

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

FORM 10-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED December 31, 2016

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER: 814-00852

**GSV Capital Corp.**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State of incorporation)  
**2925 Woodside Road**  
**Woodside, CA**  
(Address of principal executive offices)

**27-4443543**  
(I.R.S. Employer Identification No.)

**94062**  
(Zip Code)

**(650) 235-4769**

(Registrant's telephone number, including area code)

**SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:**

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	Nasdaq Capital Market

**SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:**

**None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods as the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act) Yes  No

The aggregate market value of common stock beneficially owned by non-affiliates of the Registrant on June 30, 2016, based on the closing price on that date of \$5.02 on the Nasdaq Capital Market, was \$110,749,217. For the purposes of calculating this amount only, all directors and executive officers of the Registrant have been treated as affiliates. There were 22,181,003 shares of the Registrant's common stock outstanding as of March 16, 2017.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's definitive proxy statement relating to the registrant's 2017 annual meeting of stockholders (the "2017 Proxy Statement"), to be filed with the Securities and Exchange Commission (the "SEC") within 120 days following the end of our fiscal year, are incorporated by reference in Part III of this annual report on Form 10-K as indicated herein.

---

---

TABLE OF CONTENTS

GSV CAPITAL CORP.

TABLE OF CONTENTS

	<u>PAGE</u>
<b>PART I.</b>	
<a href="#">Item 1. Business</a>	<a href="#">1</a>
<a href="#">Item 1A. Risk Factors</a>	<a href="#">23</a>
<a href="#">Item 1B. Unresolved Staff Comments</a>	<a href="#">46</a>
<a href="#">Item 2. Properties</a>	<a href="#">46</a>
<a href="#">Item 3. Legal Proceedings</a>	<a href="#">46</a>
<a href="#">Item 4. Mine Safety Disclosures</a>	<a href="#">46</a>
<b>PART II.</b>	
<a href="#">Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</a>	<a href="#">47</a>
<a href="#">Item 6. Selected Financial Data</a>	<a href="#">50</a>
<a href="#">Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations</a>	<a href="#">52</a>
<a href="#">Item 7A. Quantitative and Qualitative Disclosures About Market Risk</a>	<a href="#">71</a>
<a href="#">Item 8. Financial Statements and Supplementary Data</a>	<a href="#">72</a>
<a href="#">Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</a>	<a href="#">119</a>
<a href="#">Item 9A. Controls and Procedures</a>	<a href="#">119</a>
<a href="#">Item 9B. Other Information</a>	<a href="#">121</a>
<b>PART III.</b>	
<a href="#">Item 10. Directors, Executive Officers and Corporate Governance</a>	<a href="#">122</a>
<a href="#">Item 11. Executive Compensation</a>	<a href="#">122</a>
<a href="#">Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</a>	<a href="#">122</a>
<a href="#">Item 13. Certain Relationships and Related Transactions, and Director Independence</a>	<a href="#">122</a>
<a href="#">Item 14. Principal Accounting Fees and Services</a>	<a href="#">122</a>
<b>PART IV.</b>	
<a href="#">Item 15. Exhibits and Financial Statement Schedules</a>	<a href="#">123</a>
<a href="#">Signatures</a>	<a href="#">133</a>

## PART I

### Item 1. Business

#### GSV Capital

GSV Capital Corp. (the “Company,” “we,” “our” or “GSV Capital”) is an externally managed, non-diversified closed-end management investment company that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended (the “1940 Act”). Our investment objective is to maximize our portfolio’s total return, principally by seeking capital gains on our equity and equity-related investments. We invest principally in the equity securities of what we believe to be rapidly growing venture-capital-backed emerging companies. We acquire our investments through direct investments in prospective portfolio companies, secondary marketplaces for private companies and negotiations with selling stockholders. We may also invest on an opportunistic basis in select publicly traded equity securities or certain non-U.S. companies that otherwise meet our investment criteria. Our investment activities are managed by our investment adviser, GSV Asset Management, LLC (“GSV Asset Management”), and our administrator, GSV Capital Service Company, LLC (“GSV Capital Service Company”), provides the administrative services necessary for us to operate.

Our investment philosophy is based on a disciplined approach of identifying potentially high-growth emerging companies across several key industry themes which may include, among others, social mobile, cloud computing and big data, internet commerce, sustainability and education technology. GSV Asset Management’s investment decisions are based on a disciplined analysis of available information regarding each potential portfolio company’s business operations, focusing on the company’s growth potential, the quality of recurring revenues and cash flow and cost structures, as well as an understanding of key market fundamentals. Venture capital funds or other financial or strategic sponsors have invested in the vast majority of the companies that GSV Asset Management evaluates.

We seek to deploy capital primarily in the form of non-controlling equity and equity-related investments, including common stock, warrants, preferred stock and similar forms of senior equity, which may or may not be convertible into a portfolio company’s common equity, and convertible debt securities with a significant equity component. Typically, our preferred stock investments are non-income producing, have different voting rights than our common stock investments and are generally convertible into common stock at our discretion.

We seek to create a low-turnover portfolio that includes investments in companies representing a broad range of investment themes.

Our common stock is traded on the Nasdaq Capital Market under the symbol “GSVC”. The net asset value per share of our common stock on December 31, 2016 was \$8.66. On March 15, 2017, the last reported sale price of a share of our common stock on the Nasdaq Capital Market was \$5.37.

#### About GSV Asset Management

Our investment activities are managed by GSV Asset Management, an investment adviser registered under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). GSV Asset Management is led by Michael T. Moe, our Chief Executive Officer and Chairman of our board of directors. Mr. Moe is assisted by William Tanona, our Chief Financial Officer, Treasurer and Corporate Secretary, and Mark Flynn, our President, all of whom, along with Luben Pampoulov, partner of GSV Asset Management, we refer to collectively as GSV Asset Management’s senior investment professionals. Mr. Moe co-founded and previously served as Chairman and Chief Executive officer of ThinkEquity Partners, an asset management and investment banking firm focusing on venture capital, entrepreneurial and emerging private companies. Prior to founding ThinkEquity, Mr. Moe served as Head of Global Growth Research at Merrill Lynch and before that served as Head of Growth Research and Strategy at Montgomery Securities.

We believe we benefit from the ability of GSV Asset Management’s senior investment professionals to identify attractive investment opportunities, conduct diligence on and value prospective investments, negotiate terms, and manage and monitor a portfolio of those investments. GSV Asset Management’s senior investment professionals have broad investment backgrounds, with prior experience at investment banks, commercial banks, unregistered investment funds and other financial services companies, and have collectively developed a broad network of contacts that provides us with an important source of investment opportunities.

## TABLE OF CONTENTS

We pay GSV Asset Management a fee for its services under the Amended and Restated Investment Advisory Agreement (the “Investment Advisory Agreement”), which consists of two components — a base management fee and an incentive fee. See “— Investment Advisory Agreement.”

### **Investment Opportunity**

We believe that society is experiencing a convergence of numerous disruptive trends, producing new high-growth markets. For example, the growth of both social networking and connected mobile devices, such as smartphones and tablets, has opened up new channels for communication and real-time collaboration. The number of devices and people that regularly connect to the Internet has increased in recent years, generating significant demand for always accessible, personalized and localized content and real-time online interactivity. Similarly, the advent of education technology, and insights with respect to how, and what, people learn, are also disrupting the traditional educational sector. These factors are creating opportunities for new market participants and significant growth for established companies with leading positions capitalizing on these trends.

At the same time, we believe that the initial public offering (“IPO”) markets have experienced substantial structural changes which have made it significantly more challenging for private companies to go public. Volatile equity markets, a lack of investment research coverage for private and smaller companies and investor demand for a longer history of revenue and earnings growth have resulted in companies staying private significantly longer than in the past. In addition, increased public company compliance obligations such as those imposed by the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”) and the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) have made it more costly and less attractive to become a public company. As a result, there are significantly fewer IPOs today than there were during the 1990s, with prospective public companies taking longer to come to market.

### **Investment Strategy**

We seek to maintain our portfolio of potentially high-growth emerging private companies via a repeatable and disciplined investment approach, as well as to provide investors with access to such companies through our publicly traded common stock.

Our investment objective is to maximize our portfolio’s total return, principally by seeking capital gains on our equity and equity-related investments. We have adopted the following business strategies to achieve our investment objective:

- **Identify high quality growth companies.** Based on our extensive experience in analyzing technology trends and markets, we have identified the technology sub-sectors of social mobile, cloud computing and big data, internet commerce, sustainability and education technology, as opportunities where we believe companies are capable of producing substantial growth. We rely on our collective industry knowledge as well as an understanding of where leading venture capitalists are investing.

We leverage a combination of our relationships throughout Silicon Valley and our independent research to identify leaders in our targeted sub-sectors that we believe are differentiated and best positioned for sustained growth. Our evaluation process is based on what we refer to as “the four P’s”:

- **People** — Organizations led by strong management teams with in-depth operational focus
- **Product** — Differentiated and disruptive products with leading market positioning
- **Potential** — Large addressable markets
- **Predictability** — Ability to forecast and drive predictable and sustainable growth

## TABLE OF CONTENTS

We consider these to be the core elements for identifying rapidly growing emerging companies.

- **Acquire positions in targeted investments.** We seek to add to our portfolio by sourcing investments at an acceptable price through our disciplined investing strategy. To this end, we utilize multiple methods to acquire equity stakes in private companies that are not available to many individual investors.

*Direct equity investments.* We seek direct investments in private companies. There is a large market among emerging private companies for equity capital investments. Many of these companies, particularly within the technology sector, lack the necessary cash flows to sustain substantial amounts of debt, and therefore have viewed equity capital as a more attractive long-term financing tool. We seek to be a source of such equity capital as a means of investing in these companies and look for opportunities to invest alongside other venture capital and private equity investors with whom we have established relationships.

*Private secondary marketplaces and direct share purchases.* We also utilize private secondary marketplaces as a means to acquire equity and equity-related interests in privately held companies that meet our investment criteria and that we believe are attractive candidates for investment. We believe that such markets offer new channels for access to equity investments in private companies and provide a potential source of liquidity should we decide to exit an investment. In addition, we also purchase shares directly from stockholders, including current or former employees. As certain companies grow and experience significant increased value while remaining private, employees and other stockholders may seek liquidity by selling shares directly to a third party or to a third party via a secondary marketplace. Sales of shares in private companies are typically restricted by contractual transfer restrictions and may be further restricted by provisions in company charter documents, investor rights of first refusal and co-sale and company employment and trading policies, which may impose strict limits on transfer. We believe that the reputation of GSV Asset Management's investment professionals within the industry and established history of investing affords us a favorable position when seeking approval for a purchase of shares subject to such limitations.

- **Create access to a varied investment portfolio.** We seek to hold a varied portfolio of non-controlling equity investments, which we believe will minimize the impact on our portfolio of a negative downturn at any one specific company. We believe that our relatively varied portfolio will provide a convenient means for accredited and non-accredited individual investors to obtain access to an asset class that has generally been limited to venture capital, private equity and similar large institutional investors.

### Competitive Advantages

We believe that we benefit from the following competitive advantages in executing our investment strategy:

- **Experienced team of investment professionals.** GSV Asset Management's senior investment professionals and our board of directors have significant experience researching and investing in the types of potentially rapidly growing venture-capital-backed emerging companies we are targeting for investment. Through our proprietary company-evaluation process, including our identification of technology trends and themes and company research, we believe we have developed important insight into identifying and valuing emerging private companies.
- **Disciplined and repeatable investment process.** We have established a disciplined and repeatable process to locate and acquire available shares at attractive valuations by utilizing multiple sources. In contrast to industry "aggregators" that accumulate stock at market prices, we conduct valuation analyses and make acquisitions only when we can invest at valuations that we believe are attractive to our investors.
- **Deep relationships with significant credibility to source and complete transactions.** GSV Asset Management, including its senior investment professionals, are strategically located in the heart of Silicon Valley in Woodside, California. During the course of over two decades of researching and investing in emerging private companies, GSV Asset Management's senior investment professionals

## TABLE OF CONTENTS

have developed strong reputations within the investing community, particularly within technology-related sectors. GSV Asset Management’s senior investment professionals have also developed strong relationships in the financial, investing and technology-related sectors.

- **Source of permanent investing capital.** As a publicly traded corporation, we have access to a source of permanent equity capital that we can use to invest in portfolio companies. This permanent equity capital is a significant differentiator from other potential investors that may be required to return capital to stockholders on a defined schedule. We believe that our ability to invest on a long-term time horizon makes us attractive to companies looking for strong, stable owners of their equity.
- **Early mover advantage.** We believe we are one of the few publicly traded business development companies with a specific focus on investing in potentially rapidly growing venture-capital-backed emerging companies. The transactions that we have executed to date since our IPO have helped to establish our reputation with the types of secondary sellers and emerging companies that we target for investment. We have leveraged a number of relationships and channels to acquire the equity of private companies. As we continue to grow our portfolio with attractive investments, we believe that our reputation as a committed partner will be further enhanced, allowing us to source and close investments that would otherwise be unavailable. We believe that these factors collectively differentiate us from other potential investors in private company securities and will serve our goal to complete equity transactions in compelling private companies at attractive valuations.

### **Operating and Regulatory Structure**

We were formed as a Maryland corporation and as an externally managed, non-diversified closed-end management investment company. We completed our IPO in May 2011 and have elected to be regulated as a business development company under the 1940 Act. As a business development company, we are required to meet regulatory tests, including the requirement to invest at least 70% of our gross assets in “qualifying assets.” Qualifying assets generally include, among other things, securities of “eligible portfolio companies.” “Eligible portfolio companies” generally include U.S. companies that are not investment companies and that do not have securities listed on a national exchange. If at any time less than 70% of our gross assets are comprised of qualifying assets, including as a result of an increase in the value of any non-qualifying assets or decrease in the value of any qualifying assets, we would generally not be permitted to acquire any additional non-qualifying assets until such time as 70% of our then-current gross assets were comprised of qualifying assets. We would not be required, however, to dispose of any non-qualifying assets in such circumstances. See “– Regulation as a Business Development Company.”

We have elected to be treated as a regulated investment company (“RIC”) under subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”), and expect to continue to operate in a manner so as to qualify for the tax treatment applicable to RICs. See “— Material U.S. Federal Income Tax Considerations” and “Note 1 — Nature of Operations and Significant Accounting Policies — Summary of Significant Accounting Policies — U.S. Federal and State Income Taxes” and “Note 8 — Income Taxes” to our consolidated financial statements for the year ended December 31, 2016 for more information.

Our investment activities are managed by GSV Asset Management and supervised by our board of directors. GSV Asset Management is an investment adviser registered under the Advisers Act. Under the Investment Advisory Agreement, we have agreed to pay GSV Asset Management an annual base management fee based on our gross assets as well as an incentive fee based on our performance. See “— Investment Advisory Agreement.” We have also entered into an administration agreement under which we have agreed to reimburse GSV Capital Service Company for our allocable portion of overhead and other expenses incurred (the “Administration Agreement”).

## **Investment Process**

### ***Concentrated Technology-related Focus***

During the course of over two decades of researching and investing in non-public companies, we have identified five areas from which we expect to see significant numbers of high-growth companies emerge: new media, communication, alternative energy, education technology, and the consumerization of information technology. These broad markets have the potential to produce disruptive technologies, reach a large addressable market and provide significant commercial opportunities. Within these areas we have identified broad trends that could create significant positive effects on growth such as globalization, consolidation, branding, convergence and network effects. From within these broad technology themes, we have selected five sub-segments in which we target companies for investment: social mobile, cloud computing and big data, internet commerce, sustainability and education technology. We remain focused on selecting market leaders within the sub-segments we have identified, while continuing to review our pipeline to ensure we are tracking the next phase of leaders.

### ***Investment Targeting and Screening***

We identify prospective portfolio companies through an extensive network of relationships developed by GSV Asset Management's senior investment professionals, supplemented by the knowledge and relationships of our board of directors. Investment opportunities that fall within our identified themes are validated against the observed behavior of leading venture capitalists and through our own internal and external research. We evaluate potential portfolio companies across a spectrum of criteria, including "the four Ps," industry positioning and leadership, stage of growth, and several other factors that collectively characterize our proprietary investment process. We typically seek to invest approximately 90% of our portfolio in well-established, late stage companies and the remaining approximately 10% in emerging companies that fit within our targeted areas, where we see the potential for higher returns from early investment. Based on our initial screening, we identify a select set of companies that we evaluate in greater depth.

### ***Research and Due Diligence Process***

Once we identify those companies that we believe warrant more in-depth analysis, we focus on their revenue growth, revenue quality and sustainability and earnings growth, as well as other metrics that may be strongly correlated with higher valuations. We also focus on the company's management team and any significant financial sponsor, their current business model, competitive positioning, regulatory and legal issues, the quality of any intellectual property and other investment-specific due diligence. Each prospective portfolio company that passes our initial due diligence review is given a qualitative ranking to allow us to evaluate it against others in our pipeline, and we review and update these companies on a regular basis.

Our due diligence process will vary depending on whether we are investing through a private secondary transaction on a marketplace or with a selling stockholder or by direct equity investment. We access information on our potential investments through a variety of sources, including information made available on secondary marketplaces, publications by private company research firms, industry publications, commissioned analysis by third-party research firms, and, to a limited extent, directly from the company or financial sponsor. We utilize a combination of each of these sources to help us set a target value for the companies we ultimately select for investment.

### ***Portfolio Construction and Sourcing***

Upon completion of our research and due diligence process, we select investments for inclusion in our portfolio based on their relative qualitative ranking, fundamentals and valuation. We seek to create a relatively varied portfolio that we expect will include investments in companies representing a broad range of investment themes. We generally choose to pursue specific investments based on the availability of shares and valuation expectations. We utilize a combination of secondary marketplaces, direct purchases from stockholders and direct equity investments in order to make investments in our portfolio companies. Once we have established an initial position in a portfolio company, we may choose to increase our stake through subsequent purchases. Maintaining a balanced portfolio is a key to our success, and as a result we constantly evaluate the composition of our investments and our pipeline to ensure we are exposed to a diverse set of companies within our target segments.

## TABLE OF CONTENTS

### **Transaction Execution**

We enter into purchase agreements for substantially all of our private company portfolio investments. Private company securities are typically subject to contractual transfer limitations, which may, among other things, give the issuer, its assignees and/or its stockholders a particular period of time, often 30 days or more, in which to exercise a veto right, or a right of first refusal over, the sale of such securities. Accordingly, the purchase agreements we enter into for secondary transactions typically require the lapse or satisfaction of these rights as a condition to closing. Under these circumstances, we may be required to deposit the purchase price into escrow upon signing, with the funds released to the seller at closing or returned to us if the closing conditions are not met.

### **Risk Management and Monitoring**

We monitor the financial trends of each portfolio company to assess our exposure to individual companies as well as to evaluate overall portfolio quality. We establish valuation targets at the portfolio level and for gross and net exposures with respect to specific companies and industries within our overall portfolio. In cases where we make a direct investment in a portfolio company, we may also obtain board positions, board observation rights and/or information rights from that portfolio company in connection with our equity investment. We regularly monitor our portfolio for compliance with the diversification requirements for purposes of maintaining our status as a 1940 Act business development company and a RIC for tax purposes.

### **Portfolio Overview**

The following table shows the fair value of our portfolio of investments by asset class as of December 31, 2016, and 2015:

	December 31, 2016		December 31, 2015	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
<b>Private Portfolio Companies:</b>				
Common Stock	\$ 83,074,410	28.4%	\$102,319,140	26.7%
Preferred Stock	162,238,879	55.6	216,291,092	56.4
Debt Investments	7,821,948	2.6	4,175,859	1.1
Warrants	150,904	0.1	469,306	0.1
<b>Subtotal – Private Portfolio Companies</b>	<b>253,286,141</b>	<b>86.7</b>	<b>323,255,397</b>	<b>84.3</b>
<b>Publicly Traded Portfolio Companies:</b>				
Common Stock	8,729,005	3.0	26,553,370	6.9
<b>Total Private and Publicly Traded Portfolio Companies</b>	<b>262,015,146</b>	<b>89.7</b>	<b>349,808,767</b>	<b>91.2</b>
<b>Non-Portfolio Investments</b>	<b>29,998,490</b>	<b>10.3</b>	<b>33,676,693</b>	<b>8.8</b>
Total Investments	\$292,013,636	100.0%	\$383,485,460	100.0%

### **Managerial Assistance**

As a business development company, we are required to offer, and in some cases may provide and be paid for, significant managerial assistance to portfolio companies. This assistance typically involves monitoring the operations of portfolio companies, participating in their board and management meetings, consulting with and advising their officers and providing other organizational and financial guidance. GSV Asset Management will provide such managerial assistance on our behalf to portfolio companies that request assistance. We may receive fees for these services and will reimburse GSV Asset Management for its allocated costs in providing such assistance, subject to review by our board of directors, including our independent directors.

### **Competition**

Our primary competitors include specialty finance companies including late stage venture capital funds, private equity funds, other crossover funds, public funds investing in private companies and business development companies. Many of these entities have greater financial and managerial resources than we will have. For additional information concerning the competitive risks we face, see “Risk Factors — Risks Related to Our Business and Structure.”

## **Employees**

Our executive officers receive no direct compensation from us, and we have no direct employees. Our day-to-day investment operations are managed by GSV Asset Management. In addition, we reimburse GSV Capital Service Company for an allocable portion of expenses incurred by it in performing its obligations under the Administration Agreement, including a portion of the rent and the compensation of our President, Chief Financial Officer, Chief Compliance Officer and other staff providing administration services. Carl Rizzo, our Chief Compliance Officer, is a director of Alaric Compliance Services LLC and performs his functions as our Chief Compliance Officer under the terms of an agreement between GSV Capital Service Company and Alaric Compliance Services LLC. GSV Capital Service Company has retained Mr. Rizzo and Alaric Compliance Services LLC pursuant to its obligations under the Administration Agreement. See “— Administration Agreement.”

## **Determination of Net Asset Value**

We determine the net asset value of our investment portfolio after the conclusion of each fiscal quarter in connection with the preparation of our annual and quarterly reports filed under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or more frequently if required under the 1940 Act.

Securities that are publicly traded are generally valued at the close price on the valuation date; however, if they remain subject to lock-up restrictions they are discounted accordingly. Securities that are not publicly traded or for which there are no readily available market quotations, including securities that trade on secondary markets for private securities, are valued at fair value as determined in good faith by our board of directors. In connection with that determination, members of GSV Asset Management’s portfolio management team will prepare portfolio company valuations using, when available, the most recent portfolio company financial statements and forecasts. We also engage an independent valuation firm to perform independent valuations of our investments that are not publicly traded or for which there are no readily available market quotations. We may also engage an independent valuation firm to perform independent valuations of any securities that trade on private secondary markets, but are not otherwise publicly traded, where there is a lack of appreciable trading or a wide disparity in recently reported trades.

For those securities that are not publicly traded or for which there are no readily available market quotations, our board of directors, with the assistance of its valuation committee (the “Valuation Committee”), will use the recommended valuations as prepared by management and the independent valuation firm, respectively, as a component of the foundation for its final fair value determination. Due to the uncertainty inherent in the valuation process, such estimates of fair value may differ significantly from the values that would have resulted had others made the determination using the same or different procedures or had a readily available market for the securities existed, and the differences could be material. Additionally, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the gains or losses implied by the valuation currently assigned to such investments. For those investments that are publicly traded, we generally record unrealized appreciation or depreciation based on changes in the market value of the securities as of the valuation date. Publicly traded securities that remain subject to lock-up restrictions are discounted accordingly. For those investments that are not publicly traded and for which there are no readily available market quotations, we record unrealized depreciation on such investments when we believe that an investment has become impaired and record unrealized appreciation if we believe that the underlying portfolio company has appreciated in value and our equity security has also appreciated in value. Changes in fair value are recorded in the consolidated statement of operations as the net change in unrealized appreciation or depreciation.

We generally determine the fair value of our investments by considering a number of factors. The following represent factors that, among others, could impact our fair value determinations:

1. Public trading of our portfolio securities, taking into consideration lock-up requirements and liquidity;
2. Active trading of our portfolio securities on a private secondary market, where we have determined that there is meaningful volume and the transactions are considered arm’s length by sophisticated investors;

## TABLE OF CONTENTS

3. Qualified funding rounds in the companies in which we are invested, where there is meaningful and reputable information available on size, valuation and investors; and
4. Additional investments by us in current portfolio companies, where the price of the new investment differs materially from prior investments.

There is inherent subjectivity in determining the fair value of our investments. In addition, we will accrue as a liability, each time we calculate net asset value, the amount we may owe GSV Asset Management for the income incentive fee and the capital gains incentive fee, the latter of which is based on the amount of unrealized and realized capital appreciation. We expect that most of our portfolio investments, other than those for which market quotations are readily available and that may be sold without restriction, will be valued at fair value as determined in good faith by our board of directors, with the assistance of our Valuation Committee. Furthermore, when calculating net asset value, we also consider our recognition of a deferred tax liability for unrealized gains on investments for those investments held in our taxable subsidiaries. Refer to “Note 1 — Nature of Operations and Significant Accounting Policies” to our consolidated financial statements for the year ended December 31, 2016 for a list of our taxable subsidiaries.

### **Investment Advisory Agreement**

#### ***Management Services***

GSV Asset Management serves as our investment adviser. GSV Asset Management is registered as an investment adviser under the Advisers Act. Subject to the overall supervision of our board of directors, GSV Asset Management manages our day-to-day operations and provides us with investment advisory services. Under the terms of the Investment Advisory Agreement, GSV Asset Management:

- determines the composition of our portfolio, the nature and timing of the changes to our portfolio and the manner of implementing such changes;
- determines what securities we will purchase, retain or sell;
- performs due diligence on prospective portfolio companies;
- identifies, evaluates and negotiates the structure of the investments we make;
- closes, monitors and services the investments we make; and
- provides us with such other investment advisory, research and related services as we, from time to time, reasonably require for the investment of our funds.

GSV Asset Management’s services under the Investment Advisory Agreement are not exclusive, and it is free to furnish similar services to other entities so long as its services to us are not impaired. For example, as of March 16, 2017, GSV Asset Management also manages Coursera@GSV Fund, LP and Coursera@GSV-EDBI Fund, LP, special purpose vehicles each comprised of an underlying investment in Coursera stock (collectively, the “Coursera Funds”), and serves as sub-adviser for certain investment series of GSV Ventures I LLC, GSV Ventures II LLC, GSV Ventures III LLC, GSV Ventures IV LLC, GSV Ventures V LLC and GSV Ventures VI LLC, each a venture capital and growth equity fund (collectively, the “GSV Ventures Funds”), and will likely manage one or more private funds, or series within such private funds, in the future. We have no ownership interests in the Coursera Funds or the GSV Ventures Funds sub-advised by GSV Asset Management.

While the investment focus of each of these entities, including the Coursera Funds and the GSV Ventures Funds, may be different from our investment objective, it is likely that new investment opportunities that meet our investment objective will come to the attention of one of these entities, or new entities that will likely be formed in the future in connection with another investment advisory client or program, and, if so, such opportunity might not be offered, or otherwise made available, to us. However, our executive officers, directors and investment adviser, GSV Asset Management, intend to treat us in a fair and equitable manner consistent with their applicable duties under law so that we will not be disadvantaged in relation to any other particular client. In addition, while GSV Asset Management anticipates that it will from time to time identify investment opportunities that are appropriate for both us and the other funds that are currently, or in the future may be, managed by GSV Asset Management, to the extent it does identify such opportunities, GSV Asset

## TABLE OF CONTENTS

Management has established an allocation policy to ensure that we have priority over such other funds. Our Chief Compliance Officer as well as our board of directors will monitor on a quarterly basis any such allocation of investment opportunities between us and any such other funds.

### ***Management Fees***

We pay GSV Asset Management a fee for its services under the Investment Advisory Agreement consisting of two components — a base management fee and an incentive fee. The cost of both the base management fee payable to GSV Asset Management, and any incentive fees earned by GSV Asset Management, are ultimately borne by our common stockholders. In aggregate, we paid GSV Asset Management \$26,973,242 under the Investment Advisory Agreement during the fiscal years ended December 31, 2016, 2015, and 2014.

Under the terms of the Investment Advisory Agreement, the base management fee is calculated at an annual rate of 2.00% of our gross assets, which is our total assets as reflected on our balance sheet (with no deduction for liabilities). Effective January 1, 2017 through December 31, 2017, however, pursuant to a voluntary waiver by GSV Asset Management, we will pay GSV Asset Management a base management fee of 1.75%, a 0.25% reduction from the 2.0% base management fee payable under the Investment Advisory Agreement. This waiver of a portion of the base management fee is not subject to recourse against or reimbursement by us. For the years ended December 31, 2016, 2015, and 2014, the base management fee has been payable monthly in arrears, and was calculated based on the average value of our gross assets at the end of the two most recently completed calendar quarters, and appropriately adjusted for any equity or debt capital raises, repurchases or redemptions during the current calendar quarter.

### ***Incentive Fees***

The incentive fee is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), and is equal to the lesser of:

- 20% of our realized capital gains during such calendar year, if any, calculated on an investment-by-investment basis, subject to a non-compounded preferred return, or “hurdle,” and a “catch-up” feature, and
- 20% of our realized capital gains, if any, on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid incentive fees.

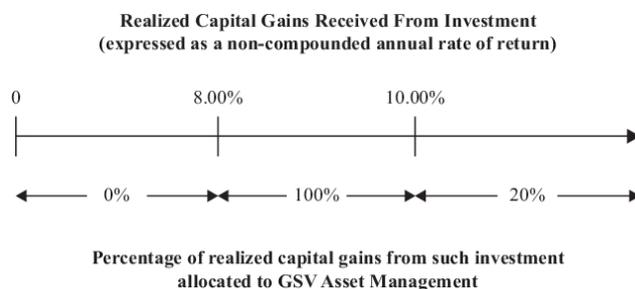
Our realized capital gains from each investment, expressed as a non-compounded annual rate of return on the cost of such investment since we initially acquired it, will be compared to a hurdle rate of 8.00% per year. We will only pay an incentive fee on any realized capital gains from an investment that exceeds the hurdle rate. We will pay GSV Asset Management an incentive fee with respect to our realized capital gains from each investment as follows:

- No incentive fee is payable on the amount of any realized capital gains from an investment that, when expressed as a non-compounded annual rate of return on the cost of such investment since we initially acquired it, does not exceed the hurdle rate of 8.00% per year.
- We pay as an incentive fee 100% of the amount of any realized capital gains from an investment that, when expressed as a non-compounded annual rate of return on the cost of such investment since we initially acquired it, exceeds the hurdle rate of 8.00% per year but is less than a rate of 10.00% per year. We refer to this portion of our realized capital gains from each investment (which exceeds the hurdle rate but is less than 10.00%) as the “catch-up.” The “catch-up” is meant to provide GSV Asset Management with 20% of the amount of our realized capital gains from an investment that, when expressed as a non-compounded annual rate of return on the cost of such investment since we initially acquired it, exceeds a rate of 10.00% per year.
- We pay as an incentive fee 20% of the amount of any realized capital gains from an investment that, when expressed as a non-compounded annual rate of return on the cost of such investment since we initially acquired it, exceeds a rate of 10.00% per year.

## TABLE OF CONTENTS

In no event, however, will we pay an incentive fee for any calendar year that exceeds 20% of our realized capital gains, if any, on a cumulative basis from inception through the end of such calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid incentive fees. Refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Related-Party Transactions” for details of incentive fees paid and accrued.

The following is a graphical representation of the calculation of our incentive fee with respect to a single investment:



For accounting purposes, in order to reflect the theoretical capital gains incentive fee that would be payable for a given period as if all unrealized gains were realized, we are required to accrue a capital gains incentive fee based upon realized capital gains and losses during the current calendar year through the end of the period, plus any unrealized capital appreciation and depreciation as of the end of the period. It should be noted that a fee so calculated and accrued would not necessarily be payable under the Investment Advisory Agreement, and may never be paid based upon the computation of capital gains incentive fees in subsequent periods. Amounts paid under the Investment Advisory Agreement will be consistent with the formula reflected in the Investment Advisory Agreement.

We seek to deploy capital primarily in the form of non-controlling investments in our portfolio companies. Although we primarily invest through private secondary markets, to the extent we make a direct minority investment in a portfolio company, neither we, nor our investment adviser, GSV Asset Management, may have the ability to control the timing of when we realize capital gains or losses with respect to such investment. We expect the timing of such realization events to be determined by our portfolio companies in such cases. To the extent we have non-minority investments, or the securities we hold are traded on a private secondary market or public securities exchange, GSV Asset Management will have greater control over the timing of a realization event. In such cases, our board of directors will monitor such investments in connection with their general oversight of the investment management services provided by GSV Asset Management. In addition, as of the end of each fiscal quarter, we will evaluate whether the cumulative aggregate unrealized appreciation on our portfolio would be sufficient to require us to pay an incentive fee to GSV Asset Management if such unrealized appreciation were actually realized as of the end of such quarter, and if so, we will accrue an expense equal to the amount of such incentive fee. Any such accrual of incentive fees will be reflected in the calculation of our net asset value.

### ***Payment of our Expenses***

Our primary operating expenses are the payment of a base management fee and any incentive fees under the Investment Advisory Agreement and the allocable portion of overhead and other expenses incurred by GSV Capital Service Company in performing its obligations under the Administration Agreement. Our base management fee compensates GSV Asset Management for its work in identifying, evaluating, negotiating, executing and servicing our investments. We bear all other expenses of our operations and transactions, including (without limitation) fees and expenses relating to: expenses of offering our debt and equity securities; the investigation and monitoring of our investments, including expenses and travel fees incurred in connection with on-site visits; the cost of calculating our net asset value; the cost of effecting sales and repurchases of shares of our common stock and other securities; management and incentive fees payable pursuant to the Investment Advisory Agreement; fees payable to third parties relating to, or associated with,

## TABLE OF CONTENTS

making investments and valuing investments (including third-party valuation firms); transfer agent, trustee and custodial fees; interest payments and other costs related to our borrowings; fees and expenses associated with our website, public relations and marketing efforts (including attendance at industry and investor conferences and similar events); federal and state registration fees; any exchange listing fees; federal, state and local taxes; independent directors' fees and expenses, including travel expenses, and other costs of board of directors' meetings; brokerage commissions; costs of preparing and mailing proxy statements, stockholders' reports and notices; costs of preparing government filings, including periodic and current reports with the SEC; our fidelity bond, directors' and officers'/errors and omissions liability insurance and other insurance premiums; and direct costs such as printing, mailing, long distance telephone, staff, independent audits and outside legal costs and all other expenses incurred by either GSV Capital Service Company or us in connection with administering our business, including payments under the Administration Agreement that will be based upon our allocable portion of overhead and other expenses incurred by GSV Capital Service Company in performing its obligations under the Administration Agreement, including a portion of the rent and the compensation of our President, Chief Financial Officer, Chief Compliance Officer and other administrative support personnel. All of these expenses are ultimately borne by our common stockholders.

All personnel of GSV Asset Management, when and to the extent engaged in providing investment advisory services, and the compensation and expenses of such personnel allocable to such services, are provided and paid for by GSV Asset Management.

### ***Duration and Termination***

The Investment Advisory Agreement was initially approved by our board of directors on March 28, 2011 and became effective on April 11, 2011. On March 2, 2016, at an in-person meeting, our board of directors, including a majority of the directors who were not "interested persons," as defined in the 1940 Act, of the Company or GSV Asset Management, approved the continuation of the Investment Advisory Agreement to April 11, 2017. Unless earlier terminated as described below, the Investment Advisory Agreement will remain in effect from year to year if approved annually by our board of directors or by the affirmative vote of the holders of a majority of our outstanding voting securities, including, in either case, approval by a majority of our directors who are not interested persons of any such party, as such term is defined in Section 2(a)(19) of the 1940 Act. The Investment Advisory Agreement will automatically terminate in the event of its assignment. The Investment Advisory Agreement may be terminated by either party without penalty upon not more than 60 days' written notice to the other. The Investment Advisory Agreement may also be terminated, without penalty, upon the vote of a majority of our outstanding voting securities.

### ***Indemnification***

The Investment Advisory Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, GSV Asset Management and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of GSV Asset Management's services under the Investment Advisory Agreement or otherwise as our investment adviser.

### ***Organization of the Investment Adviser***

GSV Asset Management is a Delaware limited liability company. The principal executive offices of GSV Asset Management are located at 2925 Woodside Road, Woodside, CA 94062.

## TABLE OF CONTENTS

### ***Board Approval of the Investment Advisory Agreement***

On March 2, 2016, at an in-person meeting, our board of directors, including a majority of the directors who were not “interested persons,” as defined in the 1940 Act, of the Company or GSV Asset Management, approved the continuation of the Investment Advisory Agreement to April 11, 2017. In its consideration of the reapproval of the Investment Advisory Agreement, the board of directors focused on information it had received relating to, among other things:

- the nature, quality and extent of the advisory and other services to be provided to us by GSV Asset Management over the term of the Investment Advisory Agreement, including our performance relative to other business development companies during the prior year;
- comparative data with respect to advisory fees or similar expenses paid by other business development companies with similar investment objectives;
- our historical and projected operating expenses and expense ratio compared to business development companies with similar investment objectives, including expenses related to investment due diligence, travel and investigating and monitoring investments;
- any existing and potential sources of indirect income to GSV Asset Management or GSV Capital Service Company from their relationships with us and the profitability of those relationships, including the Investment Advisory Agreement and the Administration Agreement;
- information about the services to be performed and the personnel performing such services under the Investment Advisory Agreement;
- the organizational capability and financial condition of GSV Asset Management and its affiliates;
- GSV Asset Management’s practices regarding the selection and compensation of brokers that may execute our portfolio transactions and the brokers’ provision of brokerage and research services to GSV Asset Management; and
- the possibility of obtaining similar services from other third-party service providers or through an internally managed structure.

Based on the information reviewed and related discussions, the board of directors concluded that fees payable to GSV Asset Management pursuant to the Investment Advisory Agreement were reasonable in relation to the services to be provided. The board of directors did not assign relative weights to the above factors or the other factors considered by it. In addition, the board of directors did not reach any specific conclusion on each factor considered, but conducted an overall analysis of these factors. Individual members of the board of directors may have given different weights to different factors.

### **Administration Agreement**

Pursuant to a separate Administration Agreement, GSV Capital Service Company, a Delaware limited liability company, furnishes us with office facilities, together with equipment and clerical, bookkeeping and record-keeping services at such facilities. The principal executive offices of GSV Capital Service Company are located at 2925 Woodside Road, Woodside, CA 94062. Under the Administration Agreement, GSV Capital Service Company also performs, or oversees the performance of, our required administrative services, which includes being responsible for the financial records that we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, GSV Capital Service Company assists us in determining and publishing our net asset value, overseeing the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others. Payments under the Administration Agreement are based upon our allocable portion of overhead and other expenses incurred by GSV Capital Service Company in performing its obligations under the administration agreement, including a portion of the rent and the compensation of our President, Chief Financial Officer, Chief Compliance Officer and other staff providing administrative services. Pursuant to its obligations under the Administration Agreement, GSV Capital Service Company has retained Carl Rizzo of Alaric Compliance Services LLC to serve as our Chief Compliance Officer.

## TABLE OF CONTENTS

In accordance with the terms of the Administration Agreement, overhead and other administrative expenses are generally allocated between us and GSV Asset Management by reference to the relative time spent by personnel in performing administrative and similar functions on our behalf as compared to performing investment advisory or administrative functions on behalf of GSV Asset Management. To the extent personnel retained by GSV Service Company perform administrative tasks for GSV Asset Management, the fees incurred with respect to the actual time dedicated to such tasks will be reimbursed by GSV Asset Management. While there is no limit on the total amount of expenses we may be required to reimburse to GSV Capital Service Company, our administrator will only charge us for the actual expenses it incurs on our behalf, or our allocable portion thereof, without any profit to GSV Capital Service Company. The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party, and upon a vote of a majority of our outstanding voting securities, or by the vote of our board of directors or by GSV Capital Service Company.

The Administration Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of their respective duties or by reason of the reckless disregard of their respective duties and obligations, GSV Capital Service Company and its officers, manager, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of GSV Capital Service Company's services under the Administration Agreement or otherwise as our administrator.

### **License Agreement**

We have entered into a license agreement with GSV Asset Management pursuant to which GSV Asset Management has agreed to grant us a non-exclusive, royalty-free license to use the name "GSV." Under this agreement, we have a right to use the GSV name for so long as the Investment Advisory Agreement with GSV Asset Management is in effect. Other than with respect to this limited license, we will have no legal right to the "GSV" name.

### **Regulation as a Business Development Company**

#### ***General***

A business development company is regulated by the 1940 Act. A business development company must be organized in the United States for the purpose of investing in or lending to primarily private companies and making significant managerial assistance available to them. A business development company may use capital provided by public stockholders and from other sources to make long-term, private investments in businesses. A business development company provides stockholders the ability to retain the liquidity of a publicly traded stock while sharing in the possible benefits, if any, of investing in primarily privately owned companies.

We may not change the nature of our business so as to cease to be, or withdraw our election as, a business development company unless authorized by vote of a majority of the outstanding voting securities, as required by the 1940 Act. A majority of the outstanding voting securities of a company is defined under the 1940 Act as the lesser of: (a) 67% or more of such company's voting securities present at a meeting if more than 50% of the outstanding voting securities of such company are present or represented by proxy, or (b) more than 50% of the outstanding voting securities of such company. We do not anticipate any substantial change in the nature of our business.

As with other companies regulated by the 1940 Act, a business development company must adhere to certain substantive regulatory requirements. A majority of our directors must be persons who are not interested persons, as that term is defined in the 1940 Act. Additionally, we are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect the business development company. Furthermore, as a business development company, we are prohibited from protecting any director or officer against any liability to us or our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office.

As a business development company, we are generally required to meet an asset coverage ratio, defined under the 1940 Act as the ratio of our gross assets (less all liabilities and indebtedness not represented by

## TABLE OF CONTENTS

senior securities) to our outstanding senior securities, of at least 200% after each issuance of senior securities. We may also be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our directors who are not interested persons and, in some cases, prior approval by the SEC.

We are generally not able to issue and sell our common stock at a price below net asset value per share. See “Risk Factors — Risks Related to Our Business and Structure — Regulations governing our operation as a business development company affect our ability to, and the way in which we, raise additional capital, which may expose us to risks, including the typical risks associated with leverage.” We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then-current net asset value of our common stock if our board of directors determines that such sale is in our best interests and the best interests of our stockholders, and our stockholders approve such sale. In addition, we may generally issue new shares of our common stock at a price below net asset value in rights offerings to existing stockholders, in payment of dividends and in certain other limited circumstances.

As a business development company, we are generally limited in our ability to invest in any portfolio company in which our investment adviser, GSV Asset Management, or any of its affiliates currently has an investment or to make any co-investments with GSV Asset Management or its affiliates without an exemptive order from the SEC, subject to certain exceptions.

We are subject to periodic examination by the SEC for compliance with the 1940 Act.

As a business development company, we are subject to certain risks and uncertainties. See “Risk Factors — Risks Related to Our Business and Structure.”

### ***Qualifying Assets***

Under the 1940 Act, a business development company may not acquire any asset other than assets of the type listed in Section 55(a) of the 1940 Act, which are referred to as qualifying assets, unless, at the time the acquisition is made, qualifying assets represent at least 70% of the business development company’s gross assets. The principal categories of qualifying assets relevant to our business are the following:

1. Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. An eligible portfolio company is defined in the 1940 Act as any issuer which:
  - a. is organized under the laws of, and has its principal place of business in, the United States;
  - b. is not an investment company (other than a small business investment company wholly owned by the business development company) or a company that would be an investment company but for certain exclusions under the 1940 Act; and
  - c. satisfies any of the following:
    - i. does not have any class of securities that is traded on a national securities exchange;
    - ii. has a class of securities listed on a national securities exchange, but has an aggregate market value of outstanding voting and non-voting common equity of less than \$250 million;
    - iii. is controlled by a business development company or a group of companies including a business development company and the business development company has an affiliated person who is a director of the eligible portfolio company;
    - iv. is a small and solvent company having gross assets of not more than \$4.0 million and capital and surplus of not less than \$2.0 million; or
    - v. meets such other criteria as may be established by the SEC.
2. Securities of any eligible portfolio company which we control.

## TABLE OF CONTENTS

3. Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident thereto, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities, was unable to meet its obligations as they came due without material assistance other than conventional lending or financing arrangements.
4. Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60% of the outstanding equity of the eligible portfolio company.
5. Securities received in exchange for or distributed on or with respect to securities described in 1 through 5 above, or pursuant to the exercise of options, warrants or rights relating to such securities.
6. Cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment.

If at any time less than 70% of our gross assets are comprised of qualifying assets, including as a result of an increase in the value of any non-qualifying assets or decrease in the value of any qualifying assets, we would generally not be permitted to acquire any additional non-qualifying assets, other than office furniture and equipment, interests in real estate and leasehold improvements and facilities maintained to conduct the business operations of the business development company, deferred organization and operating expenses, and other noninvestment assets necessary and appropriate to its operations as a business development company, until such time as 70% of our then-current gross assets were comprised of qualifying assets. We would not be required, however, to dispose of any non-qualifying assets in such circumstances.

### ***Managerial Assistance to Portfolio Companies***

In addition, a business development company must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described above in Qualifying Assets categories 1, 2, or 3. Further, business development companies generally must offer to make available to the issuer of the securities significant managerial assistance, except in circumstances where either (i) the business development company controls such issuer of securities or (ii) the business development company purchases such securities in conjunction with one or more other persons acting together and one of the other persons in the group makes available such managerial assistance. Making available managerial assistance means, among other things, any arrangement whereby the business development company, through its directors, officers or employees, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company.

### ***Temporary Investments***

Pending investment in other types of “qualifying assets,” as described above, our investments may consist of cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment, which we refer to, collectively, as temporary investments, so that 70% of our assets are qualifying assets. Typically, we will invest in U.S. Treasury bills or in repurchase agreements, provided that such agreements are fully collateralized by cash or securities issued by the U.S. government or its agencies. A repurchase agreement involves the purchase by an investor, such as us, of a specified security and the simultaneous agreement by the seller to repurchase it at an agreed-upon future date and at a price which is greater than the purchase price by an amount that reflects an agreed-upon interest rate. There is no percentage restriction on the proportion of our assets that may be invested in such repurchase agreements. However, if more than 25% of our gross assets constitute repurchase agreements from a single counterparty, we would not meet the diversification tests in order to qualify as a RIC for U.S. federal income tax purposes. Thus, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit. GSV Asset Management will monitor the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

## TABLE OF CONTENTS

### ***Warrants and Options***

Under the 1940 Act, a business development company is subject to restrictions on the amount of warrants, options, restricted stock or rights to purchase shares of capital stock that it may have outstanding at any time. Under the 1940 Act, we may generally only offer warrants provided that (i) the warrants expire by their terms within ten years, (ii) the exercise or conversion price is not less than the current market value at the date of issuance, (iii) our stockholders authorize the proposal to issue such warrants, and our board of directors approves such issuance on the basis that the issuance is in the best interests of us and our stockholders and (iv) if the warrants are accompanied by other securities, the warrants are not separately transferable unless no class of such warrants and the securities accompanying them has been publicly distributed. The 1940 Act also provides that the amount of our voting securities that would result from the exercise of all outstanding warrants, as well as options and rights, at the time of issuance may not exceed 25% of our outstanding voting securities. In particular, the amount of capital stock that would result from the conversion or exercise of all outstanding warrants, options or rights to purchase capital stock cannot exceed 25% of the business development company's total outstanding shares of capital stock.

### ***Senior Securities***

We are permitted, under specified conditions, to issue multiple classes of indebtedness and one class of stock senior to our common stock if our asset coverage, as defined in the 1940 Act, is at least equal to 200% immediately after each such issuance. In addition, while any senior securities remain outstanding, we must make provisions to prohibit any distribution to our stockholders or the repurchase of such securities or shares unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. We may also borrow amounts up to 5% of the value of our gross assets for temporary or emergency purposes without regard to asset coverage. For a discussion of the risks associated with leverage, see "Risk Factors — Risks Related to Our Business and Structure — Borrowings, such as the Convertible Senior Notes, can magnify the potential for gain or loss on amounts invested and may increase the risk of investing in us."

### ***Compliance Policies and Procedures***

We and GSV Asset Management have adopted and implemented written policies and procedures reasonably designed to detect and prevent violation of the federal securities laws and are required to review these compliance policies and procedures annually for their adequacy and the effectiveness of their implementation and designate a Chief Compliance Officer to be responsible for administering the policies and procedures. Carl Rizzo currently serves as our Chief Compliance Officer.

### ***Compliance with Corporate Governance Regulations***

The Sarbanes-Oxley Act imposes a wide variety of regulatory requirements on publicly held companies and their insiders. Many of these requirements affect us. For example:

- pursuant to Rule 13a-14 of the Exchange Act, our Chief Executive Officer and Chief Financial Officer must certify the accuracy of the financial statements contained in our periodic reports;
- pursuant to Item 307 of Regulation S-K, our periodic reports must disclose our conclusions about the effectiveness of our disclosure controls and procedures;
- pursuant to Rule 13a-15 of the Exchange Act, our management must prepare an annual report regarding its assessment of our internal control over financial reporting and must obtain an audit of the effectiveness of internal control over financial reporting performed by our independent registered public accounting firm; and
- pursuant to Item 308 of Regulation S-K and Rule 13a-15 of the Exchange Act, our periodic reports must disclose whether there were significant changes in our internal controls over financial reporting or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The Sarbanes-Oxley Act requires us to review our current policies and procedures to determine whether we comply with the Sarbanes-Oxley Act and the regulations promulgated thereunder. We will continue to

## TABLE OF CONTENTS

monitor our compliance with all regulations that are adopted under the Sarbanes-Oxley Act and will take actions necessary to ensure that we are in compliance therewith.

In addition, The Nasdaq Capital Market has adopted various corporate governance requirements as part of its listing standards. We believe we are in compliance with such corporate governance listing standards. We will continue to monitor our compliance with all future listing standards and will take actions necessary to ensure that we are in compliance therewith.

### ***Proxy Voting Policies and Procedures***

We have delegated our proxy voting responsibility to GSV Asset Management. The Proxy Voting Policies and Procedures of GSV Asset Management are set forth below. The guidelines will be reviewed periodically by GSV Asset Management and our non-interested directors, and, accordingly, are subject to change. For purposes of these Proxy Voting Policies and Procedures described below, “we,” “our” and “us” refer to GSV Asset Management.

#### *Introduction*

An investment adviser registered under the Advisers Act has a fiduciary duty to act in the best interests of its clients, without regard to the investment adviser’s financial or other interest. As part of this duty, we recognize that we must vote client securities in a timely manner, free of actual or apparent conflicts of interest and in the best interests of our clients (or, where the client is a pooled investment vehicle or other similar entity, the client’s equity interest holders (“stockholders”), viewed as a group rather than individually).

These policies and procedures for voting proxies for our investment advisory clients are intended to comply with Section 206 of, and Rule 206(4)-6 under, the Advisers Act.

#### *Proxy Policies*

We will vote proxies relating to portfolio securities in what we perceive to be the best interests of our clients or, as applicable, their stockholders. We will review on a case-by-case basis each proposal submitted to a stockholder vote to determine its impact on the portfolio securities held by our clients. Although we will generally vote against proposals that may have a negative impact on our clients’ portfolio securities, we may vote for such a proposal if there are compelling long-term reasons to do so.

Our proxy voting decisions are made by the senior officers who are responsible for monitoring the relevant client’s investments. To ensure that our vote is not the product of a conflict of interest, we require that: (1) anyone involved in the decision-making process disclose to our Chief Compliance Officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (2) employees involved in the decision-making process or vote administration are prohibited from revealing how we intend to vote on a proposal without the prior approval of the Chief Compliance Officer and senior management in order to reduce any attempted influence from interested parties.

#### *Proxy Voting Records*

You may obtain information about how we voted proxies with respect to our portfolio securities by making a written request for proxy voting information to: Chief Compliance Officer, GSV Asset Management, 2925 Woodside Road, Woodside, CA 94062 or [compliance@gsvam.com](mailto:compliance@gsvam.com).

### ***Privacy Principles***

We are committed to maintaining the privacy of our stockholders and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information we collect, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, we do not receive any non-public personal information relating to our stockholders, although certain non-public personal information of our stockholders may become available to us. We do not disclose any non-public personal information about our stockholders or former stockholders to anyone, except as permitted by law or as is necessary in order to service stockholder accounts (for example, to a transfer agent or third-party administrator).

## TABLE OF CONTENTS

We restrict access to non-public personal information about our stockholders to employees of GSV Asset Management and its affiliates with a legitimate business need for the information. We maintain physical, electronic and procedural safeguards designed to protect the non-public personal information of our stockholders.

### **Other**

You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that site is <http://www.sec.gov>.

Our internet address is [www.gsvcap.com](http://www.gsvcap.com). We make available free of charge on our website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The information on our website is not incorporated by reference into this annual report on Form 10-K unless specifically so incorporated by reference herein.

### **Material U.S. Federal Income Tax Considerations**

The following discussion is a general summary of certain material U.S. federal income tax considerations relating to our qualification and taxation as a RIC under subchapter M of the Code, and the acquisition, ownership and disposition of our common stock. This summary does not purport to be a complete description of the income tax considerations applicable to such an investment. For example, we have not described all of the tax consequences that may be relevant to certain types of holders subject to special treatment under U.S. federal income tax laws, including stockholders subject to the alternative minimum tax, tax-exempt organizations, insurance companies, dealers in securities, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, pension plans and trusts, and financial institutions. This summary is limited to beneficial owners of our common stock that will hold such common stock as capital assets (within the meaning of the Code). The discussion is based upon the Code, Treasury regulations, and administrative and judicial interpretations, each as of the date of this annual report on Form 10-K and all of which are subject to change, possibly retroactively, which could affect the continuing validity of this discussion. This summary does not discuss any aspects of U.S. estate or gift tax or foreign, state or local tax. It does not discuss the special treatment under U.S. federal income tax laws that could result if we invested in tax-exempt securities or certain other investment assets.

Tax matters are complicated and the tax consequences to an investor of an investment in our common stock will depend on the facts of his, her or its particular situation. We encourage investors to consult their own tax advisers regarding the specific consequences of such an investment, including tax reporting requirements, the applicability of federal, state, local and foreign tax laws, eligibility for the benefits of any applicable tax treaty and the effect of any possible changes in the tax laws.

If a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) holds the shares of our common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. Investors treated as a partnership for U.S. federal income tax purposes (or investors that are partners in such a partnership), are encouraged to consult with their own tax advisers with respect to the tax consequences relating to the acquisition, ownership and disposition of our common stock.

A "U.S. stockholder" generally is a beneficial owner of common stock who is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation or other entity treated as a corporation, for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any State thereof or the District of Columbia (and an entity organized outside of the United States that is treated as a U.S. corporation under specialized sections of the Code);

## TABLE OF CONTENTS

- a trust, if a court within the United States has primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantive decisions, or if the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person); or
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source.

As used herein, the term “Non-U.S. stockholder” means a beneficial owner of common stock that is not a U.S. stockholder or a partnership for U.S. federal income tax purposes. A “Non-U.S. stockholder” does not include an individual present in the United States for 183 days or more in the taxable year of disposition of the common stock. Such a stockholder is encouraged to consult his or her own tax adviser regarding U.S. federal income tax consequences of the sale, exchange or other taxable disposition of the common stock.

### ***Election to be Taxed as a RIC***

We elected to be treated as a RIC under the Code beginning with our taxable year ended December 31, 2014, have qualified to be treated as a RIC for the subsequent taxable years and expect to continue to operate in a manner so as to qualify for the tax treatment applicable to RICs. Included in our consolidated financial statements, the following wholly-owned subsidiaries are taxable subsidiaries (collectively, the “GSVC Holdings”), regardless of whether we are a RIC: GSVC AE Holdings, Inc., GSVC AV Holdings, Inc., GSVC NG Holdings, Inc., GSVC SW Holdings, Inc., GSVC WS Holdings, Inc., and GSVC SVDS Holdings, Inc. These taxable subsidiaries are not consolidated for income tax purposes and may generate income tax expenses as a result of their ownership of the portfolio companies. Such income tax expenses and deferred taxes, if any, will be reflected in our consolidated financial statements.

For the fiscal year ended 2012, however, we failed to satisfy certain tests required for us to qualify as a RIC under the Code, and were therefore subject to corporate-level U.S. federal income tax. In September 2014, we filed our 2013 tax return as a RIC and sought to be granted RIC status for our 2013 taxable year; however, we determined we would not be eligible to elect to be treated as a RIC for the 2013 taxable year unless we were certified by the SEC as “principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available” for the 2013 taxable year (such certification, an “SEC Certification”). In September 2015, we had not received such SEC Certification for our 2013 taxable year, and we determined it was in the best interests of our stockholders to file the 2013 tax return as a C corporation. As of March 2017, we had not received and do not anticipate receiving such SEC Certification for our 2013 taxable year. We do not intend to pursue this certification with the SEC.

So long as we qualify and maintain our status as a RIC, we generally will not pay corporate-level U.S. federal and state income taxes on any ordinary income or capital gains that we distribute at least annually to our stockholders as dividends. Rather, any tax liability related to income earned by us as a RIC will represent obligations of our investors and will not be reflected in our consolidated financial statements. To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, in order to qualify for the special treatment accorded to RICs, we are required to distribute to our stockholders on a timely basis each year at least 90% of “investment company taxable income,” which is generally our net ordinary income plus the excess of realized net short-term capital gains over realized net long-term capital losses (the “Annual Distribution Requirement”), and to meet certain asset diversification requirements on a quarterly basis.

We evaluate tax positions taken or expected to be taken in the course of preparing our consolidated financial statements to determine whether the tax positions are “more-likely-than-not” to be sustained by the applicable tax authority. We recognize the tax benefits of uncertain tax positions only when the position has met the “more-likely-than-not” threshold. We classify penalties and interest associated with income taxes, if any, as income tax expense. Conclusions regarding tax positions are subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analyses of tax laws, regulations and interpretations thereof. We have identified our major tax jurisdictions as U.S. federal and California.

## TABLE OF CONTENTS

### ***Taxation as a Regulated Investment Company***

If we:

- qualify as a RIC; and
- satisfy the Annual Distribution Requirement,

then the following rules will apply to us. We will not be subject to U.S. federal income tax on the portion of our income we distribute (or are deemed to distribute) to stockholders. We will be subject to U.S. federal income tax at the regular corporate rates on any income, including capital gains not distributed (or deemed distributed) to our stockholders.

We will be subject to a 4% nondeductible U.S. federal excise tax on certain undistributed income unless we distribute in a timely manner an amount at least equal to the sum of (1) 98% of our net ordinary income for each calendar year, (2) 98.2% of our capital gains in excess of capital losses for the one-year period ending October 31 in that calendar year and (3) any ordinary income and net capital gains for preceding years that were not distributed during such preceding years (the “Excise Tax Avoidance Requirement”). We generally will endeavor in each year to make sufficient distributions to our stockholders to avoid any U.S. federal excise tax on our earnings.

In order to qualify as a RIC for U.S. federal income tax purposes, we must, among other things:

- have in effect an election to be regulated as a business development company under the 1940 Act at all times during each taxable year;
- derive in each taxable year at least 90% of our gross income from dividends, interest, payments with respect to loans of certain securities, gains from the sale of stock or other securities or foreign currencies, net income from certain “qualified publicly traded partnerships,” or other income derived with respect to our business of investing in such stock or securities (the “90% Income Test”); and
- diversify our holdings so that at the end of each quarter of the taxable year:
  - at least 50% of the value of our assets consists of cash, cash equivalents, U.S. government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of our assets or more than 10% of the outstanding voting securities of the issuer (the “50% Diversification Test”); and
  - no more than 25% of the value of our assets is invested in the securities, other than U.S. government securities or securities of other RICs, of one issuer, of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses, or of certain “qualified publicly traded partnerships” (the “25% Diversification Test,” and together with the 50% Diversification Test, the “Diversification Tests”).

Provided that we satisfy the Diversification Tests as of the close of any quarter, we will not fail the Diversification Tests as of the close of a subsequent quarter as a consequence of a discrepancy between the value of our assets and the requirements of the Diversification Tests that is attributable solely to fluctuations in the value of our assets. Rather, we will fail the Diversification Tests as of the end of a subsequent quarter only if such a discrepancy existed immediately after our acquisition of any asset and such discrepancy is wholly or partly the result of that acquisition. In addition, if we fail the Diversification Tests as of the end of any quarter, we will not lose our status as a RIC if we eliminate the discrepancy within thirty days of the end of such quarter and, if we eliminate the discrepancy within that thirty-day period, we will be treated as having satisfied the Diversification Tests as of the end of such quarter for purposes of applying the rule described in the preceding sentence, assuming that it is not the first quarter of RIC qualification.

An alternative 50% Diversification Test applies to certain RICs that obtain SEC Certification for the applicable taxable year. Such SEC Certification may not be received earlier than 60 days prior to the close of the taxable year to which it applies. If a RIC has received this certification, then, for purposes of the 50% Diversification Test, securities of an issuer will be treated as good investments as long as the RIC’s basis in the securities of such issuer did not exceed 5% of the RIC’s total assets when acquired whether or not the

## TABLE OF CONTENTS

RIC owns more than 10% of the voting securities of such issuer. This alternative test does not apply to the securities of any issuer if the RIC has continuously held securities of the issuer for 10 or more years preceding the applicable quarter end. The 25% Diversification Test is not affected by this alternative 50% Diversification Test.

As a result of converting from a C corporation to a RIC, we are required to pay a corporate-level U.S. federal income tax on the net amount of the net built-in gains, if any, in our assets (i.e., the amount by which the net fair market value of our assets exceeds our net adjusted basis in our assets) as of the date of conversion (i.e., January 1, 2014) to the extent that such gains are recognized by us during the applicable recognition period, which is the five-year period beginning on the date of conversion.

Any corporate-level built-in gain tax is payable at the time the built-in gains are recognized (which generally will be the years in which the built-in gain assets are sold in a taxable transaction). The amount of this tax will vary depending on the assets that are actually sold by us in the applicable period, the amount of realized gain (loss), the actual amount of net built-in gain or loss present in those assets as of the date of conversion, and the effective tax rates at such times. The payment of any such corporate-level U.S. federal income tax on built-in gain will be an expense that will reduce the amount available for distribution to our stockholders. The built-in gain tax is calculated by determining a RIC's net unrealized built-in gains, if any, by which the fair market value of the assets of the RIC at the beginning of the first RIC-year exceeds the aggregate adjusted basis of such assets at that time.

We may be required to recognize taxable income in circumstances in which we do not receive cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (which may arise if we receive warrants in connection with the origination of a loan or possibly in other circumstances), we must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. We may also have to include in income other amounts that we have not yet received in cash, such as contractual payment-in-kind, or PIK, interest (which represents contractual interest added to the loan balance and due at the end of the loan term) or dividends and deferred loan origination fees that are paid after origination of the loan or are paid in non-cash compensation such as warrants or stock. Because any original issue discount or other amounts accrued will be included in our investment company taxable income for the year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement, even though we will not have received any corresponding cash amount.

We will be subject to certain asset coverage ratio requirements under the 1940 Act and financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the Annual Distribution Requirement. See “— Regulation as a Business Development Company — Senior Securities.” Moreover, our ability to dispose of assets to meet our distribution requirements may be limited by (1) the illiquid nature of our portfolio and/or (2) other requirements relating to our status as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Annual Distribution Requirement or the Excise Tax Avoidance Requirement, we may make such dispositions at times that, from an investment standpoint, are not advantageous.

Certain of our investment practices may be subject to special and complex U.S. federal income tax provisions that may, among other things: (i) disallow, suspend or otherwise limit the allowance of certain losses or deductions; (ii) convert lower taxed long-term capital gain into higher taxed short-term capital gain or ordinary income; (iii) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited); (iv) cause us to recognize income or gain without a corresponding receipt of cash; (v) adversely affect the time as to when a purchase or sale of securities is deemed to occur; (vi) adversely alter the characterization of certain complex financial transactions; and (vii) produce income that will not be qualifying income for purposes of the 90% Income Test described above. We will monitor our transactions and may make certain tax elections in order to mitigate the potential adverse effect of these provisions.

Gain or loss realized by us from the sale or exchange of warrants acquired by us as well as any loss attributable to the lapse of such warrants generally will be treated as capital gain or loss. The treatment of such gain or loss as long-term or short-term will depend on how long we held a particular warrant. Upon the

## TABLE OF CONTENTS

exercise of a warrant acquired by us, our tax basis in the stock purchased under the warrant will equal the sum of the amount paid for the warrant plus the strike price paid on the exercise of the warrant.

### ***Failure to Maintain our Qualification as a RIC***

If we fail to satisfy the 90% Income Test or the Diversification Tests for any taxable year, we may nevertheless continue to qualify as a RIC for such year if certain relief provisions are applicable (which may, among other things, require us to pay certain corporate-level U.S. federal income taxes or to dispose of certain assets).

If we were unable to qualify for treatment as a RIC and the foregoing relief provisions are not applicable, we would be subject to tax on all of our taxable income at regular corporate rates, regardless of whether we make any distributions to our stockholders. Distributions would not be required, and any distributions would be taxable to our stockholders as ordinary dividend income that, subject to certain limitations, may be eligible for the 20% maximum rate to the extent of our current and accumulated earnings and profits provided certain holding period and other requirements were met. Subject to certain limitations under the Code, corporate distributees would be eligible for the dividends-received deduction. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder's tax basis, and any remaining distributions would be treated as a capital gain. To requalify as a RIC in a subsequent taxable year, we would be required to satisfy the RIC qualification requirements for that year and dispose of any earnings and profits from any year in which we failed to qualify as a RIC. Subject to a limited exception applicable to RICs that qualified as such under Subchapter M of the Code for at least one year prior to disqualification and that requalify as a RIC no later than the second year following the nonqualifying year, we could be subject to tax on any unrealized net built-in gains in the assets held by us during the period in which we failed to qualify as a RIC that are recognized within the subsequent 5 years, unless we made a special election to pay corporate-level U.S. federal income tax on such built-in gain at the time of our requalification as a RIC.

## TABLE OF CONTENTS

### **Item 1A. Risk Factors**

Investing in our securities involves a number of significant risks. In addition to the other information contained in this annual report on Form 10-K, you should consider carefully the following information before making an investment in our securities. Although the risks described below represent the principal risks associated with an investment in us, they are not the only risks we face. Additional risks and uncertainties not presently known to us might also impair our operations and performance. If any of the following events occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, our net asset value and the trading price of our common stock could decline, and you may lose all or part of your investment.

#### **Risks Related to Our Investments**

##### **Our investments in the rapidly growing venture-capital-backed emerging companies that we are targeting may be extremely risky and we could lose all or part of our investments.**

Investment in the rapidly growing venture-capital-backed emerging companies that we are targeting involves a number of significant risks, including the following:

- these companies may have limited financial resources and may be unable to meet their obligations under their existing debt, which may lead to equity financings, possibly at discounted valuations, in which we could be substantially diluted if we do not or cannot participate, bankruptcy or liquidation and the reduction or loss of our equity investment;
- they typically have limited operating histories, narrower, less established product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions, market conditions and consumer sentiment in respect of their products or services, as well as general economic downturns;
- they generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position;
- because they are privately owned, there is generally little publicly available information about these businesses; therefore, although GSV Asset Management's agents will perform due diligence investigations on these portfolio companies, their operations and their prospects, we may not learn all of the material information we need to know regarding these businesses and, in the case of investments we acquire on private secondary transactions, we may be unable to obtain financial or other information regarding the companies with respect to which we invest. Furthermore, there can be no assurance that the information that we do obtain with respect to any investment is reliable; and
- they are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on the portfolio company and, in turn, on us.

A portfolio company's failure to satisfy financial or operating covenants imposed by its lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its assets, which could trigger cross-defaults under other agreements and jeopardize our equity investment in such portfolio company. We may incur expenses to the extent necessary to seek recovery of our equity investment or to negotiate new terms with a financially distressed portfolio company.

##### **Because our investments are generally not in publicly traded securities, there will be uncertainty regarding the value of our investments, which could adversely affect the determination of our net asset value.**

Our portfolio investments will generally not be in publicly traded securities. As a result, although we expect that some of our equity investments may trade on private secondary marketplaces, the fair value of our direct investments in portfolio companies will often not be readily determinable. Under the 1940 Act, for our

## TABLE OF CONTENTS

investments for which there are no readily available market quotations, including securities that while listed on a private securities exchange, have not actively traded, we will value such securities at fair value quarterly as determined in good faith by our board of directors based upon the recommendation of the Valuation Committee in accordance with our written valuation policy. In connection with that determination, members of GSV Asset Management's portfolio management team will prepare portfolio company valuations using, where available, the most recent portfolio company financial statements and forecasts. The Valuation Committee utilizes the services of an independent valuation firm, which prepares valuations for each of our portfolio investments that are not publicly traded or for which we do not have readily available market quotations, including securities that while listed on a private securities exchange, have not actively traded. However, the board of directors retains ultimate authority as to the appropriate valuation of each such investment. The types of factors that the Valuation Committee takes into account in providing its fair value recommendation to the board of directors with respect to such non-traded investments include, as relevant and, to the extent available, the portfolio company's earnings, the markets in which the portfolio company does business, comparison to valuations of publicly traded companies, comparisons to recent sales of comparable companies, the discounted value of the cash flows of the portfolio company and other relevant factors. This information may not be available because it is difficult to obtain financial and other information with respect to private companies, and even when we are able to obtain such information, there can be no assurance that it is complete or accurate. Because such valuations are inherently uncertain and may be based on estimates, our determinations of fair value may differ materially from the values that would be assessed if a readily available market for these securities existed. Due to this uncertainty, our fair value determinations with respect to any non-traded investments we hold may cause our net asset value on a given date to materially understate or overstate the value that we may ultimately realize on one or more of our investments. As a result, investors purchasing our securities based on an overstated net asset value would pay a higher price than the value of our investments might warrant. Conversely, investors selling securities during a period in which the net asset value understates the value of our investments would receive a lower price for their securities than the value of our investments might warrant.

**We may not realize gains from our equity investments and, because certain of our portfolio companies may incur substantial debt to finance their operations, we may experience a complete loss on our equity investment in the event of a bankruptcy or liquidation of any of our portfolio companies.**

We invest principally in the equity and equity-related securities of what we believe to be rapidly growing venture-capital-backed emerging companies. However, the equity interests we acquire may not appreciate in value and, in fact, may decline in value.

In addition, the private company securities we acquire are often subject to drag-along rights, which could permit other stockholders, under certain circumstances, to force us to liquidate our position in a subject company at a specified price, which could be, in our opinion, inadequate or undesirable or even below our cost basis. In this event, we could realize a loss or fail to realize gain in an amount that we deem appropriate on our investment. Further, capital market volatility and the overall market environment may preclude our portfolio companies from realizing liquidity events and impede our exit from these investments. Accordingly, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience. We will generally have little, if any, control over the timing of any gains we may realize from our equity investments unless and until the portfolio companies in which we invest become publicly traded. In addition, the companies in which we invest may have substantial debt loads. In such cases, we would typically be last in line behind any creditors in a bankruptcy or liquidation, and would likely experience a complete loss on our investment.

## TABLE OF CONTENTS

**Most of our portfolio companies are currently experiencing operating losses, which may be substantial, and there can be no assurance when or if such companies will operate at a profit.**

We have limited information about the financial performance and profitability of some of our portfolio companies. While according to public filings with the SEC, certain of our portfolio companies have earned net income in recent periods, we believe that many of our portfolio companies are currently experiencing operating losses. There can be no assurance when or if such companies will operate at a profit.

**The lack of liquidity in, and potentially extended holding period of, our many investments may adversely affect our business and will delay any distributions of gains, if any.**

Our investments will generally not be in publicly traded securities. Although we expect that some of our equity investments will trade on private secondary marketplaces, certain of the securities we hold will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. In addition, while some portfolio companies may trade on private secondary marketplaces, we can provide no assurance that such a trading market will continue or remain active, or that we will be able to sell our position in any portfolio company at the time we desire to do so and at the price we anticipate. The illiquidity of our investments, including those that are traded on private secondary marketplaces, will make it difficult for us to sell such investments if the need arises. Also, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we have previously recorded our investments. We have no limitation on the portion of our portfolio that may be invested in illiquid securities, and a substantial portion or all of our portfolio may be invested in such illiquid securities from time to time.

In addition, because we generally invest in equity and equity-related securities, with respect to the majority of our portfolio companies, we do not expect regular realization events, if any, to occur in the near term. We expect that our holdings of equity securities may require several years to appreciate in value, and we can offer no assurance that such appreciation will occur. Even if such appreciation does occur, it is likely that initial purchasers of our shares could wait for an extended period of time before any appreciation or sale of our investments, and any attendant distributions of gains, may be realized.

**Our portfolio is concentrated in a limited number of portfolio companies or market sectors, which subjects us to a risk of significant loss if the business or market position of these companies deteriorates or market sectors experiences a market downturn.**

A consequence of our limited number of investments is that the aggregate returns we realize may be significantly adversely affected if a small number of investments perform poorly or if we need to write down the value of any one investment. For example, as of December 31, 2016, 53.4% of our net asset value was comprised of investments in 5 portfolio companies. Beyond the asset diversification requirements necessary to qualify as a RIC, we have general guidelines for diversification, however our investments could be concentrated in relatively few issuers. In addition, our investments may be concentrated in a limited number of market sectors, including in technology-related sectors. As a result, a downturn in any market sector in which a significant number of our portfolio companies operate or the deterioration of the market position of any portfolio company in which we have a material position could materially adversely affect us.

## TABLE OF CONTENTS

### **Our financial results could be negatively affected if a significant portfolio investment fails to perform as expected.**

Our total investment in companies may be significant individually or in the aggregate. As a result, if a significant investment in one or more companies fails to perform as expected, our financial results could be more negatively affected and the magnitude of the loss could be more significant than if we had made smaller investments in more companies. The following table shows the cost and fair value of our ten largest positions as of December 31, 2016:

<u>Portfolio Company</u>	<u>Industry</u>	<u>Cost</u>	<u>Fair Value</u>	<u>% of Net Asset Value</u>
Palantir Technologies, Inc.	Data Analysis	\$ 17,198,903	\$ 41,508,965	21.61%
Spotify Technology S.A.	Online Music Streaming	13,599,572	18,931,691	9.85
Coursera, Inc.	Online Education	14,519,519	14,510,855	7.55
JAMF Holdings, Inc.	Mobile Device Management	9,999,928	13,856,754	7.21
General Assembly Space, Inc.	Education	5,999,961	13,746,764	7.16
Dropbox, Inc.	Cloud Computing Services	13,656,926	13,190,484	6.87
Lytro, Inc.	Light Field Imaging Platform	10,502,083	10,908,151	5.68
Ozy Media, Inc.	Digital Media Platform	10,500,199	10,609,999	5.52
Course Hero, Inc.	Online Education	5,000,001	10,532,304	5.48
Curious.com Inc.	Online Education	12,000,006	9,984,954	5.20
Total		<u>\$ 112,977,098</u>	<u>\$ 157,780,921</u>	<u>82.13%</u>

### **Technology-related sectors in which we invest are subject to many risks, including volatility, intense competition, decreasing life cycles, product obsolescence, changing consumer preferences and periodic downturns.**

Given the experience of GSV Asset Management's senior investment professionals within the technology space, we expect that a number of the companies with respect to which we invest will operate in technology-related sectors. The revenues, income (or losses) and valuations of technology-related companies can and often do fluctuate suddenly and dramatically. In addition, because of rapid technological change, the average selling prices of products and some services provided by technology-related sectors have historically decreased over their productive lives. As a result, the average selling prices of products and services offered by our portfolio companies that operate in technology-related sectors may decrease over time, which could adversely affect their operating results and, correspondingly, the value of any equity securities that we may hold. This could, in turn, materially adversely affect our business, financial condition and results of operations.

### **We may be limited in our ability to make follow-on investments, and our failure to make follow-on investments in our portfolio companies could impair the value of our portfolio.**

Following an initial investment in a portfolio company, we may make additional investments in that portfolio company as "follow-on" investments, in order to: (1) increase or maintain in whole or in part our equity ownership percentage; (2) exercise warrants, options or convertible securities that were acquired in the original or subsequent financing; or (3) attempt to preserve or enhance the value of our investment.

We may elect not to make follow-on investments, or may otherwise lack sufficient funds to make those investments or lack access to desired follow-on investment opportunities. We have the discretion to make any follow-on investments, subject to the availability of capital resources and of the investment opportunity. The failure to make follow-on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and our initial investment, or may result in a missed opportunity for us to increase our participation in a successful operation. Even if we have sufficient capital to make a desired follow-on investment, we may elect not to make a follow-on investment because we may not want to increase our concentration of risk, because we prefer other opportunities, or because we are inhibited by compliance with business development company requirements or the desire to qualify to maintain our status as a RIC, or we lack access to the desired follow-on investment opportunity.

## TABLE OF CONTENTS

In addition, we may be unable to complete follow-on investments in our portfolio companies that have conducted an IPO as a result of regulatory or financial restrictions.

### **Because we will generally not hold controlling equity interests in our portfolio companies, we will likely not be in a position to exercise control over our portfolio companies or to prevent decisions by substantial stockholders or management of our portfolio companies that could decrease the value of our investments.**

Generally, we will not take controlling equity positions in our portfolio companies. As a result, we will be subject to the risk that a portfolio company may make business decisions with which we disagree, and the stockholders and management of a portfolio company may take risks or otherwise act in ways that are adverse to our interests. In addition, other stockholders, such as venture capital and private equity sponsors, that have substantial investments in our portfolio companies may have interests that differ from that of the portfolio company or its minority stockholders, which may lead them to take actions that could materially and adversely affect the value of our investment in the portfolio company. Due to the lack of liquidity for the equity and equity-related investments that we will typically hold in our portfolio companies, we may not be able to dispose of our investments in the event we disagree with the actions of a portfolio company or its substantial stockholders, and may therefore suffer a decrease in the value of our investments.

### **Investments in foreign companies may involve significant risks in addition to the risks inherent in U.S. investments.**

While we invest primarily in U.S. companies, we may invest on an opportunistic basis in certain non-U.S. companies, including those located in emerging markets, that otherwise meet our investment criteria. In regards to the regulatory requirements for business development companies, some of these investments may not qualify as investments in “eligible portfolio companies,” and thus may not be considered “qualifying assets.” “Eligible portfolio companies” generally include U.S. companies that are not investment companies and that do not have securities listed on a national exchange. If at any time less than 70% of our gross assets are comprised of qualifying assets, including as a result of an increase in the value of any non-qualifying assets or decrease in the value of any qualifying assets, we would generally not be permitted to acquire any additional non-qualifying assets until such time as 70% of our then-current gross assets were comprised of qualifying assets. We would not be required, however, to dispose of any non-qualifying assets in such circumstances. In addition, investing in foreign companies, and particularly those in emerging markets, may expose us to additional risks not typically associated with investing in U.S. issues. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. Further, we may have difficulty enforcing our rights as equity holders in foreign jurisdictions. In addition, to the extent we invest in non-U.S. companies, we may face greater exposure to foreign economic developments.

Although we expect that most of our investments will be U.S. dollar-denominated, any investments denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments.

### **We may expose ourselves to risks if we engage in hedging transactions.**

If we engage in hedging transactions, we may expose ourselves to risks associated with such transactions. We may utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates and market interest rates. Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. However, such hedging can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such

## TABLE OF CONTENTS

hedging transactions may also limit the opportunity for gain if the values of the underlying portfolio positions should increase. It may not be possible to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at an acceptable price. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss. In addition, it may not be possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of factors not related to currency fluctuations.

### **Risks Related to Our Business and Structure**

#### **Any failure on our part to maintain our status as a business development company would reduce our operating flexibility.**

The 1940 Act imposes numerous constraints on the operations of business development companies. For example, business development companies are required to invest at least 70% of their gross assets in specified types of securities, primarily in private companies or thinly-traded U.S. public companies, cash, cash equivalents, U.S. government securities and other high quality debt investments that mature in one year or less. Furthermore, any failure to comply with the requirements imposed on business development companies by the 1940 Act could cause the SEC to bring an enforcement action against us and/or expose us to claims of private litigants. In addition, upon approval of a majority of our stockholders, we may elect to withdraw our status as a business development company. If we decide to withdraw our election, or if we otherwise fail to maintain our qualification, to be regulated as a business development company, we may be subject to substantially greater regulation under the 1940 Act as a closed-end investment company. Compliance with such regulations would significantly decrease our operating flexibility, and could significantly increase our costs of doing business.

#### **We are dependent upon GSV Asset Management's senior investment professionals for our future success. If we lose any of GSV Asset Management's senior investment professionals, our ability to implement our business strategy could be significantly harmed.**

We depend on the diligence, skill and network of business contacts of the GSV Asset Management's senior investment professionals. These senior investment professionals, together with other investment professionals employed by GSV Asset Management, evaluate, negotiate, structure, close, monitor and service our investments. Our future success will depend to a significant extent on the continued service and coordination of GSV Asset Management's senior investment professionals, particularly Michael T. Moe, Mark W. Flynn, William Tanona, and Luben Pampoulov.

All of GSV Asset Management's senior investment professionals, including Michael T. Moe, Mark W. Flynn, William Tanona, and Luben Pampoulov, are at-will employees. As a result, although Messrs. Moe, Flynn, Tanona, and Pampoulov comprise the principals of GSV Asset Management, they are free to terminate their employment with GSV Asset Management at any time. In addition, none of GSV Asset Management's senior investment professionals, including Messrs. Moe, Flynn, Tanona, and Pampoulov, are subject to any non-compete agreements that would restrict their ability to provide investment advisory services to an entity with an investment objective similar to our own in the event they were to terminate their employment with GSV Asset Management, or if GSV Asset Management were to no longer serve as our investment adviser. There can be no assurance that GSV Asset Management will be successful in retaining its senior investment professionals, including Messrs. Moe, Flynn, Tanona, and Pampoulov. The departure of any of Messrs. Moe, Flynn, Tanona, and Pampoulov could have a material adverse effect on our ability to achieve our investment objective.

Our growth will require that GSV Asset Management retain and attract new investment and administrative personnel in a competitive market. Its ability to attract and retain personnel with the requisite credentials, experience and skills will depend on several factors including, but not limited to, its ability to offer competitive wages, benefits and professional growth opportunities. Many of the entities with which GSV Asset Management will compete for experienced personnel, including investment funds (such as private equity funds and mezzanine funds) and traditional financial services companies, will have greater resources than it does.

**Our financial condition and results of operations will depend on our ability to achieve our investment objective.**

Our ability to achieve our investment objective will depend on GSV Asset Management's ability to identify, analyze and invest in companies that meet our investment criteria. Accomplishing this result on a cost-effective basis is largely a function of GSV Asset Management's structuring of the investment process and its ability to provide competent, attentive and efficient services to us. We seek a specified number of investments in rapidly growing venture-capital-backed emerging companies, which may be extremely risky. There can be no assurance that GSV Asset Management will be successful in identifying and investing in companies that meet our investment criteria, or that we will achieve our investment objective.

In addition to monitoring the performance of our existing investments, GSV Asset Management is required to offer, and may be called upon, to provide, managerial assistance to some of our portfolio companies. For example, as of March 16, 2017, GSV Asset Management also manages the Coursera Funds and serves as sub-adviser for certain investment series of the GSV Ventures Funds, and will likely manage one or more private funds, or series within such private funds, in the future. We have no ownership interests in the Coursera Funds or the GSV Ventures Funds sub-advised by GSV Asset Management. These demands on their time may distract them or slow the rate of investment. Even if we are able to grow and build upon our investment operations, any failure to manage our growth effectively could have a material adverse effect on our business, financial condition, results of operations and prospects. The results of our operations will depend on many factors, including the availability of opportunities for investment, readily accessible short- and long-term funding alternatives in the financial markets and economic conditions. Furthermore, any inability to successfully operate our business or implement our investment policies and strategies as described herein, could adversely impact our ability to pay dividends.

**We will likely experience fluctuations in our quarterly results and we may be unable to replicate past investment opportunities or make the types of investments we have made to date in future periods.**

We will likely experience fluctuations in our quarterly operating results due to a number of factors, including the rate at which we make new investments, the level of our expenses, changes in the valuation of our portfolio investments, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. For example, since inception through December 31, 2016, we have experienced substantial cumulative negative cash flows from operations. These fluctuations may in certain cases be exaggerated as a result of our focus on realizing capital gains rather than current income from our investments. In addition, there can be no assurance that we will be able to locate or acquire investments that are of a similar nature to those currently in our portfolio. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

**Our business model depends upon the development and maintenance of strong referral relationships with private equity, venture capital funds and investment banking firms.**

We are substantially dependent on our informal relationships, which we use to help identify and gain access to investment opportunities. If we fail to maintain our relationships with key firms, or if we fail to establish strong referral relationships with other firms or other sources of investment opportunities, we will not be able to grow our portfolio of equity investments and achieve our investment objective. In addition, persons with whom we have informal relationships are not obligated to inform us of investment opportunities, and therefore such relationships may not lead to the origination of equity or other investments. Any loss or diminishment of such relationships could effectively reduce our ability to identify attractive portfolio companies that meet our investment criteria, either for direct equity investments or for investments through private secondary market transactions or other secondary transactions.

**There are significant potential risks relating to investing in securities traded on private secondary marketplaces.**

We have utilized and expect to continue to utilize private secondary marketplaces, such as SharesPost, Inc. and the NASDAQ Private Market, LLC, to acquire investments for our portfolio. When we purchase secondary shares, we may have little or no direct access to financial or other information from these portfolio companies. As a result, we are dependent upon the relationships and contacts of GSV Asset Management's senior investment professionals and our board of directors to obtain the information for GSV Asset Management to perform research and due diligence, and to monitor our investments after they are made. There can be no assurance that GSV Asset Management will be able to acquire adequate information on which to make its investment decision with respect to any private secondary marketplace purchases, or that the information it is able to obtain is accurate or complete. Any failure to obtain full and complete information regarding the portfolio companies with respect to which we invest through private secondary marketplaces could cause us to lose part or all of our investment in such companies, which would have a material and adverse effect on our net asset value and results of operations.

In addition, while we believe the ability to trade on private secondary marketplaces provides valuable opportunities for liquidity, there can be no assurance that the portfolio companies with respect to which we invest through private secondary marketplaces will have or maintain active trading markets, and the prices of those securities may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods, which may result in an inability for us to realize full value on our investment. In addition, wide swings in market prices, which are typical of irregularly traded securities, could cause significant and unexpected declines in the value of our portfolio investments. Further, prices in private secondary marketplaces, where limited information is available, may not accurately reflect the true value of a portfolio company, and may overstate a portfolio company's actual value, which may cause us to realize future capital losses on our investment in that portfolio company. If any of the foregoing were to occur, it would likely have a material and adverse effect on our net asset value and results of operations.

Investments in private companies, including through private secondary marketplaces, also entail additional legal and regulatory risks which expose participants to the risk of liability due to the imbalance of information among participants and participant qualification and other transactional requirements applicable to private securities transactions, the non-compliance with which could result in rescission rights and monetary and other sanctions. The application of these laws within the context of private secondary marketplaces and related market practices are still evolving, and, despite our efforts to comply with applicable laws, we could be exposed to liability. The regulation of private secondary marketplaces is also evolving. Additional state or federal regulation of these markets could result in limits on the operation of or activity on those markets. Conversely, deregulation of these markets could make it easier for investors to invest directly in private companies and affect the attractiveness of our Company as an access vehicle for investment in private shares. Private companies may also increasingly seek to limit secondary trading in their stock, such as through contractual transfer restrictions, and provisions in company charter documents, investor rights of first refusal and co-sale and/or employment and trading policies further restricting trading. To the extent that these or other developments result in reduced trading activity and/or availability of private company shares, our ability to find investment opportunities and to liquidate our investments could be adversely affected.

**Due to transfer restrictions and the illiquid nature of our investments, we may not be able to purchase or sell our investments when we wish to do so.**

Most of our investments are or will be in equity or equity-related securities of privately held companies. The securities we acquire in private companies are typically subject to contractual transfer limitations, which may include prohibitions on transfer without the company's consent, may require that shares owned by us be held in escrow and may include provisions in company charter documents, and may include investor rights of first refusal and co-sale and/or employment or trading policies further restricting trading. In order to complete a purchase of shares we may need to, among other things, give the issuer, its assignees or its stockholders a particular period of time, often 30 days or more, in which to exercise a veto right, or a right of first refusal over, the sale of such securities. We may be unable to complete a purchase transaction if the subject company or its stockholders chooses to exercise a veto right or right of first refusal. When we complete an investment, we generally become bound to the contractual transfer limitations imposed on the subject company's

## TABLE OF CONTENTS

stockholders as well as other contractual obligations, such as co-sale or tag-along rights. These obligations generally expire only upon an IPO by the subject company. As a result, prior to an IPO, our ability to liquidate may be constrained. Transfer restrictions could limit our ability to liquidate our positions in these securities if we are unable to find buyers acceptable to our portfolio companies, or where applicable, their stockholders. Such buyers may not be willing to purchase our investments at adequate prices or in volumes sufficient to liquidate our position, and even where they are willing, other stockholders could exercise their co-sales or tag-along rights to participate in the sale, thereby reducing the number of shares sellable by us. Furthermore, prospective buyers may be deterred from entering into purchase transactions with us due to the delay and uncertainty that these transfer and other limitations create.

Although we believe that secondary marketplaces may offer an opportunity to liquidate our private company investments, there can be no assurance that a trading market will develop for the securities that we wish to liquidate or that the subject companies will permit their shares to be sold through such marketplaces. Even if some of our portfolio companies complete IPOs, we are typically subject to lock-up provisions that prohibit us from selling our investments into the public market for specified periods of time after IPOs. As a result, the market price of securities that we hold may decline substantially before we are able to sell these securities following an IPO.

Due to the illiquid nature of most of our investments, we may not be able to sell these securities at times when we deem it advantageous to do so, or at all. Because our net asset value is only determined on a quarterly basis, and due to the difficulty in assessing this value, our net asset value may not fully reflect the illiquidity of our portfolio, which may change on a daily basis, depending on many factors, including the status of the private secondary markets and our particular portfolio at any given time.

### **There are significant potential risks associated with investing in venture capital companies with complex capital structures.**

We invest primarily in what we believe to be rapidly growing, venture-capital-backed emerging companies, either through private secondary transactions, other secondary transactions or direct investments in companies. Such private companies frequently have much more complex capital structures than traditional publicly traded companies, and may have multiple classes of equity securities with differing rights, including with respect to voting and distributions. In addition, it is often difficult to obtain financial and other information with respect to private companies, and even where we are able to obtain such information, there can be no assurance that it is complete or accurate. In certain cases, such private companies may also have senior or pari passu preferred stock or senior debt outstanding, which may heighten the risk of investing in the underlying equity of such private companies, particularly in circumstances when we have limited information with respect to such capital structures. Although we believe that GSV Asset Management's senior investment professionals and our board of directors have extensive experience evaluating and investing in private companies with such complex capital structures, there can be no assurance that we will be able to adequately evaluate the relative risks and benefits of investing in a particular class of a portfolio company's equity securities. Any failure on our part to properly evaluate the relative rights and value of a class of securities in which we invest could cause us to lose part or all of our investment, which in turn could have a material and adverse effect on our net asset value and results of operations.

### **Our business is subject to increasingly complex corporate governance, public disclosure and accounting requirements that are costly and could adversely affect our business and financial results.**

We are subject to changing rules and regulations of federal and state government as well as the stock exchange on which our common stock is listed. These entities, including the Public Company Accounting Oversight Board, the SEC and the Nasdaq Stock Market, have issued a significant number of new and increasingly complex requirements and regulations over the course of the last several years and continue to develop additional regulations and requirements in response to laws enacted by Congress. In addition, there are significant corporate governance and executive compensation-related provisions in the Dodd-Frank Act, and the SEC has adopted, and may continue to adopt, additional rules and regulations that may impact us. Our efforts to comply with these requirements have resulted in, and are likely to continue to result in, an increase in expenses and a diversion of management's time from other business activities.

## TABLE OF CONTENTS

In addition, any failure to keep pace with such rules, or for our management to appropriately address compliance with such rules fully and in a timely manner, would expose us to an increasing risk of inadvertent non-compliance. While our management team takes reasonable efforts to ensure that we are in full compliance with all laws applicable to our operations, the increasing rate and extent of regulatory change increases the risk of a failure to comply, which may limit our ability to operate our business in the ordinary course or may subject us to potential fines, regulatory findings or other matters that may materially impact our business.

Over the last several years, there has also been an increase in regulatory attention to the extension of credit outside of the traditional banking sector, raising the possibility that some portion of the non-bank financial sector will be subject to new regulation. While it cannot be known at this time whether any regulation will be implemented or what form it will take, increased regulation of non-bank credit extension could negatively impact our operating results or financial condition, impose additional costs on us, intensify the regulatory supervision of us or otherwise adversely affect our business.

**Capital markets may experience periods of disruption and instability and we cannot predict when these conditions will occur. Such market conditions could materially and adversely affect debt and equity capital markets in the United States and abroad, which could have a negative impact on our business, financial condition and results of operations.**

As a business development company, we must maintain our ability to raise additional capital for investment purposes. Without sufficient access to the capital markets or credit markets, we may be forced to curtail our business operations or we may not be able to pursue new business opportunities.

From time to time, capital markets may experience periods of disruption and instability. For example, between 2008 and 2009, the global capital markets were unstable as evidenced by periodic disruptions in liquidity in the debt capital markets, significant write-offs in the financial services sector, the re-pricing of credit risk in the broadly syndicated credit market and the failure of major financial institutions. Despite actions of the U.S. federal government and foreign governments, these events contributed to worsening general economic conditions that materially and adversely impacted the broader financial and credit markets and reduced the availability of debt and equity capital for the market as a whole and financial services firms in particular. While market conditions have largely recovered from the events of 2008 and 2009, there have been continuing periods of volatility, some lasting longer than others. For example, the referendum by British voters to exit the European Union (“E.U.”) (“Brexit”) in June 2016 has led to further disruption and instability in the global markets. There can be no assurance these market conditions will not repeat themselves or worsen in the future.

Equity capital may be difficult to raise during periods of adverse or volatile market conditions because, subject to some limited exceptions, as a business development company, we are generally not able to issue additional shares of our common stock at a price less than net asset value without first obtaining approval for such issuance from our stockholders and our independent directors.

Volatility and dislocation in the capital markets can also create a challenging environment in which to raise or access debt capital. The reappearance of market conditions similar to those experienced from 2008 through 2009 for any substantial length of time could make it difficult to extend the maturity of or refinance our existing indebtedness or obtain new indebtedness with similar terms and any failure to do so could have a material adverse effect on our business. The debt capital that will be available to us in the future, if at all, may be at a higher cost and on less favorable terms and conditions than what we currently experience. If we are unable to raise or refinance debt, then our equity investors may not benefit from the potential for increased returns on equity resulting from leverage and we may be limited in our ability to make new commitments or to fund existing commitments to our portfolio companies.

Significant changes or volatility in the capital markets may also have a negative effect on the valuations of our investments. Significant changes in the capital markets may also affect the pace of our investment activity and the potential for liquidity events involving our investments. Thus, the illiquidity of our investments may make it difficult for us to sell such investments to access capital if required, and as a result, we could realize significantly less than the value at which we have recorded our investments if we were required to sell them for liquidity purposes. An inability to raise or access capital could have a material adverse effect on our business, financial condition or results of operations.

## TABLE OF CONTENTS

### **Uncertainty about the financial stability of the United States, several countries in Europe and China, and uncertainties about the new U.S. presidential administration could have a significant adverse effect on our business, financial condition and results of operations.**

Due to federal budget deficit concerns, S&P downgraded the federal government's credit rating from AAA to AA+ for the first time in history in August 2011. Further, Moody's and Fitch had warned that they may downgrade the federal government's credit rating. Further downgrades or warnings by S&P or other rating agencies, and the United States government's credit and deficit concerns in general, could cause interest rates and borrowing costs to rise, which may negatively impact both the perception of credit risk associated with our debt portfolio and our ability to access the debt markets on favorable terms. In addition, a decreased U.S. government credit rating could create broader financial turmoil and uncertainty, which may weigh heavily on our financial performance and the value of our common stock.

In 2010, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Italy, Portugal and Spain, which created concerns about the ability of these nations to continue to service their sovereign debt obligations. While the financial stability of many of such countries has improved significantly, risks resulting from any future debt crisis in Europe or any similar crisis could have a detrimental impact on the global economic recovery, sovereign and non-sovereign debt in these countries and the financial condition of European financial institutions. Market and economic disruptions have affected, and may in the future affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. We cannot assure you that market disruptions in Europe, including the increased cost of funding for certain governments and financial institutions, will not impact the global economy, and we cannot assure you that assistance packages will be available, or if available, be sufficient to stabilize countries and markets in Europe or elsewhere affected by a financial crisis. To the extent uncertainty regarding any economic recovery in Europe negatively impacts consumer confidence and consumer credit factors, our business, financial condition and results of operations could be significantly and adversely affected.

In the second quarter of 2015, stock prices in China experienced a significant drop, resulting primarily from continued sell-off of shares trading in Chinese markets. In addition, in August 2015, Chinese authorities sharply devalued China's currency. Since then, the Chinese capital markets have continued to experience periods of instability. These market and economic disruptions have affected, and may in the future affect, the U.S. capital markets, which could adversely affect our business, financial condition or results of operations.

The Federal Reserve raised the Federal Funds Rate in December 2015 and again in December 2016, and has announced its intention to continue to raise the federal funds rate over time. These developments, along with the United States government's credit and deficit concerns, the European sovereign debt crisis and the economic slowdown in China, could cause interest rates to be volatile, which may negatively impact our ability to access the debt markets on favorable terms.

In November 2016, the United States held its Federal election and elected Donald Trump, the Republican Party nominee, as President. Following President Trump's inauguration in January 2017, the Republican Party controls both the executive and legislative branches of government, which increases the likelihood that legislation will be adopted implementing the policies of the Trump administration. While campaigning, President Trump made statements suggesting he may seek to have Congress adopt legislation that could significantly affect the regulation of United States financial markets. Areas subject to potential change, amendment or repeal include the Dodd — Frank Act, including the Volcker Rule and various swaps and derivatives regulations, the authority of the Federal Reserve and the Financial Stability Oversight Council, and renewed proposals to separate banks' commercial and investment banking activities. President Trump also stated he would cause the United States to withdraw from or renegotiate various trade agreements and take other actions that would change current trade policies of the United States. We cannot predict which, if any, of these actions will be taken or, if taken, their effect on the financial stability of the United States. Such actions could have a significant adverse effect on our business, financial condition and results of operations. We cannot predict the effects of these or similar events in the future on the U.S. economy and securities markets or on our investments. We monitor developments and seek to manage our investments in a manner consistent with achieving our investment objective, but there can be no assurance that we will be successful in doing so.

## TABLE OF CONTENTS

Any further disruptive conditions in the financial industry and the impact of new legislation in response to those conditions could restrict our business operations and could adversely impact our results of operations and financial condition. In addition, the business development company market may be more sensitive to changes in interest rates or other factors and to the extent the business development company market trades down, our shares might likewise be affected. If the fair value of our assets declines substantially, we may fail to maintain the asset coverage ratios imposed upon us by the 1940 Act. Any such failure would affect our ability to issue securities, including borrowings, and pay dividends, which could materially impair our business operations. Our liquidity could be impaired further by an inability to access the capital markets or to consummate new borrowing facilities to provide capital for normal operations, including new originations. In recent years, reflecting concern about the stability of the financial markets, many lenders and institutional investors have reduced or ceased providing funding to borrowers.

**Our business and operations could be negatively affected if we become subject to any securities litigation or stockholder activism, which could cause us to incur significant expense, hinder execution of investment strategy and impact our stock price.**

In the past, following periods of volatility in the market price of a company's securities, securities class-action litigation has often been brought against that company. Stockholder activism, which could take many forms or arise in a variety of situations, has been increasing in the business development company space recently. While we are currently not subject to any securities litigation or stockholder activism, due to the potential volatility of our stock price and for a variety of other reasons, we may in the future become the target of securities litigation or stockholder activism. Securities litigation and stockholder activism, including potential proxy contests, could result in substantial costs and divert management's and our board of directors' attention and resources from our business. Additionally, such securities litigation and stockholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation and activist stockholder matters. Further, our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and stockholder activism.

**We operate in a highly competitive market for direct equity investment opportunities.**

A large number of entities compete with us to make the types of direct equity investments that we target as part of our business strategy. We compete for such investments with a large number of private equity and venture capital funds, other equity and non-equity based investment funds, investment banks and other sources of financing, including traditional financial services companies such as commercial banks and specialty finance companies. Many of our competitors are substantially larger than us and have considerably greater financial, technical and marketing resources than we do. For example, some competitors may have a lower cost of funds and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a business development company. There can be no assurance that the competitive pressures we face will not have a material adverse effect on our business, financial condition and results of operations. Also, as a result of this competition, we may not be able to take advantage of attractive investment opportunities from time to time, and we can offer no assurance that we will be able to identify and make direct equity investments that are consistent with our investment objective.

**The management and incentive fees may induce GSV Asset Management to make speculative investments.**

The incentive fee payable by us to GSV Asset Management may create an incentive for GSV Asset Management to make investments on our behalf that are risky or more speculative than would be the case in the absence of such compensation arrangement. The way in which the incentive fee payable to GSV Asset Management is determined, which is calculated as a percentage of the return on invested capital, may encourage GSV Asset Management to use leverage to increase the return on our investments. In addition, the fact that our base management fee is payable based upon our gross assets, which is our total assets as

## TABLE OF CONTENTS

reflected on our balance sheet (with no deduction for liabilities), may encourage GSV Asset Management to use leverage to make additional investments. On September 17, 2013, we completed a private placement of \$69.0 million in aggregate principal amount of 5-year unsecured 5.25% Convertible Senior Notes (the "Convertible Senior Notes"). We will be required, however, to obtain the approval of our board of directors before we incur any additional indebtedness. Under certain circumstances, the use of leverage may increase the likelihood of default, which would disfavor holders of our common stock. Such a practice could result in our investing in more speculative securities than would otherwise be the case, which could result in higher investment losses, particularly during cyclical economic downturns.

In addition, GSV Asset Management has control over the timing of the acquisition and dispositions of our investments, and therefore over when we realize gains and losses on our investments. As a result, GSV Asset Management, and those of our interested directors who are compensated by GSV Asset Management as employees of, or consultants to, GSV Asset Management based on the management and incentive fees paid by us to GSV Asset Management, may face a conflict of interest in determining when it is appropriate to dispose of a specific investment to the extent doing so may serve to maximize the incentive fee at a point where disposing of such investment may not necessarily be in the best interests of our stockholders. The independent members of our board of directors monitor such conflicts of interest in connection with their review of the performance of GSV Asset Management under our Investment Advisory Agreement, as well as during their quarterly review of our financial performance and results of operations.

### **Borrowings, such as the Convertible Senior Notes, can magnify the potential for gain or loss on amounts invested and may increase the risk of investing in us.**

Borrowings, also known as leverage, magnify the potential for gain or loss on amounts invested and, therefore, increase the risks associated with investing in our securities. In addition to the Convertible Senior Notes, we may borrow from and issue senior debt securities to banks, insurance companies and other lenders. Lenders of such senior securities would have fixed dollar claims on our assets that are superior to the claims of our common stockholders. If the value of our assets increases, then leveraging would cause the net asset value attributable to our common stock to increase more sharply than it would have had we not leveraged. Conversely, if the value of our assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would have had we not leveraged. Similarly, any increase in our income in excess of interest payable on the borrowed funds would cause our net income to increase more than it would without the leverage, while any decrease in our income would cause net income to decline more sharply than it would have had we not borrowed. Leverage is generally considered a speculative investment technique. Our ability to service the Convertible Senior Notes and any future debt that we incur will depend largely on our financial performance and will be subject to prevailing economic conditions and competitive pressures. Moreover, as the management fee payable to GSV Asset Management will be payable on our gross assets, including those assets acquired through the use of leverage, GSV Asset Management may have a financial incentive to incur additional leverage which may not be consistent with our stockholders' interests. In addition, our common stockholders will bear the burden of any increase in our expenses as a result of such leverage, including any increase in the management fee payable to GSV Asset Management. As a result of our use of leverage, we have experienced a substantial increase in operating expenses and may continue to do so in the future.

### **Our use of borrowed funds to make investments exposes us to risks typically associated with leverage.**

We borrow money and may issue additional debt securities or preferred stock to leverage our capital structure. As a result:

- shares of our common stock would be exposed to incremental risk of loss; therefore, a decrease in the value of our investments would have a greater negative impact on the value of our common shares than if we did not use leverage;
- any depreciation in the value of our assets may magnify losses associated with an investment and could totally eliminate the value of an asset to us;
- if we do not appropriately match the assets and liabilities of our business and interest or dividend rates on such assets and liabilities, adverse changes in interest rates could reduce or eliminate the incremental income we make with the proceeds of any leverage;

## TABLE OF CONTENTS

- our ability to pay dividends on our common stock may be restricted if our asset coverage ratio, as provided in the 1940 Act, is not at least 200%, and any amounts used to service indebtedness or preferred stock would not be available for such dividends;
- any credit facility would be subject to periodic renewal by our lenders, whose continued participation cannot be guaranteed;
- such securities would be governed by an indenture or other instrument containing covenants restricting our operating flexibility or affecting our investment or operating policies, and may require us to pledge assets or provide other security for such indebtedness;
- we, and indirectly our common stockholders, bear the entire cost of issuing and paying interest or dividends on such securities;
- if we issue preferred stock, the special voting rights and preferences of preferred stockholders may result in such stockholders' having interests that are not aligned with the interests of our common stockholders, and the rights of our preferred stockholders to dividends and liquidation preferences will be senior to the rights of our common stockholders;
- any convertible or exchangeable securities that we issue may have rights, preferences and privileges more favorable than those of our common shares; and
- any custodial relationships associated with our use of leverage would conform to the requirements of the 1940 Act, and no creditor would have veto power over our investment policies, strategies, objectives or decisions except in an event of default or if our asset coverage was less than 200%.

Under the provisions of the 1940 Act, we are permitted, as a business development company, to issue senior securities only in amounts such that our asset coverage ratio equals at least 200% after each issuance of senior securities. If the value of our assets declines, we may be unable to satisfy this test and we may be required to sell a portion of our investments and, depending on the nature of our leverage, repay a portion of our senior securities at a time when such sales may be disadvantageous.

### **There are significant potential conflicts of interest, which could impact our investment returns and limit the flexibility of our investment policies.**

We have entered into an Investment Advisory Agreement with GSV Asset Management. GSV Asset Management is controlled by Michael T. Moe, our Chief Executive Officer and Chairman of our board of directors. Messrs. Moe, Tanona and Flynn, as principals of GSV Asset Management, collectively manage the business and internal affairs of GSV Asset Management. In addition, GSV Capital Service Company provides us with office facilities and administrative services pursuant to an Administration Agreement. GSV Capital Service Company is controlled by GSV Asset Management. While there is no limit on the total amount of expenses we may be required to reimburse to GSV Capital Service Company, our administrator will only charge us for the actual expenses it incurs on our behalf, or our allocable portion thereof, without any profit to GSV Capital Service Company.

As discussed above, GSV Asset Management has control over the timing of the acquisition and dispositions of our investments, and therefore over when we realize gains and losses on our investments. As a result, GSV Asset Management, and those of our interested directors who are compensated by GSV Asset Management as employees of, or consultants to, GSV Asset Management, may face a conflict of interest in determining when it is appropriate to dispose of a specific investment to the extent doing so may serve to maximize the incentive fee at a point where disposing of such investment may not necessarily be in the best interests of our stockholders. In addition, Mark Klein, a member of our board of directors, or entities with which he is affiliated, receives fees from GSV Asset Management equal to a percentage of each of the base management fee and the incentive fee paid by us to GSV Asset Management pursuant to a consulting agreement with GSV Asset Management.

Further, our executive officers and directors, and the principals of our investment adviser, GSV Asset Management, serve or may serve as officers and directors of entities that operate in a line of business similar to our own, including new entities that may be formed in the future. Accordingly, they may have obligations to investors in those entities, the fulfillment of which might not be in the best interests of us or our

## TABLE OF CONTENTS

stockholders. For example, GSV Asset Management also serves as sub-adviser to the GSV Ventures Funds and manages the Coursera Funds. We have no ownership interests in the Coursera Funds or the GSV Ventures Funds sub-advised by GSV Asset Management.

While the investment focus of each of these entities, including the GSV Ventures Funds and the Coursera Funds, may be different from our investment objective, it is likely that new investment opportunities that meet our investment objective will come to the attention of one of these entities, or new entities that will likely be formed in the future in connection with another investment advisory client or program, and, if so, such opportunity might not be offered, or otherwise made available, to us. However, our executive officers, directors and GSV Asset Management intend to treat us in a fair and equitable manner consistent with their applicable duties under law so that we will not be disadvantaged in relation to any other particular client. In addition, while GSV Asset Management anticipates that it will from time to time identify investment opportunities that are appropriate for both GSV Capital and the other funds that are currently or in the future may be managed by GSV Asset Management, to the extent it does identify such opportunities, GSV Asset Management has established an allocation policy to ensure that we have priority over such other funds. Our board of directors will monitor on a quarterly basis any such allocation of investment opportunities between us and any such other funds.

GSV Asset Management is the owner of the “GSV” name and marks, which we are permitted to use pursuant to a non-exclusive license agreement between us and GSV Asset Management. GSV Asset Management and its principals also use and may permit other entities to use the “GSV” name and marks in connection with businesses and activities unrelated to our operations. The use of the “GSV” name and marks in connection with businesses and activities unrelated to our operations may not be in the best interests of us or our stockholders and may result in actual or perceived conflicts of interest.

Finally, we pay GSV Capital Service Company our allocable portion of overhead and other expenses incurred by GSV Capital Service Company in performing its obligations under the Administration Agreement, including a portion of the rent and the compensation of our President, Chief Financial Officer, Chief Compliance Officer and other staff providing any administrative services, which creates conflicts of interest that our board of directors must monitor.

**GSV Asset Management has the right to resign on 60 days’ notice, and we may not be able to find a suitable replacement within that time, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.**

GSV Asset Management has the right, under the Investment Advisory Agreement, to resign at any time upon not more than 60 days’ written notice, whether we have found a replacement or not. If GSV Asset Management resigns, we may not be able to find a new investment adviser or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 60 days, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected and the market price of our shares may decline. In addition, the coordination of our internal management and investment activities is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by GSV Asset Management and its affiliates. Even if we are able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our financial condition, business and results of operations.

**We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income.**

Although we focus on achieving capital gains from our investments, in certain cases we may receive current income, such as interest or dividends, on our investments. Because in certain cases we may recognize such current income before or without receiving cash representing such income, we may have difficulty satisfying the annual distribution requirement applicable to RICs. Accordingly, in order to maintain our qualification as a RIC, we may have to sell some of our investments at times we would not consider

## TABLE OF CONTENTS

advantageous, raise additional debt or equity capital or reduce new investments to meet these distribution requirements. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus would be subject to corporate-level U.S. federal income tax.

### **Regulations governing our operation as a business development company affect our ability to, and the way in which we, raise additional capital, which may expose us to risks, including the typical risks associated with leverage.**

We may in the future issue additional debt securities or preferred stock and/or borrow money from banks or other financial institutions, which we refer to collectively (along with the Convertible Senior Notes) as “senior securities,” up to the maximum amount permitted by the 1940 Act. Under the provisions of the 1940 Act, we are permitted, as a business development company, to issue senior securities in amounts such that our asset coverage ratio, as defined in the 1940 Act, equals at least 200% of gross assets less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to sell a portion of our investments and, depending on the nature of our leverage, repay a portion of our indebtedness at a time when such sales may be disadvantageous. Furthermore, any amounts that we use to service our indebtedness would not be available for distributions to our common stockholders.

All of the costs of offering and servicing the Convertible Senior Notes and any additional debt or preferred stock we may issue in the future, including interest or preferential dividend payments thereon, will be borne by our common stockholders. The interests of the holders of the Convertible Senior Notes, any additional debt or preferred stock we may issue will not necessarily be aligned with the interests of our common stockholders. In particular, the rights of holders of the Convertible Senior Notes and our debt or preferred stock to receive interest, dividends or principal repayment will be senior to those of our common stockholders. Also, in the event we issue preferred stock, the holders of such preferred stock will have the ability to elect two members of our board of directors. In addition, we may grant a lender a security interest in a significant portion or all of our assets, even if the total amount we may borrow from such lender is less than the amount of such lender’s security interest in our assets. In no event, however, will any lender to us have any veto power over, or any vote with respect to, any change in our, or approval of any new, investment objective or investment policies or strategies.

We are not generally able to issue and sell our common stock at a price below net asset value per share. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then-current net asset value of our common stock if our board of directors determines that such sale is in the best interests of GSV Capital and its stockholders, and our stockholders approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price which, in the determination of our board of directors, closely approximates the market value of such securities (less any distributing commission or discount). We are also generally prohibited under the 1940 Act from issuing securities convertible into voting securities without obtaining the approval of our existing stockholders.

### **In addition to regulatory requirements that restrict our ability to raise capital, the Convertible Senior Notes contain various covenants which, if not complied with, could require us to repurchase the Convertible Senior Notes, thereby materially and adversely affecting our liquidity, financial condition, results of operations and ability to pay dividends.**

The Convertible Senior Notes require us to comply with certain financial and operational covenants. These covenants require us to, among other things, maintain certain financial ratios, including asset coverage, debt to equity and interest coverage. Our ability to continue to comply with these covenants in the future depends on many factors, some of which are beyond our control. There are no assurances that we will be able to comply with these covenants. Failure to comply with these covenants would result in a default which, if we were unable to obtain a waiver from the lenders under the Convertible Senior Notes and accelerate repurchase of the Convertible Senior Notes, would have a material adverse impact on our liquidity, financial condition, results of operations and ability to pay dividends. In addition, holders of the Convertible Senior Notes will have the right to require us to repurchase the Convertible Senior Notes upon the occurrence of a fundamental

## TABLE OF CONTENTS

change at a repurchase price equal to 100% of their principal amount, plus accrued and unpaid interest, if any. We may not have enough available cash or be able to obtain financing at the time we are required to make repurchases.

### **We will be subject to corporate-level U.S. federal income tax if we are profitable and are unable to qualify as a RIC, which could have a material adverse effect on us and our stockholders.**

We elected to be treated as a RIC under the Code beginning with our taxable year ended December 31, 2014, have qualified to be treated as a RIC for subsequent taxable years and expect to continue to operate in a manner so as to qualify for the tax treatment applicable to RICs. For the fiscal year ended 2012, however, we failed to satisfy certain tests required for us to qualify as a RIC under the Code, and were therefore subject to corporate-level U.S. federal income tax. In September 2014, we filed our 2013 tax return as a RIC and sought to be granted RIC status for our 2013 taxable year; however, we determined we would not be eligible to elect to be treated as a RIC for the 2013 taxable year unless we were certified by the SEC as “principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available” for the 2013 taxable year. In September 2015, we had not received such SEC Certification for our 2013 taxable year and we determined it was in the best interests of our stockholders to file the 2013 tax return as a C corporation. As of March 16, 2017, we had not received and do not anticipate receiving such SEC Certification for our 2013 taxable year. We do not intend to pursue this certification with the SEC. See “Business — Material U.S. Federal Income Tax Considerations” and “Note 1 — Nature of Operations and Significant Accounting Policies — Summary of Significant Accounting Policies — U.S. Federal and State Income Taxes” and “Note 8 — Income Taxes” to our consolidated financial statements for the year ended December 31, 2016 for more information.

Management generally believes that it will be in our best interests to be treated a RIC in any year in which we are profitable. If we fail to qualify as a RIC for any year in which we are profitable and such profits exceed certain loss carryforwards that we are entitled to utilize, we will be subject to corporate-level U.S. federal income tax, which could substantially reduce our net assets, the amount of income available for distribution or reinvestment and the amount of our distributions. Such a failure could have a material adverse effect on us and our stockholders.

We evaluate tax positions taken or expected to be taken in the course of preparing our consolidated financial statements to determine whether the tax positions are “more-likely-than-not” to be sustained by the applicable tax authority. We recognize the tax benefits of uncertain tax positions only when the position has met the “more-likely-than-not” threshold. We classify penalties and interest associated with income taxes, if any, as income tax expense. Conclusions regarding tax positions are subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analyses of tax laws, regulations and interpretations thereof. We have identified our major tax jurisdictions as U.S. federal and California.

### **In any year in which we intend to be treated as a RIC, we may be forced to dispose of investments at times when GSV Asset Management would not otherwise do so or raise additional capital at times when we would not otherwise do so, in each case in order to qualify for the special tax treatment accorded to RICs.**

To qualify for the special treatment accorded to RICs, we must meet certain income source, asset diversification and annual distribution requirements. In order to satisfy the income source requirement, we must derive in each taxable year at least 90% of our gross income from dividends, interest, payments with respect to certain securities loans, gains from the sale of stock or other securities or foreign currencies, other income derived with respect to our business of investing in such stock or securities or income from “qualified publicly traded partnerships.” To qualify as a RIC, we must also meet certain asset diversification requirements at the end of each quarter of our taxable year. Failure to meet these tests in any year in which we intend to be treated as a RIC may result in our having to dispose of certain investments quickly in order to prevent the loss of RIC status. Because most of our investments are in private companies, any such dispositions could be made at disadvantageous prices and could result in substantial losses. In addition, in order to satisfy the annual distribution requirement for a RIC, we must distribute at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, to

## TABLE OF CONTENTS

our stockholders on an annual basis. We will be subject to certain asset coverage ratio requirements under the 1940 Act and financial covenants under the terms of our indebtedness that could, under certain circumstances, restrict us from making distributions necessary to satisfy the annual distribution requirement. If we are unable to dispose of investments quickly enough to meet the asset diversification requirements at the end of a quarter or obtain cash from other sources in order to meet the annual distribution requirement, we may fail to qualify for special tax treatment accorded to RICs and, thus, be subject to corporate-level U.S. federal income tax.

**Because we expect to distribute substantially all of our net investment income and net realized capital gains to our stockholders, we will need additional capital to finance our growth and such capital may not be available on favorable terms or at all.**

We have elected to be taxed for U.S. federal income tax purposes as a RIC under Subchapter M of the Code. If we meet certain requirements, including source of income, asset diversification and distribution requirements, and if we continue to qualify as a business development company, we will continue to qualify to be a RIC under the Code and will not have to pay corporate-level income taxes on income we distribute to our stockholders as dividends, allowing us to substantially reduce or eliminate our U.S. federal corporate-level income tax liability. As a business development company, we are generally required to meet a coverage ratio of total assets to total senior securities, which includes all of our borrowings and any preferred stock we may issue in the future, of at least 200% at the time we issue any debt or preferred stock. This requirement limits the amount that we may borrow. Because we will continue to need capital to grow our investment portfolio, this limitation may prevent us from incurring debt or preferred stock and require us to raise additional equity at a time when it may be disadvantageous to do so. We cannot assure you that debt and equity financing will be available to us on favorable terms, or at all, and debt financings may be restricted by the terms of any of our outstanding borrowings. In addition, as a business development company, we are generally not permitted to issue common stock priced below net asset value without stockholder approval. If additional funds are not available to us, we could be forced to curtail or cease new lending and investment activities, and our net asset value could decline.

**We may continue to choose to pay dividends in our common stock, in which case you may be required to pay tax in excess of the cash you receive.**

We have in the past, and may continue to, distribute taxable dividends that are payable in part in shares of our common stock. For example, on November 4, 2015, our Board of Directors declared a dividend of \$2.76 per share to stockholders, paid in part cash and part shares of our common stock on December 31, 2015. In accordance with certain applicable Treasury regulations and private letter rulings issued by the Internal Revenue Service (“IRS”), a RIC may treat a distribution of its own common stock as fulfilling the RIC distribution requirements if each stockholder may elect to receive his or her entire distribution in either cash or common stock of the RIC, subject to a limitation that the aggregate amount of cash to be distributed to all stockholders must be at least 20% of the aggregate declared distribution. If too many stockholders elect to receive cash, each stockholder electing to receive cash must receive a pro rata amount of cash (with the balance of the distribution paid in common stock). In no event will any stockholder, electing to receive cash, receive less than 20% of his or her entire distribution in cash. If these and certain other requirements are met, for U.S. federal income tax purposes, the amount of the dividend paid in common stock will be equal to the amount of cash that could have been received instead of common stock. Taxable stockholders receiving such dividends will be required to include the full amount of the dividend as ordinary income (or as long-term capital gain to the extent such distribution is properly reported as a capital gain dividend) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. stockholder may be required to pay tax with respect to such dividends in excess of any cash received. If a U.S. stockholder sells the stock it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to Non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in common stock. In addition, if a significant number of our stockholders determine to sell shares of our common stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our common stock.

**Even in the event the value of your investment declines, the base management fee will still be payable.**

Under the terms of the Investment Advisory Agreement, the base management fee is calculated at an annual rate of 2.0% of the value of our gross assets, which we pay monthly in arrears. Effective January 1, 2017 through December 31, 2017, however, pursuant to a voluntary waiver by GSV Asset Management, we will pay GSV Asset Management a base management fee of 1.75%, a 0.25% reduction from the 2.0% base management fee payable under the Investment Advisory Agreement. This waiver of a portion of the base management fee is not subject to recourse against or reimbursement by us. The base management fee is payable regardless of whether the value of our gross assets or your investment declines. As a result, we will owe GSV Asset Management a base management fee regardless of whether we incurred significant realized capital losses and unrealized capital depreciation (losses) during the period for which the base management fee is paid.

**We incur significant costs as a result of being a publicly traded company.**

As a publicly traded company, we incur legal, accounting and other expenses, including costs associated with the periodic reporting requirements applicable to a company whose securities are registered under the Exchange Act as well as additional corporate governance requirements, including requirements under the Sarbanes-Oxley Act, and other rules implemented by the SEC.

**We may in the future determine to fund a portion of our investments with preferred stock, which would magnify the potential for gain or loss and the risks of investing in us in the same way as our borrowings.**

Preferred stock, which is another form of leverage, has the same risks to our common stockholders as borrowings because the dividends on any preferred stock we issue must be cumulative. Payment of such dividends and repayment of the liquidation preference of such preferred stock must take preference over any dividends or other payments to our common stockholders, and preferred stockholders are not subject to any of our expenses or losses and are not entitled to participate in any income or appreciation in excess of their stated preference.

**Our board of directors is authorized to reclassify any unissued shares of stock into one or more classes of preferred stock, which could convey special rights and privileges to its owners.**

Our charter permits our board of directors to reclassify any authorized but unissued shares of stock into one or more classes of preferred stock. Our board of directors will generally have broad discretion over the size and timing of any such reclassification, subject to a finding that the reclassification and issuance of such preferred stock is in the best interests of GSV Capital and our existing common stockholders. Any issuance of preferred stock would be subject to certain limitations imposed under the 1940 Act, including the requirement that such preferred stock have equal voting rights with our outstanding common stock. We are authorized to issue up to 100,000,000 shares of common stock. In the event our board of directors opts to reclassify a portion of our unissued shares of common stock into a class of preferred stock, those preferred shares would have a preference over our common stock with respect to dividends and liquidation. The cost of any such reclassification would be borne by our existing common stockholders. In addition, the 1940 Act provides that holders of preferred stock are entitled to vote separately from holders of common stock to elect two directors. As a result, our preferred stockholders will have the ability to reject a director that would otherwise be elected by our common stockholders. In addition, while Maryland law generally requires directors to act in the best interests of all of a corporation's stockholders, there can be no assurance that a director elected by our preferred stockholders will not choose to act in a manner that tends to favor our preferred stockholders, particularly where there is a conflict between the interests of our preferred stockholders and our common stockholders. The class voting rights of any preferred shares we may issue could make it more difficult for us to take some actions that may, in the future, be proposed by the board of directors and/or the holders of our common stock, such as a merger, exchange of securities, liquidation, or alteration of the rights of a class of our securities, if these actions were perceived by the holders of preferred shares as not in their best interests. The issuance of preferred shares convertible into shares of common stock might also reduce the net income and net asset value per share of our common stock upon conversion. These effects, among others, could have an adverse effect on your investment in our common stock.

## TABLE OF CONTENTS

### **Our board of directors may change our investment objective, operating policies and strategies without prior notice or stockholder approval, the effects of which may be adverse.**

Our board of directors has the authority to modify or waive our investment objective, current operating policies, investment criteria and strategies without prior notice and without stockholder approval. We cannot predict the effect any changes to our current operating policies, investment criteria and strategies would have on our business, net asset value, operating results and value of our stock. However, the effects might be adverse, which could negatively impact our ability to pay you dividends and cause you to lose all or part of your investment.

### **Provisions of the Maryland General Corporation Law and of our charter and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.**

Our charter and bylaws, as well as certain statutory and regulatory requirements, contain certain provisions that may have the effect of discouraging a third party from making an acquisition proposal for us. Our bylaws contain a provision exempting any and all acquisitions by any person of our shares of stock from the Control Share Act under the Maryland General Corporation Law. If our board of directors does not otherwise approve a business combination, the Control Share Act (if we amend our bylaws to be subject to that Act) may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer. Additionally, under our charter, our board of directors is divided into three classes serving staggered terms; our board of directors may, without stockholder action, authorize the issuance of shares of stock in one or more classes or series, including preferred stock; and our board of directors may, without stockholder action, amend our charter to increase the number of shares of stock of any class or series that we have authority to issue. These antitakeover provisions may inhibit a change of control in circumstances that could otherwise give the holders of our common stock the opportunity to realize a premium over the market price for our common stock.

### **We are highly dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect the market price of our common stock and our ability make distributions.**

Our business is highly dependent on our and third parties' communications and information systems. Any failure or interruption of those systems, including as a result of the termination of an agreement with any third-party service providers, could cause delays or other problems in our activities. Our financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and may adversely affect our business. There could be:

- sudden electrical or telecommunications outages;
- natural disasters such as earthquakes, tornadoes and hurricanes;
- disease pandemics;
- events arising from local or larger scale political or social matters, including terrorist acts; and
- cyber-attacks.

These events, in turn, could have a material adverse effect on our operating results and negatively affect the market price of our common stock and our ability to pay dividends to our stockholders.

### **Terrorist attacks, acts of war or natural disasters may affect any market for our securities, impact the businesses in which we invest and harm our business, operating results and financial condition.**

Terrorist acts, acts of war or natural disasters may disrupt our operations, as well as the operations of the businesses in which we invest. Such acts have created, and continue to create, economic and political uncertainties and have contributed to global economic instability. Future terrorist activities, military or security operations, or natural disasters could further weaken the domestic/global economies and create additional uncertainties, which may negatively impact the businesses in which we invest directly or indirectly and, in turn, could have a material adverse impact on our business, operating results and financial condition. Losses from terrorist attacks and natural disasters are generally uninsurable.

## TABLE OF CONTENTS

### **We face cyber-security risks.**

Our business operations rely upon secure information technology systems for data processing, storage and reporting. Despite careful security and controls design, implementation and updating, our information technology systems could become subject to cyber-attacks. Network, system, application and data breaches could result in operational disruptions or information misappropriation, which could have a material adverse effect on our business, results of operations and financial condition.

### **The failure in cyber security systems, as well as the occurrence of events unanticipated in our disaster recovery systems and management continuity planning could impair our ability to conduct business effectively.**

The occurrence of a disaster such as a cyber-attack, a natural catastrophe, an industrial accident, a terrorist attack or war, events unanticipated in our disaster recovery systems, or a support failure from external providers, could have an adverse effect on our ability to conduct business and on our results of operations and financial condition, particularly if those events affect our computer-based data processing, transmission, storage, and retrieval systems or destroy data. If a significant number of our managers were unavailable in the event of a disaster, our ability to effectively conduct our business could be severely compromised.

We depend heavily upon computer systems to perform necessary business functions. Despite our implementation of a variety of security measures, our computer systems could be subject to cyber-attacks and unauthorized access, such as physical and electronic break-ins or unauthorized tampering. Like other companies, we may experience threats to our data and systems, including malware and computer virus attacks, unauthorized access, system failures and disruptions. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary and other information processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or malfunctions in our operations, which could result in damage to our reputation, financial losses, litigation, increased costs, regulatory penalties and/or customer dissatisfaction or loss.

### **Risks Related to Our Convertible Senior Notes**

#### **Our stockholders may experience dilution upon the conversion of our Convertible Senior Notes.**

Our Convertible Senior Notes are convertible into shares of our common stock. Upon conversion, we must deliver shares of our common stock. The conversion rate of our Convertible Senior Notes is 83.3596 shares of common stock per \$1,000 principal amount of the Convertible Senior Notes, which is equivalent to a conversion price of approximately \$12.00 per share of common stock. Based on the current conversion rate, the maximum number of shares of common stock that would be issued upon conversion of the \$69.0 million convertible debt currently outstanding is 5,751,815. If we deliver shares of common stock upon a conversion at the time our net asset value per share exceeds the conversion price in effect at such time, our stockholders will incur dilution. In addition, our stockholders will experience dilution in their ownership percentage of our common stock upon our issuance of common stock in connection with the conversion of our Convertible Senior Notes and any dividends paid on our common stock will also be paid on shares issued in connection with such conversion after such issuance.

#### **We may not have, or have the ability to raise, the funds necessary to repurchase our Convertible Senior Notes upon a fundamental change, and our debt may contain limitations on our ability to deliver shares of our common stock upon conversion or pay cash upon repurchase of our Convertible Senior Notes.**

Holders of our Convertible Senior Notes will have the right to require us to repurchase their notes upon the occurrence of certain significant corporate events involving us, including if our common stock ceases to trade on any national securities exchange or we consolidate or merge into another entity in certain circumstances, at a repurchase price equal to 100% of their principal amount, plus accrued and unpaid interest, if any. We refer to such a corporate event as a “fundamental change.” However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of Convertible Senior Notes surrendered therefor. In addition, our ability to repurchase our Convertible Senior Notes or deliver shares of our common stock upon conversions of the Convertible Senior Notes may be limited by law, by regulatory authority or by agreements governing our indebtedness. Our failure to

## TABLE OF CONTENTS

repurchase the notes at a time when the repurchase is required by the indenture relating to the Convertible Senior Notes or to deliver any shares of our common stock deliverable on future conversions of the Convertible Senior Notes as required by the indenture would constitute a default under the indenture. A default under the indenture or the occurrence of a fundamental change itself could also lead to a default under agreements governing our indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase our Convertible Senior Notes.

### **Provisions of our Convertible Senior Notes could discourage an acquisition of us by a third party.**

Certain provisions of our Convertible Senior Notes could make it more difficult or more expensive for a third party to acquire us. Upon the occurrence of a fundamental change, the holders of our Convertible Senior Notes will have the right, at their option, to require us to repurchase all or a portion of their Convertible Senior Notes, plus accrued and unpaid interest. We may also be required to increase the conversion rate of the Convertible Senior Notes in certain other circumstances, including in the event of certain fundamental changes. These provisions could discourage an acquisition of us by a third party.

### **Certain adverse consequences could result if our Convertible Senior Notes are treated as equity interests in us for purposes of regulations under the Employee Retirement Income Security Act of 1974.**

Pursuant to regulations under the Employee Retirement Income Security Act of 1974 (“ERISA”), it is possible that, due to their convertibility feature, our Convertible Senior Notes could be treated as equity interests in us. In that event, if employee benefit plans subject to Title I of ERISA, plans that are not subject to ERISA but that are subject to Section 4975 of the Code, such as individual retirement accounts, and entities that are deemed to hold the assets of such plans or accounts (such plans, accounts, and entities, “Benefit Plan Investors”) were to acquire 25% or more of the aggregate value of our Convertible Senior Notes, among other consequences, we and our management would be subject to ERISA fiduciary duties, and certain transactions we might enter into, or may have entered into, in the ordinary course of our business might constitute non-exempt “prohibited transactions” under Section 406 of ERISA or Section 4975 of the Code and might have to be rescinded at significant cost to us. Moreover, if our underlying assets were deemed to be assets constituting plan assets, (i) our assets could be subject to ERISA’s reporting and disclosure requirements, (ii) a fiduciary causing a Benefit Plan Investor to make an investment in our equity interests could be deemed to have delegated its responsibility to manage the assets of the Benefit Plan Investor, and (iii) various providers of fiduciary or other services to us, and any other parties with authority or control with respect to our assets, could be deemed to be plan fiduciaries or otherwise parties-in-interest or disqualified persons by virtue of their provision of such services.

We do not believe that our Convertible Senior Notes should be treated as equity interests in us for purposes of ERISA in light of the relevant regulations. No assurance can be given, however, that our Convertible Senior Notes will not be so treated.

### **The accounting for convertible debt securities is complex and subject to uncertainty.**

The accounting for convertible debt securities is complex and subject to frequent scrutiny by the accounting regulatory bodies and is subject to change. The issuance of our Convertible Senior Notes may affect our earnings per share on a fully diluted basis in certain periods. Further, we cannot predict if or when changes in the accounting for convertible debt securities could be made and whether any such change could have an adverse impact on our reported or future financial results. Any such impacts could adversely affect the market price or value of our common stock.

## **Risks Related to an Investment in Our Securities**

### **Our common stock price may be volatile and may decrease substantially.**

The trading price of our common stock may fluctuate substantially. The price of our common stock that will prevail in the market after any future offering may be higher or lower than the price you pay, depending on many factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include, but are not limited to, the following:

- price and volume fluctuations in the overall stock market from time to time;
- investor demand for our shares;
- significant volatility in the market price and trading volume of securities of RICs, business development companies or other financial services companies;
- changes in regulatory policies or tax guidelines with respect to RICs or business development companies;
- failure to qualify as a RIC for a particular taxable year, or the loss of RIC status;
- actual or anticipated changes in our earnings or fluctuations in our operating results or changes in the expectations of securities analysts;
- general economic conditions and trends;
- fluctuations in the valuation of our portfolio investments;
- operating performance of companies comparable to us;
- market sentiment against technology-related companies; or
- departures of any of the senior investment professionals of GSV Asset Management.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. Due to the potential volatility of our stock price, we may therefore be the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management's attention and resources from our business.

### **Shares of our common stock have recently traded, and may in the future trade, at discounts from net asset value or at premiums that may prove to be unsustainable.**

Shares of business development companies like us may, during some periods, trade at prices higher than their net asset value per share and, during other periods, as frequently occurs with closed-end investment companies, trade at prices lower than their net asset value per share. The perceived value of our investment portfolio may be affected by a number of factors including perceived prospects for individual companies we invest in, market conditions for common stock generally, for IPOs and other exit events for venture-capital-backed companies, and the mix of companies in our investment portfolio over time. Negative or unforeseen developments affecting the perceived value of companies in our investment portfolio could result in a decline in the trading price of our common stock relative to our net asset value per share.

The possibility that our shares will trade at a discount from net asset value or at premiums that are unsustainable are risks separate and distinct from the risk that our net asset value per share will decrease. The risk of purchasing shares of a business development company that might trade at a discount or unsustainable premium is more pronounced for investors who wish to sell their shares in a relatively short period of time because, for those investors, realization of a gain or loss on their investments is likely to be more dependent upon changes in premium or discount levels than upon increases or decreases in net asset value per share. As of March 15, 2017, the closing price of our common stock on the Nasdaq Capital Market was \$5.37 per share, which represented an approximately 38.0% discount to our net asset value of \$8.66 per share as of December 31, 2016.

## TABLE OF CONTENTS

**There is a risk that you may not receive dividends or that our dividends may not grow over time, particularly since we invest primarily in securities that do not produce current income.**

We cannot assure you that we will achieve investment results or maintain a tax status that will allow or require any specified level of cash distributions or year-to-year increases in cash distributions. As we intend to focus on making primarily capital gains-based investments in equity securities, which generally will not be income producing, we do not anticipate that we will pay dividends on a quarterly basis or become a predictable issuer of dividends, and we expect that our dividends, if any, will be less consistent than other business development companies that primarily make debt investments.

**We have broad discretion over the use of proceeds from our offerings, to the extent they are successful, and will use proceeds in part to satisfy operating expenses.**

We have significant flexibility in applying the proceeds of our offerings and may use the net proceeds from such offerings in ways with which you may not agree, or for purposes other than those contemplated at the time of the offering. We cannot assure you that we will be able to successfully utilize the proceeds within the timeframe contemplated. We will also pay operating expenses, and may pay other expenses such as due diligence expenses of potential new investments, from the net proceeds of any offering. Our ability to achieve our investment objective may be limited to the extent that the net proceeds of an offering, pending full investment, are used to pay operating expenses. In addition, we can provide you no assurance that any such offerings will be successful, or that by increasing the size of our available equity capital our aggregate expenses, and correspondingly, our expense ratio, will be lowered.

### **Item 1B. Unresolved Staff Comments**

Not applicable.

### **Item 2. Properties**

Our corporate headquarters are located at 2925 Woodside Road, Woodside, California, 94062, in the offices of GSV Asset Management. We do not own or lease any office space directly; however, we will pay a portion of the rent as allocated to us by GSV Capital Service Company. Our office facilities are suitable and adequate for our business as it is presently conducted.

### **Item 3. Legal Proceedings**

Although we and our subsidiaries may, from time to time, be involved in litigation arising out of our and our subsidiaries' operations in the normal course of business or otherwise, neither we nor any of our subsidiaries are currently a party to any pending material legal proceedings.

### **Item 4. Mine Safety Disclosures**

Not applicable.

**PART II****Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

Our common stock is traded on the Nasdaq Capital Market under the symbol “GSVC.” The following table sets forth the high and low closing prices for our common stock for each fiscal quarter for the years ended December 31, 2016 and 2015. As required by the instructions to Item 201 of Regulation S-K, the closing market prices reported below have been adjusted to give retroactive effect to material changes resulting from stock dividends. The reported closing market price of our common stock on March 15, 2017 was \$5.37.

	Price Range	
	High	Low
<b>Fiscal 2016</b>		
Fourth Quarter	\$ 5.15	\$ 4.50
Third Quarter	5.85	4.61
Second Quarter	6.03	4.60
First Quarter	6.73	5.41
<b>Fiscal 2015</b>		
Fourth Quarter	\$ 7.35	\$ 5.31
Third Quarter	7.81	5.39
Second Quarter	7.94	6.65
First Quarter	7.32	6.24

 **Holders**

As of March 13, 2017, there were 3 holders of record of our common stock (including Cede & Co.).

 **Distributions**

We have elected to be treated as a RIC under the Code and expect to continue to operate in a manner so as to qualify for the tax treatment applicable to RICs. To maintain RIC tax treatment, we must, among other things, distribute at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. In order to avoid certain excise taxes imposed on RICs, we currently intend to distribute during each calendar year an amount at least equal to the sum of (1) 98% of our ordinary income for the calendar year, (2) 98.2% of our capital gains in excess of capital losses for the one-year period ending on October 31 of the calendar year and (3) any ordinary income and net capital gains for preceding years that were not distributed during such years. In addition, although we currently intend to distribute realized net capital gains (i.e., net long-term capital gains in excess of net short-term capital losses), if any, at least annually, we may in the future decide to retain such capital gains for investment. If this happens, our stockholders will be treated as if they received an actual distribution of the capital gains we retain and reinvested the net after-tax proceeds in us. Stockholders also may be eligible to claim a tax credit (or, in certain circumstances, a tax refund) equal to the allocable share of the tax we paid on the capital gains deemed distributed to them. See “Business — Material U.S. Federal Income Tax Considerations.” We can offer no assurance that we will achieve results that will permit the payment of any cash distributions and, to the extent that we issue senior securities, we will be prohibited from making distributions if doing so causes us to fail to maintain the asset coverage ratios stipulated by the 1940 Act or if distributions are limited by the terms of any of our borrowings.

## TABLE OF CONTENTS

The timing and amount of our distributions, if any, will be determined by our board of directors and will be declared out of assets legally available for distribution. The following table lists the distributions, including dividends and returns of capital, if any, per share that we have declared since our formation through December 31, 2016. The table is divided by fiscal year according to record date:

<u>Date Declared</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Amount per Share</u>
<b>Fiscal 2015:</b>			
November 4, 2015 <sup>(1)</sup>	November 16, 2015	December 31, 2015	\$ 2.76
<b>Fiscal 2016:</b>			
August 3, 2016 <sup>(2)</sup>	August 16, 2016	August 24, 2016	0.04
<b>Total</b>			<u>\$ 2.80</u>

(1) The distribution was paid in cash or shares of our common stock at the election of stockholders, although the total amount of cash distributed to all stockholders was limited to approximately 50% of the total distribution to be paid to all stockholders. As a result of stockholder elections, the distribution consisted of approximately 2,860,903 shares of common stock issued in lieu of cash, or approximately 14.8% of our outstanding shares prior to the distribution, as well as cash of \$26,358,885. The number of shares of common stock comprising the stock portion was calculated based on a price of \$9.425 per share, which equaled the average of the volume weighted-average trading price per share of our common stock on December 28, 29 and 30, 2015. None of the \$2.76 per share dividend represented a return of capital.

(2) Of the total distribution of \$887,240 on August 24, 2016, \$820,753 represented a distribution from realized gains, and \$66,487 represented a return of capital.

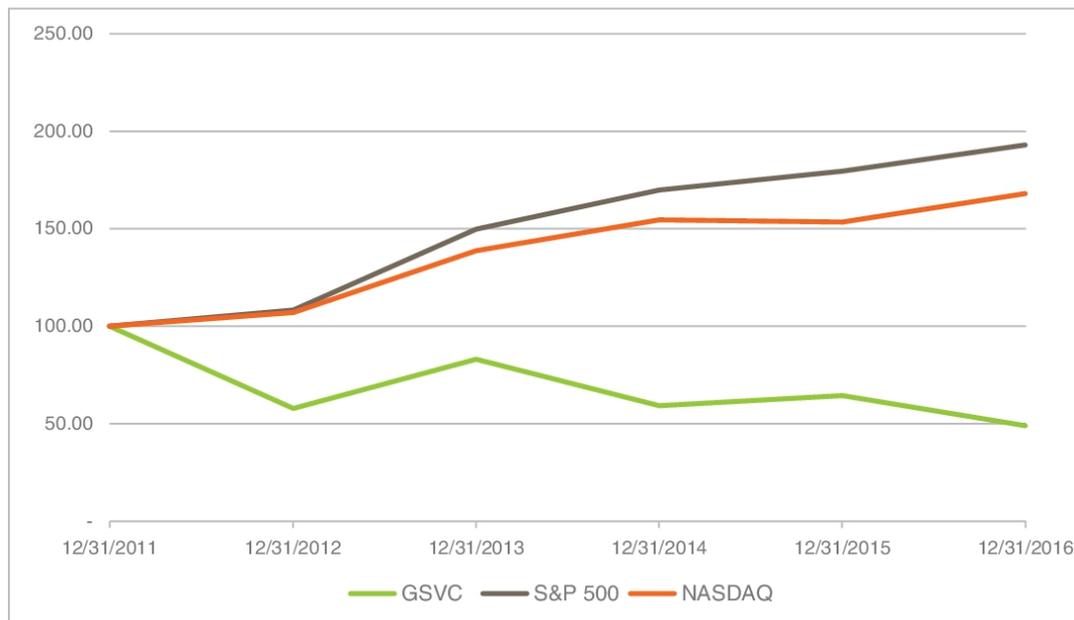
We intend to focus on making capital gains-based investments from which we will derive primarily capital gains. As a consequence, we do not anticipate that we will pay distributions on a quarterly basis or become a predictable distributor of distributions, and we expect that our distributions, if any, will be much less consistent than the distributions of other business development companies that primarily make debt investments. If there are earnings or realized capital gains to be distributed, we intend to declare and pay a distribution at least annually. The amount of realized capital gains available for distribution to stockholders will be impacted by our tax status.

Our current intention is to make any distributions out of assets legally available in additional shares of our common stock under our dividend reinvestment plan, except in the case of stockholders who elect to receive dividends and/or long-term capital gains distributions in cash. Under the dividend reinvestment plan, if a stockholder owns shares of common stock registered in its own name, the stockholder will have all cash distributions (net of any applicable withholding) automatically reinvested in additional shares of common stock unless the stockholder opts out of our dividend reinvestment plan by delivering a written notice to our dividend paying agent prior to the record date of the next dividend or distribution. Any distributions reinvested under the plan will nevertheless be treated as received by the U.S. stockholder for U.S. federal income tax purposes, although no cash distribution has been made. As a result, if a stockholder does not elect to opt out of the dividend reinvestment plan, it will be required to pay applicable federal, state and local taxes on any reinvested dividends even though it will not receive a corresponding cash distribution. In addition, reinvested dividends have the effect of increasing our gross assets, which may correspondingly increase the management fee payable to GSV Asset Management. If stockholders hold shares in the name of a broker or financial intermediary, they should contact the broker or financial intermediary regarding their election to receive distributions in cash.

## [TABLE OF CONTENTS](#)

### Performance Graph

The following graph compares the cumulative total return on our common stock with that of the Standard & Poor's 500 Stock Index and the Nasdaq Stock Index, as we do not believe there is an appropriate index of companies with an investment strategy similar to our own with which to compare the return on our common stock, for the five years ended December 31, 2016. The graph assumes that, on December 31, 2011, a person invested \$100.00 in our common stock, at the closing price of our common stock on December 31, 2011, and in the Standard & Poor's 500 Stock Index and the Nasdaq Stock Index. The graph measures total stockholder return, which takes into account both changes in stock price and dividends. It assumes that dividends are reinvested in like securities on the respective dividend dates without commissions.



	12/31/11	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16
GSVC	\$ 100.00	\$ 57.94	\$ 83.09	\$ 59.31	\$ 64.40	\$ 49.01
S&P 500 Index	\$ 100.00	\$ 108.24	\$ 149.72	\$ 169.78	\$ 179.50	\$ 192.97
Nasdaq Stock Index	\$ 100.00	\$ 107.04	\$ 138.72	\$ 154.52	\$ 153.40	\$ 168.03

The graph and other information furnished under this Part II, Item 5 of this annual report on Form 10-K shall not be deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Exchange Act. The stock price performance included in the above graph is not necessarily indicative of future stock price performance.

### SALES OF UNREGISTERED EQUITY SECURITIES

In connection with the cash and stock distribution declared by our board of directors on November 4, 2015 and paid on December 31, 2015, and as a result of the election of stockholders, we issued 2,860,903 shares of common stock, or approximately 14.8% of our outstanding shares prior to the distribution, at a price of \$9.425 per share, which equaled the average of the volume weighted-average trading price per share of our common stock on December 28, 29 and 30, 2015. We have reported all other sales of our unregistered equity securities that occurred during the period covered by this report in our reports on Form 10-Q or Form 8-K, as applicable.

### ISSUER PURCHASES OF EQUITY SECURITIES

None.

[TABLE OF CONTENTS](#)

**Item 6. Selected Financial Data**

The following selected financial and other data for the fiscal years ended December 31, 2016, 2015, 2014, 2013 and 2012, respectively, have been derived from our audited financial statements. The data should be read in conjunction with our audited financial statements and notes thereto and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” which are included in this annual report on Form 10-K.

	As of and for the year ended December 31, 2016	As of and for the year ended December 31, 2015	As of and for the year ended December 31, 2014	As of and for the year ended December 31, 2013	As of and for the year ended December 31, 2012
<b>Income Statement Data:</b>					
Total investment income	\$ 736,283	\$ 290,896	\$ 185,946	\$ 48,951	\$ 248,077
Total operating expenses	1,999,646	26,978,235	21,775,939	22,083,875	8,530,958
(Provision)/Benefit for taxes on net investment loss	—	(21,969,370)	8,810,102	13,159,268	—
Net investment loss	(1,263,363)	(48,656,709)	(12,779,891)	(8,875,656)	(8,282,881)
Net realized gain (loss) on investments	(2,634,471)	54,144,229	23,926,124	(21,706,021)	(1,380,519)
(Provision)/Benefit for taxes on net realized capital losses/gains	—	342,802	(9,769,036)	9,426,234	—
Net change in unrealized appreciation/(depreciation) of investments	(73,213,845)	(13,422,245)	(5,811,797)	87,445,149	(10,170,850)
(Provision)/Benefit for taxes on unrealized appreciation/depreciation of investments	2,116,784	16,058,080	2,371,829	(30,906,063)	—
Net increase/(decrease) in net assets resulting from operations	(74,994,895)	8,466,157	(2,062,771)	35,383,643	(19,834,250)
<b>Per Common Share Data:</b>					
Net increase (decrease) in net assets resulting from operations per average share:					
Basic	\$ (3.38)	\$ 0.44	\$ (0.11)	\$ 1.83	\$ (1.23)
Diluted	(3.38)	0.44	(0.11)	1.78	(1.23)
<b>Weighted-Average Common Shares:</b>					
Basic	22,181,003	19,327,938	19,320,100	19,320,100	16,096,330
Diluted	22,181,003	19,327,938	19,320,100	20,541,014	16,096,330
Net asset value per share <sup>(1)</sup>	8.66	12.08	14.80	14.91	13.07
Market price at year-end	5.03	9.37	8.63	12.09	8.43
Distributions declared	0.04	2.76	—	—	—
Shares Outstanding at year end	22,181,003	22,181,003	19,320,100	19,320,100	19,320,100
<b>Balance Sheet Data:</b>					
Total assets <sup>(2)(3)</sup>	\$300,964,426	\$397,843,071	\$482,979,027	\$374,569,437	\$253,130,728
Convertible Senior Notes embedded derivative liability	—	—	1,000	799,000	—
Convertible Senior Notes payable 5.25% due September 15, 2018 <sup>(3)</sup>	67,512,798	66,649,047	65,795,284	64,957,174	—
Total liabilities <sup>(3)</sup>	108,835,616	129,832,126	197,075,354	86,602,993	547,927
Total net assets	192,128,810	268,010,945	285,903,673	287,966,444	252,582,801

(1) Net asset value per share is based on basic shares outstanding at the end of the period.

(2) During the years ended December 31, 2013 and 2012, total assets increased due to the issuance of Convertible Senior Notes in September 2013, as well as multiple equity offerings. During the year ended December 31, 2014, total assets increased due to the purchase of a United States Treasury Bill on margin. During the year ended December 31, 2015, total assets decreased due to a declared dividend, which was paid on December 31, 2015. Refer to Note 4 to the consolidated financial statements for further details. During the year ended December 31, 2016, total assets and net assets decreased due to a change in unrealized depreciation of investments. For further discussion of factors that affected our total assets and net assets refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations”.

[TABLE OF CONTENTS](#)

- (3) Deferred debt issuance costs of \$1,947,572, \$2,667,069 and \$3,378,121, as of December 31, 2015, 2014 and 2013, respectively, related to the Company's issuance of the Convertible Senior Notes payable were previously classified as "Deferred financing costs" as of December 31, 2015, 2014 and 2013. In accordance with ASU 2015-03, each of these balances has been retrospectively reclassified as a direct deduction from the Convertible Senior Notes. Refer to "Note 1 — Nature of Operations and Significant Accounting Policies — Recently Adopted Accounting Standards," as well as "Note 9 — Long Term Liabilities" of the consolidated financial statements as of December 31, 2016 included in this annual report on Form 10-K for further detail.

## Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

### Forward-Looking statements

This annual report on Form 10-K contains forward-looking statements that involve substantial risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about us, our current and prospective portfolio investments, our industry, our beliefs, and our assumptions. Words such as “anticipates,” “expects,” “intends,” “plans,” “will,” “may,” “continue,” “believes,” “seeks,” “estimates,” “would,” “could,” “should,” “targets,” “projects,” and variations of these words and similar expressions are intended to identify forward-looking statements.

The forward-looking statements contained in this annual report on Form 10-K involve risks and uncertainties, including statements as to:

- our future operating results;
- our business prospects and the prospects of our portfolio companies;
- the impact of investments that we expect to make;
- our contractual arrangements and relationships with third parties;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- the ability of our portfolio companies to achieve their objectives;
- our expected financings and investments;
- the adequacy of our cash resources and working capital; and
- the timing of cash flows, if any, from the operations of our portfolio companies.

These statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, including without limitation:

- an economic downturn could impair our portfolio companies’ ability to continue to operate, which could lead to the loss of some or all of our investments in such portfolio companies;
- an economic downturn could disproportionately impact the market sectors in which a significant portion of our portfolio is concentrated, causing us to suffer losses in our portfolio;
- a contraction of available credit and/or an inability to access the equity markets could impair our investment activities;
- interest rate volatility could adversely affect our results, particularly because we use leverage as part of our investment strategy; and
- the risks, uncertainties and other factors we identify in “Risk Factors” in this annual report on Form 10-K and in our filings with the SEC.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions also could be inaccurate. Important assumptions include our ability to originate new investments, certain margins and levels of profitability and the availability of additional capital. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this annual report on Form 10-K should not be regarded as a representation by us that our plans and objectives will be achieved. These risks and uncertainties include those described or identified in this annual report on Form 10-K, in the “Risk Factors” section. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this annual report on Form 10-K.

## TABLE OF CONTENTS

The following analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes thereto contained elsewhere in this annual report on Form 10-K.

### **Overview**

We are an externally managed, non-diversified closed-end management investment company that has elected to be regulated as a business development company under the 1940 Act. Our investment objective is to maximize our portfolio's total return, principally by seeking capital gains on our equity and equity-related investments. We invest principally in the equity securities of what we believe to be rapidly growing venture-capital-backed emerging companies. We have also invested, on an opportunistic basis, in select publicly traded equity securities of rapidly growing companies that otherwise meet our investment criteria, and may continue to do so in the future. In addition, while we invest primarily in U.S. companies, we may invest on an opportunistic basis in certain non-U.S. companies that otherwise meet our investment criteria. In regards to the regulatory requirements for business development companies under the 1940 Act, some of these investments may not qualify as investments in "eligible portfolio companies," and thus may not be considered "qualifying assets." "Eligible portfolio companies" generally include U.S. companies that are not investment companies and that do not have securities listed on a national exchange. If at any time less than 70% of our gross assets are comprised of qualifying assets, including as a result of an increase in the value of any non-qualifying assets or decrease in the value of any qualifying assets, we would generally not be permitted to acquire any additional non-qualifying assets until such time as 70% of our then-current gross assets were comprised of qualifying assets. We would not be required, however, to dispose of any non-qualifying assets in such circumstances. See "Business — Operating and Regulatory Structure."

We acquire our investments in portfolio companies through offerings of the prospective portfolio companies, transactions on secondary marketplaces for private companies and negotiations with selling stockholders. Our investment activities are managed by GSV Asset Management. GSV Capital Service Company provides the administrative services necessary for us to operate.

Our investment philosophy is premised on a disciplined approach of identifying high-growth emerging companies across several key industry themes that may include, among others, social mobile, cloud computing and big data, internet commerce, sustainability and education technology. GSV Asset Management's investment decisions are based on a disciplined analysis of available information regarding each potential portfolio company's business operations, focusing on the company's growth potential, the quality of recurring revenues and cash flow and cost structures, as well as an understanding of key market fundamentals. Many of the companies that our investment adviser, GSV Asset Management, evaluates have financial backing from top-tier venture capital funds or other financial or strategic sponsors.

We seek to deploy capital primarily in the form of non-controlling equity and equity-related investments, including common stock, warrants, preferred stock and similar forms of senior equity, which may or may not be convertible into a portfolio company's common equity, and convertible debt securities with a significant equity component. Typically, our preferred stock investments are non-income producing, have different voting rights than common stock and are generally convertible into common stock at our discretion. Our investments generally do not produce current income and therefore we may be dependent on future capital raising to meet our operating needs if no other source of liquidity is available.

### ***Investments — (Portfolio Activity)***

The value of our investment portfolio will change over time due to changes in the fair value of our underlying investments, as well as changes in the composition of our portfolio resulting from purchases of new and follow-on investments and the sales of existing investments. The fair value, as of December 31, 2016, of all of our portfolio investments, excluding U.S. Treasury Bills, was \$262,015,146.

**TABLE OF CONTENTS**

The following tables summarize the investment purchases we funded during the years ended December 31, 2016, 2015 and 2014, respectively. “Total Gross Payments” include both the actual cost of an investment as well as capitalized costs (such as legal and other fees) associated with entering a portfolio company investment. Refer to “Note 1 — Nature of Operations and Significant Accounting Policies” to our consolidated financial statements as of December 31, 2016 for further detail.

<b>Fundings by Portfolio Company (Industry)</b>	<b>Quarter ended March 31, 2016</b>	<b>Quarter ended June 30, 2016</b>	<b>Quarter ended September 30, 2016</b>	<b>Quarter ended December 31, 2016</b>	<b>Total for the Fiscal Year ended December 31, 2016</b>
Beamreach Solar, Inc. (f/k/a Solexel, Inc.) (Solar Power)	\$ —	\$ —	\$ —	\$ 250,000	\$ 250,000
Curious.com Inc. (Online Education)	2,000,003	—	—	—	2,000,003
Fullbridge, Inc. (Business Education)	1,000,000	—	—	—	1,000,000
Lytro, Inc. (Light Field Imaging Platform)	2,500,001	—	500,001	—	3,000,002
NestGSV, Inc. (d/b/a GSV Labs, Inc.) (Global Innovation Platform)	500,000	500,000	—	526,000	1,526,000
Ozy Media, Inc. (Digital Media Platform)	—	—	2,000,000	—	2,000,000
Snap Inc. (f/k/a Snapchat, Inc.) (Social Communication)	—	3,999,990	—	—	3,999,990
<b>Capitalized Fees</b>	5,947	8,160	5,720	7,520	27,347
<b>Total Gross Payments</b>	<b>\$ 6,005,951</b>	<b>\$ 4,508,150</b>	<b>\$ 2,505,721</b>	<b>\$ 783,520</b>	<b>\$13,803,342</b>

<b>Fundings by Portfolio Company (Industry)</b>	<b>Quarter ended March 31, 2015</b>	<b>Quarter ended June 30, 2015</b>	<b>Quarter ended September 30, 2015</b>	<b>Quarter ended December 31, 2015</b>	<b>Total for the Fiscal year ended December 31, 2015</b>
NestGSV, Inc. (d/b/a GSV Labs, Inc.) (Global Innovation Platform)	\$ 1,000,000	\$ 1,499,999	\$ 1,000,000	\$ —	\$ 3,499,999
Fullbridge, Inc. (Business Education)	964,042	—	—	—	964,042
Lyft, Inc. (Peer to Peer Ridesharing)	2,499,985	—	—	—	2,499,985
PayNearMe, Inc. (Cash Payment Network)	3,999,998	—	—	—	3,999,998
GSV Sustainability Partners (Clean Technology)	500,000	—	600,000	1,200,000	2,300,000
Earlyshares.com, Inc. (Equity Crowdfunding)	—	50,000	—	—	50,000
Enjoy Technology, Inc. (On-Demand Commerce)	—	—	4,000,000	—	4,000,000
Aspiration Partners, Inc. (Financial Services)	—	—	999,975	—	999,975
Declaro, Inc. (Social Cognitive Learning)	—	—	—	2,000,000	2,000,000
EdSurge, Inc. (Education Media Platform)	—	—	—	500,000	500,000
Circle Media (f/k/a S3 Digital Corp. (d/b/a S3i)) (Sports Analytics)	—	—	—	25,000	25,000
Spotify Technology S.A. (Music Streaming Service)	—	—	—	10,001,100	10,001,100
<b>Capitalized Fees</b>	26,100	4,440	2,120	82,760	115,420
<b>Total Gross Payments</b>	<b>\$ 8,990,125</b>	<b>\$ 1,554,439</b>	<b>\$ 6,602,095</b>	<b>\$13,808,860</b>	<b>\$30,955,519</b>

[TABLE OF CONTENTS](#)

Fundings by Portfolio Company (Industry)	Quarter ended March 31, 2014	Quarter ended June 30, 2014	Quarter ended September 30, 2014	Quarter ended December 31, 2014	Total for the Fiscal year ended December 31, 2014
AlwaysOn, Inc. (Social Media)	\$ 232,104	\$ —	\$ —	\$ —	\$ 232,104
Circle Media (f.k.a. S3 Digital Corp. (d/b/a S3i) (Sports Analytics)	—	90,000	410,001	—	500,001
Course Hero, Inc. (Online Education) <sup>(1)</sup>	—	—	—	5,000,001	5,000,001
Clever, Inc. (Education Software)	—	—	—	2,000,001	2,000,001
CUX, Inc. (d/b/a CorpU) (Corporate Education)	—	—	—	1,000,000	1,000,000
Dailybreak, Inc. (Social Advertising)	430,000	—	—	—	430,000
Declaro, Inc. (Social Cognitive Learning)	—	9,973,479	—	—	9,973,479
DogVacay, Inc. (Peer-to-Peer Pet Services)	—	—	—	2,499,999	2,499,999
Earlyshares.com (Equity Crowd Funding)	—	224,999	24,999	—	249,998
EdSurge, Inc. (Education Media Platform)	482,146	—	—	—	482,146
Enjoy Technology, Inc. (On-Demand Commerce)	—	—	—	1,000,000	1,000,000
Fullbridge, Inc. (Business Education)	1,280,000	1,297,620	—	—	2,577,620
General Assembly Space, Inc. (Online Education)	5,991,641	—	—	—	5,991,641
NestGSV, Inc. (d/b/a GSV Labs, Inc.) (Global Innovation Platform)	297,000	1,145,249	501,000	899,999	2,843,248
GSV Sustainability Partners (Clean Technology)	—	596,550	350,000	3,875,000	4,821,550
JAMF Holdings, Inc. (Mobile Device Management)	4,996,044	—	—	—	4,996,044
Orchestra One, Inc. (f/k/a Learnist Inc.) (Consumer Health Technology)	—	—	—	1,450,000	1,450,000
Lyft, Inc. (On-Demand Transportation Services)	4,999,991	—	—	—	4,999,991
Lytro, Inc. (Light Field Imaging Platform)	—	—	—	7,500,001	7,500,001
Ozy Media, Inc. (Daily News and Information Site)	—	—	—	4,999,999	4,999,999
Beamreach Solar, Inc. (f/k/a Solexel, Inc.) (Solar Power)	—	—	2,999,999	—	2,999,999
StormWind, LLC (Interactive Learning)	3,092,255	—	999,997	—	4,092,252
Totus Solutions, Inc. (LED Lighting)	—	75,000	—	—	75,000
<b>Capitalized Fees</b>	<b>17,629</b>	<b>73,413</b>	<b>17,688</b>	<b>17,105</b>	<b>125,835</b>
<b>Total Gross Payments</b>	<b>\$21,818,810</b>	<b>\$13,476,310</b>	<b>\$ 5,303,684</b>	<b>\$30,242,105</b>	<b>\$70,840,909</b>

[TABLE OF CONTENTS](#)

The table below summarizes the portfolio investments we sold during the year ended December 31, 2016:

Portfolio Company	Quarter ended March 31, 2016		Quarter ended June 30, 2016		Quarter ended September 30, 2016		Quarter ended December 31, 2016		Fiscal Year ended December 31, 2016	
	Net Proceeds	Realized Gains/ (Losses) <sup>(1)</sup>	Net Proceeds	Realized Gains/ (Losses) <sup>(1)</sup>	Net Proceeds	Realized Gains/ (Losses) <sup>(1)</sup>	Net Proceeds	Realized Gains/ (Losses) <sup>(1)</sup>	Net Proceeds	Realized Gains/ (Losses) <sup>(1)</sup>
Bloom Energy Corporation	\$ 2,973,438	\$ (882,162)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,973,438	\$ (882,162)
Gilt Groupe Holdings, Inc. <sup>(2)</sup>	427,270	(6,167,164)	—	—	—	—	1,991	1,991	429,261	(6,165,173)
Lyft, Inc.	1,638,925	974,224	1,932,965	1,104,244	4,080,000	2,351,752	—	—	7,651,890	4,430,220
NestGSV, Inc.	—	—	—	—	—	—	500,000	—	500,000	—
Twitter, Inc.	—	—	—	—	14,578,469	306,603	—	—	14,578,469	306,603
Upwork Global Inc. (f/k/a Odesk Corporation)	—	—	—	—	—	—	108,531	(77,819)	108,531	(77,819)
<b>Total Sales</b>	<b>\$ 5,039,633</b>	<b>\$ (6,075,102)</b>	<b>\$ 1,932,965</b>	<b>\$ 1,104,244</b>	<b>\$ 18,658,469</b>	<b>\$ 2,658,355</b>	<b>\$ 610,522</b>	<b>\$ (75,828)</b>	<b>\$ 26,241,589</b>	<b>\$ (2,388,331)</b>

(1) Realized gains/(losses) exclude any realized gains/(losses) incurred on the maturity of our treasury investments as well as realized losses of \$246,714 from our investments in warrants of FullBridge, Inc.

(2) The \$1,991 received from Gilt Groupe Holdings, Inc. represents an excess distribution of proceeds received as part of the January 2016 sale of Gilt Groupe Holdings, Inc. to Hudson's Bay Co., the parent company of Saks Fifth Avenue.

The table below summarizes the portfolio investments we sold during the year ended December 31, 2015:

Portfolio Company	Quarter ended March 31, 2015		Quarter ended June 30, 2015		Quarter ended September 30, 2015		Quarter ended December 31, 2015		Fiscal Year ended December 31, 2015	
	Net Proceeds	Realized Gains/ (Losses) <sup>(1)</sup>	Net Proceeds	Realized Gains/ (Losses) <sup>(1)</sup>	Net Proceeds	Realized Gains/ (Losses) <sup>(1)</sup>	Net Proceeds	Realized Gains/ (Losses) <sup>(1)</sup>	Net Proceeds	Realized Gains/ (Losses) <sup>(1)</sup>
2U, Inc. (f/k/a 2tor, Inc.)	\$ —	\$ —	\$ —	\$ —	\$ 47,192,835	\$37,160,718	\$ —	\$ —	\$ 47,192,835	\$37,160,718
DailyBreak, Inc.	—	—	—	—	3,000	(2,854,204)	—	—	3,000	(2,854,204)
Global Education Learning (Holdings) Ltd. <sup>(2)</sup>	—	—	—	—	3,354,594	—	305,800	—	3,660,394	—
NewZoom, Inc.	—	—	—	—	—	(260,476)	—	—	—	(260,476)
SugarCRM, Inc.	—	—	—	—	1,874,000	549,710	—	—	1,874,000	549,710
Twitter, Inc.	19,558,200	13,220,095	20,608,011	13,666,419	—	—	—	—	40,166,211	26,886,514
Totus Solutions, Inc. <sup>(3)</sup>	—	—	—	—	50,000	(6,052,203)	—	—	50,000	(6,052,203)
The rSmart Group, Inc.	—	—	—	—	5,000	(1,264,160)	—	—	5,000	(1,264,160)
<b>Total Sales</b>	<b>\$19,558,200</b>	<b>\$13,220,095</b>	<b>\$20,608,011</b>	<b>\$13,666,419</b>	<b>\$ 52,479,429</b>	<b>\$27,279,385</b>	<b>\$ 305,800</b>	<b>\$ —</b>	<b>\$ 92,951,440</b>	<b>\$54,165,899</b>

(1) Realized gains/(losses) excludes any realized gains/(losses) incurred on the maturity of our treasury investments.

(2) Represents a tax distribution from Global Education Learning (Holdings) Ltd.

(3) Represents sales of multiple share classes, as well as a debt investment in Totus Solutions, Inc.

[TABLE OF CONTENTS](#)

The table below summarizes the portfolio investments we sold during the year ended December 31, 2014:

Portfolio Company	Quarter ended March 31, 2014		Quarter ended June 30, 2014		Quarter ended September 30, 2014		Quarter ended December 31, 2014		Fiscal Year ended December 31, 2014	
	Net Proceeds	Realized Gains/ (Losses) <sup>(1)</sup>	Net Proceeds	Realized Gains/ (Losses) <sup>(1)</sup>	Net Proceeds	Realized Gains/ (Losses) <sup>(1)</sup>	Net Proceeds	Realized Gains/ (Losses) <sup>(1)</sup>	Net Proceeds	Realized Gains/ (Losses) <sup>(1)</sup>
Control4 Corporation	\$ 4,640,039	\$ 2,886,302	\$10,722,817	\$ 5,465,113	\$ —	\$ —	\$ —	\$ —	\$ 15,362,856	\$ 8,351,415
DianRong (f/k/a SinoLending Ltd.)	—	—	—	—	4,281,670	3,526,584	—	—	4,281,670	3,526,584
Facebook, Inc.	9,461,526	4,973,399	1,602,665	854,644	—	—	—	—	11,064,191	5,828,043
Palantir Technologies	—	—	—	—	1,759,900	889,672	6,059,520	3,058,374	7,819,420	3,948,046
Silver Spring Networks, Inc.	—	—	1,544,984	(3,600,272)	—	—	—	—	1,544,984	(3,600,272)
Twitter, Inc.	—	—	—	—	15,681,483	10,241,936	—	—	15,681,483	10,241,936
TrueCar, Inc.	—	—	—	—	—	—	5,053,570	3,038,548	5,053,570	3,038,548
Violin Memory, Inc.	—	—	4,955,220	(9,864,958)	—	—	—	—	4,955,220	(9,864,958)
ZocDoc Inc.	—	—	—	—	7,788,899	2,490,843	—	—	7,788,899	2,490,843
<b>Total Sales</b>	<b>\$14,101,565</b>	<b>\$ 7,859,701</b>	<b>\$18,825,686</b>	<b>\$(7,145,473)</b>	<b>\$ 29,511,952</b>	<b>\$17,149,035</b>	<b>\$ 11,113,090</b>	<b>\$ 6,096,922</b>	<b>\$ 73,552,293</b>	<b>\$23,960,185</b>

(1) Realized gains/(losses) excludes any realized gains/(losses) incurred on the maturity of our treasury investments.

[TABLE OF CONTENTS](#)**Results of Operations — For the fiscal years ended December 31, 2016, 2015 and 2014**

Operating results for the fiscal years ended December 31, 2016, 2015 and 2014 are as follows:

	December 31, 2016		December 31, 2015		December 31, 2014	
	Total	Per Basic Share <sup>(1)</sup>	Total	Per Basic Share <sup>(1)</sup>	Total	Per Basic Share <sup>(1)</sup>
<b>Total Investment Income</b>	<b>\$ 736,283</b>	<b>0.03</b>	<b>\$ 290,896</b>	<b>0.02</b>	<b>\$ 185,946</b>	<b>0.01</b>
Interest income	523,488	0.02	244,115	0.01	185,059	0.01
Dividend income	—	0.00	46,781	0.00	887	0.00
Other income	212,795	0.01	—	—	—	—
<b>Total Operating Expenses</b>	<b>1,999,646</b>	<b>0.09</b>	<b>26,978,235</b>	<b>1.41</b>	<b>21,775,939</b>	<b>1.13</b>
Management fees	6,896,347	0.31	8,044,801	0.42	7,562,488	0.39
Incentive fees	(15,188,121)	(0.68)	8,170,326	0.42	3,614,347	0.19
Costs incurred under						
Administration Agreement	2,545,316	0.11	2,681,079	0.14	3,199,904	0.17
Directors' fees	345,000	0.02	373,676	0.02	260,000	0.01
Professional fees	1,966,906	0.09	1,357,988	0.07	1,764,722	0.09
Interest and Credit Facility expense	4,731,430	0.21	4,961,169	0.26	5,503,843	0.28
Income tax expense	—	—	880,778	0.05	—	—
Other expenses	702,768	0.03	509,418	0.03	668,635	0.03
Gain on fair value adjustment for embedded derivative	—	0.00	(1,000)	(0.00)	(798,000)	(0.04)
(Provision)/Benefit for taxes on net investment loss <sup>(2)</sup>	—	—	(21,969,370)	(1.14)	8,810,102	0.46
Net investment loss	(1,263,363)	(0.06)	(48,656,709)	(2.52)	(12,779,891)	(0.66)
Net realized gain/(loss) on investments	(2,634,471)	(0.12)	54,144,229	2.80	23,926,124	1.24
(Provision)/Benefit for taxes on net realized capital gains <sup>(2)</sup>	—	—	342,802	0.02	(9,769,036)	(0.51)
Net change in unrealized depreciation of investments	(73,213,845)	(3.30)	(13,422,245)	(0.69)	(5,811,797)	(0.30)
Benefit for taxes on unrealized depreciation of investments <sup>(2)</sup>	2,116,784	0.10	16,058,080	0.83	2,371,829	0.12
Net increase/(decrease) in net assets resulting from operations	\$(74,994,895)	\$(3.38)	\$ 8,466,157	0.44	\$ (2,062,771)	(0.11)

(1) The per-share figures noted are based on weighted averages of 22,181,003, 19,327,938, and 19,320,100 shares outstanding for the years ended December 31, 2016, 2015 and 2014, respectively.

(2) Due to our change in tax status to a RIC from a C Corporation, the associated accrued benefits and provisions from previous years were reversed, resulting in a provision for net investment loss, a benefit for net realized gains, and a benefit for unrealized depreciation of investments for the year ended December 31, 2015. Refer to "Note 8 — Income Taxes" to our consolidated financial statements for further detail.

## [TABLE OF CONTENTS](#)

### **Results of Operations**

#### *Comparison of the fiscal years ended December 31, 2016, 2015 and 2014*

##### ***Investment Income***

Investment income increased to \$736,283 for the year ended December 31, 2016, from \$290,896 for the year ended December 31, 2015. The increase was primarily due to increased interest income and other income received in 2016. The increase in interest income resulted from our acquisition of interest-bearing debt investments during the fiscal year ended December 31, 2016. As of December 31, 2016, the cost of our debt investments increased to \$8,849,434 from \$4,177,804 as of December 31, 2015. The increase in other income between periods resulted from the proceeds from Michael Moe's sale of common shares of 2U, Inc. (f/k/a 2tor, Inc.), one of our former portfolio companies, that Mr. Moe received while serving on the 2U board of directors. The sales proceeds were remitted directly to the Company pursuant to GSV Asset Management's internal policy whereby any fees or compensation received by a manager, partner, officer or employee of GSV Asset Management in exchange for serving as a director of, or providing consulting services to, any of our portfolio companies will be transferred to us, net of any personal taxes incurred, upon such receipt for the benefit of us and our stockholders.

Investment income increased to \$290,896 for the year ended December 31, 2015, from \$185,946 for the year ended December 31, 2014. The increase was primarily due to the addition of several new term loans to Fullbridge, Inc. during the year ended December 31, 2015.

##### ***Operating Expenses***

Total operating expenses decreased to \$1,999,646 for the year ended December 31, 2016, from \$26,978,235 for the year ended December 31, 2015. Total operating expenses decreased primarily as a result of the reversal of previously accrued incentive fees during the year ended December 31, 2016, which was the result of the realization of \$2,634,471 in net losses on investments in the year ended December 31, 2016, as compared to \$54,144,229 in net realized gains on investments in the year ended December 31, 2015. The unrealized depreciation of our portfolio investments in the aggregate during the year ended December 31, 2016 also contributed to the reversal of previously accrued incentive fees. Total operating expenses also decreased due to lower management fees resulting from lower average gross assets outstanding, as well as a decrease in interest expense resulting from lower average borrowings under the \$18 million senior secured credit facility with Silicon Valley Bank (the "Credit Facility"). There was also no income tax expense incurred for the year ended December 31, 2016. These decreases were minimally offset by an increase in other expenses and professional fees, which include legal, valuation, audit and consulting fees.

Total operating expenses increased to \$26,978,235 for the year ended December 31, 2015, from \$21,775,939 for the year ended December 31, 2014. The increase was primarily due to a significant increase in accrued incentive fees and an increase in management fees. This was offset by decreases in interest expense, professional fees, which include legal, valuation, audit and consulting fees, and costs incurred under the Administration Agreement. The increase in incentive fees resulted from the significant increase in realized gains on investments for the year ended December 31, 2015, as compared to the year ended December 31, 2014. The increased management fees were a result of the growth in our average total assets for the year ended December 31, 2015, as compared to the year ended December 31, 2014. This increase was partially offset by the decline in the fair value of our portfolio investments over the same period. The decrease in interest expense resulted from the lower average borrowings under the Credit Facility for the year ended December 31, 2015, as compared to the year ended December 31, 2014. The decrease in costs incurred under the Administration Agreement resulted from a decrease in the overhead allocation. The decrease in professional fees resulted primarily from the write-off of deferred offering costs during the year ended December 31, 2014.

## TABLE OF CONTENTS

### ***(Provision)/Benefit for Taxes on Net Investment Loss***

For the year ended December 31, 2016, we recognized no provision or benefit for taxes on net investment loss, whereas for the year ended December 31, 2015, we recognized a provision for taxes on net investment loss of \$21,969,370. The provision for taxes on net investment loss decreased between periods due to our election to be treated as a RIC, which resulted in no new tax provisions being accrued. Typically for a taxable entity, a net investment loss would generate a benefit from taxes; however, as a result of our election to be treated as a RIC, we reversed the previously accrued benefits for taxes on net investment loss from prior periods. This reversal resulted in a provision for taxes on net investment loss for the year ended December 31, 2015.

For the year ended December 31, 2015, we recognized a provision for taxes on net investment loss of \$21,969,370, compared to our recognition of a benefit for taxes on net investment loss of \$8,810,102 for the year ended December 31, 2014. Typically for a taxable entity, a net investment loss would generate a benefit for taxes; however, as a result of our election to be treated as a RIC, we reversed the previously accrued benefits for taxes on net investment loss from prior periods. This reversal resulted in a provision for taxes on net investment loss for the year ended December 31, 2015.

### ***Net Investment Loss***

For the year ended December 31, 2016, we recognized a net investment loss of \$1,263,363, compared to a net investment loss of \$48,656,709 for the year ended December 31, 2015. The decrease in net investment loss resulted primarily from the large decrease in our operating expenses for the year ended December 31, 2016, as discussed above, as well as the fact that we recognized no provision for taxes on net investment loss for the year ended December 31, 2016, as compared to the year ended December 31, 2015, where we recognized a \$21,969,370 provision for taxes on net investment loss.

For the year ended December 31, 2015, we recognized a net investment loss of \$48,656,709, compared to a net investment loss of \$12,779,891 for the year ended December 31, 2014. The increase in net investment loss for the year ended December 31, 2015 is primarily the result of our recognition of a provision for taxes on net investment loss and, to a lesser extent, the increased operating expenses discussed above.

### ***Net Realized Gain/(Loss) on Investments***

For the year ended December 31, 2016, we recognized net realized losses of \$2,634,471, compared to net realized gains of \$54,144,229 for the year ended December 31, 2015 and net realized gains of \$23,926,124 for the year ended December 31, 2014. The components of our net realized gains and losses on portfolio investments, excluding treasury investments, are reflected in the tables above, under “— Overview — Investments — (Portfolio Activity).”

### ***(Provision)/Benefit for Taxes on Net Realized Gains/Losses on Investments***

For the year ended December 31, 2016, we recognized no benefit for taxes on our net realized capital losses due to our election to be treated as a RIC. For the year ended December 31, 2015, we recognized a benefit of \$342,802 for taxes on net realized capital gains. Typically for a taxable entity, net realized capital gains would generate a provision for taxes; however, as a result of our election to be treated as a RIC, we reversed the previously accrued provisions for taxes on net realized capital gains from prior periods. This reversal resulted in a benefit from taxes on net realized capital gains for the year ended December 31, 2015.

For the year ended December 31, 2015, we recognized a benefit of \$342,802 for taxes on net realized capital gains, compared to our recognition of a provision of \$9,769,036 for taxes on net realized capital gains for the year ended December 31, 2014. Typically for a taxable entity, net realized capital gains will generate a provision for taxes; however, as a result of our election to be treated as a RIC, we reversed the previously accrued provisions for taxes on net realized capital gains from prior periods. This reversal resulted in a benefit for taxes on net realized capital gains for the year ended December 31, 2015.

**Net Change in Unrealized Appreciation/(Depreciation) of Investments**

For the year ended December 31, 2016, we had a net change in unrealized depreciation of \$73,213,845. For the year ended December 31, 2015, we had a net change in unrealized depreciation of \$13,422,245. For the year ended December 31, 2014, we had a net change in unrealized depreciation of \$5,811,797. The following tables summarize, by portfolio company, the significant changes in unrealized appreciation and/or depreciation of our investment portfolio for the years ended December 31, 2016, 2015 and 2014.

Portfolio Company	Change in Unrealized Appreciation/(Depreciation)	December 31, 2016			December 31, 2015		
		Cost	Fair Value	Unrealized Appreciation/(Depreciation)	Cost	Fair Value	Unrealized Appreciation/(Depreciation)
Palantir Technologies, Inc.	\$(14,844,283)	\$ 17,198,903	\$ 41,508,965	24,310,062	\$ 17,198,903	\$ 56,353,248	\$ 39,154,345
Beamreach Solar, Inc. (f/k/a Solexel, Inc.)	(14,281,910)	14,272,843	—	(14,272,843)	14,018,399	14,027,466	9,067
PayNearMe, Inc.	(13,810,477)	14,000,398	164,410	(13,835,988)	14,000,398	13,974,887	(25,511)
Dropbox, Inc.	(9,041,704)	13,656,926	13,190,484	(466,442)	13,656,926	22,232,188	8,575,262
Fullbridge, Inc.	(5,904,068)	8,421,364	877,359	(7,544,005)	7,417,039	5,777,102	(1,639,937)
Dataminr, Inc.	(5,875,388)	3,164,265	5,513,001	2,348,736	3,164,265	11,388,389	8,224,124
Avenues Global Holdings, LLC	(4,886,897)	10,151,854	6,128,733	(4,023,121)	10,151,857	11,015,633	863,776
Declaro Inc.	(4,506,983)	12,120,657	7,613,674	(4,506,983)	11,999,999	11,999,999	—
Twitter, Inc.	(4,254,018)	—	—	—	14,271,866	18,525,884	4,254,018
SugarCRM, Inc.	(3,866,388)	6,977,024	6,116,918	(860,106)	6,977,024	9,983,306	3,006,282
Lyft, Inc.	(3,305,991)	4,296,334	7,452,493	3,156,159	7,507,216	13,969,366	6,462,150
NestGSV Inc.	(2,827,142)	9,601,555	5,106,751	(4,494,804)	8,538,506	6,870,844	(1,667,662)
Curious.com Inc.	(2,011,360)	12,000,006	9,984,954	(2,015,052)	10,000,003	9,996,311	(3,692)
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)	(1,940,222)	7,161,412	4,309,778	(2,851,634)	7,161,412	6,250,000	(911,412)
Ozy Media, Inc.	(1,518,995)	10,500,199	10,609,999	109,800	8,500,199	10,128,994	1,628,795
Knewton, Inc.	(1,171,677)	4,999,999	3,782,409	(1,217,590)	4,999,999	4,954,086	(45,913)
Strategic Data Command, LLC	1,050,905	989,277	2,052,555	1,063,278	989,277	1,001,650	12,373
General Assembly Space, Inc.	2,225,392	5,999,961	13,746,764	7,746,803	5,999,961	11,521,372	5,521,411
Spotify Technology S.A.	2,711,991	13,599,572	18,931,691	5,332,119	13,599,572	16,219,700	2,620,128
JAMF Holdings, Inc.	3,133,955	9,999,928	13,856,754	3,856,826	9,999,928	10,722,799	722,871
Course Hero, Inc.	5,532,303	5,000,001	10,532,304	5,532,303	5,000,001	5,000,001	—
Gilt Groupe Holdings, Inc.	6,055,046	—	—	—	6,594,433	539,387	(6,055,046)
Other <sup>(1)</sup>	124,066	124,654,546	110,533,640	(14,120,906)	125,277,820	111,032,848	(14,244,972)
<b>Totals</b>	<b>\$(73,213,845)</b>	<b>\$ 308,767,024</b>	<b>\$ 292,013,636</b>	<b>(16,753,388)</b>	<b>\$ 327,025,003</b>	<b>\$ 383,485,460</b>	<b>\$ 56,460,457</b>

(1) Other represents all investments (including U.S. Treasury Bills and U.S. Treasury Strips) for which individual change in unrealized appreciation/(depreciation) was less than \$1,000,000 for the year ended December 31, 2016.

**TABLE OF CONTENTS**

Portfolio Company	Change in Unrealized Appreciation/ (Depreciation)	December 31, 2015			December 31, 2014		
		Cost	Fair Value	Unrealized Appreciation/ (Depreciation)	Cost	Fair Value	Unrealized Appreciation/ (Depreciation)
2U, Inc. (f/k/a 2tor, Inc.)	\$(13,310,392)	\$ —	\$ —	\$ —	\$ 10,032,117	\$ 23,342,509	\$ 13,310,392
Palantir Technologies, Inc.	10,877,933	17,198,903	56,353,248	39,154,345	17,198,903	45,475,315	28,276,412
Dataminr, Inc.	7,443,644	3,164,265	11,388,389	8,224,124	3,164,265	3,944,745	780,480
Lyft, Inc.	6,466,730	7,507,216	13,969,366	6,462,150	5,003,634	4,999,054	(4,580)
Totus Solutions, Inc.	5,894,116	—	—	—	6,101,443	207,327	(5,894,116)
General Assembly Space, Inc.	5,395,948	5,999,961	11,521,372	5,521,411	5,999,961	6,125,424	125,463
Dailybreak, Inc.	2,857,204	—	—	—	2,857,204	—	(2,857,204)
The rSmart Group, Inc.	1,074,654	—	—	—	1,267,240	192,586	(1,074,654)
Circle Media (f/k/a S3 Digital Corp. (d/b/a S3i))	(1,050,872)	1,835,610	1,266,621	(568,989)	1,811,314	2,293,197	481,883
Gilt Groupe Holdings, Inc.	(2,628,721)	6,594,433	539,387	(6,055,046)	6,594,433	3,168,108	(3,426,325)
Dropbox, Inc.	(2,836,295)	13,656,926	22,232,188	8,575,262	13,656,926	25,068,483	11,411,557
Orchestra One, Inc. (f/k/a Learnist Inc.)	(5,374,947)	4,959,616	4,364	(4,955,252)	4,959,615	5,379,310	419,695
Twitter, Inc.	(25,607,941)	14,271,866	18,525,884	4,254,018	27,551,563	57,413,522	29,861,959
Other <sup>(1)</sup>	(2,623,306)	251,836,207	247,684,641	(4,151,566)	302,201,095	300,672,835	(1,528,260)
Totals	<u>\$(13,422,245)</u>	<u>\$ 327,025,003</u>	<u>\$ 383,485,460</u>	<u>\$ 56,460,457</u>	<u>\$ 408,399,713</u>	<u>\$ 478,282,415</u>	<u>\$ 69,882,702</u>

(1) Other represents all investments (including U.S. Treasury Bills and U.S. Treasury Strips) for which individual change in unrealized appreciation/(depreciation) was less than \$1,000,000 for the year ended December 31, 2015.

[TABLE OF CONTENTS](#)

Portfolio Company	Change in Unrealized Appreciation/(Depreciation)	December 31, 2014			December 31, 2013		
		Cost	Fair Value	Unrealized Appreciation/(Depreciation)	Cost	Fair Value	Unrealized Appreciation/(Depreciation)
2U, Inc. (f/k/a 2tor, Inc.)	\$ 12,031,001	\$ 10,032,117	\$ 23,342,509	\$ 13,310,392	\$ 10,031,318	\$ 11,310,709	\$ 1,279,391
Avenues Global Holdings, LLC	1,287,770	10,151,854	11,303,410	1,151,556	10,150,484	10,014,270	(136,214)
Control4 Corporation	(6,289,367)	—	—	—	7,010,762	13,300,129	6,289,367
Cricket Media (f/k/a ePals Inc.)	(1,373,074)	2,448,959	331,126	(2,117,833)	2,444,759	1,700,000	(744,759)
Dailybreak, Inc.	(1,637,647)	2,857,204	—	(2,857,204)	2,430,950	1,211,393	(1,219,557)
Dropbox, Inc.	9,212,846	13,656,926	25,068,483	11,411,557	13,656,486	15,855,197	2,198,711
Facebook, Inc.	(4,327,603)	—	—	—	5,236,147	9,563,750	4,327,603
Fullbridge, Inc.	(1,599,234)	6,396,180	4,753,412	(1,642,768)	3,784,016	3,740,482	(43,534)
NestGSV, Inc. (d/b/a GSV Labs, Inc.)	(1,432,690)	5,038,507	3,760,744	(1,277,763)	1,627,278	1,782,205	154,927
Ozy Media, Inc.	1,872,891	8,500,199	10,738,090	2,237,891	3,500,000	3,865,000	365,000
Palantir Technologies, Inc.	15,498,029	17,198,903	45,475,315	28,276,412	21,060,447	33,838,830	12,778,383
Silver Spring Networks, Inc.	3,002,683	—	—	—	5,145,271	2,142,588	(3,002,683)
Spotify Technology S.A.	1,233,464	3,598,472	5,676,873	2,078,401	3,598,472	4,443,409	844,937
SugarCRM, Inc.	1,881,141	8,299,914	11,260,934	2,961,020	8,299,794	9,379,673	1,079,879
Totus Solutions, Inc.	(3,620,982)	6,101,443	207,327	(5,894,116)	6,023,973	3,750,839	(2,273,134)
Twitter, Inc.	(39,969,390)	27,551,563	57,413,522	29,861,959	32,991,111	102,822,460	69,831,349
Violin Memory, Inc.	10,615,550	—	—	—	14,819,618	4,204,068	(10,615,550)
Other <sup>(1)</sup>	(2,197,185)	286,567,472	278,950,670	(7,616,802)	138,743,468	133,323,851	(5,419,617)
Totals	<u>\$ (5,811,797)</u>	<u>\$ 408,399,713</u>	<u>\$ 478,282,415</u>	<u>\$ 69,882,702</u>	<u>\$ 290,554,354</u>	<u>\$ 366,248,853</u>	<u>\$ 75,694,499</u>

(1) Other represents all investments (including U.S. Treasury Bills and U.S. Treasury Strips) for which individual change in unrealized appreciation/(depreciation) was less than \$1,000,000 for the year ended December 31, 2014.

**Benefit for Taxes on Unrealized Depreciation of Investments**

For the year ended December 31, 2016, we recognized a benefit for taxes on unrealized depreciation of investments of \$2,116,784, compared to our recognition of a benefit for taxes of \$16,058,080 on unrealized depreciation of investments for the year ended December 31, 2015. Our benefit from taxes on unrealized depreciation of investments decreased between periods due to our election to be treated as a RIC, which resulted in no accrual of new tax benefits.

For the year ended December 31, 2015, we recognized a benefit for taxes of \$16,058,080 on unrealized depreciation of investments. As a result of our election to be treated as a RIC, we reversed the previously accrued provisions for taxes on unrealized appreciation of investments from prior periods. This reversal resulted in a larger benefit for taxes on unrealized depreciation of investments than would have been accrued solely based on the unrealized depreciation of investments for the year ended December 31, 2015.

For the year ended December 31, 2014, we recognized a benefit for taxes of \$2,371,829 on unrealized depreciation of investments. The difference between the years ended December 31, 2015 and 2014 is due to the fact that the net unrealized depreciation of our investments increased to approximately \$13.4 million for the year ended December 31, 2015, as compared to the net unrealized depreciation of our investments of approximately \$5.8 million for the year ended December 31, 2014, as shown in the table above.

**Net Increase/Decrease in Net Assets Resulting from Operations**

For the year ended December 31, 2016, the net decrease in net assets resulting from operations was \$74,994,895.

## TABLE OF CONTENTS

For the year ended December 31, 2015, the net increase in net assets resulting from operations was \$8,466,157.

For the year ended December 31, 2014, the net decrease in net assets resulting from operations was \$2,062,771.

### **Liquidity and Capital Resources**

Our liquidity and capital resources are generated primarily from sales of our investments and, prior to its expiration in accordance with its terms on December 31, 2016, from advances from the Credit Facility. We have not renewed or extended the Credit Facility. In management's view, we have sufficient liquidity and capital resources to pay our operating expenses and conduct investment activities over the next twelve months.

Our primary uses of cash are to make investments, pay our operating expenses and make distributions to our stockholders. For the years ended December 31, 2016, 2015, and 2014, our operating expenses were \$1,999,646, \$26,978,235, and \$21,775,939, respectively.

For the year ended December 31, 2016, our total cash reserves and liquid securities decreased approximately 71%, primarily due to the sales of our unrestricted portfolio investments. We believe that even with this decrease, our current liquid assets are sufficient to meet the Company's short-term financing needs.

	As of December 31, 2016	As of December 31, 2015	As of December 31, 2014
<b>Cash reserves and Liquid securities</b>			
Cash	\$ 8,332,634	\$ 13,349,877	\$ 3,472,880
Amounts available for borrowing under the Credit Facility <sup>(1)</sup>	—	18,000,000	—
Securities of publicly traded portfolio companies			
Unrestricted securities <sup>(2)</sup>	8,729,005	26,486,074	65,586,615
Subject to other sales restrictions <sup>(3)(4)</sup>	—	67,296	23,673,635
Total securities of publicly traded portfolio companies	8,729,005	26,553,370	89,260,250
<b>Total cash reserves and liquid securities</b>	<b>\$17,061,639</b>	<b>\$57,903,247</b>	<b>\$ 92,733,130</b>

(1) Subject to leverage and borrowing base restrictions under the Credit Facility. The Credit Facility expired according to its terms on December 31, 2016. Refer to "Note 9 — Long-Term Liabilities" to our consolidated financial statements as of December 31, 2016 for details regarding the Credit Facility.

(2) "Unrestricted securities" represents common stock of our publicly traded companies that are not subject to any restrictions upon sale. We may incur losses if we liquidate these positions to pay operating expenses or fund new investments.

(3) As of December 31, 2015, this balance represented our shares of common stock of Cricket Media (f/k/a ePals Inc.). These shares were freely tradable as of December 31, 2015; however, at certain times in the past, these shares may have been subject to black-out periods as a result of Michael Moe's previously held seat on the board of directors of Cricket Media. Mr. Moe resigned from his position as a director of Cricket Media in May 2016.

(4) As of December 31, 2014, this balance represented our shares of common stock of 2U, Inc. (f/k/a 2tor, Inc.) and Cricket Media (f/k/a ePals Inc.). These shares were freely tradable as of December 31, 2014; however, at certain times in the past, these shares may have been subject to black-out periods as a result of Michael Moe's previous position as a director of both 2U, Inc. and Cricket Media. Mr. Moe resigned from his position as a director of Cricket Media in May 2016. Mr. Moe's term as a director of 2U, Inc. expired on June 7, 2016, and he did not stand for re-election.

During the year ended December 31, 2016, cash and cash equivalents decreased to \$8,332,634 at the end of the year, from \$13,349,877 at the beginning of the year. The decrease in cash and cash equivalents primarily resulted from \$4,993,660 and \$7,055,718 in payments to GSV Asset Management for earned incentive and management fees, respectively, a cash distribution of \$887,240 and interest payments of \$3,622,500, as well as the payment of other operating expenses. The decrease in cash and cash equivalents was partially offset by \$12,438,247 in net sales of investments, excluding treasury strips, as well as \$3,685,000 from the maturities of treasury strips.

## TABLE OF CONTENTS

### **Equity Issuances & Debt Capital Activities**

There were no sales of our equity or debt securities during the years ended December 31, 2016 or 2015.

As a result of our distribution paid on December 31, 2015, we issued 2,860,903 shares of common stock. Refer to “— Distributions” below for details of our distributions paid.

The Credit Facility expired according to its terms on December 31, 2016.

### **Contractual Obligations**

	Payments Due By Period (dollars in millions)				
	Total	Less than 1 year	1 – 3 years	3 – 5 years	More than 5 years
Payable for securities purchased <sup>(1)</sup>	\$ 26.5	\$ 26.5	\$ —	\$ —	\$ —
Convertible Senior Notes	69.0	—	69.0	—	—
<b>Total</b>	<u>\$ 95.5</u>	<u>\$ 26.5</u>	<u>\$ 69.0</u>	<u>\$ —</u>	<u>\$ —</u>

(1) “Payable for securities purchased” relates to the purchase of the United States Treasury Bill on margin. The payable for securities purchased was subsequently repaid on January 5, 2017, when the \$30.0 million United States Treasury Bill matured and the \$3.5 million margin deposit that was posted as collateral was returned.

(2) The balance shown for the Convertible Senior Notes reflects the principal balance payable to investors. Refer to “Note 9 — Long-Term Liabilities” to our consolidated financial statements as of December 31, 2016, for more information.

### **Off-Balance Sheet Arrangements**

As of December 31, 2016, we had no off-balance sheet arrangements, including any risk management of commodity pricing or other hedging practices. However, we may employ hedging and other risk management techniques in the future.

### **Distributions**

The timing and amount of our distributions, if any, will be determined by our board of directors and will be declared out of assets legally available for distribution. The following table lists the distributions, including dividends and returns of capital, if any, per share that we have declared since our formation through December 31, 2016. The table is divided by fiscal year according to record date:

Date Declared	Record Date	Payment Date	Amount per Share
<b>Fiscal 2015:</b>			
November 4, 2015 <sup>(1)</sup>	November 16, 2015	December 31, 2015	\$ 2.76
<b>Fiscal 2016:</b>			
August 3, 2016 <sup>(2)</sup>	August 16, 2016	August 24, 2016	0.04
<b>Total</b>			<u>\$ 2.80</u>

(1) The distribution was paid in cash or shares of our common stock at the election of stockholders, although the total amount of cash distributed to all stockholders was limited to approximately 50% of the total distribution to be paid to all stockholders. As a result of stockholder elections, the distribution consisted of approximately 2,860,903 shares of common stock issued in lieu of cash, or approximately 14.8% of our outstanding shares prior to the distribution, as well as cash of \$26,358,885. The number of shares of common stock comprising the stock portion was calculated based on a price of \$9.425 per share, which equaled the average of the volume weighted-average trading price per share of our common stock on December 28, 29 and 30, 2015. None of the \$2.76 per share distribution represented a return of capital.

(2) Of the total distribution of \$887,240 on August 24, 2016, \$820,753 represented a distribution from realized gains and \$66,487 represented a return of capital.

## TABLE OF CONTENTS

We intend to focus on making capital gains-based investments from which we will derive primarily capital gains. As a consequence, we do not anticipate that we will pay distributions on a quarterly basis or become a predictable distributor of distributions, and we expect that our distributions, if any, will be much less consistent than the distributions of other business development companies that primarily make debt investments. If there are earnings or realized capital gains to be distributed, we intend to declare and pay a distribution at least annually. The amount of realized capital gains available for distribution to stockholders will be impacted by our tax status.

Our current intention is to make any future distributions out of assets legally available therefrom in additional shares of our common stock under our dividend reinvestment plan, unless a stockholder elects to receive dividends and/or long-term capital gains distributions in cash. Under the dividend reinvestment plan, if a stockholder owns shares of common stock registered in its own name, the stockholder will have all cash distributions (net of any withholding) automatically reinvested in additional shares of common stock unless the stockholder opts out of our dividend reinvestment plan by delivering a written notice to our dividend paying agent prior to the record date of the next dividend or distribution. Any distributions reinvested under the plan will nevertheless remain taxable to the U.S. stockholder, although no cash distribution has been made. As a result, if a stockholder does not elect to opt out of the dividend reinvestment plan, it will be required to pay applicable federal, state and local taxes on any reinvested dividends even though such stockholder will not receive a corresponding cash distribution. In addition, reinvested dividends have the effect of increasing our gross assets, which may correspondingly increase the management fee payable to our investment adviser, GSV Asset Management. Stockholders who hold shares in the name of a broker or financial intermediary should contact the broker or financial intermediary regarding any election to receive distributions in cash.

Although we elected to be treated as a RIC under Subchapter M of the Code beginning with our taxable year ended December 31, 2014 and continue to qualify to be treated as a RIC, we were taxed as a C Corporation under the Code for our 2013 taxable year. So long as we qualify and maintain our status as a RIC, we generally will not pay corporate-level U.S. federal and state income taxes on any ordinary income or capital gains that we distribute at least annually to our stockholders as dividends. Rather, any tax liability related to income earned by the RIC will represent obligations of our investors and will not be reflected in our consolidated financial statements. The GSV Holdings included in our consolidated financial statements are taxable subsidiaries, regardless of whether we are a RIC. These taxable subsidiaries are not consolidated for income tax purposes and may generate income tax expenses as a result of their ownership of the portfolio companies. Such income tax expenses and deferred taxes, if any, will be reflected in our consolidated financial statements.

We have qualified to be treated as a RIC for the 2015 and 2016 taxable years and continue to operate in a manner so as to qualify for the tax treatment applicable to RICs. In order to qualify as a RIC and to avoid corporate-level tax on the income we distribute to our stockholders, we are required, under Subchapter M of the Code, to distribute at least 90% of our ordinary income and short-term capital gains to our stockholders on an annual basis. See “Note 1 — Nature of Operations and Significant Accounting Policies — Summary of Significant Accounting Policies — U.S. Federal and State Income Taxes” and “Note 8 — Income Taxes” to our consolidated financial statements for the year ended December 31, 2016 for more information.

### ***Borrowings***

#### ***Convertible Senior Notes payable***

On September 17, 2013, we issued \$69 million aggregate principal amount of Convertible Senior Notes (including \$9 million aggregate principal amount issued pursuant to the exercise of the initial purchasers’ option to purchase additional Convertible Senior Notes), which bear interest at a fixed rate of 5.25% per year, are payable semi-annually and mature on September 15, 2018, unless previously repurchased or converted in accordance with their terms. We do not have the right to redeem the Convertible Senior Notes prior to maturity. As of December 31, 2016, the Convertible Senior Notes were convertible into shares of our common stock based on a conversion rate of 83.3596 shares of our common stock per \$1,000 principal amount of the Convertible Senior Notes, which is equivalent to a conversion price of approximately \$12.00 per share of common stock. Refer to “Note 1 — Nature of Operations and Significant Accounting Policies — Summary of

## TABLE OF CONTENTS

Significant Accounting Policies” and “Note 9 — Long-Term Liabilities” to our consolidated financial statements as of December 31, 2016 for more information regarding the Convertible Senior Notes.

### **Credit Facility**

We entered into a loan agreement, effective December 31, 2013, with Silicon Valley Bank to provide us with the Credit Facility, which expired on December 31, 2016 in accordance with its terms. The Credit Facility bore interest at a per annum rate equal to the greater of (i) the prime rate plus 4.75% or (ii) 8.0% on amounts drawn.. Refer to “Note 9 — Long-Term Liabilities” to our consolidated financial statements as of December 31, 2016 for a detailed discussion of the Credit Facility.

### **Related-Party Transactions**

We have entered into the Investment Advisory Agreement with GSV Asset Management. See “Note 2 — Related-Party Arrangements” to our consolidated financial statements as of December 31, 2016 for more information about the Investment Advisory Agreement. GSV Asset Management is controlled by Michael T. Moe, our Chief Executive Officer and Chair of our board of directors. Mr. Moe, through his ownership interest in GSV Asset Management, is entitled to a portion of any profits earned by GSV Asset Management in performing its services under the Investment Advisory Agreement. Mr. Moe, William Tanona, our Chief Financial Officer, Treasurer and Secretary, and Mark Flynn, our President, as principals of GSV Asset Management, collectively manage the business and internal affairs of GSV Asset Management. Mark Klein, a member of our board of directors, or entities with which he is affiliated, receives fees from GSV Asset Management equal to a percentage of each of the base management fee and the incentive fee paid by us to GSV Asset Management pursuant to a consulting agreement with GSV Asset Management.

We have entered into the Administration Agreement with GSV Capital Service Company to provide administrative services, including furnishing us with office facilities, equipment, clerical, bookkeeping services and other administrative services. GSV Asset Management controls GSV Capital Service Company. We reimburse GSV Capital Service Company an allocable portion of overhead and other expenses in performing its obligations under the Administration Agreement. While there is no limit on the total amount of expenses we may be required to reimburse GSV Capital Service Company, our administrator will only charge us for the actual expenses it incurs on our behalf, or our allocable portion thereof, without any profit to GSV Capital Service Company. See “Note 2 — Related-Party Arrangements” to our consolidated financial statements as of December 31, 2016 for more information.

Mark Moe, who is the brother of our Chief Executive Officer, Michael Moe, serves as Vice President of Business Development, Global Expansion for NestGSV, Inc. (d/b/a GSV Labs, Inc.), one of our portfolio companies. Diane Flynn, who is the spouse of our President, Mark Flynn, served as Chief Marketing Officer of NestGSV, Inc. until her resignation in January 2017. Ron Johnson, the Chief Executive Officer of Enjoy Technology, Inc., one of our portfolio companies, is the brother-in-law of our President, Mark Flynn. As of December 31, 2016, the fair values of our investments in NestGSV, Inc. and Enjoy Technology, Inc. were \$5,106,751 and \$5,443,091, respectively. Another one of our portfolio companies, SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.), previously utilized office space paid for by GSV Asset Management without paying GSV Asset Management or us any consideration for rent. We did not consider this an arms-length transaction. In August 2016, SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.) moved out of the office space paid for by GSV Asset Management.

In addition, our executive officers and directors, and the principals of our investment adviser, GSV Asset Management, serve or may serve as officers and directors of entities that operate in a line of business similar to our own, including new entities that may be formed in the future. Accordingly, they may have obligations to investors in those entities, the fulfillment of which might not be in the best interests of us or our stockholders. For example, as of March 16, 2017, GSV Asset Management also manages the Coursera Funds and serves as sub-adviser for certain investment series of the GSV Ventures Funds, and will likely manage one or more private funds, or series within such private funds, in the future. We have no ownership interests in the Coursera Funds or the GSV Ventures Funds sub-advised by GSV Asset Management.

While the investment focus of each of these entities, including the Coursera Funds and the GSV Ventures Funds, may be different from our investment objective, it is likely that new investment opportunities that meet

## TABLE OF CONTENTS

our investment objective will come to the attention of one of these entities, or new entities that will likely be formed in the future in connection with another investment advisory client or program, and, if so, such opportunity might not be offered, or otherwise made available, to us. However, our executive officers, directors and investment adviser, GSV Asset Management, intend to treat us in a fair and equitable manner consistent with their applicable duties under law so that we will not be disadvantaged in relation to any other particular client. In addition, while GSV Asset Management anticipates that it will from time to time identify investment opportunities that are appropriate for both us and the other funds that are currently, or in the future may be, managed by GSV Asset Management, to the extent it does identify such opportunities, GSV Asset Management has established an allocation policy to ensure that we have priority over such other funds. Our board of directors will monitor on a quarterly basis any such allocation of investment opportunities between us and any such other funds.

Further, under the Investment Advisory Agreement, there are no restrictions on the right of any manager, partner, officer or employee of GSV Asset Management to engage in any other business or to devote his or her time and attention in part to any other business, whether of a similar or dissimilar nature, or to receive any fees or compensation in connection therewith (including fees for serving as a director of, or providing consulting services to, one or more of our portfolio companies). GSV Asset Management has, however, adopted an internal policy whereby any fees or compensation received by a manager, partner, officer or employee of GSV Asset Management in exchange for serving as a director of, or providing consulting services to, any of our portfolio companies will be transferred to GSV Capital Corp., net of any personal taxes incurred, upon such receipt for the benefit of GSV Capital Corp. and our stockholders.

GSV Asset Management is the owner of the “GSV” name and marks, which we are permitted to use pursuant to a non-exclusive license agreement between us and GSV Asset Management. GSV Asset Management and its principals also use and may permit other entities to use the “GSV” name and marks in connection with businesses and activities unrelated to our operations. The use of the “GSV” name and marks in connection with businesses and activities unrelated to our operations may not be in the best interests of us or our stockholders and may result in actual or perceived conflicts of interest.

In the ordinary course of business, we may enter into transactions with portfolio companies that may be considered related-party transactions. To ensure that we do not engage in any prohibited transactions with any persons affiliated with us, we have implemented certain written policies and procedures whereby our executive officers screen each of our transactions for any possible affiliations between the proposed portfolio investment, us, companies controlled by us and our executive officers and directors.

We also adopted a code of ethics which applies to, among others, our senior officers, including our Chief Executive Officer, President, Chief Financial Officer and Chief Compliance Officer, as well as our other officers, directors and employees. Our code of ethics requires that all employees and directors avoid any conflict, or the appearance of a conflict, between an individual’s personal interests and our interests. Pursuant to our code of ethics, each officer, employee and director must disclose any conflicts of interest, or actions or relationships that might give rise to a conflict, to our Chief Compliance Officer. Our board of directors is charged with approving any waivers under our code of ethics. As required by the Nasdaq corporate governance listing standards, the Audit Committee of our board of directors is also required to review and approve any transactions with related parties (as such term is defined in Item 404 of Regulation S-K).

### **Critical Accounting Policies**

Critical accounting policies and practices are the policies that are both most important to the portrayal of our financial condition and results, and require management’s most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. These include estimates of the fair value of our Level 3 investments and other estimates that affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements and the reported amounts of certain revenues and expenses during the reporting period. It is likely that changes in these estimates will occur in the near term. Our estimates are inherently subjective in nature and actual results could differ materially from such estimates. We believe that the following discussion addresses our most critical accounting policies, which are those that are most important to the portrayal of our financial condition and results of operations and require management’s most difficult, subjective and complex judgments.

## TABLE OF CONTENTS

### ***Investments at Fair Value***

We apply fair value accounting in accordance with GAAP and the AICPA's Audit and Accounting Guide for Investment Companies. We value our assets on a quarterly basis, or more frequently if required under the 1940 Act.

Fair value is defined 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. GAAP establishes a framework for measuring fair value that includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

**Level 1** — Valuations based on unadjusted quoted prices for identical assets or liabilities in an active market that we have the ability to access at the measurement date.

**Level 2** — Valuations based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data at the measurement date for substantially the full term of the assets or liabilities.

**Level 3** — Valuations based on unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model. The majority of the Company's investments are Level 3 investments and are subject to a high degree of judgment and uncertainty in determining fair value.

When the inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement in its entirety. For example, a Level 3 fair value measurement may include inputs that are observable (Levels 1 and 2) and unobservable (Level 3). Therefore, gains and losses for such assets and liabilities categorized within the Level 3 table set forth in "Note 3 — Investments at Fair Value" to our consolidated financial statements as of December 31, 2016, may include changes in fair value that are attributable to both observable inputs (Levels 1 and 2) and unobservable inputs (Level 3).

A review of fair value hierarchy classifications is conducted on a quarterly basis. Changes in the observability of valuation inputs may result in a reclassification for certain financial assets or liabilities. Reclassifications impacting Level 3 of the fair value hierarchy are reported as transfers in/out of the Level 3 category as of the end of the quarter in which the reclassifications occur. Refer to "Note 1 — Nature of Operations and Significant Accounting Policies — Levelling Policy" to our consolidated financial statements as of December 31, 2016, for a detailed discussion of the levelling of our financial assets or liabilities and events that may cause a reclassification within the fair value hierarchy.

Securities for which market quotations are readily available on an exchange are valued at the closing price of such security on the valuation date; however, if they are subject to restrictions upon sale (such as lock-up restrictions), they may be discounted accordingly. We may also obtain quotes with respect to certain of our investments from pricing services, brokers or dealers in order to value assets. When doing so, we determine whether the quote obtained is sufficient according to GAAP to determine the fair value of the security. If determined to be adequate, we use the quote obtained.

## TABLE OF CONTENTS

Securities for which reliable market quotations are not readily available or for which the pricing source does not provide a valuation or methodology, or provides a valuation or methodology that, in the judgment of GSV Asset Management, our board of directors or the Valuation Committee, does not reliably represent fair value, shall each be valued as follows:

1. The quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals of GSV Asset Management responsible for the portfolio investment;
2. Preliminary valuation conclusions are then documented and discussed with GSV Asset Management senior management;
3. An independent third-party valuation firm is engaged by the Valuation Committee to conduct independent appraisals and review GSV Asset Management's preliminary valuations and make its own independent assessment, for all investments for which there are no readily available market quotations;
4. The Valuation Committee discusses the valuations and recommends to our board of directors a fair value for each investment in the portfolio based on the input of GSV Asset Management and the independent third-party valuation firm; and
5. Our board of directors then discusses the valuations recommended by the Valuation Committee and determines in good faith the fair value of each investment in the portfolio.

In making a good faith determination of the fair value of investments, we consider valuation methodologies consistent with industry practice. Valuation methods utilized include, but are not limited to the following: comparisons to prices from secondary market transactions; venture capital financings; public offerings; purchase or sales transactions; as well as analysis of financial ratios and valuation metrics of the portfolio companies that issued such private equity securities to peer companies that are public, analysis of the portfolio companies' most recent financial statements and forecasts, and the markets in which the portfolio company does business, and other relevant factors. We assign a weighting based upon the relevance of each method to determine the fair value of each investment.

The Valuation Committee engages at least one independent valuation firm to perform valuations of our investments that are not publicly traded or for which there are no readily available market quotations. Our board of directors considers the independent valuations provided by the valuation firm(s), among other factors, in making our fair value determinations.

### **Recent Developments**

#### Portfolio Activity

From and including January 1, 2017 through March 15, 2017, we did not close on any investment purchases. From and including January 1, 2017 through March 15, 2017, we did not sell any investments.

We are frequently in negotiations with various private companies with respect to investments in such companies. Investments in private companies are generally subject to satisfaction of applicable closing conditions. In the case of secondary market transactions, such closing conditions may include approval of the issuer, waiver or failure to exercise rights of first refusal by the issuer and/or its stockholders and termination rights by the seller or us. Equity investments made through the secondary market may involve making deposits in escrow accounts until the applicable closing conditions are satisfied, at which time the escrow accounts will close and such equity investments will be effectuated.

On March 1, 2017, Snap Inc. listed its shares on the New York Stock Exchange in an IPO with an offering price of \$17.00 per share. Our shares of Snap Inc. are locked up for 150 days following the IPO. This prevents us from selling the shares until 150 days after March 1, 2017.

[TABLE OF CONTENTS](#)

*Management Fee Waiver*

GSV Asset Management has voluntarily agreed to waive a portion of the advisory fees payable by us to GSV Asset Management under the Investment Advisory Agreement. Pursuant to the waiver, effective January 1, 2017 through December 31, 2017, we will pay GSV Asset Management a base management fee of 1.75%, a 0.25% reduction from the 2.0% base management fee payable under the Investment Advisory Agreement. This waiver of a portion of the base management fee is not subject to recourse against or reimbursement by us.

**Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

***Market Risk***

Our equity investments are primarily in growth companies that in many cases have short operating histories and are generally illiquid. In addition to the risk that these companies may fail to achieve their objectives, the price we may receive for these companies in private transactions may be significantly impacted by periods of disruption and instability in the capital markets, such as the recent market volatility in China, geopolitical unrest in the Middle East and as a result of the referendum vote relating to the United Kingdom's exit from the E.U. While these periods of disruption generally have little actual impact on the operating results of our equity investments, these events may significantly impact the prices that market participants will pay for our equity investments in private transactions. This may have a significant impact on the valuation of our equity investments.

***Interest Rate Risk***

We are subject to financial market risks, which could include, to the extent we utilize leverage with variable rate structures, changes in interest rates. As we invest primarily in equity rather than debt instruments, we would not expect fluctuations in interest rates to directly impact our return on our portfolio investments, although any significant change in market interest rates could potentially have an indirect effect on the business, financial condition and results of operations of the portfolio companies in which we invest.

As of December 31, 2016, all of our debt investments bore a fixed rate of interest. The Credit Facility, which was indexed to the prime rate, expired according to its terms on December 31, 2016.

[TABLE OF CONTENTS](#)

**Item 8. Financial Statements and Supplementary Data**

**Index to Financial Statements**

	<b>Page</b>
<a href="#">Reports of Independent Registered Public Accounting Firms</a>	<a href="#">73</a>
<a href="#">Consolidated Statements of Assets and Liabilities as of December 31, 2016 and 2015</a>	<a href="#">75</a>
<a href="#">Consolidated Statements of Operations for the years ended December 31, 2016, 2015 and 2014</a>	<a href="#">76</a>
<a href="#">Consolidated Statements of Changes in Net Assets for the years ended December 31, 2016, 2015 and 2014</a>	<a href="#">78</a>
<a href="#">Consolidated Statements of Cash Flows for the years ended December 31, 2016, 2015 and 2014</a>	<a href="#">79</a>
<a href="#">Consolidated Schedule of Investments as of December 31, 2016</a>	<a href="#">81</a>
<a href="#">Consolidated Schedule of Investments as of December 31, 2015</a>	<a href="#">87</a>
<a href="#">Notes to Consolidated Financial Statements</a>	<a href="#">93</a>

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Shareholders of  
GSV Capital Corp.  
Woodside, California

We have audited the accompanying consolidated statement of assets and liabilities of GSV Capital Corp. and subsidiaries (the “Company”), including the consolidated schedule of investments, as of December 31, 2016 and 2015, and the related consolidated statements of operations, changes in net assets, cash flows, and financial highlights (presented in Note 7) for the year ended December 31, 2016 and 2015. Our audits also included the 2016 and 2015 financial statement schedules listed in the Index at Item 15(a)(2). These financial statements, financial highlights and financial statement schedules are the responsibility of the Company’s management. Our responsibility is to express an opinion on the financial statements, financial highlights and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements, financial highlights and financial statement schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of investments as of December 31, 2016 and 2015, by correspondence with the portfolio companies and custodian; when replies were not received, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements, financial highlights and financial statement schedules present fairly, in all material respects, the financial position of GSV Capital Corp. and subsidiaries as of December 31, 2016 and 2015, and the results of their operations, changes in their net assets, cash flows, and financial highlights for the year ended December 31, 2016 and 2015, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic 2016 and 2015 consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 16, 2017 expressed an unqualified opinion on the Company’s internal control over financial reporting.

/s/ Deloitte & Touche LLP  
San Francisco, California  
March 16, 2017

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Board of Directors and Shareholders  
GSV Capital Corp.

We have audited the consolidated statement of assets and liabilities of GSV Capital Corp. and subsidiaries (the "Company"), including the consolidated schedule of investments, as of December 31, 2014 (not presented herein), and the related consolidated statements of operations, changes in net assets, and cash flows for the year ended December 31, 2014, and financial highlights for each of the three years in the period ended December 31, 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included verification by confirmation of securities as of December 31, 2014, by correspondence with the portfolio companies and custodian, or by other appropriate auditing procedures where replies were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GSV Capital Corp. and subsidiaries as of December 31, 2014, and the results of their operations, their changes in net assets, and their cash flows for the year ended December 31, 2014, and their financial highlights for each of the three years in the period ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

/s/ GRANT THORNTON LLP

San Francisco, California

March 16, 2015 (except as to Note 9 in the previously filed 2015 financial statements regarding the effects of the retrospective adoption of ASU 2015-03 as of December 31, 2014, which is not presented herein and is as of July 21, 2016)

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES

	December 31, 2016	December 31, 2015
<b>ASSETS</b>		
Investments at fair value:		
Investments in controlled securities (cost of \$22,893,441 and \$21,830,392, respectively) <sup>(1)</sup>	\$ 19,037,566	\$ 22,871,790
Investments in affiliated securities (cost of \$51,773,388 and \$73,942,123, respectively) <sup>(1)</sup>	42,444,690	66,075,585
Investments in non-controlled/non-affiliated securities (cost of \$204,101,445 and \$197,577,328, respectively)	200,532,890	260,861,392
Investments in treasury bill (cost of \$29,998,750 and \$29,999,968, respectively)	29,998,490	30,000,000
Investments owned and pledged (amortized cost of \$0 and \$3,675,192, respectively) <sup>(2)</sup>	—	3,676,693
Total Investments (cost of \$308,767,024 and \$327,025,003, respectively)	292,013,636	383,485,460
Cash	8,332,634	13,349,877
Restricted cash	—	52,931
Due from:		
GSV Asset Management <sup>(1)</sup>	—	220,770
Portfolio companies <sup>(1)</sup>	—	56,371
Interest and dividends receivable	92,946	97,183
Prepaid expenses and other assets	213,942	227,826
Deferred financing costs	311,268	352,653
<b>Total Assets</b>	<b>300,964,426</b>	<b>397,843,071</b>
<b>LIABILITIES</b>		
Due to:		
GSV Asset Management <sup>(1)</sup>	422,025	5,047,429
Accounts payable and accrued expenses	335,611	105,587
Accrued incentive fees <sup>(1)</sup>	2,126,444	17,314,565
Accrued management fees <sup>(1)</sup>	524,054	683,423
Accrued interest payable	1,056,563	1,056,563
Payable for securities purchased	26,498,750	26,499,357
Deferred tax liability	10,359,371	12,476,155
Convertible Senior Notes payable 5.25% due September 15, 2018 <sup>(2)</sup>	67,512,798	66,649,047
<b>Total Liabilities</b>	<b>108,835,616</b>	<b>129,832,126</b>
<b>Commitments and contingencies (Notes 6 and 9)</b>		
<b>Net Assets</b>	<b>\$192,128,810</b>	<b>\$ 268,010,945</b>
<b>NET ASSETS</b>		
Common stock, par value \$0.01 per share (100,000,000 authorized; 22,181,003 issued and outstanding, respectively)	\$ 221,810	\$ 221,810
Paid-in capital in excess of par	221,237,636	237,757,527
Accumulated net investment loss	(1,443,996)	(16,634,037)
Accumulated net realized gains (losses) on investments	(773,882)	2,681,342
Accumulated net unrealized appreciation (depreciation) of investments	(27,112,758)	43,984,303
<b>Net Assets</b>	<b>\$192,128,810</b>	<b>\$ 268,010,945</b>
<b>Net Asset Value Per Share</b>	<b>\$ 8.66</b>	<b>\$ 12.08</b>

(1) This balance is a related-party transaction. Refer to “Note 2 — Related-Party Arrangements” for more detail.

(2) The Convertible Senior Notes have a face value of \$69,000,000. Refer to “Note 9 — Long-Term Liabilities” for a reconciliation of the carrying value to the face value. In accordance with the terms of the Company’s Convertible Senior Notes payable, the Company deposited \$10,867,500 in an escrow account with U.S. Bank N.A., the trustee. These funds were used to purchase six U.S. Treasury Strips with an original cost of \$10,845,236. As of December 31, 2016, all of the government securities purchased had matured and the proceeds were used by the trustee in accordance with the terms of the escrow agreement.

See accompanying notes to the consolidated financial statements.

**GSV CAPITAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014
<b>INVESTMENT INCOME</b>			
Interest income from controlled securities <sup>(1)</sup>	\$ 101,999	\$ —	\$ 10,233
Interest income from affiliated securities <sup>(1)</sup>	159,016	214,420	130,021
Interest income from non-controlled/non-affiliated securities	262,473	29,695	44,805
Dividend income from affiliated securities <sup>(1)</sup>	—	—	—
Dividend income from non-controlled/non-affiliated securities	—	46,781	887
Other income from non-controlled/non-affiliated securities	212,795	—	—
<b>Total Investment Income</b>	<u>736,283</u>	<u>290,896</u>	<u>185,946</u>
<b>OPERATING EXPENSES</b>			
Management fees <sup>(1)</sup>	6,896,347	8,044,801	7,562,488
Incentive fees <sup>(1)</sup>	(15,188,121)	8,170,326	3,614,347
Costs incurred under Administration Agreement <sup>(1)</sup>	2,545,316	2,681,079	3,199,904
Directors' fees	345,000	373,676	260,000
Professional fees	1,966,906	1,357,988	1,764,722
Interest expense	4,731,430	4,961,169	5,503,843
Income tax expense	—	880,778	—
Other expenses	702,768	509,418	668,635
Gain on fair value adjustment for embedded derivative	—	(1,000)	(798,000)
<b>Total Operating Expenses</b>	<u>1,999,646</u>	<u>26,978,235</u>	<u>21,775,939</u>
(Provision)/Benefit for taxes on net investment loss <sup>(2)</sup>	—	(21,969,370)	8,810,102
<b>Net Investment Loss</b>	<u>(1,263,363)</u>	<u>(48,656,709)</u>	<u>(12,779,891)</u>
<b>Net Realized Gains/(Losses):</b>			
From affiliated securities	—	(10,170,567)	10,419
From non-controlled/non-affiliated securities	(2,634,471)	64,314,796	23,915,705
<b>Net Realized Gains/(Losses) on investments</b>	<u>(2,634,471)</u>	<u>54,144,229</u>	<u>23,926,124</u>
(Provision)/Benefit for taxes on net realized gain on investments <sup>(2)</sup>	—	342,802	(9,769,036)
<b>Net Change in Unrealized Depreciation of investments:</b>			
From controlled securities	(4,897,273)	(627,139)	(662,619)
From affiliated securities	(13,571,477)	1,386,378	(6,867,225)
From non-controlled/non-affiliated securities	(54,745,095)	(14,181,484)	1,718,047
<b>Net Change in Unrealized Depreciation of investments</b>	<u>(73,213,845)</u>	<u>(13,422,245)</u>	<u>(5,811,797)</u>
<b>Benefit for taxes on unrealized depreciation of investments<sup>(2)</sup></b>	<u>2,116,784</u>	<u>16,058,080</u>	<u>2,371,829</u>
<b>Net Increase/(Decrease) in Net Assets Resulting from Operations</b>	<u>\$ (74,994,895)</u>	<u>\$ 8,466,157</u>	<u>\$ (2,062,771)</u>
<b>Net Increase/(Decrease) in Net Assets Resulting from Operations per Common Share</b>			
<b>Basic</b>	<u>\$ (3.38)</u>	<u>\$ 0.44</u>	<u>\$ (0.11)</u>
<b>Diluted<sup>(3)</sup></b>	<u>\$ (3.38)</u>	<u>\$ 0.44</u>	<u>\$ (0.11)</u>
<b>Weighted-Average Common Shares Outstanding</b>			
<b>Basic</b>	<u>22,181,003</u>	<u>19,327,938</u>	<u>19,320,100</u>
<b>Diluted<sup>(3)</sup></b>	<u>22,181,003</u>	<u>19,327,938</u>	<u>19,320,100</u>

(1) This balance is a related-party transaction. Refer to "Note 2 — Related-Party Arrangements" for more detail.

*See accompanying notes to the consolidated financial statements.*

**GSV CAPITAL CORP. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS – (continued)**

- (2) Due to the Company's change in tax status to a regulated investment company ("RIC") from a C Corporation, the associated accrued benefits and provisions from previous years were reversed, resulting in a provision for net investment loss, a benefit for net realized gains, and a benefit for unrealized depreciation of investments for the year ended December 31, 2015. Refer to "Note 8 — Income Taxes" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations" for further detail.
- (3) For the years ended December 31, 2016, 2015 and 2014, respectively, 5,751,815, 5,710,212 and 4,244,128 potentially dilutive common shares were excluded from the weighted-average common shares outstanding for diluted net increase in net assets resulting from operations per common share because the effect of these shares would have been anti-dilutive. Refer to "Note 5 — Net Increase in Net Assets Resulting from Operations per Common Share — Basic and Diluted" for further detail.

*See accompanying notes to the consolidated financial statements.*

## GSV CAPITAL CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014
<b>Net Increase/(Decrease) in Net Assets Resulting from Operations</b>			
Net investment loss	\$ (1,263,363)	\$ (48,656,709)	\$ (12,779,891)
Net realized gains/(losses) on investments	(2,634,471)	54,144,229	23,926,124
(Provision)/benefit for taxes on realized gains on investments	—	342,802	(9,769,036)
Net change in unrealized depreciation of investments	(73,213,845)	(13,422,245)	(5,811,797)
Benefit for taxes on unrealized depreciation of investments	2,116,784	16,058,080	2,371,829
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>(74,994,895)</b>	<b>8,466,157</b>	<b>(2,062,771)</b>
Distributions from realized gains	(820,753)	(53,323,476)	—
Distributions from return of capital	(66,487)	—	—
<b>Total Distributions</b>	<b>(887,240)</b>	<b>(53,323,476)</b>	<b>—</b>
<b>Capital Share Transactions</b>			
Issuance of common stock	—	26,964,591	—
<b>Net Increase in Net Assets Resulting from Capital Share Transactions</b>	<b>—</b>	<b>26,964,591</b>	<b>—</b>
<b>Total Decrease in Net Assets</b>	<b>(75,882,135)</b>	<b>(17,892,728)</b>	<b>(2,062,771)</b>
Net assets at beginning of year	268,010,945	285,903,673	287,966,444
<b>Net Assets at End of Year</b>	<b>\$192,128,810</b>	<b>\$268,010,945</b>	<b>\$285,903,673</b>
<b>Capital Share Activity</b>			
Shares issued	—	2,860,903	—
Shares outstanding at beginning of year	22,181,003	19,320,100	19,320,100
<b>Shares outstanding at end of year</b>	<b>22,181,003</b>	<b>22,181,003</b>	<b>19,320,100</b>

See accompanying notes to the consolidated financial statements.

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014
<b>Cash Flows from Operating Activities</b>			
Net increase/(decrease) in net assets resulting from operations	\$ (74,994,895)	\$ 8,466,157	\$ (2,062,771)
Adjustments to reconcile net increase/(decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:			
Net realized (gains)/losses on investments	2,634,471	(54,144,229)	(23,926,124)
Net change in unrealized depreciation of investments	73,213,845	13,422,245	5,811,797
Gain on fair value adjustment for embedded derivative	—	(1,000)	(798,000)
Deferred tax liability	(2,116,784)	5,568,489	(1,412,895)
Current taxes payable	—	(134,733)	134,733
Amortization of discount on Convertible Senior Notes	863,751	134,266	718,135
Amortization of deferred financing costs	210,999	627,909	225,910
Amortization of fixed income security premiums and discounts	(54,522)	(78,212)	(63,053)
Change in restricted cash	52,931	(4,042)	(26,625)
Paid in kind Interest	(447,009)	—	—
Non-cash dividend income	—	(46,781)	—
Purchases of investments in:			
Portfolio investments	(13,803,342)	(30,927,038)	(71,094,138)
United States treasury bills	(119,998,208)	(255,015,475)	(360,004,426)
Proceeds from sales or maturity of investments in:			
Portfolio investments	26,241,589	92,947,445	73,557,189
United States treasury bills	120,000,000	325,000,000	260,002,734
United States treasuries strips	3,685,000	3,639,000	3,603,708
Change in operating assets and liabilities:			
Due from GSV Asset Management <sup>(1)</sup>	220,770	(15,945)	(201,786)
Due from portfolio companies <sup>(1)</sup>	56,371	28,985	67,822
Prepaid expenses and other assets	13,884	369,100	6,047
Interest and dividends receivable	4,237	(70,512)	5,007
Due to GSV Asset Management <sup>(1)</sup>	(4,625,404)	5,024,033	(8,032)
Payable for securities purchased	(607)	(63,502,335)	90,001,692
Accounts payable and accrued expenses	230,024	(187,363)	(89,215)
Accrued incentive fees <sup>(1)</sup>	(15,188,121)	3,176,666	3,614,347
Accrued management fees <sup>(1)</sup>	(159,369)	42,147	108,726
Accrued interest payable	—	(82,895)	82,895
<b>Net Cash Provided by/(Used in) Operating Activities</b>	<b>(3,960,389)</b>	<b>54,235,882</b>	<b>(21,746,323)</b>
<b>Cash Flows from Financing Activities</b>			
Borrowings under Credit Facility	3,500,000	6,000,000	36,000,000
Repayments under Credit Facility	(3,500,000)	(24,000,000)	(18,000,000)
Dividends paid	(887,240)	(26,358,885)	—
Deferred offering costs	(169,614)	—	—

See accompanying notes to the consolidated financial statements.

## GSV CAPITAL CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS – (continued)

	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014
<b>Net Cash Provided by/(Used in) Financing Activities</b>	(1,056,854)	(44,358,885)	18,000,000
<b>Total Increase/(Decrease) in Cash Balance</b>	(5,017,243)	9,876,997	(3,746,323)
Cash Balance at Beginning of Year	13,349,877	3,472,880	7,219,203
<b>Cash Balance at End of Year</b>	<b>\$ 8,332,634</b>	<b>\$ 13,349,877</b>	<b>\$ 3,472,880</b>
<b>Supplemental Information:</b>			
Interest Paid	\$ 3,650,961	\$ 5,044,064	\$ 5,420,948
<b>Non-Cash Financing Items</b>			
Fair value of make-whole derivative issued in connection with the convertible debt	\$ —	\$ —	\$ 1,000
Non-cash dividends paid	\$ —	\$ 26,964,591	\$ —

(1) This balance is a related-party transaction. Refer to “Note 2 — Related-Party Arrangements” for more detail.

*See accompanying notes to the consolidated financial statements.*

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2016

Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
<b>Palantir Technologies, Inc.</b>	Palo Alto, CA				
Preferred shares, Series G	Data Analysis	326,797	\$ 1,008,968	\$ 2,223,594	1.16%
Common shares, Class A		5,773,690	16,189,935	39,285,371	20.45%
Total			17,198,903	41,508,965	21.61%
<b>Spotify Technology S.A.**</b>	Stockholm, Sweden				
Common shares	On-Demand Music Streaming	9,541	13,599,572	18,931,691	9.85%
<b>Coursera, Inc.</b>	Mountain View, CA				
Preferred shares, Series B	Online Education	2,961,399	14,519,519	14,510,855	7.55%
<b>JAMF Holdings, Inc.</b>	Minneapolis, MN				
Preferred shares, Series B	Mobile Device Management	73,440	9,999,928	13,856,754	7.21%
<b>General Assembly Space, Inc.</b>	New York, NY				
Preferred shares, Series C	Online Education	126,552	2,999,978	6,697,132	3.49%
Common shares		133,213	2,999,983	7,049,632	3.67%
Total			5,999,961	13,746,764	7.16%
<b>Dropbox, Inc.</b>	San Francisco, CA				
Preferred shares, Series A-1	Cloud Computing Services	552,486	5,015,773	5,552,484	2.89%
Common shares		760,000	8,641,153	7,638,000	3.98%
Total			13,656,926	13,190,484	6.87%
<b>Lytro, Inc.</b>	Mountain View, CA				
Preferred shares, Series D	Light Field Imaging Platform	159,160	502,081	500,001	0.26%
Preferred shares, Series C-1		3,378,379	10,000,002	10,408,150	5.42%
Total			10,502,083	10,908,151	5.68%
<b>Ozy Media, Inc.<sup>(1)</sup></b>	Mountain View, CA				
Convertible Promissory Note 5% Due 2/28/2018***	Digital Media Platform	\$ 2,000,000	2,000,000	2,000,000	1.04%
Preferred shares, Series B		922,509	4,999,999	4,999,999	2.60%
Preferred shares, Series A		1,090,909	3,000,200	3,000,000	1.56%
Preferred shares, Series Seed		500,000	500,000	610,000	0.32%
Total			10,500,199	10,609,999	5.52%
<b>Course Hero, Inc.</b>	Redwood City, CA				
Preferred shares, Series A	Online Education	2,145,509	5,000,001	10,532,304	5.48%
<b>Curious.com Inc.<sup>(1)</sup></b>	Menlo Park, CA				
Preferred shares, Series B	Online Education	3,407,834	12,000,006	9,984,954	5.20%
<b>StormWind, LLC<sup>(2)(6)</sup></b>	Scottsdale, AZ				
Preferred shares, Series C	Interactive Learning	2,779,134	4,000,787	4,650,838	2.42%
Preferred shares, Series B		3,279,629	2,019,687	4,470,403	2.33%
Preferred shares, Series A		366,666	110,000	499,796	0.26%
Total			6,130,474	9,621,037	5.01%
<b>Chegg, Inc.**</b>	Santa Clara, CA				
Common shares	Online Education Services	1,182,792	14,022,863	8,729,005	4.54%
<b>Declara, Inc.<sup>(1)</sup></b>					
Convertible Promissory Note 9% Due 6/30/2017*** <sup>(12)</sup>	Palo Alto, CA	2,120,658	2,120,658	2,827,020	1.47%
Preferred shares, Series A	Social Cognitive Learning	10,716,390	9,999,999	4,786,654	2.49%
Total			12,120,657	7,613,674	3.96%

See accompanying notes to the consolidated financial statements.

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)  
December 31, 2016

Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
<b>Lyft, Inc.</b>	San Francisco, CA				
Preferred shares, Series E	On-Demand				
	Transportation Services	128,563	\$ 2,503,585	\$ 3,249,430	1.69%
Preferred shares, Series D		176,266	1,792,749	4,203,062	2.19%
Total			4,296,334	7,452,492	3.88%
<b>Avenues Global Holdings, LLC<sup>(4)</sup></b>	New York, NY				
Preferred shares, Junior Preferred Stock	Globally-focused Private School	10,014,270	10,151,854	6,128,733	3.19%
<b>SugarCRM, Inc.</b>	Cupertino, CA				
Preferred shares, Series E	Customer				
	Relationship Manager	373,134	1,500,522	2,354,476	1.23%
Common shares		1,524,799	5,476,502	3,762,442	1.96%
Total			6,977,024	6,116,918	3.19%
<b>Dataminr, Inc.</b>	New York, NY				
Preferred shares, Series C	Social Media Analytics	301,369	1,100,909	1,377,256	0.72%
Preferred shares, Series B		904,977	2,063,356	4,135,745	2.15%
Total			3,164,265	5,513,001	2.87%
<b>Enjoy Technology, Inc.</b>	Menlo Park, CA				
Preferred shares, Series B	On-Demand Commerce	1,681,520	4,000,280	4,000,000	2.08%
Preferred shares, Series A		879,198	1,002,440	1,443,091	0.75%
Total			5,002,720	5,443,091	2.83%
<b>NestGSV, Inc. (d/b/a GSV Labs, Inc.)<sup>(2)</sup></b>	Redwood City, CA				
Convertible Promissory Note 8%					
Due 7/31/2017***	Global Innovation Platform	\$ 500,000	457,592	427,900	0.22%
Unsecured Promissory Note 12%					
Due 5/29/2017***		\$ 526,000	501,802	496,725	0.26%
Preferred shares, Series A-4 <sup>(14)</sup>		3,720,424	4,904,498	2,715,910	1.41%
Preferred shares, Series A-3 <sup>(14)</sup>		1,561,625	2,005,730	952,591	0.50%
Preferred shares, Series A-2 <sup>(14)</sup>		450,001	605,500	166,500	0.09%
Preferred shares, Series A-1 <sup>(14)</sup>		1,000,000	1,021,778	270,000	0.14%
Common shares		200,000	1,000	—	0.00%
Preferred warrants, Series A-3 – \$1.33 Strike					
Price, Expiration Date 4/4/2019		187,500	—	5,625	0.00%
Preferred warrants, Series A-4 – \$1.33 Strike					
Price, Expiration Date 10/6/2019		500,000	—	40,000	0.02%
Preferred warrants, Series A-4 – \$1.33 Strike					
Price, Expiration Date 7/18/2021		250,000	74,380	22,500	0.01%
Preferred warrants, Series A-4 – \$1.33 Strike					
Price, Expiration Date 11/29/2021		100,000	29,275	9,000	0.00%
Total			9,601,555	5,106,751	2.65%
<b>Whittle Schools, LLC<sup>(1)(5)</sup></b>	New York, NY				
Preferred shares, Series B	Globally-focused Private School	3,000,000	3,000,000	3,000,000	1.56%
Common shares		229	1,577,097	1,500,000	0.78%
Total			4,577,097	4,500,000	2.34%
<b>Snap Inc. (f/k/a Snapchat, Inc.)</b>	Venice, CA				
Preferred shares, Series F <sup>(17)</sup>	Social Communication	130,208	2,001,135	2,184,565	1.14%
Common shares, Class A <sup>(17)</sup>		130,208	2,001,135	2,184,565	1.14%
Total			4,002,270	4,369,130	2.28%

See accompanying notes to the consolidated financial statements.

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)  
December 31, 2016

Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
<b>SPBRX, INC. (f/k/a GSV Sustainability)</b>					
<b>Partners, Inc.<sup>(2)</sup></b> Woodside, CA					
Preferred shares, Class A	Clean Technology	14,300,000	\$ 7,151,412	\$ 4,309,778	2.24%
Common shares		100,000	10,000	—	—%
Total			7,161,412	4,309,778	2.24%
<b>Parchment, Inc.</b> Scottsdale, AZ					
Preferred shares, Series D	E-Transcript Exchange	3,200,512	4,000,982	4,000,000	2.08%
<b>CUX, Inc. (d/b/a CorpU)<sup>(1)</sup></b> Philadelphia, PA					
Senior Subordinated Convertible Promissory Note 8%, Due 11/26/2018*** <sup>(8)</sup>					
	Corporate Education	\$ 1,166,400	1,166,400	1,166,400	0.61%
Convertible preferred shares, Series D		169,033	778,607	775,861	0.40%
Convertible preferred shares, Series C		615,763	2,006,077	1,913,484	1.00%
Preferred warrants, Series D, \$4.59 Strike Price, Expiration Date 2/25/2018		16,903	—	4,395	0.00%
Total			3,951,084	3,860,140	2.01%
<b>Knewton, Inc.</b> New York, NY					
Preferred shares, Series E	Online Education	375,985	4,999,999	3,782,409	1.97%
<b>DogVacay, Inc.</b> Santa Monica, CA					
Preferred shares, Series B-1	Peer-to-Peer Pet Services	514,562	2,506,119	2,500,771	1.30%
<b>SharesPost, Inc.</b> San Bruno, CA					
Preferred shares, Series B	Online Marketplace Finance	1,771,653	2,259,716	2,249,999	1.17%
Common warrants, \$0.13 Strike Price, Expiration Date 6/15/2018		770,934	23,128	69,384	0.04%
Total			2,282,844	2,319,383	1.21%
<b>DreamBox Learning, Inc.</b> Bellevue, WA					
Preferred shares, Series A-1	Education Technology	7,159,221	1,502,362	1,503,436	0.78%
Preferred shares, Series A		3,579,610	758,017	751,718	0.39%
Total			2,260,379	2,255,154	1.17%
<b>Maven Research, Inc.<sup>(1)</sup></b> San Francisco, CA					
Preferred shares, Series C	Knowledge Networks	318,979	2,000,447	1,999,998	1.04%
Preferred shares, Series B		49,505	217,206	223,763	0.12%
Total			2,217,653	2,223,761	1.16%
<b>Strategic Data Command, LLC<sup>(1)(7)</sup></b> Sunnyvale, CA					
Common shares	Big Data Consulting	2,400,000	989,277	2,052,555	1.07%
<b>Clever, Inc.</b> San Francisco, CA					
Preferred shares, Series B	Education Software	1,799,047	2,000,601	2,000,001	1.04%
<b>EdSurge, Inc.<sup>(1)</sup></b> Burlingame, CA					
Preferred shares, Series A-1	Education Media Platform	378,788	501,360	500,000	0.26%
Preferred shares, Series A		494,365	500,801	588,294	0.31%
Total			1,002,161	1,088,294	0.57%
<b>Tynker (f/k/a Neuron Fuel, Inc.)</b> Mountain View, CA					
Preferred shares, Series A	Computer Software	534,162	309,310	881,367	0.46%

See accompanying notes to the consolidated financial statements.

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)  
December 31, 2016

Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
<b>Fullbridge, Inc.</b>	Cambridge, MA				
Common shares	Business Education	517,917	\$ 6,150,506	\$ —	—%
Junior note 1.49%, Due 11/9/2021		2,270,458	2,270,858	877,359	0.46%
Total			8,421,364	877,359	0.46%
<b>Circle Media (f/k/a S3 Digital Corp. (d/b/a S3i))<sup>(1)</sup></b>	New York, NY				
Promissory Note 12%, Due 11/17/2017*** <sup>(15)</sup>	Sports Analytics	\$ 25,000	26,840	26,544	0.01%
Preferred shares, Series A		1,864,495	1,777,576	484,769	0.26%
Preferred warrants, \$1.17 Strike Price, Expiration Date 11/18/2022		5,360	576	—	0.00%
Preferred warrants, \$1.17 Strike Price, Expiration Date 8/29/2021		175,815	—	—	0.00%
Preferred warrants, \$1.17 Strike Price, Expiration Date 6/26/2021		38,594	—	—	0.00%
Preferred warrants, \$1.17 Strike Price, Expiration Date 9/30/2020		160,806	—	—	0.00%
Preferred warrants, \$1.00 Strike Price, Expiration Date 11/21/2017		500,000	31,354	—	0.00%
Total			1,836,346	511,313	0.27%
<b>4C Insights (f/k/a The Echo Systems Corp.)</b>	Chicago, IL				
Common shares	Social Data Platform	436,219	1,436,404	505,744	0.26%
<b>Aspiration Partners, Inc.</b>	Marina Del Rey, CA				
Preferred shares, Series A <sup>(11)</sup>	Financial Services	540,270	1,001,815	307,954	0.16%
<b>PayNearMe, Inc.</b>	Sunnyvale, CA				
Common shares <sup>(13)</sup>	Cash Payment Network	5,480,348	14,000,398	164,410	0.09%
<b>Global Education Learning (Holdings) Ltd.<sup>(1)**</sup></b>	Hong Kong				
Preferred shares, Series A	Education Technology	2,126,475	675,495	—	—%
<b>AlwaysOn, Inc.<sup>(1)</sup></b>	Woodside, CA				
Preferred shares, Series A-1	Social Media	4,465,925	876,023	—	—%
Preferred shares, Series A		1,066,626	1,027,391	—	—%
Preferred warrants Series A, \$1.00 Strike Price, Expiration Date 1/9/2017		109,375	—	—	—%
Total			1,903,414	—	—%
<b>Orchestra One, Inc. (f/k/a Learnist Inc.)</b>	San Francisco, CA				
Common shares	Consumer Health Technology	57,026	4,959,614	—	—%
<b>Cricket Media (f/k/a ePals Inc.)<sup>(10)</sup></b>	Hemdon, VA				
Common shares	Online Education	133,333	2,448,959	—	—%
<b>Earlyshares.com, Inc.</b>	Miami, FL				
Convertible Promissory Note 5%, Due 2/26/2017*** <sup>(9)(3)</sup>	Equity Crowdfunding	\$ 50,000	50,840	—	—%
Preferred shares, Series A		165,715	261,598	—	—%
Total			312,438	—	—%

See accompanying notes to the consolidated financial statements.

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)  
December 31, 2016

Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
<b>Beamreach Solar, Inc. (f/k/a Solexel, Inc.)</b>	Milpitas, CA				
Convertible Promissory Note 9%, Due 5/10/2017*** <sup>(3)(16)</sup>	Solar Power	\$ 250,000	\$ 254,444	\$ —	—%
Preferred shares, Series D		1,613,413	2,419,751	—	—%
Preferred shares, Series C		5,300,158	11,598,648	—	—%
Total			14,272,843	—	—%
<b>AliphCom, Inc. (d/b/a Jawbone)</b>	San Francisco, CA				
Common shares	Smart Device Company	150,000	793,152	—	—%
<b>Total Portfolio Investments</b>			278,768,274	262,015,146	136.38%
<b>U.S. Treasury</b>					
U.S. Treasury Bill, 0%, due 1/5/2017***		\$ 30,000,000	29,998,750	29,998,490	15.62%
<b>TOTAL INVESTMENTS</b>			<u>\$ 308,767,024</u>	<u>\$ 292,013,636</u>	<u>152.00%</u>

\* All portfolio investments are non-control/non-affiliated and non-income producing, unless identified. Equity investments are subject to lock-up restrictions upon their initial public offering. Unless otherwise noted, all investments were pledged as collateral under the Credit Facility, which expired in accordance with its terms on December 31, 2016. The Company's officers and staff may serve on the board of directors of the Company's portfolio investments.

\*\* Indicates assets that GSV Capital Corp. believes do not represent "qualifying assets" under Section 55(a) of the Investment Company Act of 1940, as amended. Of GSV Capital Corp.'s total portfolio, 9.47% of its total investments are non-qualifying assets.

\*\*\*Investment is income producing.

(1) Denotes an Affiliate Investment. "Affiliate Investments" are investments in those companies that are "Affiliated Companies" of GSV Capital Corp., as defined in the Investment Company Act of 1940, as amended. A company is deemed to be an "Affiliate" of GSV Capital Corp. if GSV Capital Corp. owns 5% or more of the voting securities of such company.

(2) Denotes a Control Investment. "Control Investments" are investments in those companies that are "Controlled Companies" of GSV Capital Corp., as defined in the Investment Company Act of 1940, as amended. A company is deemed to be a "Controlled Company" of GSV Capital Corp. if GSV Capital Corp. owns more than 25% of the voting securities of such company.

(3) Investment was on non-accrual status as of December 31, 2016.

(4) GSV Capital Corp.'s investment in Avenues Global Holdings, LLC is held through its wholly owned subsidiary GSV AV Holdings, Inc.

(5) GSV Capital Corp.'s investment in Whittle Schools, LLC is held through its wholly owned subsidiary GSV WS Holdings, Inc. Whittle Schools, LLC is an investment that is collateralized by Avenues Global Holdings, LLC, as well as the personal collateral of Chris Whittle, the former chairman of Avenues Global Holdings, LLC.

(6) GSV Capital Corp.'s investment in StormWind, LLC is held through its wholly owned subsidiary GSV SW Holdings, Inc.

(7) GSV Capital Corp.'s investment in Strategic Data Command, LLC is held through its wholly owned subsidiary GSV SVDS Holdings, Inc.

(8) Interest will accrue daily on the unpaid principal balance of the note. Interest began compounding annually on November 26, 2015. Accrued interest is not payable until the earlier of (a) the closing of a subsequent equity offering by CUX, Inc. (d/b/a CorpU), or (b) the maturity of the note (November 26, 2018).

See accompanying notes to the consolidated financial statements.

TABLE OF CONTENTS

- (9) Interest will accrue daily on the unpaid principal balance of the note. Interest began compounding annually on February 26, 2015. Accrued interest is not payable until the earlier of (a) the closing of a subsequent equity offering by Earlyshares.com, Inc., or (b) the maturity of the note (February 26, 2017).
- (10) On June 6, 2016, Cricket Media (f/k/a ePals Inc.) declared a 10:1 reverse split of its common shares.
- (11) On July 29, 2016, Aspiration Partners, Inc. declared a 30:1 split of its preferred shares.
- (12) On December 30, 2016, Declara, Inc. extended the maturity date of the note held for one year until June 30, 2017.
- (13) On December 21, 2016, PayNearMe, Inc. converted its Series E Preferred shares into Common Class A shares on a 1:1 basis.
- (14) On December 15, 2016, NestGSV, Inc. (d/b/a GSV Labs, Inc.) converted its Series A, B, C, and D Preferred shares into Series A-1, A-2, A-3, and A-4 preferred shares, respectively, on a 1:1 basis.
- (15) On December 31, 2016, Circle Media (f/k/a S3 Digital Corp. (d/b/a S3i)) extended the maturity date of the note held for one year until November 17, 2017.
- (16) Interest will accrue daily on the unpaid principal balance of the note. Interest began compounding annually on November 26, 2016. Accrued interest is not payable until the earlier of (a) the closing of a subsequent equity offering by Beamreach Solar, Inc. (f/k/a Solexel, Inc.), or (b) the maturity of the note (May 10, 2017).
- (17) On October 26, 2016, the Snap Inc. board of directors approved a distribution of shares of Class A common stock as a dividend to the holders of all preferred stock and common stock outstanding on October 31, 2016. One share of Class A common stock was distributed for each share of preferred stock and common stock outstanding.

*See accompanying notes to the consolidated financial statements.*

**GSV CAPITAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**December 31, 2015**

<b>Portfolio Investments*</b>	<b>Headquarters/Industry</b>	<b>Shares/ Principal</b>	<b>Cost</b>	<b>Fair Value</b>	<b>% of Net Assets</b>
<b>Palantir Technologies, Inc.</b>	Palo Alto, CA				
Preferred shares, Series G	Data Analysis	326,797	\$ 1,008,968	\$ 3,018,787	1.13%
Common shares, Class A		5,773,690	16,189,935	53,334,461	19.90%
Total			17,198,903	56,353,248	21.03%
<b>Dropbox, Inc.</b>	San Francisco, CA				
Preferred shares, Series A-1	Online Storage	552,486	5,015,773	9,359,241	3.49%
Common shares		760,000	8,641,153	12,872,947	4.80%
Total			13,656,926	22,232,188	8.29%
<b>Twitter, Inc.**</b>	San Francisco, CA				
Common shares	Social Communication	800,600	14,271,866	18,525,884	6.91%
<b>Spotify Technology S.A.**</b>	Stockholm, Sweden				
Common shares	Music Streaming Service	9,541	13,599,572	16,219,700	6.05%
<b>Coursera, Inc.</b>	Mountain View, CA				
Preferred shares, Series B	Online Education	2,961,399	14,519,519	14,435,486	5.39%
<b>Beamreach Solar, Inc. (f/k/a Solexel, Inc.)</b>	Milpitas, CA				
Preferred shares, Series D	Solar Power	1,613,413	2,419,751	2,420,120	0.90%
Preferred shares, Series C		5,300,158	11,598,648	11,607,346	4.33%
Total			14,018,399	14,027,466	5.23%
<b>PayNearMe, Inc.<sup>(1)</sup></b>	Sunnyvale, CA				
Preferred shares, Series E	Cash Payment Network	5,480,348	14,000,398	13,974,887	5.21%
<b>Lyft, Inc.</b>	San Francisco, CA				
Preferred shares, Series E	Peer to Peer Ridesharing	128,563	2,503,585	2,976,876	1.11%
Preferred shares, Series D		493,490	5,003,631	10,992,490	4.10%
Total			7,507,216	13,969,366	5.21%
<b>Declaro, Inc.<sup>(1)(2)</sup></b>					
Convertible Promissory Note 6%					
Due 12/30/2016***	Palo Alto, CA	\$ 2,000,000	2,000,000	2,000,000	0.75%
Preferred shares, Series A	Social Cognitive Learning	10,716,390	9,999,999	9,999,999	3.73%
Total			11,999,999	11,999,999	4.48%
<b>General Assembly Space, Inc.</b>	New York, NY				
Preferred shares, Series C	Online Education	126,552	2,999,978	5,765,799	2.15%
Common shares		133,213	2,999,983	5,755,573	2.15%
Total			5,999,961	11,521,372	4.30%
<b>Dataminr, Inc.</b>	New York, NY				
Preferred shares, Series C	Social Media Analytics	301,369	1,100,909	2,845,044	1.06%
Preferred shares, Series B		904,977	2,063,356	8,543,345	3.19%
Total			3,164,265	11,388,389	4.25%
<b>Avenues Global Holdings, LLC<sup>(3)</sup></b>	New York, NY				
Preferred shares, Junior Preferred Stock	Globally-focused Private School	10,014,270	10,151,857	11,015,633	4.11%
<b>JAMF Holdings, Inc.</b>	Minneapolis, MN				
Preferred shares, Series B	Mobile Device Management	73,440	9,999,928	10,722,799	4.00%

*See accompanying notes to the consolidated financial statements.*

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)  
December 31, 2015

Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
<b>Ozy Media, Inc.</b> <sup>(1)</sup>	Mountain View, CA				
Preferred shares, Series B	Daily News and	922,509	\$ 4,999,999	\$ 4,690,178	1.75%
Preferred shares, Series A	Information Site	1,090,909	3,000,200	3,907,004	1.46%
Preferred shares, Series Seed		500,000	500,000	1,531,812	0.57%
Total			<u>8,500,199</u>	<u>10,128,994</u>	<u>3.78%</u>
<b>Curious.com Inc.</b> <sup>(1)</sup>	Menlo Park, CA				
Preferred shares, Series B	Online Education	2,839,861	10,000,003	9,996,311	3.73%
<b>SugarCRM, Inc.</b>	Cupertino, CA				
Preferred shares, Series E	Customer Relationship Manager	373,134	1,500,522	2,152,983	0.80%
Common shares		1,524,799	5,476,502	7,830,323	2.92%
Total			<u>6,977,024</u>	<u>9,983,306</u>	<u>3.72%</u>
<b>StormWind, LLC</b> <sup>(2)(5)</sup>	Scottsdale, AZ				
Preferred shares, Series C	Interactive Learning	2,779,134	4,000,787	4,599,718	1.72%
Preferred shares, Series B		3,279,629	2,019,687	4,633,228	1.73%
Preferred shares, Series A		366,666	110,000	518,000	0.19%
Total			<u>6,130,474</u>	<u>9,750,946</u>	<u>3.64%</u>
<b>Chegg, Inc.</b> <sup>**</sup>	Santa Clara, CA				
Common shares	Textbook Rental	1,182,792	14,022,863	7,960,190	2.97%
<b>Lytro, Inc.</b>	Mountain View, CA				
Preferred shares, Series C-1	Consumer Electronics	2,533,784	7,500,001	7,500,001	2.80%
<b>NestGSV, Inc. (d/b/a GSV Labs, Inc.)</b> <sup>(2)</sup>	Redwood City, CA				
Preferred shares, Series D	Incubator	3,720,424	4,904,498	4,960,565	1.85%
Preferred shares, Series C		1,561,625	2,005,730	1,733,404	0.65%
Preferred shares, Series B		450,000	605,500	—	0.00%
Preferred shares, Series A		1,000,000	1,021,778	—	0.00%
Preferred warrants, Series D – \$1.33 Strike					
Price, Expiration Date 10/6/2019		500,000	—	145,000	0.05%
Common shares		200,000	1,000	—	0.00%
Preferred warrants, Series C – \$1.33 Strike					
Price, Expiration Date 4/9/2019		187,500	—	31,875	0.01%
Total			<u>8,538,506</u>	<u>6,870,844</u>	<u>2.56%</u>
<b>SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)</b> <sup>(2)</sup>	Woodside, CA				
Preferred shares, Class A	Clean Technology	14,300,000	7,151,412	6,250,000	2.33%
Common shares		100,000	10,000	—	0.00%
Total			<u>7,161,412</u>	<u>6,250,000</u>	<u>2.33%</u>
<b>Fullbridge, Inc.</b> <sup>(1)</sup>	Cambridge, MA				
Convertible Promissory Note 10% Due 3/2/2016***	Business Education	\$ 1,030,507	1,020,859	1,020,859	0.39%
Preferred shares, Series D		1,655,167	2,956,022	3,111,714	1.16%
Preferred shares, Series C		1,728,724	3,193,444	1,625,001	0.61%
Common warrants – Strike Price \$0.91, Expiration Date 3/2/2020		283,106	35,767	2,831	0.00%
Common warrants – Strike Price \$0.91, Expiration Date 3/22/2020		186,170	23,521	1,862	0.00%
Common warrants – Strike Price \$0.91, Expiration Date 5/16/2019		192,308	24,296	1,923	0.00%
Common warrants – Strike Price \$0.91, Expiration Date 4/3/2019		412,088	52,063	4,121	0.00%

See accompanying notes to the consolidated financial statements.

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)

December 31, 2015

Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
<b>Fullbridge, Inc.</b> <sup>(1)</sup>					
Common warrants – Strike Price \$0.91, Expiration Date 12/11/2018		82,418	\$ 10,413	\$ 824	0.00%
Common warrants – Strike Price \$0.91, Expiration Date 10/10/2018		82,418	10,412	824	0.00%
Common warrants – Strike Price \$0.91, Expiration Date 2/18/2019		714,286	90,242	7,143	0.00%
Total			<u>7,417,039</u>	<u>5,777,102</u>	<u>2.16%</u>
<b>Enjoy Technology, Inc.</b>					
	Menlo Park, CA				
Preferred shares, Series B	Online Shopping	1,681,520	4,000,280	4,000,000	1.49%
Preferred shares, Series A		879,198	1,002,440	1,439,400	0.54%
Total			<u>5,002,720</u>	<u>5,439,400</u>	<u>2.03%</u>
<b>Course Hero, Inc.</b>					
	Redwood City, CA				
Preferred shares, Series A	Online Education	2,145,509	5,000,001	5,000,001	1.87%
<b>Knewton, Inc.</b>					
	New York, NY				
Preferred shares, Series E	Online Education	375,985	4,999,999	4,954,086	1.85%
<b>Whittle Schools, LLC</b> <sup>(1)(4)</sup>					
	New York, NY				
Preferred shares, Series B	Globally-focused Private School	3,000,000	3,000,000	3,000,000	1.12%
Common shares		229	1,577,097	1,500,000	0.56%
Total			<u>4,577,097</u>	<u>4,500,000</u>	<u>1.68%</u>
<b>Parchment, Inc.</b>					
	Scottsdale, AZ				
Preferred shares, Series D	E-Transcript Exchange	3,200,512	4,000,982	4,000,000	1.49%
<b>CUX, Inc. (d/b/a CorpU)</b> <sup>(1)</sup>					
	Philadelphia, PA				
Senior Subordinated Convertible					
Promissory Note 8% Due 11/26/2018**** (10)	Corporate Education	\$ 1,080,000	1,080,000	1,080,000	0.40%
Convertible preferred shares, Series D		169,033	778,607	775,861	0.29%
Convertible preferred shares, Series C		615,763	2,006,077	1,959,127	0.73%
Preferred warrants, \$4.59 Strike Price, Expiration Date 2/25/2018		16,903	—	10,142	—%
Total			<u>3,864,684</u>	<u>3,825,130</u>	<u>1.42%</u>
<b>Bloom Energy Corporation</b>					
	Sunnyvale, CA				
Common shares	Fuel Cell Energy	201,589	3,855,601	3,014,861	1.12%
<b>DogVacay, Inc.</b>					
	Santa Monica, CA				
Preferred shares, Series B-1	Dog Boarding	514,562	2,506,119	2,500,771	0.93%
<b>SharesPost, Inc.</b> <sup>(6)</sup>					
	San Bruno, CA				
Preferred shares, Series B	Online Marketplace Finance	1,771,653	2,259,716	2,249,999	0.84%
Common warrants, \$0.13 Strike Price, Expiration Date 6/15/2018		770,934	23,128	177,315	0.07%
Total			<u>2,282,844</u>	<u>2,427,314</u>	<u>0.91%</u>
<b>Maven Research, Inc.</b> <sup>(1)</sup>					
	San Francisco, CA				
Preferred shares, Series C	Knowledge Networks	318,979	2,000,447	1,999,998	0.75%
Preferred shares, Series B		49,505	217,206	249,691	0.09%
Total			<u>2,217,653</u>	<u>2,249,689</u>	<u>0.84%</u>

See accompanying notes to the consolidated financial statements.

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)

December 31, 2015

Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
<b>DreamBox Learning, Inc.</b>	Bellevue, WA				
Preferred shares, Series A-1	Education Technology	7,159,221	\$ 1,502,362	\$ 1,448,538	0.54%
Preferred shares, Series A		3,579,610	758,017	724,269	0.27%
Total			2,260,379	2,172,807	0.81%
<b>Clever, Inc.</b>	San Francisco, CA				
Preferred shares, Series B	Education Software	1,799,047	2,000,601	2,026,414	0.76%
<b>Circle Media (f/k/a S3 Digital Corp. (d/b/a S3i))<sup>(1)</sup></b>	New York, NY				
Promissory Note 12%, Due 11/18/2016***	Sports Analytics	\$ 25,000	26,104	25,000	0.01%
Preferred shares, Series A		1,864,495	1,777,576	1,156,175	0.43%
Preferred warrants, \$1.17 Strike Price, Expiration Date 11/18/2022		5,360	576	429	—%
Preferred warrants, \$1.17 Strike Price, Expiration Date 8/29/2021		175,815	—	14,065	0.01%
Preferred warrants, \$1.17 Strike Price, Expiration Date 6/26/2021		38,594	—	3,088	0.00%
Preferred warrants, \$1.17 Strike Price, Expiration Date 9/30/2020		160,806	—	12,864	0.00%
Preferred warrants, \$1.00 Strike Price, Expiration Date 11/21/2017		500,000	31,354	55,000	0.02%
Total			1,835,610	1,266,621	0.47%
<b>EdSurge, Inc.<sup>(1)</sup></b>	Burlingame, CA				
Preferred shares, Series A-1	Education Media Platform	375,909	500,960	500,000	0.18%
Preferred shares, Series A		494,365	500,801	524,867	0.20%
Total			1,001,761	1,024,867	0.38%
<b>Strategic Data Command, LLC<sup>(1)(7)(13)</sup></b>	Sunnyvale, CA				
Common shares	Software Development	2,400,000	989,277	1,001,650	0.37%
<b>Aspiration Partners, Inc.</b>	Marina Del Rey, CA				
Preferred shares, Series A	Financial Services	18,009	1,001,815	918,720	0.34%
<b>4C Insights (f/k/a The Echo Systems Corp.)</b>	Chicago, IL				
Preferred shares, Series A	Social Data Platform	512,365	1,436,404	850,210	0.32%
<b>Tynker (f/k/a Neuron Fuel, Inc.)</b>	San Jose, CA				
Preferred shares, Series A	Computer Software	534,162	309,310	674,108	0.25%
<b>Gilt Groupe Holdings, Inc.<sup>(15)</sup></b>	New York, NY				
Common shares	e-Commerce Flash Sales	248,600	6,594,433	539,387	0.20%
<b>AlwaysOn, Inc.<sup>(1)</sup></b>	Woodside, CA				
Preferred shares, Series A-1	Social Media	4,465,925	876,023	133,978	0.05%
Preferred shares, Series A		1,066,626	1,027,391	191,993	0.07%
Preferred warrants Series A, \$1.00 strike price, Expiration Date 1/9/2017		109,375	—	—	0.00%
Total			1,903,414	325,971	0.12%
<b>Earlyshares.com, Inc.</b>	Miami, FL				
Convertible Promissory Note 5%, 8/2/2016 <sup>(11)</sup>	Equity Crowdfunding	\$ 50,000	50,840	50,000	0.02%
Preferred shares, Series A		165,715	261,598	125,115	0.05%
Total			312,438	175,115	0.07%

See accompanying notes to the consolidated financial statements.

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)

December 31, 2015

Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
<b>AliphCom, Inc. (d/b/a Jawbone)</b>	San Francisco, CA				
Common shares	Smart Device Company	150,000	\$ 793,152	\$ 130,910	0.05%
<b>Upwork Global Inc. (f/k/a Odesk Corporation)</b>	Redwood City, CA				
Common Shares	Online Workplace Platform	25,159	183,269	114,964	0.04%
<b>Cricket Media (f/k/a ePals Inc.)**(8)</b>	Herndon, VA				
Common shares	Online Education	1,333,333	2,448,959	67,296	0.03%
<b>Orchestra One, Inc. (f/k/a Learnist Inc.)<sup>(1)(14)</sup></b>	San Francisco, CA				
Common shares	Consumer Health Technology	57,026	4,959,616	4,364	0.00%
<b>Global Education Learning (Holdings) Ltd.<sup>(1)**</sup></b>	Hong Kong				
Preferred shares, Series A	Education Technology	2,126,475	675,375	—	0.00%
<b>Total Portfolio Investments</b>			<u>293,349,843</u>	<u>349,808,767</u>	<u>130.52%</u>
<b>U.S. Treasury</b>					
U.S. Treasury Bill, 0%, due 1/7/2016		\$ 30,000,000	29,999,968	30,000,000	11.19%
<b>U.S. Treasury Strips<sup>(9)</sup></b>					
United States Treasury Strip Coupon, 0.00% due 08/15/2016		\$ 1,851,000	1,842,412	1,843,170	0.69%
United States Treasury Strip Coupon, 0.00% due 02/15/2016		\$ 1,834,000	1,832,780	1,833,523	0.68%
<b>Total</b>			<u>3,675,192</u>	<u>3,676,693</u>	<u>1.37%</u>
<b>Total Investments</b>			<u>\$ 327,025,003</u>	<u>\$ 383,485,460</u>	<u>143.08%</u>

\* All portfolio investments are non-control/non-affiliated and non-income producing, unless identified. Equity investments are subject to lock-up restrictions upon their initial public offering. All investments are pledged as collateral, unless otherwise noted, to the Credit Facility. The Company’s officers and staff may serve on the board of directors of the Company’s portfolio investments.

\*\* Indicates assets that GSV Capital Corp. believes do not represent “qualifying assets” under Section 55(a) of the Investment Company Act of 1940, as amended.

\*\*\*Investment is income producing.

(1) Denotes an Affiliate Investment. “Affiliate Investments” are investments in those companies that are “Affiliated Companies” of GSV Capital Corp., as defined in the Investment Company Act of 1940, as amended. A company is deemed to be an “Affiliate” of GSV Capital Corp. if GSV Capital Corp. owns 5% or more of the voting securities of such company.

(2) Denotes a Control Investment. “Control Investments” are investments in those companies that are “Controlled Companies” of GSV Capital Corp., as defined in the Investment Company Act of 1940, as amended. A company is deemed to be a “Controlled Company” of GSV Capital Corp. if GSV Capital Corp. owns more than 25% of the voting securities of such company.

(3) GSV Capital Corp.’s investment in Avenues Global Holdings, LLC is held through its wholly owned subsidiary GSV AV Holdings, Inc.

(4) GSV Capital Corp.’s investment in Whittle Schools, LLC is held through its wholly owned subsidiary GSV WS Holdings, Inc. Whittle Schools, LLC is an investment that is collateralized by Avenues Global Holdings, LLC as well as the personal collateral of Chris Whittle, the former chairman of Avenues Global Holdings, LLC.

(5) GSV Capital Corp.’s investment in StormWind, LLC is held through its wholly owned subsidiary GSV SW Holdings, Inc.

See accompanying notes to the consolidated financial statements.

**GSV CAPITAL CORP. AND SUBSIDIARIES**

**CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)**

**December 31, 2015**

- (6) GSV Capital Corp.'s investment in SharesPost, Inc. is held through its wholly owned subsidiary SPNPM Holdings, LLC.
- (7) GSV Capital Corp.'s investment in Strategic Data Command, LLC is held through its wholly owned subsidiary GSVC SVDS Holdings, Inc.
- (8) On October 22, 2013, Cricket Media (f/k/a ePals Inc.) priced its initial public offering, selling 40,267,333 shares at a price of CAD \$0.075 per share. At December 31, 2015, GSV Capital Corp. valued Cricket Media (f/k/a ePals Inc.), based on its December 31, 2015 closing price. As of May 4, 2016, Cricket Media (f/k/a ePals Inc.) was voluntarily delisted from the TSX Venture Exchange as part of a restructuring, after which Cricket Media became privately traded.
- (9) Refer to "Note 9 — Long-Term Liabilities." In accordance with the terms of the Company's Convertible Senior Notes payable, the Company deposited \$10,867,500 in an escrow account with U.S. Bank N.A., the trustee. These funds were used to purchase six U.S. Treasury Strips with an original cost of \$10,845,236. As of December 31, 2015, four of the government securities purchased had matured and the proceeds were used by the trustee in accordance with the terms of the escrow agreement. At December 31, 2015, the remaining government securities are shown on the Consolidated Schedule of Investments with an amortized cost of \$3,675,192. These securities do not represent collateral under the Credit Facility, as these securities are pledged exclusively for the repayment of interest under the Convertible Senior Notes.
- (10) Interest will accrue daily on the unpaid principal balance of the note. Accrued interest is not payable until the earlier of (a) the closing of a subsequent equity offering by CUX, Inc. (d/b/a CorpU), or (b) the maturity of the note (November 26, 2018). Interest will compound annually beginning on November 26, 2015.
- (11) Interest will accrue daily on the unpaid principal balance of the note. Accrued interest is not payable until the earlier of (a) the closing of a subsequent equity offering by Earlyshares.com, Inc., or (b) the maturity of the note (August 2, 2016). Interest will compound annually beginning on February 26, 2015.
- (12) On December 30, 2015, Declara, Inc. effected a 2:1 forward stock split on all its common and preferred shares.
- (13) On December 22, 2015, Strategic Data Command, LLC effected a 3:1 stock split on its common shares.
- (14) On October 28, 2015, Orchestra One, Inc. (f/k/a Learnist Inc.) completed a change in business, recapitalization and series A-1 preferred stock financing. The Company elected to convert its existing preferred shares into common shares effective November 9, 2015.
- (15) On January 6, 2016, Gilt Groupe Holdings, Inc. entered into an agreement and plan of merger with Lord and Taylor Acquisition, Inc. to acquire the outstanding Gilt Groupe Holdings, Inc. common stock for approximately \$2.1697 per share less applicable costs of the transaction. These are estimates and are subject to change in connection with the final aggregate merger consideration.

*See accompanying notes to the consolidated financial statements.*

## GSV CAPITAL CORP. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

## NOTE 1 — NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

**Nature of Operations**

GSV Capital Corp. (the “Company” or “GSV Capital”) formed in September 2010 as a Maryland corporation is an externally managed, non-diversified closed-end management investment company. The Company has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended (the “1940 Act”). The Company’s investment activities are managed by GSV Asset Management, LLC (“GSV Asset Management”), and GSV Capital Service Company, LLC (“GSV Capital Service Company”) provides the administrative services necessary for the Company to operate.

The Company’s date of inception was January 6, 2011, which is the date it commenced its development stage activities. The Company’s common stock is currently listed on the Nasdaq Capital Market under the symbol “GSVC”. The Company began its investment operations during the second quarter of 2011.

The table below displays all the Company’s subsidiaries as of December 31, 2016, which, other than GSV Capital Lending, LLC (“GCL”), are collectively referred to as the “GSVC Holdings.” The GSVC Holdings were formed to hold portfolio investments. The GSVC Holdings, including their associated portfolio investments, are consolidated with the Company for accounting purposes, but have elected to be treated as separate entities for U.S. federal income tax purposes. GCL was formed to originate portfolio loan investments within the state of California and is consolidated with the Company for accounting purposes. Refer to “— Summary of Significant Accounting Policies — Basis of Consolidation” below for further detail.

<u>Subsidiary</u>	<u>Jurisdiction of Incorporation</u>	<u>Formation Date</u>	<u>Percentage Owned</u>
GCL	Delaware	April 13, 2012	100%
<b>Subsidiaries below are referred to collectively, as the “GSVC Holdings”</b>			
GSVC AE Holdings, Inc. (“GAE”)	Delaware	November 28, 2012	100%
GSVC AV Holdings, Inc. (“GAV”)	Delaware	November 28, 2012	100%
GSVC NG Holdings, Inc. (“GNG”)	Delaware	November 28, 2012	100%
GSVC SW Holdings, Inc. (“GSW”)	Delaware	November 28, 2012	100%
GSVC WS Holdings, Inc. (“GWS”)	Delaware	November 28, 2012	100%
GSVC SVDS Holdings, Inc. (“SVDS”)	Delaware	August 13, 2013	100%

The Company’s investment objective is to maximize its portfolio’s total return, principally by seeking capital gains on its equity and equity-related investments. The Company invests principally in the equity securities of what it believes to be rapidly growing venture-capital-backed emerging companies. The Company may acquire its investments in these portfolio companies through: offerings of the prospective portfolio companies, transactions on secondary marketplaces for private companies, or negotiations with selling stockholders. The Company may also invest on an opportunistic basis in select publicly traded equity securities or certain non-U.S. companies that otherwise meet its investment criteria, subject to any applicable limitations under the 1940 Act.

**Summary of Significant Accounting Policies*****Basis of Presentation***

The consolidated financial statements of the Company are prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (“GAAP”) and pursuant to the requirements for reporting on Form 10-K and Regulation S-X under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The Company is an investment company following the specialized accounting and reporting guidance in ASC Topic 946, Financial Services — Investment Companies.

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

NOTE 1 — NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES – (continued)

***Basis of Consolidation***

Under Article 6 of Regulation S-X and the American Institute of Certified Public Accountants' ("AICPA") Audit and Accounting Guide for Investment Companies, the Company is precluded from consolidating any entity other than another investment company, a controlled operating company that provides substantially all of its services and benefits to the Company, and certain entities established for tax purposes where the Company holds a 100% interest. Accordingly, the Company's consolidated financial statements include its accounts and the accounts of the GSVC Holdings and GCL, its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

***Use of Estimates***

The preparation of consolidated financial statements in accordance with GAAP requires the Company to make a number of significant estimates. These include estimates of the fair value of certain assets and liabilities and other estimates that affect the reported amounts of certain assets and liabilities as of the date of the consolidated financial statements and the reported amounts of certain revenues and expenses during the reporting period. It is likely that changes in these estimates will occur in the near term. The Company's estimates are inherently subjective in nature and actual results could differ materially from such estimates.

***Investments at Fair Value***

The Company applies fair value accounting in accordance with GAAP and the AICPA's Audit and Accounting Guide for Investment Companies. The Company values its assets on a quarterly basis, or more frequently if required under the 1940 Act.

Fair value is defined 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. GAAP establishes a framework for measuring fair value that includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

**Level 1** — Valuations based on unadjusted quoted prices for identical assets or liabilities in an active market that the Company has the ability to access at the measurement date.

**Level 2** — Valuations based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data at the measurement date for substantially the full term of the assets or liabilities.

**Level 3** — Valuations based on unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

When the inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement in its entirety. For example, a Level 3 fair value measurement may include inputs that are observable (Levels 1 and 2) and unobservable (Level 3). Therefore, gains and losses for such assets and liabilities categorized within the Level 3 table set forth in "Note 3 — Investments at Fair Value" may include changes in fair value that are attributable to both observable inputs (Levels 1 and 2) and unobservable inputs (Level 3).

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

**NOTE 1 — NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES – (continued)**

A review of fair value hierarchy classifications is conducted on a quarterly basis. Changes in the observability of valuation inputs may result in a reclassification for certain financial assets or liabilities. Reclassifications impacting Level 3 of the fair value hierarchy are reported as transfers in/out of the Level 3 category as of the end of the quarter in which the reclassifications occur. Refer to “Levelling Policy” below for a detailed discussion of the levelling of the Company’s financial assets or liabilities and events that may cause a reclassification within the fair value hierarchy.

Securities for which market quotations are readily available on an exchange are valued at the closing price of such security on the valuation date; however, if they are subject to restrictions upon sale (such as lock-up restrictions), they may be discounted accordingly. The Company may also obtain quotes with respect to certain of its investments from pricing services, brokers or dealers in order to value assets. When doing so, the Company determines whether the quote obtained is sufficient according to GAAP to determine the fair value of the security. If determined to be adequate, the Company uses the quote obtained.

Securities for which reliable market quotations are not readily available or for which the pricing source does not provide a valuation or methodology, or provides a valuation or methodology that, in the judgment of GSV Asset Management, the Company’s board of directors or the valuation committee of the Company’s board of directors (the “Valuation Committee”), does not reliably represent fair value, shall each be valued as follows:

1. The quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals of GSV Asset Management responsible for the portfolio investment;
2. Preliminary valuation conclusions are then documented and discussed with GSV Asset Management senior management;
3. An independent third-party valuation firm is engaged by the Valuation Committee to conduct independent appraisals and review GSV Asset Management’s preliminary valuations and make its own independent assessment, for all investments for which there are no readily available market quotations;
4. The Valuation Committee discusses the valuations and recommends to the Company’s board of directors a fair value for each investment in the portfolio based on the input of GSV Asset Management and the independent third-party valuation firm; and
5. The Company’s board of directors then discusses the valuations recommended by the Valuation Committee and determines in good faith the fair value of each investment in the portfolio.

In making a good faith determination of the fair value of investments, the Company considers valuation methodologies consistent with industry practice. Valuation methods utilized include, but are not limited to the following: comparisons to prices from secondary market transactions; venture capital financings; public offerings; purchase or sales transactions; as well as analysis of financial ratios and valuation metrics of the portfolio companies that issued such private equity securities to peer companies that are public, analysis of the portfolio companies’ most recent financial statements and forecasts, and the markets in which the portfolio company does business, and other relevant factors. The Company assigns a weighting based upon the relevance of each method to determine the fair value of each investment.

## GSV CAPITAL CORP. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

**NOTE 1 — NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES – (continued)**

The Valuation Committee engages at least one independent valuation firm to perform valuations of its investments that are not publicly traded or for which there are no readily available market quotations. The Company's board of directors considers the independent valuations provided by the valuation firm(s), among other factors, in making its fair value determinations. The table below shows the percentages of the Company's investments for which there are no readily available market quotations and for which an independent valuation firm was engaged to perform valuations during the current and prior fiscal year.

For the quarter ended June 30, 2015	100%
For the quarter ended September 30, 2015	100%
For the quarter ended December 31, 2015	100%
For the quarter ended March 31, 2016	100%
For the quarter ended June 30, 2016	100%
For the quarter ended September 30, 2016	100%
For the quarter ended December 31, 2016	100%

***Equity Investments***

Equity investments for which market quotations are readily available in an active market are generally valued at the most recently available closing market prices and are classified as Level 1 assets. Equity investments with readily available market quotations that are subject to sales restrictions due to an initial public offering ("IPO") by the portfolio company will be classified as Level 1. Any other equity investments with readily available market quotations that are subject to sales restrictions may be valued at a discount for a lack of marketability ("DLOM"), to the most recently available closing market prices depending upon the nature of the sales restriction. These investments are generally classified as Level 2 assets. The DLOM used is generally based upon the market value of publicly traded put options with similar terms.

The fair values of the Company's equity investments for which market quotations are not readily available are determined based on various factors and are classified as Level 3 assets. To determine the fair value of a portfolio company for which market quotations are not readily available, the Company may analyze the relevant portfolio company's most recently available historical and projected financial results, public market comparables, and other factors. The Company may also consider other events, including the transaction in which the Company acquired its securities, subsequent equity sales by the portfolio company, and mergers or acquisitions affecting the portfolio company. In addition, the Company may consider the trends of the portfolio company's basic financial metrics from the time of its original investment until the measurement date, with material improvement of these metrics indicating a possible increase in fair value, while material deterioration of these metrics may indicate a possible reduction in fair value.

In determining the value of equity or equity-linked securities (including warrants to purchase common or preferred stock) in a portfolio company, the Company considers the rights, preferences and limitations of such securities. In cases where a portfolio company's capital structure includes multiple classes of preferred and common stock and equity-linked securities with different rights and preferences, the Company generally uses an option pricing model to allocate value to each equity-linked security, unless it believes a liquidity event such as an acquisition or a dissolution is imminent, or the portfolio company is unlikely to continue as a going concern. When equity-linked securities expire worthless, any cost associated with these positions is recognized as a realized loss on investments in the Consolidated Statements of Operations and Consolidated Statements of Cash Flows. In the event these securities are exercised into common or preferred stock, the cost associated with these securities is reassigned to the cost basis of the new common or preferred stock. These conversions are noted as non-cash operating items on the Consolidated Statements of Cash Flows.

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

NOTE 1 — NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES – (continued)

***Debt Investments***

Given the nature of the Company's current debt investments (excluding U.S. Treasuries), principally convertible and promissory notes issued by venture-capital-backed portfolio companies, these investments are classified as Level 3 assets because there is no known or accessible market or market indexes for these investment securities to be traded or exchanged. The Company typically values debt investments at either cost plus accrued interest or using the liquidation value of the investment. The Company values its debt investments at estimated fair value as determined by the Company's board of directors.

***Warrants***

The Company's board of directors will ascribe value to warrants based on fair value analyses that can include discounted cash flow analyses, option pricing models, comparable analyses and other techniques as deemed appropriate.

***Levelling Policy***

The portfolio companies in which the Company invests may offer their shares in IPOs. The Company's shares in such portfolio companies are typically subject to lock-up agreements for 180 days following the IPO. Upon the IPO date, the Company transfers its investment from Level 3 to Level 1 due to the presence of an active market, limited by the lock-up agreement. The Company prices the investment at the closing price on a public exchange as of the measurement date. In situations where the lock-up restrictions have expired but other factors restrict the sale of the investment, the Company will consider the nature of any restrictions on the sale of the investment in connection with the valuation of the portfolio company. The Company will classify the investment as either Level 2 subject to an appropriate DLOM to reflect the restrictions upon sale or as Level 1. The Company transfers investments between levels based on the fair value at the end of the measurement period in accordance with FASB ASC 820.

***Valuation of Other Financial Instruments***

The carrying amounts of the Company's other, non-investment financial instruments, consisting of cash, receivables, accounts payable, and accrued expenses, approximate fair value due to their short-term nature. The embedded derivative liability is carried at fair value.

***Securities Transactions***

Securities transactions are accounted for on the date the transaction for the purchase or sale of the securities is entered into by the Company (i.e., trade date). Securities transactions outside conventional channels, such as private transactions, are recorded as of the date the Company obtains the right to demand the securities purchased or to collect the proceeds from a sale, and incurs an obligation to pay for securities purchased or to deliver securities sold, respectively.

***Portfolio Company Investment Classification***

GSV Capital is a non-diversified company within the meaning of the 1940 Act. GSV Capital classifies its investments by level of control. As defined in the 1940 Act, control investments are those where there is the power to exercise a controlling influence over the management or policies of a company. Control is generally deemed to exist when a company or individual directly or indirectly owns beneficially more than 25% of the voting securities of an investee company. Affiliated investments and affiliated companies are defined by a lesser degree of influence and are deemed to exist when a company or individual directly or indirectly owns, controls or holds the power to vote 5% or more of the outstanding voting securities of a portfolio company. Refer to the Consolidated Schedules of Investments as of December 31, 2016 and December 31, 2015, respectively, for details regarding the nature and composition of the Company's investment portfolio.

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

NOTE 1 — NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES – (continued)

**Cash**

The Company places its cash with U.S. Bank, N.A. and Silicon Valley Bank, and at times, cash held in these accounts may exceed the Federal Deposit Insurance Corporation insured limit. The Company believes that both U.S. Bank, N.A. and Silicon Valley Bank are high-quality financial institutions and that the risk of loss associated with any uninsured balance is remote.

**Deferred Financing Costs**

On December 31, 2013, the Company entered into a Loan and Security Agreement (the “Loan Agreement”) with Silicon Valley Bank, pursuant to which Silicon Valley Bank agreed to provide the Company with an \$18 million credit facility (the “Credit Facility”). The Credit Facility expired according to its terms on December 31, 2016. The Company recorded origination costs related to the Credit Facility as deferred financing costs. These costs are deferred and amortized as part of interest expense using the effective interest method over the expected life of the Credit Facility. For modifications to or exchanges of the Credit Facility, any unamortized origination costs are expensed. Included within deferred financing costs are offering costs incurred relating to the Company’s shelf registration statement on Form N-2. The Company defers these offering costs until capital is raised pursuant to the shelf registration statement or the shelf registration statement has expired. For equity capital raised, the offering costs reduce paid-in capital resulting from the offering. For debt capital raised, the associated offering costs are amortized over the life of the debt instrument using the effective interest method. As of December 31, 2016 and December 31, 2015, the Company had deferred financing costs of \$311,268 and \$352,653, respectively, on the Consolidated Statements of Assets and Liabilities.

	December 31, 2016	December 31, 2015
Unamortized origination costs	\$ —	\$ 210,998
Deferred offering costs	311,268	141,655
<b>Deferred Financing Costs</b>	<b>\$ 311,268</b>	<b>\$ 352,653</b>

**Restricted Cash**

As of December 31, 2016 and December 31, 2015, the Company had restricted cash of \$0 and \$52,931, respectively, which is included on the Consolidated Statements of Assets and Liabilities. As of December 31, 2016 and December 31, 2015, restricted cash consisted of a deposit for the Company’s fidelity bond as well as excess funds remaining in escrow after the purchase of the government securities that will be used to make the scheduled interest payments on the Company’s \$69 million convertible senior notes, which bear interest at a fixed rate of 5.25% per year and mature on September 15, 2018 (the “Convertible Senior Notes”). See the table below and “Note 9 — Long-Term Liabilities” for further detail.

	December 31, 2016	December 31, 2015
Deposit for the Company’s fidelity bond	\$ —	\$ 25,000
Excess funds	—	27,931
<b>Restricted Cash</b>	<b>\$ —</b>	<b>\$ 52,931</b>

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

NOTE 1 — NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES – (continued)

**Revenue Recognition**

The Company's revenue recognition policies are as follows:

*Sales:* Gains or losses on the sale of investments are determined using the specific identification method.

*Interest:* Interest income, adjusted for amortization of premium and accretion of discount, is recorded on an accrual basis.

*Dividends:* Dividend income is recognized on the ex-dividend date.

**Investment Transaction Costs and Escrow Deposits**

Commissions and other costs associated with an investment transaction, including legal expenses not reimbursed by the portfolio company, are included in the cost basis of purchases and deducted from the proceeds of sales. The Company makes certain acquisitions on secondary markets, which may involve making deposits to escrow accounts until certain conditions are met, including the underlying private company's right of first refusal. If the underlying private company does not exercise or assign its right of first refusal and all other conditions are met, then the funds in the escrow account are delivered to the seller and the account is closed. Such transactions would be reflected on the Consolidated Statement of Assets and Liabilities as escrow deposits. At December 31, 2016 and December 31, 2015, the Company had no escrow deposits.

**Unrealized Appreciation or Depreciation of Investments**

Unrealized appreciation or depreciation is calculated as the difference between the fair value of the investment and the cost basis of such investment.

**U.S. Federal and State Income Taxes**

The Company elected to be treated as a regulated investment company (a "RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"), beginning with its taxable year ended December 31, 2014, has qualified to be treated as a RIC for subsequent taxable years and expects to continue to operate in a manner so as to qualify for the tax treatment applicable to RICs. In order to qualify as a RIC, among other things, the Company is required to meet certain source of income and asset diversification requirements and timely distribute to its stockholders at least 90% of the sum of investment company taxable income ("ICTI") including payment-in-kind interest income, as defined by the Code, and net tax-exempt interest income (which is the excess of its gross tax-exempt interest income over certain disallowed deductions) for each taxable year and meet certain source of income and asset diversification requirements on a quarterly basis. Depending on the level of ICTI earned in a tax year, the Company may choose to carry forward into the next tax year ICTI in excess of current year dividend distributions. Any such carryforward ICTI must be distributed on or before December 31 of the subsequent tax year to which it was carried forward.

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

NOTE 1 — NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES – (continued)

Permanent differences between ICTI and net investment income for financial reporting purposes are reclassified among capital accounts in the consolidated 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 years ended December 31, 2016, and 2015, the Company reclassified for book purposes amounts arising from permanent book/tax differences related as follows:

	December 31, 2016	December 31, 2015
Capital in excess of par value	\$(16,519,891)	\$(65,015,969)
Accumulated undistributed net investment income	16,453,404	63,994,964
Accumulated net realized gain (loss) from investments	66,487	1,021,005

For income tax purposes, distributions paid to stockholders 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, 2015 were as follows:

	December 31, 2016	December 31, 2015
Ordinary income	\$ —	\$ —
Distributions of long-term capital gains	820,753	53,323,476
Return of capital	66,487	—
Distributions on a tax basis	—	—

For federal income tax purposes, the tax cost of investments owned at December 31, 2016 and 2015, was \$306,906,435 and \$325,164,414, respectively. The net unrealized depreciation on investments owned at December 31, 2016 and 2015, was \$14,892,799 and \$58,649,841, respectively.

At December 31 2016, 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 and other book/tax differences, primarily relating to the tax treatment of certain investments in partnerships and wholly-owned subsidiary corporations, and organizational expenses, as follows:

	December 31, 2016	December 31, 2015
Accumulated capital gains/(losses)	\$ (2,634,471)	\$ 820,753
Unrealized appreciation/(depreciation)	(25,252,169)	45,844,891
Components of distributable earnings/(loss) at year end	<u>\$(27,886,640)</u>	<u>\$ 46,665,644</u>

If the Company does not distribute (or is not deemed to have distributed) each calendar year a sum of (1) 98% of its net ordinary income for each calendar year, (2) 98.2% of its capital gain net income for the one-year period ending October 31 in that calendar year and (3) any income recognized, but not distributed, in preceding years (the "Minimum Distribution Amount"), it will generally be required to pay an excise tax equal to 4% of the amount by which the Minimum Distribution Amount exceeds the distributions for the year. To the extent that the Company determines that its estimated current year annual taxable income will be in excess of estimated current year dividend distributions from such taxable income, the Company will accrue excise taxes, if any, on estimated excess taxable income as taxable income is earned using an annual effective excise tax rate. The annual effective excise tax rate is determined by dividing the estimated annual excise tax by the estimated annual taxable income.

The Company was taxed as a regular corporation (a "C corporation") under subchapter C of the Code, for its 2012 taxable year. In September 2014, the Company filed its 2013 tax return as a RIC and sought to be granted RIC status for its 2013 taxable year; however, the Company determined it would not be eligible to

**GSV CAPITAL CORP. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 1 — NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES – (continued)**

elect to be treated as a RIC for the 2013 taxable year unless it was certified by the Securities and Exchange Commission (the “SEC”) as “principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available” for the 2013 taxable year. In September 2015, the Company determined it was in the best interests of its stockholders to file its 2013 tax return as a C corporation.

The Company determined, however, that it satisfied the requirements to qualify as a RIC for the 2014 taxable year and elected to be treated as a RIC in its 2014 tax return filed in September 2015. So long as the Company qualifies and maintains its status as a RIC, it generally will not pay corporate-level U.S. federal and state income taxes on any ordinary income or capital gains that it distributes at least annually to its stockholders as dividends. Rather, any tax liability related to income earned by the RIC will represent obligations of the Company’s investors and will not be reflected in the consolidated financial statements of the Company. Included in the Company’s consolidated financial statements, the GSVC Holdings are taxable subsidiaries, regardless of whether the Company is a RIC. These taxable subsidiaries are not consolidated for income tax purposes and may generate income tax expenses as a result of their ownership of the portfolio companies. Such income tax expenses and deferred taxes, if any, will be reflected in the Company’s consolidated financial statements.

The Company also qualified to be treated as a RIC for the 2015 and 2016 taxable years and intends to qualify to be treated as a RIC in future periods. If it is not treated as a RIC, the Company will be taxed as a C corporation under the Code for such taxable year. If the Company has previously qualified as a RIC but is subsequently unable to qualify for treatment as a RIC, and certain amelioration provisions are not applicable, the Company would be subject to tax on all of its taxable income (including its net capital gains) at regular corporate rates. The Company would not be able to deduct distributions to stockholders, nor would it be required to make distributions. Distributions, including distributions of net long-term capital gain, would generally be taxable to its stockholders as ordinary dividend income to the extent of the Company’s current and accumulated earnings and profits. Subject to certain limitations under the Code, corporate stockholders would be eligible to claim a dividend received deduction with respect to such dividend; non-corporate stockholders would generally be able to treat such dividends as “qualified dividend income,” which is subject to reduced rates of U.S. federal income tax. Distributions in excess of the Company’s current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder’s tax basis, and any remaining distributions would be treated as a capital gain. In order to requalify as a RIC, in addition to the other requirements discussed above, the Company would be required to distribute all of its previously undistributed earnings attributable to the period it failed to qualify as a RIC by the end of the first year that it intends to requalify as a RIC. If the Company fails to requalify as a RIC for a period greater than two taxable years, it may be subject to regular corporate tax on any net built-in gains with respect to certain of its assets (i.e., the excess of the aggregate gains, including items of income, over aggregate losses that would have been realized with respect to such assets if the Company had been liquidated) that it elects to recognize on requalification or when recognized over the next five years. Refer to “Note 8 — Income Taxes” for further details regarding the Company’s tax status.

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

NOTE 1 — NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES – (continued)

***Per Share Information***

Basic net increase/(decrease) in net assets resulting from operations per common share is computed using the weighted-average number of shares outstanding for the period presented. Diluted net increase/(decrease) in net assets resulting from operations per common share is computed by dividing net increase/(decrease) in net assets resulting from operations for the period adjusted to include the pre-tax effects of interest incurred on potentially dilutive securities, by the weighted-average number of common shares outstanding plus any potentially dilutive shares outstanding during the period. The Company used the if-converted method in accordance with FASB ASC 260, *Earnings Per Share* (“ASC 260”) to determine the number of potentially dilutive shares outstanding. Refer to “Note 5 — Net Increase/(Decrease) in Net Assets Resulting from Operations per Common Share — Basic and Diluted” for further detail.

***Recently Adopted Accounting Standards***

On October 13, 2016, the SEC amended Regulation S-X to, among other things, standardize the reporting of certain derivative investments in the financial statements of business development companies. The amendments to Regulation S-X also update the required disclosure for other investments and investments in and advances to affiliates and amend the rules regarding the general form and content of a business development company’s financial statements. The compliance date for the amendments to Regulation S-X is August 1, 2017. Management is evaluating the amended rules to determine the impact to the Company.

In December 2016, the FASB released an accounting standards update (“ASU”) that makes technical changes to various sections of the ASC, including Topic 820, Fair Value Measurement. The changes to Topic 820 are intended to clarify the difference between a valuation approach and a valuation technique. The changes to ASC 820-10-50-2 require a reporting entity to disclose, for Level 2 and Level 3 fair value measurements, a change in either or both a valuation approach and a valuation technique and the reason(s) for the change. The changes to Topic 820 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. At this time, management is evaluating the implications of the ASU and has not yet determined its impact on the financial statements and disclosures.

In April 2015, the FASB issued ASU 2015-03, *Interest — Imputation of Interest (Topic 835): Simplifying the Presentation of Debt Issuance Costs*. ASU 2015-03 requires companies to present debt issuance costs related to a recognized debt liability in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Debt issuance costs related to lines of credit are not required to be deducted from the carrying amount of that debt liability.

On January 1, 2016, the Company adopted ASU 2015-02, *Amendments to the Consolidation Analysis* (ASC 8510), which amends the guidance for determining whether an entity is a variable interest entity. ASU 2015-02 eliminates the separate consolidation guidance for limited partnerships and, with it, the presumption that a general partner should consolidate a limited partnership. In addition, ASU 2015-02 changes the guidance for determining if fee arrangements qualify as variable interests and the effect fee arrangements have on the determination of the primary beneficiary. Adoption of ASU 2015-02 did not affect the consolidation analysis for any of the Company’s investments.

NOTE 2 — RELATED-PARTY ARRANGEMENTS

**Investment Advisory Agreement**

The Company has entered into an investment advisory agreement with GSV Asset Management (the “Advisory Agreement”). Under the terms of the Advisory Agreement, GSV Asset Management will be paid a base management fee of 2% of gross assets, which is the Company’s total assets reflected on the its Consolidated Statements of Assets and Liabilities (with no deduction for liabilities) reduced by any non-portfolio investments, and an annual incentive fee equal to the lesser of (i) 20% of the Company’s

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

**NOTE 2 — RELATED-PARTY ARRANGEMENTS – (continued)**

realized capital gains during each calendar year, if any, calculated on an investment-by-investment basis, subject to a non-compounded preferred return, or “hurdle,” and a “catch-up” feature, and (ii) 20% of the Company’s realized capital gains, if any, on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid incentive fees. Effective January 1, 2017 through December 31, 2017, however, pursuant to a voluntary waiver by GSV Asset Management, the Company will pay GSV Asset Management a base management fee of 1.75%, a 0.25% reduction from the 2.0% base management fee payable under the Advisory Agreement. This waiver of a portion of the base management fee is not subject to recourse against or reimbursement by the Company.

Under the Advisory Agreement, there are no restrictions on the right of any manager, partner, officer or employee of GSV Asset Management to engage in any other business or to devote his or her time and attention in part to any other business, whether of a similar or dissimilar nature, or to receive any fees or compensation in connection therewith (including fees for serving as a director of, or providing consulting services to, one or more of the Company’s portfolio companies). GSV Asset Management has, however, adopted an internal policy whereby any fees or compensation received by a manager, partner, officer or employee of GSV Asset Management in exchange for serving as a director of, or providing consulting services to, any of the Company’s portfolio companies will be transferred to the Company, net of any personal taxes incurred, upon such receipt for the benefit of the Company and its stockholders.

***Incentive Fees***

For GAAP purposes, in accordance with the AICPA’s Technical Practice Aids (“TPA”) (TIS 6910.2), the Company is required to accrue incentive fees for all periods as if the Company had fully liquidated its entire investment portfolio at the fair value stated on the Consolidated Statements of Assets and Liabilities as of December 31, 2016 and December 31, 2015. This accrual considers both the hypothetical liquidation of the Company’s portfolio described previously, as well as the Company’s actual cumulative realized gains and losses since inception, as well any previously paid incentive fees.

For the year ended December 31, 2016, the Company reversed accrued incentive fees of \$15,188,121. For the years ended December 31, 2015 and 2014, the Company accrued incentive fees of \$8,170,326, and \$3,614,347, respectively, for financial statement purposes.

***Management Fees***

GSV Asset Management earned \$6,896,347, \$8,044,801 and \$7,562,488 in management fees for the years ended December 31, 2016, 2015 and 2014, respectively.

As of December 31, 2016, there were no receivables owed to the Company by GSV Asset Management. In addition, as of December 31, 2016, the Company owed GSV Asset Management \$422,025 primarily for the reimbursement of overhead expenses.

As of December 31, 2015, GSV Asset Management owed the Company \$220,770 for reimbursement of expenses paid for by the Company that were the responsibility of GSV Asset Management. In addition, as of December 31, 2015, the Company owed GSV Asset Management \$5,047,429 for earned incentive fees and, to a lesser extent, for the reimbursement of other expenses.

**Administration Agreement**

The Company has entered into an administration agreement with GSV Capital Service Company (the “Administration Agreement”) to provide administrative services, including furnishing the Company with office facilities, equipment, clerical, bookkeeping, record keeping services and other administrative services. The Company reimburses GSV Capital Service Company an allocable portion of overhead and other expenses

**GSV CAPITAL CORP. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 2 — RELATED-PARTY ARRANGEMENTS – (continued)**

in performing its obligations under the Administration Agreement. There were \$2,545,316, \$2,681,079, and \$3,199,904 in such costs incurred under the Administration Agreement for the years ended December 31, 2016, 2015 and 2014, respectively.

**License Agreement**

The Company entered into a license agreement with GSV Asset Management pursuant to which GSV Asset Management has agreed to grant the Company a non-exclusive, royalty-free license to use the name “GSV.” Under this agreement, the Company has the right to use the GSV name for so long as the Advisory Agreement with GSV Asset Management is in effect. Other than with respect to this limited license, the Company has no legal right to the “GSV” name.

**Other Arrangements**

Mark Moe, who is the brother of the Company’s Chief Executive Officer, Michael Moe, serves as Vice President of Business Development, Global Expansion for NestGSV, Inc. (d/b/a GSV Labs, Inc.), one of the Company’s portfolio companies. Diane Flynn, who is the spouse of the Company’s President, Mark Flynn, served as Chief Marketing Officer of NestGSV, Inc. until her resignation in January 2017. Ron Johnson, the Chief Executive Officer of Enjoy Technology, Inc., one of the Company’s portfolio companies, is the brother-in-law of the Company’s President, Mark Flynn. As of December 31, 2016, the fair values of the Company’s investments in NestGSV, Inc. and Enjoy Technology, Inc. were \$5,106,751 and \$5,443,091, respectively. Another one of the Company’s portfolio companies, SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.), previously utilized office space paid for by GSV Asset Management without paying GSV Asset Management or the Company any consideration for rent. The Company did not consider this an arms-length transaction. In August 2016, SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.) moved out of the office space paid for by GSV Asset Management.

In addition, the Company’s executive officers and directors, and the principals of the Company’s investment adviser, GSV Asset Management, serve or may serve as officers and directors of entities that operate in a line of business similar to the Company’s, including new entities that may be formed in the future. Accordingly, they may have obligations to investors in those entities, the fulfillment of which might not be in the best interests of the Company or the Company’s stockholders. For example, as of March 16, 2017, GSV Asset Management also manages Coursera@GSV Fund, LP and Coursera@GSV-EDBI Fund, LP, special purpose vehicles each comprised of an underlying investment in Coursera stock (the “Coursera Funds”), and serves as sub-adviser for certain investment series of GSV Ventures I LLC, GSV Ventures II LLC, GSV Ventures III LLC, GSV Ventures IV LLC, GSV Ventures V LLC and GSV Ventures VI LLC, each a venture capital and growth equity fund (collectively, the “GSV Ventures Funds”), and will likely manage one or more private funds, or series within such private funds, in the future. The Company has no ownership interests in the Coursera Funds or the GSV Ventures Funds sub-advised by GSV Asset Management.

While the investment focus of each of these entities, including the Coursera Funds and the GSV Ventures Funds, may be different from the Company’s investment objective, it is likely that new investment opportunities that meet the Company’s investment objective will come to the attention of one of these entities, or new entities that will likely be formed in the future in connection with another investment advisory client or program, and, if so, such opportunity might not be offered, or otherwise made available, to the Company. However, the Company’s executive officers, directors and investment adviser, GSV Asset Management, intend to treat the Company in a fair and equitable manner consistent with their applicable duties under law so that the Company will not be disadvantaged in relation to any other particular client. In addition, while GSV Asset Management anticipates that it will from time to time identify investment opportunities that are appropriate for both the Company and the other funds that are currently, or in the future may be, managed by GSV Asset Management, to the extent it does identify such opportunities, GSV Asset Management has established an

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

**NOTE 2 — RELATED-PARTY ARRANGEMENTS – (continued)**

allocation policy to ensure that the Company has priority over such other funds. The Company's board of directors will monitor on a quarterly basis any such allocation of investment opportunities between the Company and any such other funds.

In the ordinary course of business, the Company may enter into transactions with portfolio companies that may be considered related-party transactions. To ensure that the Company does not engage in any prohibited transactions with any persons affiliated with the Company, the Company has implemented certain written policies and procedures whereby the Company's executive officers screen each of the Company's transactions for any possible affiliations between the proposed portfolio investment, the Company, companies controlled by the Company and the Company's executive officers and directors. During the year ended December 31, 2016, the Company received other income of \$212,795 from the proceeds of Michael Moe's sale of common shares of 2U, Inc. (f/k/a 2tor, Inc.), one of the Company's former portfolio companies, that Mr. Moe received while serving on 2U's board of directors. These sales proceeds were remitted directly to the Company.

**Investments in Controlled and Affiliated Portfolio Companies**

Under the 1940 Act, the Company's investments in controlled and affiliated portfolio companies are deemed to be related-party transactions.

**NOTE 3 — INVESTMENTS AT FAIR VALUE**

The Company's investments in portfolio companies consist primarily of equity securities (such as common stock, preferred stock and warrants to purchase common and preferred stock) and to a lesser extent, debt securities, issued by private and publicly traded companies. The Company may also from time to time, invest in U.S. Treasury Securities. Non-portfolio investments represent investments in U.S. Treasury Securities. At December 31, 2016, the Company had 91 positions in 45 portfolio companies. At December 31, 2015, the Company had 96 positions in 48 portfolio companies. The following table summarizes the composition of the Company's investment portfolio by security type at cost and fair value as of December 31, 2016 and December 31, 2015:

	December 31, 2016		December 31, 2015	
	Cost	Fair Value	Cost	Fair Value
<b>Private Portfolio Companies</b>				
Common Stock	\$ 81,274,687	\$ 83,074,410	\$ 65,870,590	\$ 102,319,140
Preferred Stock	174,462,577	162,238,879	192,255,990	216,291,092
Debt Investments	8,849,434	7,821,948	4,177,804	4,175,859
Warrants	158,713	150,904	301,772	469,306
<b>Subtotal – Private Portfolio Companies</b>	<b>264,745,411</b>	<b>253,286,141</b>	<b>262,606,155</b>	<b>323,255,397</b>
<b>Publicly Traded Portfolio Companies</b>				
Common Stock	14,022,863	8,729,005	30,743,688	26,553,370
<b>Total Private and Publicly Traded Portfolio Companies</b>	<b>278,768,274</b>	<b>262,015,146</b>	<b>293,349,843</b>	<b>349,808,767</b>
<b>Non-Portfolio Investments</b>				
U.S. Treasury Bill	29,998,750	29,998,490	29,999,968	30,000,000
U.S. Treasury Strips	—	—	3,675,192	3,676,693
<b>Total Non-Portfolio Investments</b>	<b>29,998,750</b>	<b>29,998,490</b>	<b>33,675,160</b>	<b>33,676,693</b>
<b>Total Investments</b>	<b>\$308,767,024</b>	<b>\$292,013,636</b>	<b>\$327,025,003</b>	<b>\$ 383,485,460</b>

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

NOTE 3 — INVESTMENTS AT FAIR VALUE – (continued)

The fair values of the Company's investments disaggregated into the three levels of the fair value hierarchy based upon the lowest level of significant input used in the valuation as of December 31, 2016 and December 31, 2015 are as follows:

	As of December 31, 2016			Total
	Quoted Prices in Active Markets for Identical Securities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	
<b>Assets at fair value</b>				
<b>Private Portfolio Companies</b>				
Common Stock	\$ —	\$ —	\$ 83,074,410	\$ 83,074,410
Preferred Stock	—	—	162,238,879	162,238,879
Debt Investments	—	—	7,821,948	7,821,948
Warrants	—	—	150,904	150,904
<b>Subtotal – Private Portfolio Companies</b>	<b>—</b>	<b>—</b>	<b>253,286,141</b>	<b>253,286,141</b>
<b>Publicly Traded Portfolio Companies</b>				
Common Stock	8,729,005	—	—	8,729,005
<b>Total Private and Publicly Traded Portfolio Companies</b>	<b>8,729,005</b>	<b>—</b>	<b>253,286,141</b>	<b>262,015,146</b>
<b>Non-Portfolio Investments</b>				
U.S. Treasury Bill	29,998,490	—	—	29,998,490
<b>Total Assets at Fair Value</b>	<b>\$ 38,727,495</b>	<b>\$ —</b>	<b>\$ 253,286,141</b>	<b>\$ 292,013,636</b>

	As of December 31, 2015			Total
	Quoted Prices in Active Markets for Identical Securities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	
<b>Assets at fair value</b>				
<b>Private Portfolio Companies</b>				
Common Stock	\$ —	\$ —	\$ 102,319,140	\$ 102,319,140
Preferred Stock	—	—	216,291,092	216,291,092
Debt Investments	—	—	4,175,859	4,175,859
Warrants	—	—	469,306	469,306
<b>Subtotal – Private Portfolio Companies</b>	<b>—</b>	<b>—</b>	<b>323,255,397</b>	<b>323,255,397</b>
<b>Publicly Traded Portfolio Companies</b>				
Common Stock	26,486,074	67,296	—	26,553,370
<b>Total Private and Publicly Traded Portfolio Companies</b>	<b>26,486,074</b>	<b>67,296</b>	<b>323,255,397</b>	<b>349,808,767</b>
<b>Non-Portfolio Investments</b>				
U.S. Treasury Bill	30,000,000	—	—	30,000,000
U.S. Treasury Strips	3,676,693	—	—	3,676,693
<b>Total Non-Portfolio Investments</b>	<b>33,676,693</b>	<b>—</b>	<b>—</b>	<b>33,676,693</b>
<b>Total Assets at Fair Value</b>	<b>\$ 60,162,767</b>	<b>\$ 67,296</b>	<b>\$ 323,255,397</b>	<b>\$ 383,485,460</b>

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

NOTE 3 — INVESTMENTS AT FAIR VALUE – (continued)

Significant Unobservable Inputs for Level 3 Assets and Liabilities

In accordance with FASB ASC 820, the tables below provide quantitative information about the Company's fair value measurements of its Level 3 assets as of December 31, 2016 and December 31, 2015. 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. To the extent an unobservable input is not reflected in the tables below, such input is deemed insignificant with respect to the Company's Level 3 fair value measurements as of December 31, 2016 and December 31, 2015. Significant changes in the inputs in isolation would result in a significant change in the fair value measurement, depending on the input and the materiality of the investment.

As of December 31, 2016

Asset	Fair Value	Valuation Techniques	Unobservable inputs	Range (Weighted Average)
Common stock in private companies	\$ 83,074,410	Market approach	Precedent transactions <sup>(1)</sup>	N/A
			Revenue multiples	0.8x – 5.2x (3.3x)
			EBIT multiples	37.5x (37.5x)
Preferred stock in private companies	\$157,929,101	Market approach	Precedent transactions <sup>(1)</sup>	N/A
			Revenue multiples	0.8x – 5.3x (2.7x)
			EBIT multiples	37.5x (37.5x)
			Subscriber multiples	669.9x(669.6x)
			Discount for lack of control	15.0% (15.0%)
Debt Investments	\$ 4,309,778	PWERM	Discount rate	12.0% (12.0%)
Warrants	\$ 7,821,948	Market approach	Liquidation Value	N/A
			Term to expiration (Years)	1.2 – 3.0 (2.1)
				Volatility

(1) Precedent transactions include recent rounds of financing, recent purchases made by the Company, and tender offers.

As of December 31, 2015

Asset	Fair Value	Valuation Techniques	Unobservable inputs	Range (Weighted Average)	
Common stock in private companies	\$102,319,140	Market approach	Precedent transactions <sup>(1)</sup>	N/A	
			Income approach	Revenue multiples	4.5x – 5.4x (5.0x)
				EBIT multiples	34.2x (34.2x)
				Discount rate	35% (35%)
		Liquidation value	Liquidation value	N/A	
Preferred stock in private companies	\$216,291,092	Market approach	Precedent transactions <sup>(1)</sup>	N/A	
			Income approach	Revenue multiples	1.3x – 6.0x (3.4x)
					12.0x – 32.0x (19.5x)
				Discount rate	30% – 50% (40%)
Debt Investments	\$ 4,175,859	Market approach	Amortized cost	N/A	
Warrants	\$ 469,306	Option pricing model	Term to expiration (Years)	1.03 – 3.00 (2.46)	
			Strike price	0.13 – 4.59 (1.20)	
			Volatility	30% – 50% (40.9%)	

(1) Precedent transactions include recent rounds of financing, recent purchases made by the Company, and tender offers.

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

**NOTE 3 — INVESTMENTS AT FAIR VALUE – (continued)**

The significant unobservable inputs used in determining the fair value of the assets and liabilities are shown above. Increases (decreases) in revenue multiples, earnings before interest and taxes (“EBIT”) multiples, time to expiration, and stock price/strike price would result in higher (lower) fair values all else equal. Decreases (increases) in discount rates, volatility, and annual risk rates, would result in higher (lower) fair values all else equal.

The Company applied the binomial lattice model to value the embedded derivative using a “with-and-without method,” where the value of the Convertible Senior Notes including the embedded derivative, is defined as the “with,” and the value of the Convertible Senior Notes excluding the embedded derivative, is defined as the “without.” This method estimates the value of the embedded derivative by looking at the difference in the values between the Convertible Senior Notes with the embedded derivative and the value of the Convertible Senior Notes without the embedded derivative. The lattice model requires the following inputs: (i) strike price; (ii) estimated stock volatility; and (iii) annual risk rate.

The aggregate values of Level 3 portfolio investments and embedded derivative changed during the years ended December 31, 2016 and 2015 as follows:

	Year ended December 31, 2016				
	Common Stock	Preferred Stock	Debt Investments	Warrants	Total
<b>Assets:</b>					
Fair value as of December 31, 2015	\$102,319,140	\$216,291,092	\$ 4,175,859	\$ 469,306	\$323,255,397
Transfers into Level 3	143,733	—	—	—	143,733
Purchases of investments	3,080	9,016,702	5,201,294	103,655	14,324,731
Sales of investments	(3,509,238)	(7,651,891)	(574,380)	—	(11,735,509)
Realized gains (losses)	(7,127,146)	4,430,221	—	(246,714)	(2,943,639)
Exercises, conversions and assignments <sup>(1)</sup>	23,588,443	(23,588,443)	—	—	—
Amortization of fixed income security premiums and discounts	—	—	44,714	—	44,714
Net change in unrealized depreciation included in earnings	(32,343,602)	(36,258,802)	(1,025,539)	(175,343)	(69,803,286)
<b>Fair Value as of December 31, 2016</b>	<b>\$ 83,074,410</b>	<b>\$162,238,879</b>	<b>\$ 7,821,948</b>	<b>\$ 150,904</b>	<b>\$253,286,141</b>
Net change in unrealized depreciation of Level 3 investments still held as of December 31, 2016	\$ (39,307,692)	\$ (40,126,793)	\$(1,025,539)	\$ (195,637)	\$(80,655,661)

(1) During year ended December 31, 2016, the Company’s portfolio investments had the following corporate actions which are reflected above:

Portfolio Company	Transfer from	Transfer to
4C Insights (f/k/a The Echo Systems Corp.)	Preferred shares, Series A	Common Shares
PayNearMe, Inc.	Preferred shares, Series E	Common Shares
Fullbridge, Inc.	Preferred shares, Series C	Common Shares
Fullbridge, Inc.	Preferred shares, Series D	Common Shares
Fullbridge, Inc.	Convertible Promissory Note 10% Due 3/2/2016	Junior Note, 1.49%, November 9, 2021
Fullbridge, Inc.	Convertible Promissory Note 10% Due 3/14/2017	Junior Note, 1.49%, November 9, 2021

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2016

NOTE 3 — INVESTMENTS AT FAIR VALUE – (continued)

	Year ended December 31, 2015				
	Common Stock	Preferred Stock	Debt Investments	Warrants	Total
<b>Assets:</b>					
Fair value as of December 31, 2014	\$ 85,598,467	\$ 193,847,045	\$ 1,374,210	\$ 904,345	\$ 281,724,067
Purchases of investments	10,002,500	17,842,532	3,128,211	576	30,973,819
Sales of investments	(1,886,373)	(3,668,393)	(50,000)	—	(5,604,766)
Realized losses	(2,290,880)	(7,563,262)	(27,190)	—	(9,881,332)
Exercises, conversions and assignments <sup>(1)</sup>	4,959,614	(4,663,813)	(295,801)	—	—
Amortization of fixed income security premiums and discounts	—	—	50,352	—	50,352
Net change in unrealized appreciation (depreciation) included in earnings	5,935,812	20,496,983	(3,923)	(435,615)	25,993,257
Fair Value as of December 31, 2015	<u>\$ 102,319,140</u>	<u>\$ 216,291,092</u>	<u>\$ 4,175,859</u>	<u>\$ 469,306</u>	<u>\$ 323,255,397</u>
Net change in unrealized appreciation (depreciation) of Level 3 investments still held as of December 31, 2015	\$ 3,095,222	\$ 13,882,926	\$ (9,615)	\$ (435,615)	\$ 16,532,918

(1) During the year ended December 31, 2015, the Company's portfolio investments had the following corporate actions which are reflected above:

Portfolio Company	Transfer from	Transfer to
Circle Media (f/k/a S3 Digital Corp. (d/b/a S3i))	Term Loan, 12%, 09/30/15	Preferred shares, Series A
Orchestra One, Inc. (f/k/a Learnist Inc.)	Preferred shares, Series D	Common Shares
Orchestra One, Inc. (f/k/a Learnist Inc.)	Preferred shares, Series E	Common Shares
Orchestra One, Inc. (f/k/a Learnist Inc.)	Preferred shares, Series F	Common Shares

During the year ended December 31, 2015, the Company had one transfer between levels as a result of the expiration of a lock-up agreement.

Portfolio Company	Corporate Action	IPO/ Lock-up Expiration Date	Transfer from	December 31, 2015 Valuation Method
2U, Inc. (f/k/a 2tor, Inc.)	Expiration of Rule 144 restriction	8/11/2015	Level 2 to Level 1	Not applicable <sup>(1)</sup>

(1) The Company fully liquidated its position in 2U, Inc. prior to December 31, 2015.

The portfolio companies in which the Company invests periodically offer their shares in IPOs, which are typically subject to lock-up agreements for 180 days following the IPO. Refer to "Note 1 — Nature of Operations and Significant Accounting Policies — Summary of Significant Accounting Policies — Levelling Policy" for further detail.

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

**NOTE 4 — EQUITY OFFERINGS AND RELATED EXPENSES**

As a result of the Company's distribution, which was paid on December 31, 2015 to stockholders of record on November 16, 2015, the Company issued an additional 2,860,903 shares in lieu of cash during the year ended December 31, 2015. The distribution was paid in cash or shares of the Company's common stock at the election of stockholders, although the total amount of cash distributed to all stockholders was limited to approximately 50% of the total distribution to be paid to all stockholders. As a result of stockholder elections, the distribution consisted of approximately 2,860,903 shares of common stock issued in lieu of cash, or approximately 14.8% of the Company's outstanding shares prior to the distribution, as well as cash of \$26,358,885. The number of shares of common stock comprising the stock portion was calculated based on a price of \$9.425 per share, which equaled the average of the volume weighted-average trading price per share of the Company's common stock on December 28, 29 and 30, 2015. None of the \$2.76 per share dividend represented a return of capital.

No new shares of the Company's common stock were issued during the years ended December 31, 2016 and 2014.

**NOTE 5 — NET INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS PER COMMON SHARE — BASIC AND DILUTED**

The following information sets forth the computation of basic and diluted net increase/(decrease) in net assets resulting from operations per common share for the years ended December 31, 2016, 2015 and 2014, respectively. The use of the if-converted method as promulgated under ASC 260 considers all potentially dilutive securities in a company's capital structure when calculating diluted earnings per share, regardless of whether it would be economically beneficial for a holder of such potentially dilutive security to exercise their conversion option (such as out of the money warrants.) In scenarios where diluted net increase in net assets resulting from operations per share is higher than basic net increase in net assets resulting from operations per share, ASC 260 prohibits the separate presentation of the diluted net increase in net assets resulting from operations per share figure. In scenarios where diluted net decrease in net assets resulting from operations per share is lower than basic net decrease in net assets resulting from operations per share, ASC 260 prohibits the separate presentation of the net decrease in net assets resulting from operations per share figure.

	2016	2015	2014
<b>Net increase/(decrease) in net assets resulting from operations per share – basic:</b>			
Net increase (decrease) in net assets resulting from operations	\$(74,994,895)	\$ 8,466,157	\$ (2,062,771)
Weighted-average common shares – basic	<u>22,181,003</u>	<u>19,327,938</u>	<u>19,320,100</u>
<b>Net increase/(decrease) in net assets resulting from operations per share – basic:</b>	<u>\$ (3.38)</u>	<u>\$ 0.44</u>	<u>\$ (0.11)</u>
<b>Net increase/(decrease) in net assets resulting from operations per share – diluted:</b>			
Net increase/(decrease) in net assets resulting from operations, before adjustments	\$(74,994,895)	\$ 8,466,157	\$ (2,062,771)
Adjustments for interest on Convertible Senior Notes and deferred financing costs	—	—	—
Net increase/(decrease) in net assets resulting from operations, as adjusted	(74,994,895)	8,466,157	(2,062,771)
Weighted-average common shares outstanding – basic	22,181,003	19,327,938	19,320,100
Adjustments for dilutive effect of Convertible Senior Notes <sup>(1)</sup>	—	—	—
Weighted-average common shares outstanding – diluted	<u>22,181,003</u>	<u>19,327,938</u>	<u>19,320,100</u>
<b>Net increase/(decrease) in net assets resulting from operations per share – diluted</b>	<u>\$ (3.38)</u>	<u>\$ 0.44</u>	<u>\$ (0.11)</u>

(1) For the years ended December 31, 2016, 2015 and 2014, respectively, 5,751,815, 5,710,212 and 4,244,128 potentially dilutive common shares were excluded from the weighted-average common shares outstanding for diluted net increase/(decrease) in net assets resulting from operations per common share because the effect of these shares would have been anti-dilutive.

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 6 — COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Company may enter into investment agreements under which it commits to make an investment in a portfolio company at some future date or over a specified period of time. At December 31, 2016 and December 31, 2015, the Company had not entered into any investment agreements that required it to make a future investment in a portfolio company.

The Company is currently not subject to any material legal proceedings, nor, to its knowledge, is any material legal proceeding threatened against it. From time to time, the Company may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of its rights under contracts with its portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, the Company does not expect that these proceedings will have a material effect upon its business, financial condition or results of operations.

**NOTE 7 — FINANCIAL HIGHLIGHTS**

Per Share Data	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Net asset value at beginning of year	\$ 12.08	\$ 14.80	\$ 14.91	\$ 13.07	\$ 12.95
Issuance of common shares	—	—	—	—	1.91 <sup>(4)</sup>
Underwriters' discount	—	—	—	—	(0.72) <sup>(2)</sup>
Offering costs	—	—	—	—	(0.04) <sup>(2)</sup>
Net investment loss	(0.06) <sup>(1)</sup>	(2.52) <sup>(1)</sup>	(0.66) <sup>(1)</sup>	(0.46) <sup>(1)</sup>	(0.51) <sup>(1)</sup>
Realized gain/(loss)	(0.12) <sup>(1)</sup>	2.80 <sup>(1)</sup>	1.24 <sup>(1)</sup>	(1.12) <sup>(1)</sup>	(0.09) <sup>(1)</sup>
(Provision)/Benefit for taxes on net realized capital gains/losses	— <sup>(1)</sup>	0.02 <sup>(1)</sup>	(0.51) <sup>(1)</sup>	0.49 <sup>(1)</sup>	—
Change in unrealized appreciation/(depreciation)	(3.30) <sup>(1)</sup>	(0.69) <sup>(1)</sup>	(0.30) <sup>(1)</sup>	4.53 <sup>(1)</sup>	(0.43) <sup>(5)</sup>
(Provision)/Benefit for taxes on unrealized appreciation/depreciation of investments	0.10 <sup>(1)</sup>	0.83 <sup>(1)</sup>	0.12 <sup>(1)</sup>	(1.60) <sup>(1)</sup>	—
Distributions from realized gain	(0.04)	(2.76)	—	—	—
Dilution from shares issued	—	(0.40)	—	—	—
Net asset value at end of year	<u>\$ 8.66</u>	<u>\$ 12.08</u>	<u>\$ 14.80</u>	<u>\$ 14.91</u>	<u>\$ 13.07</u>
Per share market value at end of year	\$ 5.03	\$ 9.37	\$ 8.63	\$ 12.09	\$ 8.43
Total return based on market value	(23.29)% <sup>(3)</sup>	8.57% <sup>(3)</sup>	(28.62)% <sup>(3)</sup>	43.42% <sup>(3)</sup>	(39.57)% <sup>(6)</sup>
Total return based on net asset value	(27.74)% <sup>(3)</sup>	(0.27)% <sup>(3)</sup>	(0.74)% <sup>(3)</sup>	14.08% <sup>(3)</sup>	0.93% <sup>(6)</sup>
Shares outstanding at end of year	22,181,003	22,181,003	19,320,100	19,320,100	19,320,100
<b>Ratios/Supplemental Data:</b>					
Net assets at end of year	\$ 192,128,810	\$ 268,010,945	\$ 285,903,673	\$ 287,966,444	\$ 252,582,801
Average net assets	\$ 243,577,514	\$ 296,560,393	\$ 284,953,811	\$ 250,121,052	\$ 208,050,344
<b>Ratios</b>					
Ratio of gross operating expenses to average net assets	0.82%	9.10%	7.64%	8.83%	4.10%
Ratio of net income tax provisions to average net assets	(0.87)%	(1.88)%	(0.50)%	(3.33)%	—%
Ratio of net operating expenses to average net assets	(0.05)%	7.22%	7.14%	5.50%	4.10%
Ratio of net investment loss to average net assets	(0.52)%	(16.41)%	(4.48)%	(3.55)%	(3.98)%
Portfolio Turnover Ratio	4.46%	8.30%	19.45%	2.96%	13.26%

(1) Based on weighted-average number of shares outstanding for the year.

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

**NOTE 7 — FINANCIAL HIGHLIGHTS – (continued)**

- (2) Based on shares outstanding at end of period.
- (3) Total return based on market value is based on the change in market price per share between the opening and ending market values per share in the year. The closing market price per share adjusted for dividends on December 31, 2015 is \$6.61. Total return based on net asset value is based upon the change in net asset value per share between the opening and ending net asset values per share.
- (4) Issuance of common shares for the year ended December 31, 2012 is based on the change in net asset value from the secondary offerings on February 10, 2012 and May 11, 2012.
- (5) Includes the impact of the different share amounts as a result of calculating certain per share data based on the weighted average basic shares outstanding during the period and certain per share data based on the shares outstanding as of a period end or transaction date.
- (6) Total return based on market value is based on the change in market price per share between the opening and ending market values per share in the period. Total return based on net asset value is based upon the change in net asset value per share between the opening and ending net asset values per share and the issuance of common shares in the period. The percentage returns noted above are based on the increase in our net asset value attributable to issuances of our common stock at a premium to our net asset value per share, rather than investment returns. Such issuances of our common stock at a premium to net asset value per share are not typical, and may not occur in the future. The total returns are not annualized.

**NOTE 8 — INCOME TAXES**

The Company elected to be treated as a RIC under Subchapter M of the Code beginning with its taxable year ended December 31, 2014, has qualified to be treated as a RIC for subsequent taxable years and expects to continue to operate in a manner so as to qualify for the tax treatment applicable to RICs. Accordingly, the Company must generally distribute at least 90% of its ICTI to qualify for the treatment accorded to a RIC and to maintain its RIC status. As part of maintaining RIC status, undistributed taxable income (subject to a 4% excise tax) pertaining to a given fiscal year may be distributed up to 12 months subsequent to the end of that fiscal year, provided such dividends are declared prior to the later of (1) the fifteenth day of the ninth month following the close of that fiscal year or (2) the extended due date for filing the U.S. federal income tax return for that fiscal year.

As a result of the Company electing to be treated as a RIC for the taxable year ended December 31, 2014 in connection with the filing of its 2014 tax return, it may be required to pay a corporate-level U.S. federal income tax on the amount of the net built-in gains, if any, in its assets (the amount by which the net fair market value of the Company's assets exceeds the net adjusted basis in its assets) as of the date of conversion (i.e., the beginning of the first taxable year that the Company qualifies as a RIC, which would be January 1, 2014) to the extent that such gains are recognized by the Company during the applicable recognition period, which is the five-year period beginning on the date of conversion.

Any corporate-level built-in-gains tax is payable at the time the built-in gains are recognized (which generally will be the years in which the assets with the built-in-gains are sold in a taxable transaction). The amount of this tax will vary depending on the assets that are actually sold by the Company in this five-year period, the actual amount of net built-in gain or loss present in those assets as of the date of conversion, and the effective tax rates at such times. The payment of any such corporate-level U.S. federal income tax on built-in gains will be a Company expense that will reduce the amount available for distribution to stockholders. The built-in-gains tax is calculated by determining the RIC's net unrealized built-in gains, if any, by which the fair market value of the assets of the RIC at the beginning of its first RIC year exceeds the aggregate adjusted basis of such assets at that time.

As of January 1, 2014, the Company had net unrealized built-in gains. It did not incur a built-in-gains tax for the 2014 tax year due to the fact that there were sufficient net capital loss carryforwards to completely offset recognized built-in gains as well as available net operating losses. The GSV Holdings are C

**GSV CAPITAL CORP. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2016**

**NOTE 8 — INCOME TAXES – (continued)**

corporations for U.S. federal and state income tax purposes. The Company uses the asset and liability method to account for the GSV Holdings' income taxes. Using this method, the Company recognizes deferred tax assets and liabilities for the estimated future tax effects attributable to temporary differences between the financial reporting and tax bases of assets and liabilities. In addition, the Company recognizes deferred tax benefits associated with net operating loss carryforwards that it may use to offset future tax obligations. The Company measures deferred tax assets and liabilities using the enacted tax rates expected to apply to taxable income in the years in which it expects to recover or settle those temporary differences.

As of December 31, 2016, the Company recorded a deferred tax liability of approximately \$10.4 million, of which approximately \$10.2 million has been recorded in the event that such gains are recognized by December 31, 2018, and approximately \$0.2 million relates to the difference in the book and tax basis of certain equity investments and tax net operating losses held by the GSV Holdings.

As of December 31, 2015, the Company recorded a deferred tax liability of approximately \$12.5 million, of which approximately \$10.2 million has been recorded in the event that such gains are recognized by December 31, 2018, and approximately \$2.3 million relates to the difference in the book and tax basis of certain equity investments and tax net operating losses held by the GSV Holdings.

For U.S. federal and state income tax purposes, a portion of the GSV Holdings' net operating loss carryforwards and basis differences may be subject to limitations on annual utilization in case of a change in ownership, as defined by federal and state law. The amount of such limitations, if any, has not been determined. Accordingly, the amount of such tax attributes available to offset future profits may be significantly less than the actual amounts of the tax attributes.

The Company and the GSV Holdings identified their major tax jurisdictions as U.S. federal and California and may be subject to the taxing authorities' examination for the tax years 2013 – 2016 and 2012 – 2016, respectively.

The Company and the GSV Holdings accrue all interest and penalties related to uncertain tax positions as incurred. As of December 31, 2016, there were no interest or penalties incurred related to uncertain tax positions.

**NOTE 9 — LONG TERM LIABILITIES**

**Convertible Senior Notes Payable**

On September 17, 2013, the Company issued \$69 million aggregate principal amount of the Convertible Senior Notes (including \$9 million aggregate principal amount issued pursuant to the exercise of the initial purchasers' option to purchase additional Convertible Senior Notes). The Convertible Senior Notes bear interest at a fixed rate of 5.25% per year, payable semi-annually in arrears on March 15 and September 15 of each year, commencing on March 15, 2014. The Convertible Senior Notes mature on September 15, 2018, unless previously repurchased or converted in accordance with their terms. The Company does not have the right to redeem the Convertible Senior Notes prior to maturity. The Convertible Senior Notes were convertible into shares of the Company's common stock based on an initial conversion rate of 61.5091 shares of the Company's common stock per \$1,000 of principal amount of the Convertible Senior Notes, which was equivalent to an initial conversion price of approximately \$16.26 per share of common stock. As a result of the Company's dividends paid on December 31, 2015 and August 24, 2016, the conversion rate was increased to 83.3596 shares of common stock per \$1,000 principal amount of the Convertible Senior Notes, which is equivalent to a conversion price of approximately \$12.00 per share of common stock.

The terms of the offering required the Company to place \$10,867,500 from the offering in an escrow account (the "Interest Escrow") with U.S. Bank N.A., the trustee, under the indenture pursuant to which the Convertible Senior Notes were issued. Funds in the Interest Escrow were used to purchase six U.S. Treasury

## GSV CAPITAL CORP. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

**NOTE 9 — LONG TERM LIABILITIES – (continued)**

Strips (“Government Securities”) with an original cost of \$10,845,236. The Government Securities were used to make the six scheduled interest payments on the Convertible Senior Notes. In October 2016, in connection with the final interest payment on the Convertible Senior Notes, and pursuant to a request made by the Company made under the Pledge and Escrow Agreement, U.S. Bank N.A. released and transferred to the Company the excess funds, in an amount of approximately \$90,431, that had remained in the Interest Escrow. As a result of such release and transfer, the \$90,431 will no longer be included as restricted cash on the Company’s Consolidated Statements of Assets and Liabilities.

The table below shows a reconciliation from the aggregate principal amount of Convertible Senior Notes to the balance shown on the Consolidated Statements of Assets and Liabilities.

	December 31, 2016	December 31, 2015
Aggregate principal amount of Convertible Senior Notes	\$69,000,000	\$ 69,000,000
Unamortized embedded derivative discount	(261,099)	(403,381)
Direct deduction of deferred debt issuance costs	(1,226,103)	(1,947,572)
<b>Convertible Senior Notes</b>	<b>\$67,512,798</b>	<b>\$ 66,649,047</b>

As of December 31, 2016 and December 31, 2015, the principal amount of the Convertible Senior Notes exceeded the value of the underlying shares multiplied by the per share closing price of the Company’s common stock.

The Convertible Senior Notes are the Company’s senior, unsecured obligations and rank senior in right of payment to any future indebtedness that is expressly subordinated in right of payment to the Convertible Senior Notes, equal in right of payment to any future unsecured indebtedness that is not so subordinated to the Convertible Senior Notes, junior (other than to the extent of the Interest Escrow) to any future secured indebtedness to the extent of the value of the assets securing such indebtedness, and structurally junior to all future indebtedness (including trade payables) incurred by the Company’s subsidiaries.

**Embedded Derivative**

The Convertible Senior Notes contained an interest make-whole payment provision pursuant to which holders who converted their notes prior to September 15, 2016, would receive, in addition to a number of shares of the Company’s common stock calculated at the applicable conversion rate for the principal amount of notes being converted, the cash proceeds from the sale by the escrow agent of the portion of the Government Securities in the escrow account that were remaining with respect to any of the first six interest payments that had not been made on the notes being converted. Under FASB ASC 815-10-15-74(a), the interest make-whole payment was considered an embedded derivative and was separated from the host contract, the Convertible Senior Notes, and carried at fair value.

The Company used a binomial lattice model to estimate the fair value of the embedded derivative in the Convertible Senior Notes. A binomial lattice model generates potential outcomes at various points in time, starting from the date of valuation until the expiration date of the embedded derivative.

**Credit Facility**

The Company entered into the Loan Agreement, effective December 31, 2013, with Silicon Valley Bank to provide the Company with the Credit Facility, which expired on December 31, 2016 in accordance with its terms. Under the Credit Facility, the Company was permitted to borrow an amount equal to the lesser of \$18 million or 20% of the Company’s then-current net asset value.

The Credit Facility bore interest at a per annum rate equal to the greater of (i) the prime rate plus 4.75% or (ii) 8.0% on amounts drawn under the Credit Facility based on a 360-day year. In addition, a fee of \$180,000 per annum (1.0% of the \$18 million revolving line of credit) was charged under the Loan

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

**NOTE 9 — LONG TERM LIABILITIES – (continued)**

Agreement. Under the terms of the Credit Facility, the Company was required to repay all outstanding borrowings on the Credit Facility so that there is at least one 30-day period every 12 months during which the Company has no balance outstanding. The Company made certain customary representations and warranties under the Loan Agreement and was required to comply with various covenants, reporting requirements, and other customary requirements for similar credit facilities. The Loan Agreement included usual and customary events of default for credit facilities of a similar nature, including, without limitation, nonpayment, misrepresentation of representations and warranties in a material respect, breach of covenant, cross-default to certain other indebtedness, bankruptcy, change of control, and the occurrence of a material adverse effect.

The Credit Facility was secured by all of the Company's property and assets, except for the Company's assets pledged to secure certain obligations in connection with the Company's issuance of the Convertible Senior Notes and, as provided for in the Loan Agreement, as may be pledged in connection with any future issuance by the Company of Convertible Senior Notes on substantially similar terms. Borrowing under the Credit Facility was subject to the leverage restrictions contained in the 1940 Act. In addition, under the Loan Agreement, and as provided for therein, the Company has agreed not to incur certain additional permitted indebtedness in an aggregate amount exceeding 50% of the Company's then-applicable net asset value. For the years ended December 31, 2016 and 2015 the Company had average borrowings outstanding under the Credit Facility of \$106,061 and \$3,712,329, respectively.

**NOTE 10 — SUBSEQUENT EVENTS**

Portfolio Activity

From January 1, 2017 through March 15, 2017, the Company did not close on any investment purchases. From January 1, 2017 through March 15, 2017, the Company did not sell any investments

The Company is frequently in negotiations with various private companies with respect to investments in such companies. Investments in private companies are generally subject to satisfaction of applicable closing conditions. In the case of secondary market transactions, such closing conditions may include approval of the issuer, waiver or failure to exercise rights of first refusal by the issuer and/or its stockholders and termination rights by the seller or the Company. Equity investments made through the secondary market may involve making deposits in escrow accounts until the applicable closing conditions are satisfied, at which time the escrow accounts will close and such equity investments will be effectuated.

On March 1, 2017 Snap Inc. listed its shares on the New York Stock Exchange in an IPO with an offering price of \$17.00 per share. The Company's shares of Snap Inc. are locked up for 150 days following the IPO. This prevents the Company from selling the shares until 150 days after March 1, 2017.

Management Fee Waiver

GSV Asset Management has voluntarily agreed to waive a portion of the advisory fees payable by the Company to GSV Asset Management under the Advisory Agreement. Pursuant to the waiver, effective January 1, 2017 through December 31, 2017, the Company will pay GSV Asset Management a base management fee of 1.75%, a 0.25% reduction from the 2.0% base management fee payable under the Advisory Agreement. This waiver of a portion of the base management fee is not subject to recourse against or reimbursement by the Company.

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2016

NOTE 11 — SELECTED QUARTERLY FINANCIAL DATA (Unaudited)

Year Ended December 31, 2016	Quarter Ended March 31, 2016	Quarter Ended June 30, 2016	Quarter Ended September 30, 2016	Quarter Ended December 31, 2016
Total Investment Income	\$ 102,652	\$ (54,119)	\$ 86,648	\$ 601,102
Total Operating Expenses	(444,355)	1,397,922	4,308,303	(3,262,224)
Net Investment Benefit/(Loss)	547,007	(1,452,041)	(4,221,655)	3,863,326
Net Realized Gain/(Loss) on Investments	(6,075,070)	1,104,361	2,658,715	(322,477)
Net Change in Unrealized Depreciation on Investments	(19,421,001)	(15,933,886)	(1,261,709)	(36,597,249)
Benefit for Taxes on Unrealized Depreciation of Investments	—	—	551,310	1,565,474
Net Decrease in Net Assets Resulting from Operations	(24,949,064)	(16,281,566)	(2,273,339)	(31,490,926)
Net Decrease in Net Assets from Operations per common share – basic	(1.12)	(0.74)	(0.10)	(1.42)
Net Decrease in Net Assets from Operations per common share – diluted	(1.12)	(0.74)	(0.10)	(1.42)
Weighted Average Common Shares Outstanding – Basic	22,181,003	22,181,003	22,181,003	22,181,003
Weighted Average Common Shares Outstanding – Diluted	22,181,003	22,181,003	22,181,003	22,181,003
Year Ended December 31, 2015	Quarter Ended March 31, 2015	Quarter Ended June 30, 2015	Quarter Ended September 30, 2015	Quarter Ended December 31, 2015
Total Investment Income	\$ 59,024	\$ 123,891	\$ 39,363	\$ 68,618
Total Operating Expenses	12,852,430	6,233,424	6,239,277	1,653,104
(Provision)/Benefit for Taxes on Net Investment Loss	5,223,611	2,494,459	(26,583,935)	(3,103,505)
Net Investment Loss	(7,569,795)	(3,615,074)	(32,783,849)	(4,687,991)
Net Realized Gain/(Loss) on Investments	13,218,403	13,636,614	27,289,816	(604)
(Provision)/Benefit for Taxes on Net Realized Capital Gain	(5,397,074)	(5,567,830)	11,307,706	—
Net Change in Unrealized Appreciation/(Depreciation) on Investments	27,784,081	(5,744,399)	(21,981,668)	(13,480,259)
(Provision)/Benefit for Taxes on Unrealized Appreciation/Depreciation of Investments	(11,370,993)	2,372,190	25,020,686	36,197
Net Increase/(Decrease) in Net Assets Resulting from Operations	16,664,622	1,081,501	8,852,691	(18,132,657)
Net Increase/(Decrease) in Net Assets from Operations per common share – basic	0.86	0.06	0.46	(0.94)
Net Increase/(Decrease) in Net Assets from Operations per common share – diluted	0.71	0.06	0.38	(0.94)
Weighted Average Common Shares Outstanding – Basic	19,320,100	19,320,100	19,320,100	19,351,197
Weighted Average Common Shares Outstanding – Diluted	23,564,228	19,320,100	23,564,228	19,351,197

## GSV CAPITAL CORP. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

## NOTE 11 — SELECTED QUARTERLY FINANCIAL DATA (Unaudited) – (continued)

<u>Year Ended December 31, 2014</u>	<u>Quarter Ended March 31, 2014</u>	<u>Quarter Ended June 30, 2014</u>	<u>Quarter Ended September 30, 2014</u>	<u>Quarter Ended December 31, 2014</u>
Total Investment Income	\$ 40,815	\$ 97,033	\$ 21,971	\$ 26,127
Net Investment Loss	(2,794,814)	(3,419,149)	(4,881,287)	(1,684,641)
Net Realized and Unrealized Gains/(Losses)	4,858,066	4,223,159	18,421,499	(9,388,397)
Net Increase/(Decrease) in Net Assets from Operations	79,704	(920,306)	6,018,713	(7,240,882)
Net Investment Loss per common share – basic	(0.14)	(0.18)	(0.25)	(0.09)
Net Investment Loss per common share – diluted	(0.14)	(0.18)	(0.21)	(0.09)
Net Realized and Unrealized Gains/(Losses) per common share – basic	0.25	0.22	0.95	(0.49)
Net Realized and Unrealized Gains/(Losses) per common share – diluted	0.25	0.22	0.78	(0.49)
Net Increase/(Decrease) in Net Assets from Operations per common share – basic	(0.00)	(0.05)	0.31	(0.37)
Net Increase/(Decrease) in Net Assets from Operations per common share – diluted	(0.00)	(0.05)	0.30	(0.37)
Weighted Average Common Shares Outstanding – Basic	19,320,100	19,320,100	19,320,100	19,320,100
Weighted Average Common Shares Outstanding – Diluted	19,320,100	19,320,100	23,564,228	19,320,100

## GSV CAPITAL CORP. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

## NOTE 12 — SUPPLEMENTAL FINANCIAL DATA

*Summarized Financial Information of Unconsolidated Subsidiaries*

In accordance with the SEC's Regulation S-X and GAAP, we are not permitted to consolidate any subsidiary or other entity that is not an investment company, including those in which we have a controlling interest. We had certain unconsolidated subsidiaries for the year ended December 31, 2014, that met at least one of the significant conditions of the SEC's Regulation S-X. Accordingly, pursuant to Regulation S-X, summarized, comparative financial information is presented below for our unconsolidated significant subsidiaries as of December 31, 2016 and 2015 and for the years ended December 31, 2016, 2015 and 2014.

<b>Balance Sheet Data as of:</b>	<b>December 31, 2016</b>	<b>December 31, 2015</b>	
Current assets	\$ 5,473,860	\$ 5,241,795	
Noncurrent assets	1,886,163	2,801,796	
Current liabilities	5,249,784	4,378,060	
Noncurrent liabilities	7,670,558	2,932,095	
Non-controlling interest	—	—	

<b>Income Statement Data For the years ended:</b>	<b>December 31, 2016</b>	<b>December 31, 2015</b>	<b>December 31, 2014</b>
Revenue	\$21,585,521	\$21,319,861	\$ 13,263,877
Gross profit	17,652,505	16,248,769	11,169,530
Income/(loss) from operations	(4,727,446)	(5,057,815)	(3,460,381)
Total net income/(loss) including net income/(loss) attributable to non-controlling interest	(5,301,605)	(5,306,836)	(3,723,409)
Net income/(loss) attributable to non-controlling interest	—	—	—

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

Not applicable.

**Item 9A. Controls and Procedures**

**(a) Evaluation of Disclosure Controls and Procedures**

We evaluated, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act), as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.

**(b) Management's Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act, and for performing an assessment of the effectiveness of internal control over financial reporting as of December 31, 2016. Internal control over financial reporting is a process designed by, or under the supervision of, our principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors, as applicable; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management performed an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2016 based upon criteria in Internal Control — *Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on our assessment, management determined that our internal control over financial reporting was effective as of December 31, 2016 based on the criteria on Internal Control — *Integrated Framework (2013)* issued by COSO.

The effectiveness of our internal control over financial reporting as of December 31, 2016 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which appears herein.

**(c) Report of the Independent Registered Public Accounting Firm**

Deloitte & Touche LLP, our independent registered public accounting firm, has issued a report on the effectiveness of our internal control over financial reporting, which appears on page [120](#) of this annual report on Form 10-K.

[TABLE OF CONTENTS](#)

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders of  
GSV Capital Corp.  
Woodside, California

We have audited the internal control over financial reporting of GSV Capital Corp. and subsidiaries (the “Company”) as of December 31, 2016, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying “Management’s Report on Internal Control Over Financial Reporting”. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company’s internal control over financial reporting is a process designed by, or under the supervision of, the company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the company’s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2016, of the Company and our report dated March 16, 2017 expressed an unqualified opinion on those financial statements and financial statement schedule.

/s/ Deloitte & Touche LLP  
San Francisco, California  
March 16, 2017

[TABLE OF CONTENTS](#)

**(d) Changes in Internal Control Over Financial Reporting**

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B. Other Information**

Not applicable.

**PART III**

**Item 10. Directors, Executive Officers and Corporate Governance**

The information required by Item 10 will be contained in the 2017 Proxy Statement under the headings entitled “Proposal I: Election of Directors — Information About the Nominees and Directors,” “— Information About the Executive Officers Who Are Not Directors,” “— Section 16(a) Beneficial Ownership Reporting Compliance” and “— Committees to the Board of Directors,” and is hereby incorporated by reference. There have been no material changes to the procedures by which stockholders may recommend nominees to our board of directors.

We have adopted a Code of Business Conduct and Ethics for our employees and directors, including, specifically, our Chief Executive Officer, our Chief Financial Officer, our chief accounting officer, and our other executive officers. Our Code of Business Conduct and Ethics satisfies the requirements for a “code of ethics” within the meaning of SEC rules. A copy of the Code of Business Conduct and Ethics is posted on our website at <http://investors.gsvcap.com/governance>. We intend to disclose any changes in, or waivers from, the Code of Business Conduct and Ethics by posting such information on the same website or by filing a Form 8-K, in each case to the extent such disclosure is required by rules of the SEC or NASDAQ.

**Item 11. Executive Compensation**

The information required by Item 11 will be contained in the 2017 Proxy Statement under the headings entitled “Proposal I: Election of Directors — Compensation of Chief Executive Officer and Other Executive Officers” and “— Committees to the Board of Directors,” and is hereby incorporated by reference.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by Item 12 will be contained in the 2017 Proxy Statement under the heading “Security Ownership of Certain Beneficial Owners and Management,” and is hereby incorporated by reference.

**Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by Item 13 will be contained in the 2017 Proxy Statement under the heading “Proposal I: Election of Directors,” and is hereby incorporated by reference.

**Item 14. Principal Accountant Fees and Services**

The information required by Item 14 will be contained in the 2017 Proxy Statement and is hereby incorporated by reference.

**PART IV**

**Item 15. Exhibits and Financial Statement Schedules**

The following documents are filed or incorporated by reference as part of this annual report on Form 10-K:

**(a) Consolidated Financial Statements**

(1) The following financial statements are set forth in Item 8:

	<u>Page</u>
<a href="#">Reports of Independent Registered Public Accounting Firms</a>	73
<a href="#">Consolidated Statements of Assets and Liabilities as of December 31, 2016 and 2015</a>	75
<a href="#">Consolidated Statements of Operations for the years ended December 31, 2016, 2015 and 2014</a>	76
<a href="#">Consolidated Statements of Changes in Net Assets for the years ended December 31, 2016, 2015 and 2014</a>	78
<a href="#">Consolidated Statements of Cash Flows for the years ended December 31, 2016, 2015 and 2014</a>	79
<a href="#">Consolidated Schedule of Investments as of December 31, 2016</a>	81
<a href="#">Consolidated Schedule of Investments as of December 31, 2015</a>	87
<a href="#">Notes to Consolidated Financial Statements</a>	93

(2) The following financial statement schedules are filed herewith:

	<u>Page</u>
Schedules 12-14	
<a href="#">Schedule of Investments in and Advances to Affiliates as of December 31, 2016</a>	125
<a href="#">Schedule of Investments in and Advances to Affiliates as of December 31, 2015</a>	129

**(b) Exhibits required to be filed by Item 601 of Regulation S-K**

Please note that the agreements included as exhibits to this Form 10-K are included to provide information regarding their terms and are not intended to provide any other factual or disclosure information about us or the other parties to the agreements. The agreements contain representations and warranties by each of the parties to the applicable agreement that have been made solely for the benefit of the other parties to the applicable agreement and may not describe the actual state of affairs as of the date they were made or at any other time.

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the SEC:

- 3.1 Articles of Amendment and Restatement<sup>(1)</sup>
- 3.2 Articles of Amendment<sup>(2)</sup>
- 3.3 Bylaws<sup>(1)</sup>
- 4.1 Form of Common Stock Certificate<sup>(6)</sup>
- 4.2 Indenture, dated September 17, 2013, relating to the 5.25% Convertible Senior Notes due 2018, by and between the Company and the U.S. Bank National Association, as trustee<sup>(4)</sup>
- 10.1 Dividend Reinvestment Plan<sup>(1)</sup>
- 10.2 Amended and Restated Investment Advisory Agreement by and between the Company and GSV Asset Management, LLC<sup>(3)</sup>
- 10.3 Amended and Restated Administration Agreement by and between the Company and GSV Capital Service Company, LLC<sup>(3)</sup>

## TABLE OF CONTENTS

10.4	Form of Indemnification Agreement by and between the Company and each of its directors <sup>(1)</sup>
10.5	Custody Agreement by and between the Company and U.S. Bank National Association <sup>(7)</sup>
10.6	Form of Trademark License Agreement by and between the Company and GSV Asset Management, LLC <sup>(2)</sup>
10.7	Loan and Security Agreement between the Company and Silicon Valley Bank, dated as of December 31, 2013 <sup>(5)</sup>
11.1	Statement re Computation of Per Share Earnings (Included in the notes to the consolidated financial statements contained in this report)
21.1	List of Subsidiaries (Included in the notes to the consolidated financial statements contained in this report)
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended*
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*

---

(1) Previously filed in connection with Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form N-2 (File No. 333-171578) filed on March 30, 2011, and incorporated by reference herein.

(2) Previously filed in connection with Current Report on Form 8-K (File No. 814-00852) filed on June 1, 2011, and incorporated by reference herein.

(3) Previously filed in connection with Annual Report on Form 10-K (File No. 814-00852) filed on March 15, 2013, and incorporated by reference herein.

(4) Previously filed in connection with the Registrant's Current Report on Form 8-K (File No. 814-00852), filed on September 18, 2013, and incorporated by reference herein.

(5) Previously filed in connection with Current Report on Form 8-K (File No. 814-00852) filed on January 7, 2014, and incorporated by reference herein.

(6) Previously filed in connection with Pre-Effective Amendment No. 3 to the Registrant's Registration Statement on Form N-2 (File No. 333-175655) filed on September 20, 2011, and incorporated by reference herein.

(7) Previously filed in connection with Pre-Effective Amendment No. 3 to the Registrant's Registration Statement on Form N-2 (File No. 333-171578), filed on April 15, 2011, and incorporated by reference herein.

\* Filed herewith.

Schedule 12-14

Schedule of Investments in and Advances to Affiliates as of December 31, 2016

Portfolio Company/ Type of Investment*	Amount of Interest, Fees or Dividends Credited in Income	Fair Value at December 31, 2015	Transfer from Control Investment To Non-Control /Non-Affiliate Investment	Corporate Action	Purchases	Sales	Realized and Unrealized Gains/(Losses)	Fair Value at December 31, 2016
<b>Control Investments</b>								
<b>StormWind, LLC<sup>(1)</sup></b>								
Preferred shares, Series C	\$ —	\$ 4,599,718	\$ —	\$ —	\$ —	\$ —	\$ 51,120	\$ 4,650,838
Preferred shares, Series B	—	4,633,228	—	—	—	—	(162,825)	4,470,403
Preferred shares, Series A	—	518,000	—	—	—	—	(18,204)	499,796
<b>NestGSV, Inc. (d/b/a GSV Labs, Inc.)</b>								
Convertible Promissory								
Note 8% Due 07/31/2017***	16,889	—	—	425,620	31,972	—	(29,692)	427,900
Convertible Promissory								
Note 8% Due 06/30/16***	48,248	—	—	(500,000)	500,000	—	—	—
Promissory Note 10%								
Due 11/23/2016	26,000	—	—	—	500,000	(500,000)	—	—
Unsecured Promissory								
Note 12% Due 05/29/2017	10,862	—	—	—	501,802	—	(5,077)	496,725
Preferred shares, Series D	—	4,960,565	—	(4,904,498)	—	—	(56,067)	—
Preferred shares, Series C	—	1,733,404	—	(2,005,730)	—	—	272,326	—
Preferred shares, Series B	—	—	—	(605,500)	—	—	605,500	—
Preferred shares, Series A	—	—	—	(1,021,778)	—	—	1,021,778	—
Preferred stock Series A-4	—	—	—	4,904,498	—	—	(2,188,588)	2,715,910
Preferred stock Series A-3	—	—	—	2,005,730	—	—	(1,053,139)	952,591
Preferred stock Series A-2	—	—	—	605,500	—	—	(439,000)	166,500
Preferred stock Series A-1	—	—	—	1,021,778	—	—	(751,778)	270,000
Common shares	—	—	—	—	—	—	—	—
Preferred Warrant Series A-4 – Strike Price \$1.33333, Expiration Date 10/6/2019								
	—	—	—	—	—	—	40,000	40,000
Preferred Warrant Series A-4 – Strike Price \$1.33333, Expiration Date 7/18/2021								
	—	—	—	74,380	—	—	(51,880)	22,500
Preferred Warrant Series A-4 – Strike Price \$1.33333, Expiration Date 11/29/2021								
	—	—	—	—	29,275	—	(20,275)	9,000
Preferred Warrant Series A-3 – Strike Price \$1.33333, Expiration Date 4/4/2019								
	—	—	—	—	—	—	5,625	5,625
Preferred warrants, Series D – \$1.33 Strike Price, Expiration Date 10/6/2019								
	—	145,000	—	—	—	—	(145,000)	—
Preferred warrants, Series C – \$1.33 Strike Price, Expiration Date 4/4/2019								
	—	31,875	—	—	—	—	(31,875)	—
Preferred warrants Series D – Strike Price \$1.33, Expiration Date 7/18/2021								
	—	—	—	—	—	—	—	—

Schedule 12-14

Schedule of Investments in and Advances to Affiliates as of December 31, 2016 – (continued)

Portfolio Company/ Type of Investment*	Amount of Interest, Fees or Dividends Credited in Income	Fair Value at December 31, 2015	Transfer from Control Investment To Non-Control /Non-Affiliate Investment	Corporate Action	Purchases	Sales	Realized and Unrealized Gains/(Losses)	Fair Value at December 31, 2016
<b>SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)</b>								
Preferred shares, Class A	\$ —	\$ 6,250,000	\$ —	\$ —	\$ —	\$ —	\$ (1,940,222)	\$ 4,309,778
Common shares	—	—	—	—	—	—	—	—
<b>Total Control Investments</b>	<b>\$ 101,999</b>	<b>\$22,871,790</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$1,563,049</b>	<b>\$ (500,000)</b>	<b>\$ (4,897,273)</b>	<b>\$19,037,566</b>
<b>AlwaysOn, Inc.</b>								
Preferred shares, Series A-1	—	133,978	—	—	—	—	(133,978)	—
Preferred shares, Series A	—	191,993	—	—	—	—	(191,993)	—
Preferred warrants Series A, \$1.00 Strike Price, Expiration Date 1/9/2017	—	—	—	—	—	—	—	—
<b>Whittle Schools, LLC<sup>(2)</sup></b>								
Preferred shares, Series B	—	3,000,000	—	—	—	—	—	3,000,000
Common shares	—	1,500,000	—	—	—	—	—	1,500,000
<b>Circle Media (f/k/a S3 Digital Corp. (d/b/a S3i))</b>								
Promissory Note, 12%, 11/17/2017***	3,304	25,000	—	—	736	—	808	26,544
Preferred shares, Series A	—	1,156,175	—	—	—	—	(671,406)	484,769
Preferred warrants, \$1.17 Strike Price, Expiration Date 11/18/2022	—	429	—	—	—	—	(429)	—
Preferred warrants, \$1.17 Strike Price, Expiration Date 8/29/2021	—	14,065	—	—	—	—	(14,065)	—
Preferred warrants, \$1.17 Strike Price, Expiration Date 6/26/2021	—	3,088	—	—	—	—	(3,088)	—
Preferred warrants, \$1.17 Strike Price, Expiration Date 9/30/2020	—	12,864	—	—	—	—	(12,864)	—
Preferred warrants, \$1.00 Strike Price, Expiration Date 11/21/2017	—	55,000	—	—	—	—	(55,000)	—
<b>CUX, Inc. (d/b/a CorpU)</b>								
Senior Subordinated Convertible Promissory Note 8% Due 11/26/2018*** <sup>(3)</sup>	87,318	1,080,000	—	—	86,400	—	—	1,166,400
Convertible preferred shares, Series D	—	775,861	—	—	—	—	—	775,861
Convertible preferred shares, Series C	—	1,959,127	—	—	—	—	(45,643)	1,913,484
Preferred warrants, \$4.59 Strike Price, Expiration Date 2/25/2018	—	10,142	—	—	—	—	(5,747)	4,395

## Schedule 12-14

## Schedule of Investments in and Advances to Affiliates as of December 31, 2016 – (continued)

Portfolio Company/ Type of Investment*	Amount of Interest, Fees or Dividends Credited in Income	Fair Value at December 31, 2015	Transfer from Control Investment To Non-Control /Non-Affiliate Investment	Corporate Action	Purchases	Sales	Realized and Unrealized Gains/(Losses)	Fair Value at December 31, 2016
<b>Curious.com Inc.</b>								
Preferred shares, Series B	\$ —	\$ 9,996,311	\$ —	\$ —	\$ 2,000,003	\$ —	\$ (2,011,360)	\$ 9,984,954
<b>Declara, Inc.</b>								
Convertible Promissory Note 9% Due 6/30/2017***	120,523	2,000,000	—	—	120,658	—	706,362	2,827,020
Preferred shares, Series A	—	9,999,999	—	—	—	—	(5,213,345)	4,786,654
<b>EdSurge, Inc.</b>								
Preferred shares, Series A-1	—	500,000	—	—	400	—	(400)	500,000
Preferred shares, Series A	—	524,867	—	—	—	—	63,427	588,294
<b>Fullbridge, Inc.</b> <sup>(6)</sup>								
Convertible Promissory Note, 10% Due 3/2/2016	(85,829)	1,020,859	(354,075)	—	400	—	(667,184)	—
Convertible Promissory Note, 10% Due 3/14/2017	—	—	(935,849)	—	1,000,000	—	(64,151)	—
Preferred shares, Series D	—	3,111,714	—	—	1,040	—	(3,112,754)	—
Preferred shares, Series C	—	1,625,001	—	—	—	—	(1,625,001)	—
Common warrants, \$0.91 Strike Price, Expiration Date 3/2/2020	—	2,831	—	—	—	—	(2,831)	—
Common warrants, \$0.91 Strike Price, Expiration Date 3/22/2020	—	1,862	—	—	—	—	(1,862)	—
Common warrants, \$0.91 Strike Price, Expiration Date 5/16/2019	—	1,923	—	—	—	—	(1,923)	—
Common warrants, \$0.91 Strike Price, Expiration Date 4/3/2019	—	4,121	—	—	—	—	(4,121)	—
Common warrants, \$0.91 Strike Price, Expiration Date 10/10/2018	—	824	—	—	—	—	(824)	—
Common warrants, \$0.91 Strike Price, Expiration Date 12/11/2018	—	824	—	—	—	—	(824)	—
Common warrants, \$0.91 Strike Price, Expiration Date 2/18/2019	—	7,143	—	—	—	—	(7,143)	—
<b>Global Education Learning (Holdings) Ltd.**</b>								
Preferred shares, Series A	—	—	—	—	120	—	(120)	—
<b>Maven Research, Inc.</b>								
Preferred shares, Series C	—	1,999,998	—	—	—	—	—	1,999,998
Preferred shares, Series B	—	249,691	—	—	—	—	(25,928)	223,763
<b>Orchestra One, Inc. (f/k/a Learnist Inc.)</b> <sup>(4)</sup>								
Common shares	—	4,364	(4,364)	—	—	—	—	—

Schedule 12-14

Schedule of Investments in and Advances to Affiliates as of December 31, 2016 – (continued)

Portfolio Company/ Type of Investment*	Amount of Interest, Fees or Dividends Credited in Income	Fair Value at December 31, 2015	Transfer from Control Investment To Non-Control /Non-Affiliate Investment	Corporate Action	Purchases	Sales	Realized and Unrealized Gains/(Losses)	Fair Value at December 31, 2016
<b>Ozy Media, Inc.</b>								
Convertible Promissory								
Note 5%, Due								
02/28/2018***	\$ 33,700	\$ —	\$ —	\$ —	\$ 2,000,000	\$ —	\$ —	\$ 2,000,000
Preferred shares, Series B	—	4,690,178	—	—	—	—	309,821	4,999,999
Preferred shares, Series A	—	3,907,004	—	—	—	—	(907,004)	3,000,000
Preferred shares, Series Seed	—	1,531,812	—	—	—	—	(921,812)	610,000
<b>PayNearMe, Inc.<sup>(6)</sup></b>								
Preferred shares, Series E	—	13,974,887	(13,974,887)	—	—	—	—	—
<b>Strategic Data Command, LLC<sup>(5)</sup></b>								
Common shares	—	1,001,650	—	—	—	—	1,050,905	2,052,555
<b>Total Affiliate Investments</b>	<b>\$ 159,016</b>	<b>\$66,075,585</b>	<b>\$(15,269,175)</b>	<b>\$ —</b>	<b>\$5,209,757</b>	<b>\$ —</b>	<b>\$(13,571,477)</b>	<b>\$42,444,690</b>

\* All portfolio investments are non-control/non-affiliated and non-income producing, unless identified. Equity investments are subject to lock-up restrictions upon their initial public offering.

\*\* Indicates assets that GSV Capital Corp. believes do not represent “qualifying assets” under Section 55(a) of the Investment Company Act of 1940, as amended.

\*\*\*Investment is income producing.

(1) GSV Capital Corp.’s investment in StormWind, LLC is held through its wholly owned subsidiary GSV Capital SW Holdings, Inc.

(2) GSV Capital Corp.’s investment in Whittle Schools, LLC is held through its wholly owned subsidiary GSV Capital WS Holdings, Inc. Whittle Schools, LLC is an investment that is collateralized by Avenues Global Holdings, LLC, as well as the personal collateral of Chris Whittle, the former chairman of Avenues Global Holdings, LLC.

(3) Interest will accrue daily on the unpaid principal balance of the note. Interest began compounding annually on November 26, 2015. Accrued interest is not payable until the earlier of (a) the closing of a subsequent equity offering by CUX, Inc. (d/b/a CorpU), or (b) the maturity of the note (November 26, 2018).

(4) GSV Capital Corp.’s ownership percentage in Orchestra One, Inc. (f/k/a Learnist Inc.) decreased to below 5% and, as such, Orchestra One, Inc. is no longer classified as an “affiliate investment” as of September 30, 2016. As such, the Company has reflected a “transfer out” of the “Affiliate Investment” category above as of September 30, 2016 to indicate that the investment in Orchestra One, Inc., while still held as of September 30, 2016, does not meet the criteria of an affiliate investment as defined in the Investment Company Act of 1940, as amended.

(5) GSV Capital Corp.’s investment in Strategic Data Command, LLC is held through its wholly owned subsidiary GSV Capital SVDS Holdings, Inc.

(6) GSV Capital Corp.’s ownership percentage in PayNearMe, Inc. and Fullbridge, Inc. decreased to below 5% and, as such, PayNearMe, Inc. and Fullbridge, Inc. are no longer classified as “affiliate investments” as of December 31, 2016. As such, the Company has reflected a “transfer out” of the “Affiliate Investment” category above as of December 31, 2016 to indicate that the investment in PayNearMe, Inc. and Fullbridge, Inc., while still held as of December 31, 2016, does not meet the criteria of an affiliate investment as defined in the Investment Company Act of 1940, as amended. Schedule 12-14 – Schedule of Investments in and Advances to Affiliates as of December 31, 2015

Schedule 12-14

Schedule of Investments in and Advances to Affiliates as of December 31, 2015

Portfolio Company/ Type of Investment*	Amount of Interest, Fees or Dividends Credited in Income	Fair Value at December 31, 2014	Transfer from Control Investment To Affiliate Investment	Purchases	Sales	Realized and Unrealized Gains/(Losses)	Fair Value at December 31, 2015
<b>Control Investments</b>							
<b>AlwaysOn, Inc.</b>							
Preferred shares, Series A	\$ —	\$ 629,309	\$ (629,309)	\$ —	\$ —	\$ —	\$ —
Preferred shares, Series A-1	—	491,252	(491,252)	—	—	—	—
Preferred warrants Series A, \$1.00 Strike Price, Expiration 1/9/2017	—	—	—	—	—	—	—
<b>StormWind, LLC<sup>(1)</sup></b>							
Preferred shares, Series C	—	4,338,830	—	—	—	260,888	4,599,718
Preferred shares, Series B	—	4,347,608	—	—	—	285,620	4,633,228
Preferred shares, Series A	—	391,592	—	—	—	126,408	518,000
<b>NestGSV, Inc. (d/b/a GSV Labs, Inc.)</b>							
Preferred shares, Series D	—	1,460,557	—	3,499,999	—	9	4,960,565
Preferred shares, Series C	—	1,503,832	—	—	—	229,572	1,733,404
Preferred shares, Series B	—	265,980	—	—	—	(265,980)	—
Preferred shares, Series A	—	440,000	—	—	—	(440,000)	—
Common shares	—	1,000	—	—	—	(1,000)	—
Preferred warrants Series D – \$1.33 Strike Price, Expiration Date 10/6/2019	—	65,000	—	—	—	80,000	145,000
Preferred warrants, Series C – \$1.33 Strike Price, Expiration Date 4/9/2019	—	24,375	—	—	—	7,500	31,875
<b>SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)</b>							
Preferred shares, Class A	—	4,850,000	—	2,300,156	—	(900,156)	6,250,000
Common shares	—	10,000	—	—	—	(10,000)	—
<b>Total Control Investments</b>	<b>\$ —</b>	<b>\$ 18,819,335</b>	<b>\$ (1,120,561)</b>	<b>\$ 5,800,155</b>	<b>\$ —</b>	<b>\$ (627,139)</b>	<b>\$ 22,871,790</b>
<b>AlwaysOn, Inc.</b>							
Preferred shares, Series A	—	—	629,309	—	—	(437,316)	191,993
Preferred shares, Series A-1	—	—	491,252	320	—	(357,594)	133,978
Preferred warrants Series A, \$1.00 Strike Price, Expiration Date 1/9/2017	—	—	—	—	—	—	—
<b>Whittle Schools, LLC<sup>(2)</sup></b>							
Preferred shares, Series B	—	3,000,000	—	—	—	—	3,000,000
Common shares	—	1,500,000	—	—	—	—	1,500,000
<b>Circle Media (f/k/a S3 Digital Corp. (d/b/a S3i))</b>							
Preferred shares, Series A	—	1,705,006	—	293,558	—	(842,389)	1,156,175
Term Loan, 12%, 09/30/2015***	(6,440)	288,114	—	—	(292,798)	4,684	—
Term Loan, 12%, 11/18/2016*** <sup>(7)</sup>	—	—	—	26,104	—	(1,104)	25,000
Preferred warrants, \$1.00 Strike Price, Expiration Date 11/21/2017	—	165,000	—	—	—	(110,000)	55,000
Preferred warrants, \$1.17 Strike Price, Expiration Date 8/29/2021	—	58,019	—	—	—	(43,954)	14,065

## Schedule 12-14

## Schedule of Investments in and Advances to Affiliates as of December 31, 2015 – (continued)

Portfolio Company/ Type of Investment*	Amount of Interest, Fees or Dividends Credited in Income	Fair Value at December 31, 2014	Transfer from Control Investment To Affiliate Investment	Purchases	Sales	Realized and Unrealized Gains/(Losses)	Fair Value at December 31, 2015
Preferred warrants, \$1.17 Strike Price, Expiration Date 9/30/2020	\$ —	\$ 64,322	\$ —	\$ —	\$ —	\$ (51,458)	\$ 12,864
Preferred warrants, \$1.17 Strike Price, Expiration Date 6/26/2021	—	12,736	—	—	—	(9,648)	3,088
Preferred warrants, \$1.17 Strike Price, Expiration Date 11/18/2022	—	—	—	576	—	(147)	429
<b>CUX, Inc. (d/b/a CorpU)</b>							
Senior Subordinated Convertible Promissory Note 8% Due 11/26/2018*** <sup>(5)</sup>	80,631	1,007,671	—	80,000	—	(7,671)	1,080,000
Convertible preferred shares, Series C	—	2,292,582	—	—	—	(333,455)	1,959,127
Convertible preferred shares, Series D	—	716,066	—	—	—	59,795	775,861
Preferred warrants, \$4.59 Strike Price, Expiration Date 2/25/2018	—	12,508	—	—	—	(2,366)	10,142
<b>Cricknet Media (f/k/a ePals Inc.)**<sup>(4)(6)</sup></b>							
Common shares	—	331,126	(331,126)	—	—	—	—
<b>Curious.com Inc.</b>							
Preferred shares, Series B	—	9,996,311	—	—	—	—	9,996,311
<b>Declaro, Inc.</b>							
Convertible Promissory Note 6% Due 12/30/2016***	658	—	—	2,000,000	—	—	2,000,000
Preferred shares, Series A	—	10,019,825	—	—	—	(19,826)	9,999,999
<b>EdSurge, Inc.</b>							
Preferred shares, Series A	—	505,328	—	—	—	19,539	524,867
Preferred shares, Series A-1	—	—	—	500,960	—	(960)	500,000
<b>Fullbridge, Inc.</b>							
Convertible Promissory Note, 10% Due 3/2/2016***	142,645	—	—	1,014,395	—	6,464	1,020,859
Preferred shares, Series D	—	3,111,714	—	—	—	—	3,111,714
Preferred shares, Series C	—	1,625,001	—	—	—	—	1,625,001
Common warrants, \$0.91 Strike Price, Expiration Date 2/18/2019	—	1,862	—	—	—	5,281	7,143
Common warrants, \$0.91 Strike Price, Expiration Date 4/3/2019	—	824	—	—	—	3,297	4,121
Common warrants, \$0.91 Strike Price, Expiration Date 3/2/2020	—	4,121	—	—	—	(1,290)	2,831
Common warrants, \$0.91 Strike Price, Expiration Date 5/16/2019	—	1,923	—	—	—	—	1,923
Common warrants, \$0.91 Strike Price, Expiration Date 3/22/2020	—	7,143	—	—	—	(5,281)	1,862

## Schedule 12-14

## Schedule of Investments in and Advances to Affiliates as of December 31, 2015 – (continued)

Portfolio Company/ Type of Investment*	Amount of Interest, Fees or Dividends Credited in Income	Fair Value at December 31, 2014	Transfer from Control Investment To Affiliate Investment	Purchases	Sales	Realized and Unrealized Gains/(Losses)	Fair Value at December 31, 2015 Control Investments
Common warrants, \$0.91 Strike Price, Expiration Date 10/10/2018	\$ —	\$ 824	\$ —	\$ —	\$ —	\$ —	\$ 824
Common warrants, \$0.91 Strike Price, Expiration Date 12/11/2018	—	—	—	—	—	824	824
<b>Global Education Learning (Holdings) Ltd.**</b>							
Preferred shares, Series A	—	3,995,221	—	—	(3,660,394)	(334,827)	—
<b>Orchestra One, Inc. (f/k/a Learnist Inc.)</b>							
Common shares <sup>(7)</sup>	—	—	5,379,310	—	—	(5,374,946)	4,364
Preferred shares, Series D	—	2,319,014	(2,319,014)	—	—	—	—
Preferred shares, Series E	—	1,610,296	(1,610,296)	—	—	—	—
Preferred shares, Series F	—	1,450,000	(1,450,000)	—	—	—	—
<b>Maven Research, Inc.</b>							
Preferred shares, Series C	—	1,999,998	—	—	—	—	1,999,998
Preferred shares, Series B	—	249,691	—	—	—	—	249,691
<b>Ozy Media, Inc.</b>							
Preferred shares, Series B	—	4,999,999	—	—	—	(309,821)	4,690,178
Preferred shares, Series A	—	4,165,091	—	—	—	(258,087)	3,907,004
Preferred shares, Series Seed	—	1,573,000	—	—	—	(41,188)	1,531,812
<b>PayNearMe, Inc.</b>							
Preferred shares, Series E	—	9,982,064	—	3,999,998	—	(7,175)	13,974,887
<b>The rSmart Group, Inc.</b>							
Preferred shares, Series B	—	192,586	—	1,920	(5,000)	(189,506)	—
<b>Strategic Data Command, LLC<sup>(3)</sup></b>							
Common shares	—	1,000,000	—	—	(12,373)	14,023	1,001,650
<b>Totus Solutions, Inc.</b>							
Convertible Promissory Note 6%, Expiration Date, 4/1/2016***	(3,074)	78,425	—	760	(50,000)	(29,185)	—
Preferred shares, Series B	—	128,902	—	—	—	(128,902)	—
Preferred shares, Series A	—	—	—	—	—	—	—
Common Shares	—	—	—	—	—	—	—
<b>Total Affiliate Investments</b>	<b>\$ 214,420</b>	<b>\$ 70,172,313</b>	<b>\$ 789,435</b>	<b>\$7,918,591</b>	<b>\$ (4,020,565)</b>	<b>\$ (8,784,189)</b>	<b>\$ 66,075,585</b>

\* All portfolio investments are non-control/non-affiliated and non-income producing, unless identified. Equity investments are subject to lock-up restrictions upon their initial public offering.

\*\* Indicates assets that GSV Capital Corp. believes do not represent “qualifying assets” under Section 55(a) of the Investment Company Act of 1940, as amended.

\*\*\*Investment is income producing.

(1) GSV Capital Corp.’s investment in StormWind, LLC is held through its wholly owned subsidiary GSVC SW Holdings, Inc.

TABLE OF CONTENTS

- (2) GSV Capital Corp.'s investment in Whittle Schools, LLC is held through its wholly owned subsidiary GSVC WS Holdings, Inc. Whittle Schools, LLC is an investment that is collateralized by Avenues Global Holdings, LLC, as well as the personal collateral of Chris Whittle, the former chairman of Avenues Global Holdings, LLC.
- (3) GSV Capital Corp.'s investment in Strategic Data Command, LLC is held through its wholly owned subsidiary GSVC SVDS Holdings, Inc.
- (4) On October 22, 2013, Cricket Media (f/k/a ePals Inc.) priced its initial public offering, selling 40,267,333 shares at a price of CAD \$0.075 per share. At December 31, 2015, GSV Capital Corp. valued Cricket Media based on its December 31, 2015 closing price. GSV Capital Corp.'s Chief Executive Officer, Michael Moe, previously served on the board of directors for Cricket Media, which subjected GSV Capital Corp. to insider trading restrictions under Canadian securities law. Mr. Moe resigned from his position as a director of Cricket Media in May 2016.
- (5) Interest will accrue daily on the unpaid principal balance of the note. Interest began compounding annually on November 26, 2015. Accrued interest is not payable until the earlier of (a) the closing of a subsequent equity offering by CUX, Inc. (d/b/a CorpU), or (b) the maturity of the note (November 26, 2018).
- (6) Subsequent to the filing of its annual report on Form 10-K for the fiscal year ended December 31, 2015, GSV Capital Corp. identified that its investment in Cricket Media was inappropriately included as an affiliate as of December 31, 2015 in the accompanying Schedule of Investments in and Advances to Affiliates. Therefore, the Schedule of Investments in and Advances to Affiliates included in this annual report has been corrected to remove all Cricket Media balances related to the year ended December 31, 2015, including the total fair value of \$67,296. Management does not consider these amounts to be material to its previously issued Schedule of Investments in and Advances to Affiliates.
- (7) Subsequent to the filing of GSV Capital Corp.'s annual report on Form 10-K for the fiscal year ended December 31, 2015, certain typographical formatting matters were identified where Schedule of Investments in and Advances to Affiliates activities were formatted in the incorrect columns. Such formatting matters have been corrected in this presentation.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**GSV CAPITAL CORP.**

Date: March 16, 2017

By: /s/ Michael T. Moe  
**Name:** Michael T. Moe  
**Title:** Chief Executive Officer and  
Chairman of the Board of Directors

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

Date: March 16, 2017

By: /s/ Michael T. Moe  
**Michael T. Moe**  
Chief Executive Officer  
and Chairman of the Board of Directors  
(Principal Executive Officer)

Date: March 16, 2017

By: /s/ William Tanona  
**William Tanona**  
Chief Financial Officer,  
Treasurer and Secretary  
(Principal Financial and Accounting Officer)

Date: March 16, 2017

By: /s/ Mark D. Klein  
**Mark D. Klein**  
Director

Date: March 16, 2017

By: /s/ Leonard A. Potter  
**Leonard A. Potter**  
Director

Date: March 16, 2017

By: /s/ Mark W. Flynn  
**Mark W. Flynn**  
Director

Date: March 16, 2017

By: /s/ Ronald M. Lott  
**Ronald M. Lott**  
Director

Date: March 16, 2017

By: /s/ Catherine J. Friedman  
**Catherine J. Friedman**  
Director

Date: March 16, 2017

By: /s/ Bradford C. Koenig  
**Bradford C. Koenig**  
Director

**Certification of Chief Executive Officer of GSV Capital Corp.  
pursuant to Rule 13a-14(a) under the Exchange Act,  
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Michael T. Moe, certify that:

1. I have reviewed this annual report on Form 10-K of GSV Capital Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
  - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 16<sup>th</sup> day of March, 2017.

By: /s/ Michael T. Moe

**Michael T. Moe**  
**Chief Executive Officer**

---

**Certification of Chief Financial Officer of GSV Capital Corp.  
pursuant to Rule 13a-14(a) under the Exchange Act,  
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, William Tanona, certify that:

1. I have reviewed this annual report on Form 10-K of GSV Capital Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
  - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 16<sup>th</sup> day of March, 2017.

By: /s/ William Tanona

**William Tanona**  
**Chief Financial Officer**

---

**Certification of Chief Executive Officer  
Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)**

In connection with the annual report on Form 10-K for the year ended December 31, 2016 (the "Report") of GSV Capital Corp. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Michael T. Moe, the Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Michael T. Moe

**Name: Michael T. Moe**

**Date: March 16, 2017**

---

**Certification of Chief Financial Officer**  
**Pursuant to**  
**Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)**

In connection with the annual report on Form 10-K for the year ended December 31, 2016 (the "Report") of GSV Capital Corp. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, William Tanona, the Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ William Tanona

**Name: William Tanona**

**Date: March 16, 2017**

---