolidated financial statements.
(3) Includes $190.2 million in borrowings under the SBA debentures, $150.4 million of the 2019 Notes, $103.0 million of the 2024 Notes, $129.3 million in aggregate principal amount of the 2021 Asset-Backed Notes, $49.6 million in borrowings under the Wells Facility and $17.4 million of the Convertible Senior Notes.
(4) Except for the Convertible Senior Notes, all carrying values are the same as the principal amount outstanding. The aggregate principal amount outstanding of the Convertible Senior Notes is $17.6 million less the unaccreted discount initially recorded upon issuance of the Convertible Senior Notes. The total unaccreted discount for the Convertible Senior Notes was $205,000 at June 30, 2015.
(5) Long-term facility leases.

The Company may, from time to time, be involved in litigation arising out of its operations in the normal course of business or otherwise. Furthermore, third parties may try to seek to impose liability on the Company in connection with the activities of its portfolio companies. While the outcome of any current legal proceedings cannot at this time be predicted with certainty, the Company does not expect any current matters will materially affect the Company s financial condition or results of operations; however, there can be no assurance whether any pending legal proceedings will have a material adverse effect on the Company s financial condition or results of operations in any future reporting period.

11. Recent Accounting Pronouncements

In February 2015, the FASB issued ASU 2015-02, Consolidation (Topic 810) Amendments to the Consolidation Analysis . The new guidance applies to entities in all industries and provides a new scope exception to registered money market funds and similar unregistered money market funds. It makes targeted amendments to the current consolidation guidance and ends the deferral granted to investment companies from applying the VIE guidance. The Company is currently assessing the additional disclosure requirements. ASU 2015-02 is effective for public business entities for annual reporting periods beginning after December 15, 2016.

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In April 2015, the FASB issued ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs , which requires debt issuance costs to be presented in the balance sheet as a direct deduction from the associated debt liability. The Company is currently assessing the additional disclosure requirements. ASU 2015-03 is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2015.

12. Subsequent Events

Dividend Declaration

On July 29, 2015 the Board of Directors declared a cash dividend of $0.31 per share to be paid on August 24, 2015 to shareholders of record as of August 17, 2015. This dividend represents the Company s fortieth consecutive dividend declaration since the Company s initial public offering, bringing the total cumulative dividend declared to date to $10.92 per share.

Approval to Issue Stock Below NAV

At the 2015 Annual Meeting of Stockholders on July 7, 2015, the Company s common stockholders approved a proposal to allow the Company to issue common stock at a discount from its then current net asset value (NAV) per share, which is effective for a period expiring on the earlier of July 7, 2016 or the 2016 annual meeting of stockholders. In connection with the receipt of such stockholder approval, the Company will limit the number of shares that it issues at a price below net asset value pursuant to this authorization so that the aggregate dilutive effect on the Company s then outstanding shares will not exceed 20%. The Company s Board of Directors, subject to its fiduciary duties and regulatory requirements, has the discretion to determine the amount of the discount, and as a result, the discount could be up to 100% of net asset value per share.

Amendment to 2004 Equity Incentive Plan

At our 2015 Annual Meeting of stockholders, our stockholders voted to approve an amendment to the 2004 Equity Incentive Plan to increase the number of shares of common stock authorized for issuance thereunder by 4.0 million shares.

Portfolio Company Developments

As of August 3, 2015, the Company held warrants or equity positions in six companies that have filed registration statements on Form S-1 with the SEC in contemplation of potential initial public offerings, including Cerecor, Inc., Gelesis, Inc., Good Technology, Inc. and three companies which filed confidentially under the JOBS Act. There can be no assurance that these companies will complete their initial public offerings in a timely matter or at all. In addition, subsequent to June 30, 2015 the following portfolio companies completed liquidity events:

1. In July 2015, the Company s portfolio company Neos Therapeutics, Inc. completed its initial public offering.

2. In July 2015, the Company s portfolio company ViewRay, Inc. completed its alternative public offering via a reverse merger with ViewRay Technologies, Inc.

3. In August 2015, Synopsys, Inc. completed its acquisition of the Company s portfolio company Atrenta, Inc. The terms of the deal are not being disclosed.

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Hercules Capital, Inc.

$60,000,000

6.25% Notes due 2024

PROSPECTUS SUPPLEMENT

Joint Book-Running Managers

Keefe, Bruyette & Woods	**Morgan Stanley**	**Wells Fargo Securities**
A Stifel Company		

Lead Manager

Janney Montgomery Scott

Co-Managers

BB&T Capital Markets	**JMP Securities**	**Ladenburg Thalmann**	**Piper Jaffray**	**Wunderlich**

The date of this prospectus supplement is June 23, 2016