

180 DEGREE CAPITAL CORP. /NY/  
Form N-Q  
May 01, 2019

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-07074

180 DEGREE CAPITAL CORP.  
(Exact Name of Registrant as Specified in Its Charter)

7 N. Willow Street, Suite 4B, Montclair NJ 07042  
(Address of Principal Executive Offices) (Zip Code)

Daniel B. Wolfe  
President and Chief Financial Officer  
180 Degree Capital Corp.  
7 N. Willow Street, Suite 4B  
Montclair, NJ 07042  
(Name and address of agent for service)

Copy to:  
John J. Mahon, Esq.  
Schulte Roth & Zabel, LLP  
1152 Fifteenth Street, NW  
Suite 850  
Washington, DC 20005  
(202) 729-7477

Registrant's telephone number, including area code: (973) 746-4500

Date of fiscal year end: December 31

Date of reporting period: March 31, 2019

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Item 1. Consolidated Schedule of Investments and Schedule 12-14.



180 DEGREE CAPITAL CORP.  
CONSOLIDATED SCHEDULE OF  
INVESTMENTS AS OF MARCH 31, 2019  
(UNAUDITED)

Method of Valuation (1)	Industry	Cost	Shares/ Principal	Value
Investments in Unaffiliated Companies (2) - 38.3% of net assets at value				
Privately Held Companies (Illiquid) - 18.5% of net assets at value				
AutoTech Ventures Management I, LLC (3)(4)(5) Venture capital investing in automotive-related companies				
Asset Management & Custody Banks				
LLC Interests (acquired 12/1/17)			(M) (L3)	\$ 0 0 \$150,000
D-Wave Systems, Inc. (3)(4)(6) Developing high-performance quantum computing systems				
Technology Hardware, Storage & Peripherals				
Series 1 Class B Convertible Preferred Stock (acquired 9/30/08)			(M) (L3)	1,002,074 1,144,869 2,002,454
Series 1 Class C Convertible Preferred Stock (acquired 9/30/08)			(M) (L3)	487,804 450,450 804,461
Series 1 Class D Convertible Preferred Stock (acquired 9/30/08)			(M) (L3)	748,473 855,131 1,527,183
Series 1 Class E Convertible Preferred Stock (acquired 11/24/10)			(M) (L3)	248,049 269,280 501,649
Series 1 Class F Convertible Preferred Stock (acquired 11/24/10)			(M) (L3)	238,323 258,721 481,978
Series 1 Class H Convertible Preferred Stock (acquired 6/27/14)			(M) (L3)	909,088 460,866 1,167,230
Series 2 Class D Convertible Preferred Stock (acquired 9/30/08)			(M) (L3)	736,019 678,264 1,211,315
Series 2 Class E Convertible Preferred Stock (acquired 6/1/12-3/22/13)			(M) (L3)	659,493 513,900 1,002,103
Series 2 Class F Convertible Preferred Stock (acquired 6/1/12-3/22/13)			(M) (L3)	633,631 493,747 962,805
Warrants for Common Stock expiring 5/12/19 (acquired 5/12/14)			(I) (L3)	26,357 20,415 0
				5,689,311 9,661,178
Fleet Health Alliance, LLC (3)(4) Developing software for information transfer amongst healthcare providers and consumers				
Health Care Technology				
				225,000 \$225,000 112,500

Unsecured Convertible Bridge Note, 0%,	(I)
(acquired 4/22/16, no maturity date)	(L3)

The accompanying unaudited notes are an integral part of this unaudited consolidated schedule of investments.

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180 DEGREE CAPITAL CORP.  
CONSOLIDATED SCHEDULE OF  
INVESTMENTS AS OF MARCH 31, 2019  
(UNAUDITED)

Method of Valuation (1)	Industry	Cost	Shares/ Principal	Value
Investments in Unaffiliated Companies (2) - 38.3% of net assets at value (cont.)				
Privately Held Companies (Illiquid) - 18.5% of net assets at value (cont.)				
Magnolia Neurosciences Corporation (3)(4) Developing and commercializing novel therapeutics for treatment of neurodegeneration				
Series A Convertible Preferred Stock (acquired 8/3/18)			(I) (L3)	\$ 862,872 862,872 \$ 868,480
Nanosys, Inc. (3)(4) Developing inorganic nanowires and quantum dots for use in LED-backlit devices				
Series C Convertible Preferred Stock (acquired 4/10/03)			(I) (L3)	1,500,000 803,428 929,986
Series D Convertible Preferred Stock (acquired 11/7/05)			(I) (L3)	3,000,003 1,016,950 1,744,469
Series E Convertible Preferred Stock (acquired 8/13/10)			(I) (L3)	496,573 433,688 790,911
				4,996,576 3,465,366
NanoTerra, Inc. (3)(4) Developing surface chemistry and nano-manufacturing solutions				
Warrants for Common Stock expiring on 2/22/21 (acquired 2/22/11)			(I) (L3)	69,168 4,462 0
Warrants for Series A-3 Preferred Stock expiring on 11/15/22 (acquired 11/15/12)			(I) (L3)	35,403 47,508 30,494
				104,571 30,494
Petra Pharma Corporation (3)(4)(7) Developing small molecule inhibitors for treatment of cancer and metabolic diseases				
Series A Convertible Preferred Stock (acquired 12/23/15-1/8/18)			(I) (L3)	1,894,798 1,894,798 967,805
Secured Convertible Bridge Note, 7% PIK, (acquired 8/30/18, maturing 7/31/19)			(M) (L3)	384,923 \$ 369,748 192,461
				2,279,721 1,160,266

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180 DEGREE CAPITAL CORP.  
CONSOLIDATED SCHEDULE OF  
INVESTMENTS AS OF MARCH 31, 2019  
(UNAUDITED)

Method of Valuation (1)	Industry	Cost	Shares/ Principal	Value
Investments in Unaffiliated Companies (2) - 38.3% of net assets at value (cont.)				
Privately Held Companies (Illiquid) - 18.5% of net assets at value (cont.)				
Phylagen, Inc. (3)(4)				Research & Consulting Services
Developing technology to improve human health and business productivity				
Series A Convertible Preferred Stock (acquired 11/14/18)			(M) (L3)	\$249,448 584,597 \$399,689
Total Unaffiliated Privately Held Companies (cost: \$14,407,499)				\$15,847,973
Unaffiliated Publicly Traded Securities - 19.8% of net assets at value				
Adesto Technologies Corporation (4)				Semiconductors
Developing low-power, high-performance solutions for the Internet of Things (IoT)				
Common Stock (acquired 10/27/15-12/31/18)			(M) (L1)	\$6,263,867 1,065,465 \$6,446,063
Airgain, Inc. (4)				Electronic Components
Providing advanced antenna technologies for high-performance wireless networking				
Common Stock (acquired 6/4/18-2/15/19)			(M) (L1)	1,730,864 190,300 2,441,549
Emcore Corporation (4)				Communications Equipment
Providing mixed-signal optical products				
Common Stock (acquired 5/3/18-3/29/19)			(M) (L1)	3,011,886 652,508 2,381,654
Lantronix, Inc. (4)				Communications Equipment
Providing secure data access and management solutions				
Common Stock (acquired 9/18/18-3/5/19)				1,815,244 526,400 1,589,728

(M)

(L1)

Mersana Therapeutics, Inc. (4)  
Developing antibody drug conjugates for cancer  
therapy

Biotechnology

Common Stock (acquired 7/27/12-12/31/18)	(M)	4,414,817	301,100	1,583,786
	(L1)			

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180 DEGREE CAPITAL CORP.  
CONSOLIDATED SCHEDULE OF  
INVESTMENTS AS OF MARCH 31, 2019  
(UNAUDITED)

Method of Valuation (1)	Industry	Cost	Shares/ Principal	Value
Investments in Unaffiliated Companies (2) - 38.3% of net assets at value (cont.)				
Unaffiliated Publicly Traded Securities - 19.8% of net assets at value (cont.)				
OpGen, Inc. (4)				Biotechnology
Developing tools for genomic sequence assembly and analysis				
Warrants for the Purchase of Common Stock expiring 5/8/20 (acquired 5/5/15)		(M) (L2)	\$425,579 12,034	\$3,519
Warrants for the Purchase of Common Stock expiring 2/17/25 (acquired 5/5/15)		(I) (L3)	785 1,248	70
			426,364	3,589
Miscellaneous Common Stocks (8)		(M) (L1)	2,635,917	2,540,774
Total Unaffiliated Publicly Traded Securities (cost: \$20,298,959)				\$16,987,143
Total Investments in Unaffiliated Companies (cost: \$34,706,458)				\$32,835,116
Investments in Non-Controlled Affiliated Companies (2) - 51.4% of net assets at value				
Privately Held Companies (Illiquid) - 31.9% of net assets at value				
ABSMaterials, Inc. (3)				Specialty Chemicals
Developing nano-structured absorbent materials for water remediation and consumer applications				
Series A Convertible Preferred Stock (acquired 2/17/10-10/24/11)		(I) (L3)	\$435,000 390,000	\$28,213
Series B Convertible Preferred Stock (acquired 11/8/13-6/25/14)		(I) (L3)	1,217,644 1,037,751	280,879
Secured Convertible Bridge Note, 8% PIK, (acquired 1/20/16, maturing 12/31/19)		(M) (L3)	125,578 \$100,000	62,789
			29,022 \$25,000	14,511

Secured Convertible Bridge Note, 8% PIK, (acquired 3/28/17, maturing 12/31/19)	(M) (L3)	1,807,244	386,392
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180 DEGREE CAPITAL CORP.  
CONSOLIDATED SCHEDULE OF  
INVESTMENTS AS OF MARCH 31, 2019  
(UNAUDITED)

Method of Valuation (1)	Industry	Cost	Shares/ Principal	Value
Investments in Non-Controlled Affiliated Companies (2) - 51.4% of net assets at value (cont.)				
Privately Held Companies (Illiquid) - 31.9% of net assets at value (cont.)				
AgBiome, LLC (3)(4)			Fertilizers & Agricultural Chemicals	
Providing early-stage research and discovery for agriculture and utilizing the crop microbiome to identify products that reduce risk and improve yield				
Series A-1 Convertible Preferred Units (acquired 1/30/13)			(I) (L3)	\$2,000,000 2,000,000 \$10,359,859
Series A-2 Convertible Preferred Units (acquired 4/9/13-10/15/13)			(I) (L3)	521,740 417,392 2,197,838
Series B Convertible Preferred Units (acquired 8/7/15)			(I) (L3)	500,006 160,526 947,896
				3,021,746 13,505,593
Black Silicon Holdings, Inc. (3)(9)(10)			Semiconductors	
Holding company for interest in a company that develops silicon-based optoelectronic products				
Series A Convertible Preferred Stock (acquired 8/4/15)			(M) (L3)	750,000 233,499 0
Series A-1 Convertible Preferred Stock (acquired 8/4/15)			(M) (L3)	890,000 2,966,667 0
Series A-2 Convertible Preferred Stock (acquired 8/4/15)			(M) (L3)	2,445,000 4,207,537 0
Series B-1 Convertible Preferred Stock (acquired 8/4/15)			(M) (L3)	1,169,561 1,892,836 0
Series C Convertible Preferred Stock (acquired 8/4/15)			(M) (L3)	1,171,316 1,674,030 0
Secured Convertible Bridge Note, 8% PIK, (acquired 8/25/16, maturing 8/4/21)			(M) (L3)	1,444,368 \$1,278,453 573,934
				7,870,245 573,934
Coba Therapeutics Corporation (3)(10)			Pharmaceuticals	
Developed therapeutics for obesity, diabetes and liver diseases				

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Unsecured Convertible Bridge Note, 6% PIK, (acquired 2/27/18, maturing 2/27/19)	(I) (L3)	151,606	\$145,530	21,776
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180 DEGREE CAPITAL CORP.  
CONSOLIDATED SCHEDULE OF  
INVESTMENTS AS OF MARCH 31, 2019  
(UNAUDITED)

Method of Valuation (1)	Industry	Cost	Shares/ Principal	Value		
Investments in Non-Controlled Affiliated Companies						
(2) -						
51.4% of net assets at value (cont.)						
Privately Held Companies (Illiquid) -						
31.9% of net assets at value (cont.)						
EchoPixel, Inc. (3)(4)				Health Care Equipment		
Developing virtual reality 3-D visualization software for life sciences and health care applications						
Series Seed Convertible Preferred Stock (acquired 6/21/13-6/30/14)			(I) (L3)	\$1,250,000	4,194,630	\$1,322,598
Series Seed-2 Convertible Preferred Stock (acquired 1/22/16)			(I) (L3)	500,000	1,476,668	472,177
Series A-2 Convertible Preferred Stock (acquired 3/23/17)			(I) (L3)	350,000	1,471,577	540,324
				2,100,000		2,335,099
Essential Health Solutions, Inc. (3)				Health Care Technology		
Developing software for information transfer amongst healthcare providers and consumers						
Common Stock (acquired 11/18/16)			(I) (L3)	20	200,000	126,550
Series A Convertible Preferred Stock (acquired 11/18/16)			(I) (L3)	2,750,000	2,750,000	2,800,127
Unsecured Convertible Bridge Note, 8% PIK, (acquired 12/19/18, maturing 12/19/19)			(M) (L3)	51,129	\$ 50,000	51,129
				2,801,149		2,977,806
Lodo Therapeutics Corporation (3)(4)				Pharmaceuticals		
Developing and commercializing novel therapeutics derived from a metagenome-based Natural Product Discovery Platform						
Series A Convertible Preferred Stock (acquired 12/21/15-4/22/16)			(I) (L3)	658,190	658,190	793,482
NGX Bio, Inc. (3)(4)(10)				Research & Consulting Services		
Developed translational genomics solutions						
				500,002	666,667	15,114

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Series Seed Convertible Preferred Stock (acquired 6/6/14-1/10/16)	(I) (L3)			
Series Seed 2 Convertible Preferred Stock (acquired 8/20/15-9/30/15)	(I) (L3)	499,999	329,989	7,481
Series Seed 3 Convertible Preferred Stock (acquired 6/26/17)	(I) (L3)	686,329	666,001	15,099
		1,686,330		37,694

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180 DEGREE CAPITAL CORP.  
CONSOLIDATED SCHEDULE OF  
INVESTMENTS AS OF MARCH 31, 2019  
(UNAUDITED)

Method of Valuation (1)	Industry	Cost	Shares/ Principal	Value
Investments in Non-Controlled Affiliated Companies				
(2) -				
51.4% of net assets at value (cont.)				
Privately Held Companies (Illiquid) -				
31.9% of net assets at value (cont.)				
ORIG3N, Inc. (3)(4)			Health Care Technology	
Developing consumer focused genetic tests				
Series 1 Convertible Preferred Stock (acquired 2/5/15-8/5/15)			(H) (L3)	\$ 500,000 1,195,315 \$1,221,383
Series A Convertible Preferred Stock (acquired 11/25/15-9/7/16)			(H) (L3)	1,500,000 1,364,666 1,422,250
Series A-2 Convertible Preferred Stock (acquired 5/11/17-2/8/18)			(H) (L3)	200,002 176,386 188,886
				2,200,002 2,832,519
Produced Water Absorbents, Inc. (3)(11)			Oil & Gas Equipment & Services	
Providing integrated process separation solutions to the global oil and gas industries, enabling onsite treatment of produced and flowback water				
Common Stock (acquired 4/30/16)			(M) (L3)	7,670,281 50,243,350 0
Warrants for Common Stock expiring upon liquidation event (acquired 4/30/16)			(M) (L3)	65,250 450,000 0
Senior Secured Debt, 15% commencing on 4/1/16, maturing on 12/31/19 (acquired 4/1/16)			(M) (L3)	2,370,222 \$2,533,766 0
				10,105,753 0
TARA Biosystems, Inc. (3)(4)			Life Sciences Tools & Services	
Developing human tissue models for toxicology and drug discovery applications				
Common Stock (acquired 8/20/14)			(I) (L3)	20 2,000,000 753,572
Series A Convertible Preferred Stock (acquired 3/31/17)			(I) (L3)	2,545,493 6,878,572 3,164,004
				2,545,513 3,917,576

Total Non-Controlled Affiliated Privately Held  
Companies (cost: \$34,947,778)

\$27,381,871

The accompanying unaudited notes are an integral part of this unaudited consolidated schedule of investments.

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180 DEGREE CAPITAL CORP.  
CONSOLIDATED SCHEDULE OF  
INVESTMENTS AS OF MARCH 31, 2019  
(UNAUDITED)

Method of Valuation (1)	Industry	Cost	Shares/ Principal	Value
Investments in Non-Controlled Affiliated Companies (2) - 51.4% of net assets at value (cont.)				
Non-Controlled Affiliated Publicly Traded Securities - 19.5% of net assets at value				
Intermolecular, Inc. (4)				Semiconductors
Providing advanced materials innovation services and solutions				
Common Stock (acquired 11/9/18-3/29/19)		(M) (L1)		\$2,874,731 2,796,955 \$3,216,498
Synacor, Inc. (4)(12)				Application Software
Providing technology development, multiplatform services and revenue partner for video, internet and communications providers, device manufacturers, and enterprises				
Common Stock (acquired 4/6/17-1/4/19)		(M) (L1)		4,342,358 1,597,806 2,508,555
Stock Options for Common Stock Expiring 2/28/29 (acquired 3/1/19) (3)(13)		(I) (L3)		0 50,000 39,419
				4,342,358 2,547,974
TheStreet, Inc. (4)				Financial Exchanges & Data
Providing financial news and proprietary data to consumers and businesses				
Common Stock (acquired 4/19/17-2/14/19)		(M) (L1)		5,023,733 4,701,885 10,955,392
Stock Options for Common Stock Expiring 1/1/25 (acquired 1/1/18) (13)(14)		(M) (L3)		0 3,333 2,933
Stock Options for Common Stock Expiring 5/18/25 (acquired 5/18/18) (13)(14)		(M) (L3)		0 10,000 5,300
				5,023,733 10,963,625
Total Non-Controlled Affiliated Publicly Traded Securities (cost: \$12,240,822)				\$16,728,097
Total Investments in Non-Controlled Affiliated Companies (cost: \$47,188,600)				\$44,109,968

The accompanying unaudited notes are an integral part of this unaudited consolidated schedule of investments.

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180 DEGREE CAPITAL CORP.  
CONSOLIDATED SCHEDULE OF  
INVESTMENTS AS OF MARCH 31, 2019  
(UNAUDITED)

Method of Valuation (1)	Industry	Cost	Shares/ Principal	Value
Investments in Controlled Affiliated Companies (2) - 5.6% of net assets at value				
Privately Held Companies (Illiquid) - 5.6% of net assets at value				
HALE.life Corporation (3)(4)				Health Care Technology
Developing a platform to facilitate precision health and medicine				
Common Stock (acquired 3/1/16)			(I) (L3)	\$ 10 1,000,000 \$145,441
Series Seed-1 Convertible Preferred Stock (acquired 3/28/17)			(I) (L3)	1,896,920 11,000,000 2,150,188
Series Seed-2 Convertible Preferred Stock (acquired 12/28/18)			(I) (L3)	2,500,000 12,083,132 2,506,618
				4,396,930 4,802,247
Total Controlled Affiliated Privately Held Companies (cost: \$4,396,930)				\$4,802,247
Total Investments in Controlled Affiliated Privately Held Companies (cost: \$4,396,930)				\$4,802,247
Total Investments in Privately Held Companies and Publicly Traded Securities (cost: \$86,291,988)				\$81,747,331
Investment in Equity Method Privately Held Company (2) - 0.3% of net assets at value				
Privately Held Company (Illiquid) - 0.3% of net assets at value				
Accelerator IV-New York Corporation (3)(4)(7)(15)				Research & Consulting Services
Identifying and managing emerging biotechnology companies				
Series A Common Stock (acquired 7/21/14-12/12/18) (E)			(E)	\$267,315 833,333 \$267,315
Total Investment in Equity Method Privately Held Company (cost: \$267,315)				\$267,315

Total Investments (cost: \$86,559,303)

\$82,014,646

The accompanying unaudited notes are an integral part of this unaudited consolidated schedule of investments.

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180 DEGREE CAPITAL CORP.  
CONSOLIDATED SCHEDULE OF  
INVESTMENTS AS OF MARCH 31, 2019  
(UNAUDITED)

Method of Valuation (1)	Industry	Cost	Shares/ Principal	Value
Derivative Investments				
Unaffiliated Rights to Payments (Illiquid) - 2.2% of net assets at value				
Amgen, Inc. (3)(4)(16)				
Rights to Milestone Payments from Acquisition of BioVex Group, Inc. (acquired 3/4/11)	Biotechnology	(I) (L3)		\$548,998 \$548,998 \$1,913,055
Xenio Holdings, Inc. (3)(4)(17)				
Rights to Payments from the Merger with Xenio Systems, Inc. (acquired 10/20/17)	Technology Hardware, Storage & Peripherals	(I) (L3)		0 \$0 0
Total Unaffiliated Rights to Payments (cost: \$548,998)				\$1,913,055
Total Derivative Investments (cost: \$548,998)				\$1,913,055
Total Investments and Derivatives (cost: \$87,108,301)				\$83,927,701
OTHER ASSETS (INCLUDING CASH) MINUS LIABILITIES				\$1,908,633
NET ASSETS (equivalent to \$2.76 per share based on 31,121,562 shares of common stock outstanding)				\$85,836,334

The accompanying unaudited notes are an integral part of this unaudited consolidated schedule of investments.

180 DEGREE CAPITAL CORP.

NOTES TO CONSOLIDATED SCHEDULE OF INVESTMENTS AS OF MARCH 31, 2019

(UNAUDITED)

Notes to Consolidated Schedule of Investments

(1) See "Note 1. Investment Valuation Procedures."

Investments in unaffiliated companies consist of investments in which we own less than five percent of the voting shares of the portfolio company. Investments in non-controlled affiliated companies consist of investments in which we own five percent or more, but less than 25 percent, of the voting shares of the portfolio company, or where we control one or more seats on the portfolio company's board of directors but do not control the company.

(2) Investments in controlled affiliated companies consist of investments in which we own 25 percent or more of the outstanding voting rights of the portfolio company or otherwise control the company, including control of a majority of the seats on the board of directors, or more than 25 percent of the seats on the board of directors, with no other entity or person in control of more director seats than us.

(3) We are subject to legal restrictions on the sale of our investment(s) in this company. The total amount of restricted securities held is \$50,251,880, or 58.5 percent of net assets.

(4) Represents a non-income producing investment. Investments that have not paid dividends or interest within the last 12 months are considered to be non-income producing.

We received LLC Interests of 1.25 percent in AutoTech Ventures Management I, LLC ("AutoTech") pursuant to an Administrative Services Agreement between us and AutoTech and due to us following the termination of a former employee of the Company. These LLC Interests were separate from the compensation received for providing the administrative services under the agreement that were paid in cash. We are not investors in AutoTech. The LLC interests have a capital percentage of 0 percent.

(5) D-Wave Systems, Inc., is located and is doing business primarily in Canada. We invested in D-Wave Systems, Inc. through Parallel Universes, Inc., a Delaware company. Our investment is denominated in Canadian dollars and is subject to foreign currency translation.

(6) See "Note 4. Commitments and Contingencies."

(7) The identities of these securities have been concealed to protect the Company while it completes a purchase or selling program for these securities.

On August 4, 2015, SiOnyx, Inc., reorganized its corporate structure to become a subsidiary of a new company, Black Silicon Holdings, Inc. Our security holdings of SiOnyx, Inc. were converted into securities of Black Silicon Holdings, Inc. SiOnyx, Inc. was then acquired by an undisclosed buyer. Black Silicon Holdings, Inc. owns a profit interest in the undisclosed buyer.

(8) Represents a non-operating entity that exists to collect future payments from licenses or other engagements, monetize assets for future distributions to investors and debt holders, or is in the process of shutting down and distributing remaining assets according to a liquidation waterfall.

(9) Produced Water Absorbents, Inc., also does business as ProSep, Inc.

The Company is the Investment Manager and Managing Member of 180.2 SPV Series - a Series of 180 Degree Capital Management, LLC that owns 1,241,400 shares, or 3.2 percent of the voting securities, of Synacor, Inc. ("SYNC"). When combined with the Company's ownership of 4.1 percent of the voting securities of SYNC, the Company controls 7.3 percent of the voting securities of SYNC, based on 39,052,682 shares reported in SYNC's most recent Securities and Exchange Commission ("SEC") filing, Form 10-K, as of December 31, 2018.

These stock options were issued to Kevin Rendino for service on the Board of Directors of this portfolio company. Mr. Rendino entered into an assignment and assumption agreement with the Company that transfers all beneficial and voting interest to the Company.

(10) These stock options were exercised subsequent to March 31, 2019.

The accompanying unaudited notes are an integral part of this unaudited consolidated schedule of investments.



180 DEGREE CAPITAL CORP.

NOTES TO CONSOLIDATED SCHEDULE OF INVESTMENTS AS OF MARCH 31, 2019

(UNAUDITED)

Under the equity method, investments are carried at cost, plus or minus the company's equity in the increases and (15) decreases in the investee's net assets after the date of acquisition and certain other adjustments. The Company owns approximately 9.6 percent of Accelerator IV-New York Corporation.

(16) If all the remaining milestones are met, we would receive \$5,384,482. There can be no assurance as to how much of these amounts we will ultimately realize or when they will be realized, if at all.

In October 2017, Xenio Systems, Inc., merged with Xenio Holdings, Inc. In conjunction with this merger, all common stock of Xenio Systems, Inc., was canceled and shareholders were granted a right to a future payment in (17) the event of a sale of Xenio Holdings, Inc. The maximum amount we could receive from such payments is approximately \$11,000. There can be no assurance as to how much of these amounts we will ultimately realize or when they will be realized, if at all.

The accompanying unaudited notes are an integral part of this unaudited consolidated schedule of investments.

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180 DEGREE CAPITAL CORP.

NOTES TO CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED)

#### NOTE 1. INVESTMENT VALUATION PROCEDURES

Investments are stated at "value" as defined in the 1940 Act and in the applicable regulations of the SEC and in accordance with GAAP. 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) the fair value as determined in good faith by, or under the direction of, the Board of Directors for all other assets. The Valuation Committee, comprised of all of the independent Board members, is responsible for determining the valuation of the Company's assets within the guidelines established by the Board of Directors. The Valuation Committee receives information and recommendations from management. An independent valuation firm also reviews select portfolio company valuations. The independent valuation firm does not provide independent valuations. The fair values assigned to these investments are based on available information and do not necessarily represent amounts that might ultimately be realized when that investment is sold, as such amounts depend on future circumstances and cannot reasonably be determined until the individual investments are actually liquidated or become readily marketable. The Valuation Committee values the Company's investment assets as of the end of each calendar quarter and as of any other time requested by the Board of Directors.

Accounting Standards Codification Topic 820, "Fair Value Measurements," ("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 (exit price). It applies fair value terminology to all valuations whereas the 1940 Act applies market value terminology to readily marketable assets and fair value terminology to other assets.

The main approaches to measuring fair value utilized are the market approach, the income approach and the hybrid approach.

**Market Approach (M):** The market approach focuses on inputs and not techniques. The market approach may use quantitative inputs such as prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities and the values of market multiples derived from a set of comparable companies. The market approach may also use qualitative inputs such as progress toward milestones, the long-term potential of the business, current and future financing requirements and the rights and preferences of certain securities versus those of other securities. The selection of the relevant inputs used to derive value under the market approach requires judgment considering factors specific to the significance and relevance of each input to deriving value.

**Income Approach (I):** The income approach focuses on techniques and not inputs. The income approach uses valuation techniques to convert future amounts (for example, revenue, cash flows or earnings) to a single present value amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. Those valuation techniques include present value techniques; option-pricing models, such as the Black-Scholes-Merton formula (a closed-form model) and a binomial model (a lattice model), which incorporate present value techniques; and the multi-period excess earnings method, which is used to measure the fair value of certain assets.

**Hybrid Approach (H):** The hybrid approach uses elements of both the market approach and the income approach. The hybrid approach calculates values using the market and income approach, individually. The resulting values are then distributed among the share classes based on probability of exit outcomes.

ASC Topic 820 classifies the inputs used to measure fair value by these approaches into the following hierarchy:

**Level 1 (L1):** Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 (L2): Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices in active markets for similar assets or liabilities, or quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 inputs are in those markets for which there are few transactions, the prices are not current, little public information exists or instances where prices vary substantially over time or among brokered market makers; and

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs are those inputs that reflect our own assumptions that market participants would use to price the asset or liability based upon the best available information.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement and are not necessarily an indication of risks associated with the investment.

Our investment in Accelerator IV-New York Corporation is accounted for under the equity method of accounting as it represents non-controlling interest in operating entities that provide investment advisory services to the Company. Under the equity method, investments are carried at cost, plus or minus the Company's equity in the increases and decreases in the investee's net assets after the date of acquisition and certain other adjustments. Upon sale of investments, the values that are ultimately realized may be different from the fair value presented in the Company's consolidated schedule of investments. The difference could be material.

## NOTE 2. FAIR VALUE OF INVESTMENTS

At March 31, 2019, our financial assets valued at fair value were categorized as follows in the fair value hierarchy:

Description	Fair Value Measurement at Reporting Date Using:			
	Unadjusted Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	March 31, 2019
Privately Held Portfolio Companies:				
Preferred Stock	\$0	\$ 0	\$45,796,934	\$45,796,934
Bridge Notes	0	0	1,029,100	1,029,100
Common Stock	0	0	1,025,563	1,025,563
Warrants	0	0	30,494	30,494
Senior Secured Debt	0	0	0	0
LLC Interests	0	0	150,000	150,000
Publicly Traded Portfolio Companies:				
Common Stock	\$33,663,999	\$ 0	\$ 0	\$33,663,999
Warrants	0	3,519	70	3,589
Stock Options	0	0	47,652	47,652
Total Investments:	\$33,663,999	\$ 3,519	\$ 48,079,813	\$81,747,331
Derivative Investments:				
Rights to Payments	\$0	\$ 0	\$ 1,913,055	\$1,913,055
Total Financial Assets:	\$33,663,999	\$ 3,519	\$ 49,992,868	\$83,660,386



## Significant Unobservable Inputs

The table below presents the valuation technique and quantitative information about the significant unobservable inputs utilized by the Company in the fair value measurements of Level 3 assets. Unobservable inputs are those inputs for which little or no market data exists and, therefore, require an entity to develop its own assumptions.

	Fair Value as of 3/31/2019	Valuation Approach(es)	Unobservable Input(s)	Range(s) (Weighted Average <sup>(a)</sup> )
Preferred Stock	\$2,832,519	Hybrid Approach	Public Comparable Adjustment (Including Non-Performance Risk)	0.0% (0.0%)
			Price Per Share	\$1.30 (\$1.30)
			Volatility	79.8% (79.8%)
			Time to Exit / Cash Flows (Years)	4.2 (4.2)
Preferred Stock	32,903,548	Income Approach	Price Per Share	\$0.02 - \$6.33 (\$3.04)
			Public Comparable Adjustment (Including Non-Performance Risk)	-85.1% - 32.0% (3.6%)
			Volatility	47.7% - 92.6% (69.8%)
			Time to Exit / Cash Flows (Years)	5.0 - 7.5 (5.1)
Preferred Stock	10,060,867	Market Approach	Revenue Multiples	3.4 (3.4)
			Time to Exit (Years)	0.8 (0.8)
			Discount for Lack of Marketability	16.1% (16.1%)
			Price Per Share	\$0.68 - \$1.89 (\$1.84)
Bridge Notes	134,276	Income Approach	Estimated Value to Cost Ratio at Payout	0.14 - 0.50 (0.44)
			Revenue Multiples	3.4 (3.4)
			Time to Exit (Years)	0.8 (0.8)
			Discount for Lack of Marketability	16.1% (16.1%)
Bridge Notes	894,824	Market Approach	Estimated Value to Cost Ratio at Conversion	0.50 - 1.00 (0.58)
			Discount for Lack of Marketability	13.4% (13.4%)
			Public Comparable Adjustment (Including Non-Performance Risk)	0.0% (0.0%)
			Volatility	47.7% - 76.5% (68.9%)
Common Stock	1,025,563	Income Approach	Time to Exit (Years)	5.0 - 5.8 (5.1)
			Price Per Share	\$0.21 - \$1.00 (\$0.51)
			Volatility	55.6% (55.6%)
			Revenue Multiples	2.0 (2.0)
Common Stock	0	Market Approach	Time to Exit (Years)	0.2 (0.2)
			Discount for Lack of Marketability	9.6% (9.6%)
			Price Per Share	\$0.60 - \$2.28 (\$2.23)
			Volatility	28.6% - 101.0% (28.8%)
Warrants	30,564	Income Approach	Time to Exit (Years)	1.9 - 5.9 (3.49)
Warrants	0	Market Approach	Price Per Share	\$0.00 (\$0.00)
			Revenue Multiple	2.0x (2.0x)

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		Exit Date	0.2 (0.2)
		Volatility Rate	55.6% (55.6%)
Senior Secured Debt	0	Market Approach Discount for Lack of Marketability	9.6% (9.6%)
LLC Interests	150,000	Market Approach Bid/Ask	\$50,000-\$250,000 (\$150,000)

	Fair Value as of 3/31/2019	Valuation Approach(es)	Unobservable Input(s)	Range(s) (Weighted Average <sup>(a)</sup> )
			Discount for Lack of Marketability	20.6% (20.6%)
			Volatility	56.6% (56.6%)
Stock Options	\$39,419	Income Approach	Time to Exit (Years)	9.9 (9.9)
Stock Options	8,233	Market Approach	Time to Exit	0.01 (0.01)
			Probability of Achieving Independent Milestones	0.0% - 75.0% (70.6%)
			Probability of Achieving Dependent Milestones	6.3% - 56.3% (44.4%)
Rights to Payments	1,913,055	Income Approach	Time to Cash Flows (Years)	1.8 - 7.8 (4.9)
Total	\$49,992,868			

<sup>(a)</sup> Weighted average based on fair value at March 31, 2019.

#### Valuation Methodologies and Inputs for Level 3 Assets

The following sections describe the valuation techniques and significant unobservable inputs used to measure Level 3 assets.

#### Preferred Stock, Preferred Units, LLC Interests, Bridge Notes and Common Stock

Preferred stock, preferred units, LLC interests, bridge notes and common stock are valued by either a market, income or hybrid approach using internal models with inputs, most of which are not market observable. Common inputs for valuing Level 3 investments include prices from recently executed private transactions in a company's securities or unconditional firm offers, revenue multiples of comparable publicly traded companies, merger and acquisition ("M&A") transactions consummated by comparable companies, discounts for lack of marketability, rights and preferences of the class of securities we own as compared with other classes of securities the portfolio company has issued, particularly related to potential liquidity scenarios of an initial public offering ("IPO") or an acquisition transaction, estimated time to exit, volatilities of comparable publicly traded companies and management's best estimate of risk attributable to non-performance risk. Certain securities are valued using the present value of future cash flows.

We may also consider changes in market values for sets of comparable companies when recent private transaction information is not available and/or in consideration of non-performance risk. We define non-performance risk as the risk that the price per share (or implied valuation of a portfolio company) or the effective yield of a debt security of a portfolio company, as applicable, does not appropriately represent the risk that a portfolio company with negative cash flow will be: (a) unable to raise capital, will need to be shut down and will not return our invested capital; or (b) able to raise capital, but at a valuation significantly lower than the implied post-money valuation of the last round of financing. We assess non-performance risk for each private portfolio company quarterly. Our assessment of non-performance risk typically includes an evaluation of the financial condition and operating results of the company, the company's progress towards milestones, and the long-term potential of the business and technology of the company and how this potential may or may not affect the value of the shares owned by us. An increase to the non-performance risk or a decrease in the private offering price of a future round of financing from that of the most recent round would result in a lower fair value measurement and/or a change in the distribution of value among the classes of securities we own.



Option pricing models place a high weighting on liquidation preferences, which means that small differences in how the preferences are structured can have a material effect on the fair value of our securities at the time of valuation and also on future valuations should additional rounds of financing occur with senior preferences. As such, valuations calculated by option pricing models may not increase if 1) rounds of financing occur at higher prices per share, 2) liquidation preferences include multiples on investment, 3) the amount of invested capital is small and/or 4) liquidation preferences are senior to prior rounds of financing. Additionally, an increase in the volatility assumption generally increases the enterprise value calculated in an option pricing model. An increase in the time to exit assumption also generally increases the enterprise value calculated in an option pricing model. Variations in the expected time to exit or expected volatility assumptions have a significant impact on fair value.

Bridge notes commonly contain terms that provide for the conversion of the full amount of principal, and sometimes interest, into shares of preferred stock at a defined price per share and/or the price per share of the next round of financing. The use of a discount for non-performance risk in the valuation of bridge notes would indicate the potential for conversion of only a portion of the principal, plus interest when applicable, into shares of preferred stock or the potential that a conversion event will not occur and that the likely outcome of a liquidation of assets would result in payment of less than the remaining principal outstanding of the note. An increase in non-performance risk would result in a lower fair value measurement.

#### Warrants and Options

We use the Black-Scholes-Merton option-pricing model to determine the fair value of warrants and options held in our portfolio unless there is a publicly traded active market for such warrants and options or another indication of value such as a sale of the portfolio company. Option pricing models, including the Black-Scholes-Merton model, require the use of subjective input assumptions, including expected volatility, expected life, expected dividend rate, and expected risk-free rate of return. In the Black-Scholes-Merton model, variations in the expected volatility or expected term assumptions have a significant impact on fair value. Because certain securities underlying the warrants in our portfolio are not publicly traded, many of the required input assumptions are more difficult to estimate than they would be if a public market for the underlying securities existed.

An input to the Black-Scholes-Merton option-pricing model is the value per share of the type of stock for which the warrant is exercisable as of the date of valuation. This input is derived according to the methodologies discussed in "Preferred Stock, Preferred Units, LLC Interests, Bridge Notes and Common Stock."

#### Rights to Payments

Rights to payments are valued using a probability-weighted discounted cash flow model. As part of Amgen Inc.'s acquisition of our former portfolio company, BioVex Group, Inc., we are entitled to potential future milestone payments based upon the achievement of certain regulatory and sales milestones. We are also entitled to future payments from Xenio Holdings, Inc., which merged with one of our former portfolio companies, Xenio Systems, Inc., in the event of a sale of Xenio Holdings, Inc. We assign probabilities to the achievements of the various milestones. Milestones identified as independent milestones can be achieved irrespective of the achievement of other contractual milestones. Dependent milestones are those that can only be achieved after another, or series of other, milestones are achieved. The interest rates used in these models are observable inputs from sources such as the published interest rates for corporate bonds of the acquiring or comparable companies.

#### Senior Secured Debt

We currently hold investments in senior secured debt securities. We value these securities either by an income or market approach. The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present value amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. Common inputs for valuing Level 3 debt investments include: the effective yield of the debt investment or, in the case where we have received warrant coverage, the warrant-adjusted effective yield of the security, adjustments for changes in the yields of comparable publicly traded high-yield debt funds and risk-free interest rates and an assessment of non-performance risk. For debt investments valued by the income approach, an increase in yields would result in a lower fair value measurement. Furthermore, yields would decrease, and value would increase, if the company is exceeding targets and risk has been substantially reduced from the level of risk that existed at the time of investment. Yields would increase, and values would decrease, if the company is failing to meet its targets and risk has been increased from the level of risk that existed at the time of investment. The market approach distributes an estimated value of the entity through the liquidation waterfall to derive value. Common inputs for valuing by the market approach include: multiples of publicly traded

comparable companies, time to expected return/exit, discounts for lack of marketability and probability weighted expected return models.

#### Changes in Valuation Approaches

During the quarter ended March 31, 2019, the following changes in valuation methodology occurred since December 31, 2018:

• We changed the valuation methodology of our securities of Phylagen, Inc., from the income approach to the market approach owing to indications of interest to purchase the shares in a secondary market transaction.

## NOTE 3. INDUSTRY DIVERSIFICATION

The following table shows the percentage of our net assets invested by industry as of March 31, 2019.

Industry	Value as of		Value as of	
	March 31, 2019	% of Net Assets	March 31, 2019	% of Net Assets
Application Software			\$2,547,974	3.0%
Unaffiliated Portfolio Companies	\$ 0	0.0%		
Non-Controlled Affiliated Portfolio Companies	2,547,974	3.0%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Asset Management & Custody Banks			150,000	0.2%
Unaffiliated Portfolio Companies	150,000	0.2%		
Non-Controlled Affiliated Portfolio Companies	0	0.0%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Biotechnology			3,500,430	4.1%
Unaffiliated Portfolio Companies	3,500,430	4.1%		
Non-Controlled Affiliated Portfolio Companies	0	0.0%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Communications Equipment			3,971,382	4.6%
Unaffiliated Portfolio Companies	3,971,382	4.6%		
Non-Controlled Affiliated Portfolio Companies	0	0.0%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Electronic Equipment & Instruments			1,883,114	2.2%
Unaffiliated Portfolio Companies	1,883,114	2.2%		
Non-Controlled Affiliated Portfolio Companies	0	0.0%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Electronic Components			2,441,549	2.8%
Unaffiliated Portfolio Companies	2,441,549	2.8%		
Non-Controlled Affiliated Portfolio Companies	0	0.0%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Fertilizers & Agricultural Chemicals			13,505,593	15.7%
Unaffiliated Portfolio Companies	0	0.0%		
Non-Controlled Affiliated Portfolio Companies	13,505,593	15.7%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Financial Exchanges & Data			10,963,625	12.8%
Unaffiliated Portfolio Companies	0	0.0%		
Non-Controlled Affiliated Portfolio Companies	10,963,625	12.8%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Health Care Equipment			2,335,099	2.7%
Unaffiliated Portfolio Companies	0	0.0%		
Non-Controlled Affiliated Portfolio Companies	2,335,099	2.7%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Health Care Technology			10,725,072	12.5%
Unaffiliated Portfolio Companies	112,500	0.1%		
Non-Controlled Affiliated Portfolio Companies	5,810,325	6.8%		
Controlled Affiliated Portfolio Companies	4,802,247	5.6%		

Industry	Value as of		Value as of	
	March 31, 2019	% of Net Assets	March 31, 2019	% of Net Assets
Life Sciences Tools & Services			\$3,917,576	4.6%
Unaffiliated Portfolio Companies	\$0	0.0%		
Non-Controlled Affiliated Portfolio Companies	3,917,576	4.6%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Oil & Gas Equipment & Services			82,626	0.1%
Unaffiliated Portfolio Companies	82,626	0.1%		
Non-Controlled Affiliated Portfolio Companies	0	0.0%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Pharmaceuticals			2,844,004	3.3%
Unaffiliated Portfolio Companies	2,028,746	2.4%		
Non-Controlled Affiliated Portfolio Companies	815,258	0.9%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Research & Consulting Services			735,192	0.9%
Unaffiliated Portfolio Companies	430,183	0.5%		
Non-Controlled Affiliated Portfolio Companies	305,009	0.4%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Semiconductors			10,236,495	11.9%
Unaffiliated Portfolio Companies	6,446,063	7.5%		
Non-Controlled Affiliated Portfolio Companies	3,790,432	4.4%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Specialty Chemicals			3,851,758	4.5%
Unaffiliated Portfolio Companies	3,465,366	4.0%		
Non-Controlled Affiliated Portfolio Companies	386,392	0.5%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Technology Hardware, Storage & Peripherals			10,236,212	11.9%
Unaffiliated Portfolio Companies	10,236,212	11.9%		
Non-Controlled Affiliated Portfolio Companies	0	0.0%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Total	\$83,927,701		\$83,927,701	

#### NOTE 4. COMMITMENTS AND CONTINGENCIES

On July 21, 2014, the Company invested in Accelerator IV-New York Corporation ("Accelerator"), a company that will identify emerging biotechnology companies for the Company to invest in directly. The investment consists of an operating capital commitment and an investment commitment to be invested in the identified portfolio companies over a five-year period. As of March 31, 2019, the Company had no remaining operating capital commitment and remaining unfunded investment commitment of \$475,025, or 15.0 percent, of the total investment commitment. The withdrawal of contributed capital is not permitted. The transfer or assignment of capital is subject to approval by Accelerator. During the quarter ended March 31, 2019, Accelerator did not call any investment capital.

If the Company defaults on the remaining investment commitment, the other investors may purchase the Company's shares of Accelerator and any tenant companies of the Accelerator, currently Cobra Therapeutics Corporation, Lodo Therapeutics Corporation, Magnolia Neurosciences Corporation and Petra Pharma Corporation, for \$0.001 per share. The combined value of Accelerator, Cobra Therapeutics Corporation, Lodo Therapeutics Corporation, Magnolia Neurosciences Corporation, and Petra Pharma Corporation is \$3,111,319, or \$0.10 per share as of March 31, 2019.



The Company's initial investment in Petra Pharma Corporation in December 15, 2015 was in a round of financing that included investment of additional capital of up to of \$260,504 upon achievement of certain quantitative and qualitative milestones and/or decisions by the board to waive such milestones. The Company invested \$116,601 of the \$260,504 in Petra Pharma Corporation in April 2019. Should these milestones be successfully achieved and/or the board votes to waive them and the Company decides to not invest such capital, the securities held by the Company in Petra Pharma Corporation may be subject to punitive action including, but not limited to, conversion from preferred stock to common stock and/or repurchase by the respective companies at a substantial discount to current carrying value. Additionally, portfolio companies may seek additional capital in the future and any decision by the Company to not participate in the round of financing could result in similar outcomes that could negatively impact the value of the Company's securities of those portfolio companies.

On September 24, 2009, we signed a ten-year lease for approximately 6,900 square feet of office space located at 1450 Broadway, New York, New York. On March 23, 2017, we signed a month-to-month lease for approximately 1,250 square feet of office space located at 7 N. Willow Street, Suite 4B, Montclair, New Jersey. Upon an event of default, the leases each provide that the landlord may terminate the lease and require us to pay all rent that would have been payable during the remainder of the lease or until the date the landlord re-enters the premises.

#### NOTE 5. SUBSEQUENT EVENTS

The Company has evaluated subsequent events as of March 31, 2019, through the date this quarterly schedule of portfolio holdings was issued, and include the following:

On April 22, 2019, the Company received a distribution of \$1.77 per share owned of TheStreet, Inc., or \$8,345,936. The Company also received carried interest of \$318,827 from the realized gain on the distribution received by TheStreet SPV Series - a Series of 180 Degree Capital Management, LLC.

## NOTE 6. INVESTMENTS IN AND ADVANCES TO AFFILIATES - SCHEDULE 12-14 (UNAUDITED)

Name of Issuer	Title of Issue or Nature of Indebtedness (A)	Amount of Dividends or Interest Credited to Income (B)	Net Realized Gain (Loss)	Value as of 12/31/2018	Gross Additions (C)	Gross Reductions (D)	Net Change in Unrealized Appreciation (Depreciation)	Value as of 3/31/2019
<b>CONTROLLED AFFILIATED PRIVATELY HELD COMPANIES (E):</b>								
HALE.life Corporation	Common Stock	\$ 0	\$ 0	\$146,462	\$0	\$(1,021 )	\$(1,021 )	\$145,441
	Series Seed-1							
	Convertible Preferred Stock	0	0	2,147,894	2,294	0	2,294	2,150,188
	Series Seed-2							
	Convertible Preferred Stock	0	0	2,500,871	5,747	0	5,747	2,506,618
Total Controlled Affiliated Privately Held Companies		\$ 0	\$ 0	\$4,795,227	\$8,041	\$(1,021 )	\$7,020	\$4,802,247
Total Controlled Affiliated Privately Held Companies		\$ 0	\$ 0	\$4,795,227	\$8,041	\$(1,021 )	\$7,020	\$4,802,247
<b>NON-CONTROLLED AFFILIATED PRIVATELY HELD COMPANIES (F):</b>								
ABSMaterials, Inc.	Series A							
	Convertible Preferred Stock	\$ 0	\$ 0	\$15,864	\$12,349	\$0	\$12,349	\$28,213
	Series B							
	Convertible Preferred Stock	0	0	286,562	0	(5,683 )	(5,683 )	280,879
	Secured							
	Convertible Bridge Note	2,466	0	152,134	0	(74,834 )	(77,300 )	77,300
AgBiome, LLC	Series A-1							
	Convertible Preferred Units	\$ 0	\$ 0	\$10,442,684	\$0	\$(82,825 )	\$(82,825 )	\$10,359,859
	Series A-2							
	Convertible Preferred Units	0	0	2,214,058	0	(16,220 )	(16,220 )	2,197,838



	Series B							
	Convertible	0	0	951,079	0	(3,183	) (3,183	) 947,896
	Preferred Units							
Black Silicon Holdings, Inc.	Series A							
	Convertible	\$ 0	\$ 0	\$0	\$0	\$0	\$0	\$0
	Preferred Stock							
	Series A-1							
	Convertible	0	0	0	0	0	0	0
	Preferred Stock							
	Series A-2							
	Convertible	0	0	0	0	0	0	0
	Preferred Stock							
	Series B-1							
Convertible	0	0	0	0	0	0	0	
Preferred Stock								
	Series C							
Convertible	0	0	0	0	0	0	0	
Preferred Stock								
	Secured							
	Convertible	0	0	476,187	97,747	0	97,747	573,934
	Bridge Notes							
	(G)							
Coba Therapeutics Corporation	Convertible	\$ 0	\$ 0	\$21,776	\$0	\$0	\$0	\$21,776
	Bridge Note							

Name of Issuer	Title of Issue or Nature of Indebtedness (A)	Amount of Dividends or Interest Credited to Income (B)	Net Realized Gain (Loss)	Value as of 12/31/2018	Gross Additions (C)	Gross Reductions (D)	Net Change in Unrealized Appreciation (Depreciation)	Value as of 3/31/2019
NON-CONTROLLED AFFILIATED PRIVATELY HELD COMPANIES (F):								
EchoPixel, Inc.	Series Seed Convertible Preferred Stock	\$0	\$ 0	\$ 1,201,023	\$ 121,575	\$0	\$ 121,575	\$ 1,322,598
	Series Seed-2 Convertible Preferred Stock	0	0	429,732	42,445	0	42,445	472,177
	Series A-2 Convertible Preferred Stock	0	0	499,616	40,708	0	40,708	540,324
Essential Health Solutions, Inc.	Common Stock	\$0	\$ 0	\$ 128,339	\$0	\$(1,789)	\$(1,789)	\$ 126,550
	Series A Convertible Preferred Stock	0	0	2,781,300	18,827	0	18,827	2,800,127
	Convertible Bridge Note	987	0	50,142	987	0	0	51,129
Lodo Therapeutics Corporation	Series A Convertible Preferred Stock	\$0	\$ 0	\$ 779,467	\$ 14,015	\$0	\$ 14,015	\$ 793,482
NGX Bio, Inc.	Series Seed Convertible Preferred Stock	\$0	\$ 0	\$ 17,273	\$0	\$(2,159)	\$(2,159)	\$ 15,114
	Series Seed 2 Convertible Preferred Stock	0	0	8,550	0	(1,069)	(1,069)	7,481
	Series Seed 3 Convertible Preferred Stock	0	0	17,256	0	(2,157)	(2,157)	15,099
ORIG3N, Inc.	Series 1 Convertible	\$0	\$ 0	\$ 1,232,502	\$0	\$(11,119)	\$(11,119)	\$ 1,221,383

	Preferred Stock Series A Convertible Preferred Stock	0	0	1,431,936	0	(9,686	) (9,686	) 1,422,250
	Series A-2 Convertible Preferred Stock	0	0	189,592	0	(706	) (706	) 188,886
Produced Water Absorbents, Inc.	Warrants for Common Stock	\$0	\$ 0	\$0	\$0	\$0	\$0	\$0
	Common Stock	0	0	0	0	0	0	0
	Senior Secured Debt (H)	(182,825	) 0	76,863	0	(76,863	) (123,405	) 0
TARA Biosystems, Inc.	Common Stock	\$0	\$ 0	\$659,162	\$94,410	\$0	\$94,410	\$753,572
	Series A Convertible Preferred Stock	0	0	2,842,393	321,611	0	321,611	3,164,004
Total Non-Controlled Affiliated Privately Held Companies		\$(179,372)	\$ 0	\$26,905,490	\$764,674	\$(288,293)	\$426,386	\$27,381,871

Name of Issuer	Title of Issue or Nature of Indebtedness (A)	Amount of Dividends or Interest Credited to Income (B)	Net Realized Gain (Loss)	Value as of 12/31/2018	Gross Additions (C)	Gross Reductions (D)	Net Change in Unrealized Appreciation (Depreciation)	Value as of 3/31/2019
<b>NON-CONTROLLED AFFILIATED PUBLICLY TRADED SECURITIES (F):</b>								
Intermolecular, Inc.	Common Stock	\$0	\$262	\$1,425,846	\$1,790,652	\$0	\$244,583	\$3,216,498
Synacor, Inc.	Common Stock	\$0	\$0	\$2,361,053	\$147,502	\$0	\$143,539	\$2,508,555
	Stock Options	0	0	0	39,419	0	39,419	39,419
TheStreet, Inc.	Common Stock	\$0	\$0	\$9,477,161	\$1,478,231	\$0	\$1,404,232	\$10,955,392
	Stock Options	0	0	4,495	3,738	0	3,738	8,233
	Restricted Stock Units	0	0	64,668	0	(64,668)	(64,668)	0
Total Non- Controlled Affiliated Publicly Traded Securities		\$0	\$262	\$13,333,223	\$3,459,542	\$(64,668)	\$1,770,843	\$16,728,097
Total Non- Controlled Affiliated Privately Held Companies and Publicly Traded Securities		\$(179,372)	\$262	\$40,238,713	\$4,224,216	\$(352,961)	\$2,197,229	\$44,109,968
<b>EQUITY METHOD PRIVATELY HELD COMPANY:</b>								
Accelerator IV-New York Corporation	Series A Common Stock	\$0	\$0	\$246,229	\$21,086	\$0	\$0	\$267,315
Total Equity Method Privately Held Company		\$0	\$0	\$246,229	\$21,086	\$0	\$0	\$267,315

(A) Common stock, warrants, membership units and, in some cases, preferred stock are generally non-income producing and restricted. The principal amount of debt and the number of shares of common and preferred stock and number of membership units are shown in the accompanying Consolidated Schedule of Investments as of March 31, 2019.

Represents the total amount of interest or dividends and yield enhancing fees on debt securities credited/(debited) to income for the portion of the period an investment was a control or affiliate investment, as appropriate.  
(B) Amounts credited to preferred or common stock represent accrued bridge note interest related to conversions that occurred during the period ended March 31, 2019.

Gross additions include increases in investments resulting from new portfolio investments, paid-in-kind interest or  
(C) dividends, the amortization of discounts and fees. Gross additions also include net increases in unrealized appreciation or decreases in unrealized depreciation.

Gross reductions include decreases in investments resulting from principal collections related to investment  
(D) repayments or sales, the amortization of premiums and acquisition costs. Gross reductions also include net increases in unrealized depreciation or decreases in unrealized appreciation.

"Controlled Affiliated" is defined as control of 50.1 percent or more of the voting securities outstanding and/or  
(E) 50.1 percent or more control of the appointment of members of the board of directors.

"Non-Controlled Affiliated" is defined as ownership of five percent or more, but less than 25 percent, of the voting  
(F) shares of the portfolio company, or where we hold the right to appoint one or more members to the portfolio company's board of directors, but less than 25 percent of the members of the board of directors.

- (G) Debt security is on non-accrual status as of April 1, 2018 and, therefore, is considered non-income producing as of the period ended March 31, 2019.
- (H) Debt security is on non-accrual status as of July 1, 2018 and, therefore, is considered non-income producing as of the period ended March 31, 2019.

\*\*Information related to the amount of equity in the net profit and loss for the period for the investments listed has not been included in this schedule. This information is not considered to be meaningful owing to the complex capital structures of the portfolio companies, with different classes of equity securities outstanding with different preferences in liquidation. These investments are not consolidated, nor are they accounted for under the equity method of accounting, with the exception of Accelerator IV-New York Corporation, which is accounted for under the equity method.

Line for Schedule of Investments	Method / Level	Primary Industry	# of Shares Purchased/Principal	Cost of TURN's Investment	Valuation
<b>CONTROLLED AFFILIATED COMPANIES</b>					
<b>PRIVATELY HELD COMPANIES</b>					
HALE.life Corporation		Health Care Technology			
Common Stock (acquired 3/1/16)	(I) (L3)		1,000,000	\$10	\$145,441
Series Seed-1 Convertible Preferred Stock (acquired 3/28/17)	(I) (L3)		11,000,000	1,896,920	2,150,188
Series Seed-2 Convertible Preferred Stock (acquired 12/28/18)	(I) (L3)		12,083,132	2,500,000	2,506,618
				\$4,396,930	\$4,802,247
Total Controlled Affiliated Privately Held Companies (5.6%)				\$4,396,930	\$4,802,247
<b>NON-CONTROLLED AFFILIATED COMPANIES</b>					
<b>PRIVATELY HELD COMPANIES</b>					
ABSMaterials, Inc.		Specialty Chemicals			
Series A Convertible Preferred Stock (acquired 2/17/10-10/24/11)	(I) (L3)		390,000	\$435,000	\$28,213
Series B Convertible Preferred Stock (acquired 11/8/13-6/25/14)	(I) (L3)		1,037,751	1,217,644	280,879
Secured Convertible Bridge Note, 8% PIK, (acquired 1/20/16, maturing 12/31/19)	(M) (L3)		\$ 100,000	125,578	62,789
Secured Convertible Bridge Note, 8% PIK, (acquired 3/28/17, maturing 12/31/19)	(M) (L3)		\$ 25,000	29,022	14,511
				\$1,807,244	\$386,392
AgBiome, LLC		Fertilizers & Agricultural Chemicals			
Series A-1 Convertible Preferred Units (acquired 1/30/13)	(I) (L3)		2,000,000	\$2,000,000	\$10,359,859
Series A-2 Convertible Preferred Units (acquired 4/9/13-10/15/13)	(I) (L3)		417,392	521,740	2,197,838
Series B Convertible Preferred Units (acquired 8/7/15)	(I) (L3)		160,526	500,006	947,896
				\$3,021,746	\$13,505,593
Black Silicon Holdings, Inc.		Semiconductors			
Series A Convertible Preferred Stock (acquired 8/4/15)	(M) (L3)		233,499	\$750,000	\$0
Series A-1 Convertible Preferred Stock (acquired 8/4/15)	(M) (L3)		2,966,667	890,000	0

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Series A-2 Convertible Preferred Stock (acquired 8/4/15)	(M) (L3)	4,207,537	2,445,000	0
Series B-1 Convertible Preferred Stock (acquired 8/4/15)	(M) (L3)	1,892,836	1,169,561	0
Series C Convertible Preferred Stock (acquired 8/4/15)	(M) (L3)	1,674,030	1,171,316	0
Secured Convertible Bridge Note, 8% PIK, (acquired 8/25/16, maturing 8/4/21)	(M) (L3)	\$ 1,278,453	1,444,368	573,934
			\$7,870,245	\$573,934



Line for Schedule of Investments	Method / Level	Primary Industry	# of Shares Purchased/Principal	Cost of TURN's Investment	Valuation
<b>NON-CONTROLLED AFFILIATED COMPANIES</b>					
<b>PRIVATELY HELD COMPANIES</b>					
Coba Therapeutics Corporation		Pharmaceuticals			
Unsecured Convertible Bridge Note, 6% PIK, (acquired 2/27/18, maturing 2/27/19)	(I) (L3)		\$ 145,530	\$ 151,606	\$ 21,776
EchoPixel, Inc.		Health Care Equipment			
Series Seed Convertible Preferred Stock (acquired 6/21/13-6/30/14)	(I) (L3)		4,194,630	\$ 1,250,000	\$ 1,322,598
Series Seed-2 Convertible Preferred Stock (acquired 1/22/16)	(I) (L3)		1,476,668	500,000	472,177
Series A-2 Convertible Preferred Stock (acquired 3/23/17)	(I) (L3)		1,471,577	350,000	540,324
				\$ 2,100,000	\$ 2,335,099
Essential Health Solutions, Inc.		Health Care Technology			
Common Stock (acquired 11/18/16)	(I) (L3)		200,000	\$ 20	\$ 126,550
Series A Convertible Preferred Stock (acquired 11/18/16)	(I) (L3)		2,750,000	2,750,000	2,800,127
Unsecured Convertible Bridge Note, 8% PIK, (acquired 12/19/18, maturing 12/19/19)	(M) (L3)		\$ 50,000	51,129	51,129
				\$ 2,801,149	\$ 2,977,806
Lodo Therapeutics Corporation		Pharmaceuticals			
Series A Convertible Preferred Stock (acquired 12/21/15-4/22/16)	(I) (L3)		658,190	\$ 658,190	\$ 793,482
NGX Bio, Inc.		Research & Consulting Services			
Series Seed Convertible Preferred Stock (acquired 6/6/14-1/10/16)	(I) (L3)		666,667	\$ 500,002	\$ 15,114
Series Seed 2 Convertible Preferred Stock (acquired 8/20/15-9/30/15)	(I) (L3)		329,989	499,999	7,481
Series Seed 3 Convertible Preferred Stock (acquired 6/26/17)	(I) (L3)		666,001	686,329	15,099
				\$ 1,686,330	\$ 37,694
ORIG3N, Inc.		Health Care Technology			
Series 1 Convertible Preferred Stock (acquired 2/5/15-8/5/15)	(H) (L3)		1,195,315	\$ 500,000	\$ 1,221,383
Series A Convertible Preferred Stock (acquired 11/25/15-9/7/16)	(H) (L3)		1,364,666	1,500,000	1,422,250
	(H) (L3)		176,386	200,002	188,886

Series A-2 Convertible Preferred Stock  
(acquired 5/11/17-2/8/18)

\$2,200,002 \$2,832,519

Line for Schedule of Investments	Method / Level	Primary Industry	# of Shares Purchased/Principal	Cost of TURN's Investment	Valuation
<b>NON-CONTROLLED AFFILIATED COMPANIES</b>					
<b>PRIVATELY HELD COMPANIES</b>					
Produced Water Absorbents, Inc.		Oil & Gas Equipment & Services			
Common Stock (acquired 4/30/16)	(M) (L3)		50,243,350	\$7,670,281	\$0
Warrants for Common Stock expiring upon liquidation event (acquired 4/30/16)	(M) (L3)		450,000	65,250	0
Senior Secured Debt, 15% commencing on 4/1/16, maturing on 12/31/19 (acquired 4/1/16)	(M) (L3)		\$ 2,533,766	\$2,370,222	0
				\$10,105,753	\$0
TARA Biosystems, Inc.		Life Sciences Tools & Services			
Common Stock (acquired 8/20/14)	(I) (L3)		2,000,000	\$20	\$753,572
Series A Convertible Preferred Stock (acquired 3/31/17)	(I) (L3)		6,878,572	2,545,493	3,164,004
				\$2,545,513	\$3,917,576
Total Non-Controlled Affiliated Privately Held Companies (31.9%)				\$34,947,778	\$27,381,871
<b>NON-CONTROLLED AFFILIATED COMPANIES</b>					
<b>PUBLICLY TRADED SECURITIES</b>					
Intermolecular, Inc.		Semiconductors			
Common Stock (acquired 11/9/18-3/29/19)	(M) (L3)		2,796,955	\$2,874,731	\$3,216,498
Synacor, Inc.		Application Software			
Common Stock (acquired 4/6/17-1/4/19)	(M) (L1)		1,597,806	\$4,342,358	\$2,508,555
Stock Options for Common Stock Expiring 2/28/29 (acquired 3/1/19)	(I) (L3)		50,000	0	39,419
				\$4,342,358	\$2,547,974
TheStreet, Inc.		Financial Exchanges & Data			
Common Stock (acquired 4/19/17-2/14/19)	(M) (L1)		4,701,885	\$5,023,733	\$10,955,392
Stock Options for Common Stock Expiring 1/1/25 (acquired 1/1/18)	(M) (L3)		3,333	0	2,933
Stock Options for Common Stock Expiring 5/18/25 (acquired 5/18/18)	(M) (L3)		10,000	0	5,300
				\$5,023,733	\$10,963,625

Total Non-Controlled Affiliated Publicly Traded Securities (19.5%)	\$12,240,822	\$16,728,097
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Line for Schedule of Investments	Method / Level	Primary Industry	# of Shares Purchased/Principal	Cost of TURN's Investment	Valuation
<b>EQUITY METHOD PRIVATELY HELD COMPANY</b>					
Accelerator IV-New York Corporation		Research & Consulting Services			
Series A Common Stock (acquired 7/21/14-12/12/18)	(E)		833,333	\$267,315	\$267,315
Total Equity Method Privately Held Company (0.3%)				\$267,315	\$267,315
Total Investments in Non-Controlled Affiliated Companies, Publicly Traded Securities and Equity Method Company (51.7%)				\$47,455,915	\$44,377,283
Total Investments in Controlled, Non-Controlled Affiliated Companies, Publicly Traded Securities and Equity Method Company (57.3%)				\$51,852,845	\$49,179,530

Item 2. Controls and Procedures.

(a) Based on an evaluation of the Registrant's Disclosure Controls and Procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, the "Disclosure Controls") as of a date within 90 days prior to the filing date (the "Filing Date") of this Form N-Q (the "Report"), the Chief Executive Officer (its principal executive officer) and Chief Financial Officer (its principal financial officer) have concluded that the Disclosure Controls are reasonably designed to ensure that information required to be disclosed by the Registrant in the Report is recorded, processed, summarized and reported by the Filing Date, including ensuring that information required to be disclosed in the Report is accumulated and communicated to the Registrant's management, including the Registrant's principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that occurred during the Registrant's last fiscal quarter that have materially affected or are reasonably likely to materially affect the Registrant's internal control over financial reporting.

Item 3. Exhibits.

Certifications of the principal executive officer and the principal financial officer pursuant to Rule 30a-2(a) under the Investment Company Act of 1940.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

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By: /s/ Daniel B. Wolfe

Name: Daniel B. Wolfe

Title: President and Chief Financial Officer

Date: May 1, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Kevin M. Rendino

Name: Kevin M. Rendino

Title: Chief Executive Officer

(Principal Executive Officer)

Date: May 1, 2019

By: /s/ Daniel B. Wolfe

Name: Daniel B. Wolfe

Title: President and Chief Financial Officer

(Principal Financial Officer)

Date: May 1, 2019