Hercules Capital, Inc. Form 10-Q August 03, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For The Quarterly Period Ended June 30, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 Commission File Number: 814-00702

HERCULES CAPITAL, INC.

(Exact Name of Registrant as Specified in its Charter)

Maryland (State or Jurisdiction of 743113410 (IRS Employer

Incorporation or Organization)

Identification No.) 94301

400 Hamilton Ave., Suite 310

(Zip Code)

Palo Alto, California

(Address of Principal Executive Offices)

(650) 289-3060

(Registrant's Telephone Number, Including Area Code)

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 that 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 (§ 232.405 of this Chapter) 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 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," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with a new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

On July 31, 2017, there were 82,795,519 shares outstanding of the Registrant's common stock, \$0.001 par value.

FORM 10-Q TABLE OF CONTENTS

<u>PART I. FINANCIAL</u> <u>INFORMATION</u>

3

3

	Consolidated
	Financial
Item 1.	Statements

Consolidated	
Statement of	
Assets and	
Liabilities as	
<u>of June 30,</u>	
<u>2017 and</u>	
December 31.	
<u>2016</u>	
(unaudited)	3
Consolidated	
Statement of	
<u>Operations</u>	
for the three	
and six	
months ended	
June 30, 2017	
and 2016	_
(unaudited)	5
Concelidated	
<u>Consolidated</u>	
Statement of	
<u>Changes in</u> Not Assots	
<u>Net Assets</u>	
for the six	
months ended	

June 30, 2017 and 2016 (unaudited)

6

7

	Consolidated Statement of Cash Flows for the six months ended June 30, 2017 and 2016 (unaudited)	
	<u>Consolidated</u> <u>Schedule of</u> <u>Investments</u> <u>as of June 30.</u> <u>2017</u> (unaudited)	8
	Consolidated Schedule of Investments as of December 31. 2016 (unaudited)	21
	<u>Notes to</u> <u>Consolidated</u> <u>Financial</u> <u>Statements</u> (unaudited)	35
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	66
Item 3. Item 4.	Quantitative and Qualitative Disclosures About Market Risk	95 96

Controls and Procedures

<u>PART II. OTHEF</u> INFORMATION		97	
Item 1.	<u>Legal</u> Proceedings		97
Item 1A.	<u>Risk Factors</u>		97
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds		135
Item 3.	<u>Defaults</u> <u>Upon Senior</u> <u>Securities</u>		135
Item 4.	<u>Mine Safety</u> Disclosures		135
Item 5.	<u>Other</u> Information		135
Item 6.	Exhibits and Financial Statement Schedules		136
<u>SIGNATURES</u>		138	3

PART I: FINANCIAL INFORMATION

In this Quarterly Report, the "Company," "Hercules," "we," "us" and "our" refer to Hercules Capital, Inc. and its wholly owner subsidiaries and its affiliated securitization trusts on or after February 25, 2016 and "Hercules Technology Growth Capital, Inc." and its wholly owned subsidiaries and its affiliated securitization trusts prior to February 25, 2016, unless the context otherwise requires.

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS HERCULES CAPITAL, INC.

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(unaudited)

(dollars in thousands, except per share data)

	June 30, 2017	December 31, 2016
Assets		
Investments:		
Non-control/Non-affiliate investments (cost of \$1,385,401 and \$1,475,918 respectively)	\$1,357,914	\$1,414,210
Control investments (cost of \$102,888 and \$22,598, respectively)	31,564	4,700
Affiliate investments (cost of \$12,850 and \$13,010, respectively)	5,991	5,032
Total investments, at value (cost of \$1,501,139 and \$1,511,526 respectively)	1,395,469	1,423,942
Cash and cash equivalents	160,412	13,044
Restricted cash	17,226	8,322
Interest receivable	10,204	11,614
Other assets	5,398	7,282
Total assets	\$1,588,709	\$1,464,204
Liabilities		
Accounts payable and accrued liabilities	\$22,193	\$21,463
Credit Facilities	—	5,016
2021 Asset-Backed Notes, net (principal of \$87,678 and \$109,205, respectively) ⁽¹⁾	86,865	107,972
Convertible Notes, net (principal of \$230,000 and \$0, respectively) ⁽¹⁾	222,898	—
2019 Notes, net (principal of \$0 and \$110,364, respectively) ⁽¹⁾	—	108,818
2024 Notes, net (principal of \$258,510 and \$252,873, respectively) ⁽¹⁾	251,478	245,490
SBA Debentures, net (principal of \$190,200 and \$190,200, respectively) ⁽¹⁾	187,824	187,501
Total liabilities	\$771,258	\$676,260
Net assets consist of:		
Common stock, par value	83	80
Capital in excess of par value	892,930	839,657
Unrealized depreciation on investments ⁽²⁾	(106,941)	(89,025)
Accumulated undistributed realized gains on investments	35,128	37,603

Distributions in excess of net investment income	(3,749)	(371)
Total net assets	\$817,451	\$787,944
Total liabilities and net assets	\$1,588,709	\$1,464,204
Shares of common stock outstanding (\$0.001 par value, 200,000,000 authorized)	82,819	79,555
Net asset value per share	\$9.87	\$9.90

- (1) The Company's 2021 Asset-Backed Notes, Convertible Notes, 2019 Notes, 2024 Notes and SBA Debentures, as each term is defined herein, are presented net of the associated debt issuance costs for each instrument. See "Note 4 Borrowings".
- (2) Amounts include \$1.3 million and \$1.4 million in net unrealized depreciation on other assets and accrued liabilities, including escrow receivables, estimated taxes payable and warrant participation agreement liabilities as of June 30, 2017 and December 31, 2016, respectively.

See notes to consolidated financial statements.

The following table presents the assets and liabilities of our consolidated securitization trust for the 2021 Asset-Backed Notes (see Note 4), which is a variable interest entity ("VIE"). The assets of our securitization VIE can only be used to settle obligations of our consolidated securitization VIE, these liabilities are only the obligations of our consolidated securitization VIE, and the creditors (or beneficial interest holders) do not have recourse to our general credit. These assets and liabilities are included in the Consolidated Statement of Assets and Liabilities above.

(Dollars in thousands)	June 30, 2017	December 31, 2016
Assets	2017	01,2010
Restricted Cash	\$17,226	\$8,322
Total investments, at value (cost of \$190,276 and \$244,695, respectively)	190,168	242,349
Total assets	\$207,394	\$250,671
Liabilities		
2021 Asset-Backed Notes, net (principal of \$87,678 and \$109,205, respectively) ⁽¹⁾	\$86,865	\$107,972
Total liabilities	\$86,865	\$107,972

(1) The Company's 2021 Asset-Backed Notes are presented net of the associated debt issuance costs. See "Note 4 – Borrowings".

See notes to consolidated financial statements.

4

CONSOLIDATED STATEMENT OF OPERATIONS

(unaudited)

(in thousands, except per share data)

Fee incomeCommitment, facility and loan fee income:Non-control/Non-affiliate investments $2,440$ $3,126$ $5,374$ $5,426$ Control investments 5 $ 10$ $-$ Total commitment, facility and loan fee income $2,445$ $3,126$ $5,384$ $5,426$ One-time fee income: $2,445$ $3,126$ $5,384$ $5,426$ Non-control/Non-affiliate investments $5,501$ 791 $6,066$ 956 Total one-time fee income $5,501$ 791 $6,066$ 956 Total investment income $7,946$ $3,917$ $11,450$ $6,382$ Total investment income $48,452$ $43,538$ $94,817$ $82,47$ Operating expenses: $1,348$ $1,278$ $4,186$ $2,267$ Interest $9,254$ $7,572$ $18,861$ $14,58$ Loan fees $1,348$ $1,278$ $4,186$ $2,267$ General and administrative $4,750$ $4,401$ $8,814$ $7,980$ Employee compensation: C C C $1,909$ $1,602$ $3,742$ $4,174$ Total employee compensation $1,909$ $1,602$ $3,742$ $4,174$ Total employee compensation $7,825$ $6,933$ $15,004$ $14,195$ Total operating expenses $23,177$ $20,184$ $46,865$ $39,02$ Net investment income $25,275$ $23,354$ $47,952$ $43,452$		Three Mo Ended Jur	ne 30,	Six Month June 30,	
Interest and PIK interest incomeInterest income:Non-control/Non-affiliate investments $\$37,715$ $\$37,736$ $\$78,027$ $\$72,43$ Control investments 340 - 672 -Affiliate investments- 50 2 115 Total interest income $38,055$ $37,786$ $78,701$ $72,55$ PIK interest income $2,264$ $1,835$ $4,297$ $3,544$ Control investments $2,264$ $1,835$ $4,297$ $3,544$ Control investments $2,451$ $1,835$ $4,666$ $3,544$ Total PIK interest income $2,451$ $1,835$ $4,666$ $3,544$ Total interest and PIK interest income $40,506$ $39,621$ $83,367$ $76,06$ Fee incomeCommitment, facility and loan fee income: 0 $ -$ Non-control/Non-affiliate investments $2,440$ $3,126$ $5,374$ $5,426$ Control investments $5,501$ 791 $6,066$ 956 Total commitment, facility and loan fee income $2,501$ 791 $6,066$ 956 Total one-time fee income $5,501$ 791 $6,066$ 956 Total one-time fee income $7,946$ $3,917$ $11,450$ $6,382$ Total investment income $48,452$ $43,538$ $94,817$ $82,47$ Operating expenses: $ -$ Interest $9,254$ $7,572$ $18,861$ $14,58$ Loan fees $1,348$ $1,278$ $4,186$ <td>Turner for each target and the</td> <td>2017</td> <td>2016</td> <td>2017</td> <td>2016</td>	Turner for each target and the	2017	2016	2017	2016
Interest income: Non-control/Non-affiliate investments \$37,715 \$37,736 \$78,027 \$72,43 Control investments $ 672$ $ 672$ $-$ Affiliate investments $ 50$ 2 115 Total interest income $38,055$ $37,786$ $78,701$ $72,55$ PIK interest income $2,264$ $1,835$ $4,297$ $3,544$ Control investments 187 $ 369$ $-$ Total PIK interest income $2,451$ $1,835$ $4,666$ $3,544$ Total PIK interest income $2,451$ $1,835$ $4,666$ $3,544$ Total PIK interest income $2,440$ $3,126$ $5,374$ $5,420$ Commitment, facility and loan fee income: $Non-control/Non-affiliate investments 2,440 3,126 5,374 5,420 One-time fee income: 5,501 791 6,066 956 Total commitment, facility and loan fee income 5,501 791 6,066 956 Total concetrol/Non-affiliate investments 5,501 791 6,066$					
Non-control/Non-affiliate investments \$37,715 \$37,736 \$78,027 \$72,43 Control investments 340 - 672 - Affiliate investments - 50 2 115 Total interest income $38,055$ $37,786$ $78,701$ $72,55$ PIK interest income: - 369 - $72,55$ Total PIK interest income $2,264$ $1,835$ $4,297$ $3,544$ Control investments $2,264$ $1,835$ $4,666$ $3,544$ Total PIK interest income $2,4451$ $1,835$ $4,666$ $3,544$ Total interest and PIK interest income $40,506$ $39,621$ $83,367$ $76,09$ Fee income - - 10 - - 70 - 70 - 70 - 70 - 70 - 70 - 70 716 $70,606$ 956 $70,10$ $79,16$ $6,066$ 956 $70,10$ $7,572$					
Control investments 340 - 672 - Affiliate investments - 50 2 115 Total interest income $38,055$ $37,786$ $78,701$ $72,55$ PIK interest income $2,264$ $1,835$ $4,297$ $3,544$ Control investments 187 - 369 - Total PIK interest income $2,451$ $1,835$ $4,666$ $3,544$ Total interest and PIK interest income $40,506$ $39,621$ $83,367$ $76,06$ Fee income 2 451 $1,835$ $4,666$ $3,544$ Control investments $2,440$ $3,126$ $5,374$ $5,420$ Control investments 5 - 10 - Total commitment, facility and loan fee income $5,501$ 791 $6,066$ 956 Total one-time fee income $5,501$ 791 $6,066$ 956 Total one-time fee income $5,501$ 791 $6,066$ 956 Total one-time fee income $7,946$ $3,917$ $11,450$ $6,$		\$ 27 715	ф од до <i>с</i>	\$70.007	ф 7 2.426
Affiliate investments — 50 2 115 Total interest income 38,055 37,786 78,701 72,55 PIK interest income:			\$37,736		\$72,436
Total interest income $38,055$ $37,786$ $78,701$ $72,55$ PIK interest income: $2,264$ $1,835$ $4,297$ $3,544$ Control investments 187 $ 369$ $-$ Total PIK interest income $2,451$ $1,835$ $4,666$ $3,544$ Total INE interest income $2,451$ $1,835$ $4,666$ $3,544$ Total interest and PIK interest income $40,506$ $39,621$ $83,367$ $76,09$ Fee income $2,440$ $3,126$ $5,374$ $5,426$ Commitment, facility and loan fee income: 5 $ 10$ $-$ Total commitment, facility and loan fee income $2,445$ $3,126$ $5,384$ $5,426$ One-time fee income: 5 $ 10$ $-$ Non-control/Non-affiliate investments $5,501$ 791 $6,066$ 956 Total one-time fee income $5,501$ 791 $6,066$ 956 Total one-time fee income $5,501$ 791 $6,066$ 956 Total investment income $48,452$ $43,538$ $94,817$ $82,47$ Operating expenses: $ -$ Interest $9,254$ $7,572$ $18,861$ $14,58$ Loan fees $1,348$ $1,278$ $4,186$ $2,260$ General and administrative $4,750$ $4,401$ $8,814$ $7,980$ Employee compensation $1,909$ $1,602$ $3,742$ $4,174$ Total employee compensation $7,825$ $6,933$ $15,0$		340			
PIK interest income: 2,264 1,835 4,297 3,544 Control investments 187 369 - Total PIK interest income 2,451 1,835 4,666 3,544 Total PIK interest income 2,451 1,835 4,666 3,544 Total PIK interest income 2,451 1,835 4,666 3,544 Total interest and PIK interest income 40,506 39,621 83,367 76,097 Fee income 2,440 3,126 5,374 5,426 Control investments 2,440 3,126 5,374 5,426 Control investments 5 - 10 - Total commitment, facility and loan fee income 2,445 3,126 5,384 5,426 One-time fee income 5,501 791 6,066 956 Total one-time fee income 5,501 791 6,066 956 Total investment income 48,452 43,538 94,817 82,47 Operating expenses: - - - - Interest 9,254 7,572 18,861					
Non-control/Non-affiliate investments $2,264$ $1,835$ $4,297$ $3,544$ Control investments 187 $ 369$ $-$ Total PIK interest income $2,451$ $1,835$ $4,666$ $3,544$ Total interest and PIK interest income $40,506$ $39,621$ $83,367$ $76,09$ Fee income $2,451$ $1,835$ $4,666$ $3,542$ Commitment, facility and loan fee income: $ 0$ $-$ Non-control/Non-affiliate investments $2,440$ $3,126$ $5,374$ $5,420$ Control investments 5 $ 10$ $-$ Total commitment, facility and loan fee income $2,445$ $3,126$ $5,384$ $5,420$ One-time fee income: 5 $ 10$ $-$ Non-control/Non-affiliate investments $5,501$ 791 $6,066$ 956 Total one-time fee income $5,501$ 791 $6,066$ 956 Total investment income $7,946$ $3,917$ $11,450$ $6,382$ Total investment income $9,254$ $7,572$ $18,861$ $14,58$ Loan fees $1,348$ $1,278$ $4,186$ $2,267$ General and administrative $4,750$ $4,401$ $8,814$ $7,980$ Employee compensation: $ -$ Compensation and benefits $5,916$ $5,331$ $11,262$ $10,001$ Stock-based compensation $7,825$ $6,933$ $15,004$ $4,174$ Total employee compensation $7,825$ <td< td=""><td></td><td>38,055</td><td>37,786</td><td>/8,/01</td><td>72,551</td></td<>		38,055	37,786	/8,/01	72,551
Control investments 187 $ 369$ $-$ Total PIK interest income $2,451$ $1,835$ $4,666$ $3,544$ Total interest and PIK interest income $40,506$ $39,621$ $83,367$ $76,09$ Fee income $40,506$ $39,621$ $83,367$ $76,09$ Commitment, facility and loan fee income: $ 10$ $-$ Non-control/Non-affiliate investments $2,440$ $3,126$ $5,374$ $5,426$ Control investments 5 $ 10$ $-$ Total commitment, facility and loan fee income $2,445$ $3,126$ $5,384$ $5,426$ One-time fee income: $5,501$ 791 $6,066$ 956 Total one-time fee income $5,501$ 791 $6,066$ 956 Total one-time fee income $7,946$ $3,917$ $11,450$ $6,382$ Total investment income $48,452$ $43,538$ $94,817$ $82,472$ Operating expenses: $ -$ Interest $9,254$ $7,572$ $18,861$ $14,52$ Loan fees $1,348$ $1,278$ $4,186$ $2,267$ General and administrative $4,750$ $4,401$ $8,814$ $7,980$ Employee compensation: $ -$ Compensation and benefits $5,916$ $5,331$ $11,262$ $10,01$ Stock-based compensation $7,825$ $6,933$ $15,004$ $14,10$ Total operating expenses $23,177$ $20,184$ $46,865$ $39,00$		0.064	1.025	1 207	0.544
Total PIK interest income2,4511,8354,6663,544Total interest and PIK interest income40,50639,62183,36776,09Fee income276,0976,0976,09Commitment, facility and loan fee income: $2,440$ 3,1265,3745,420Non-control/Non-affiliate investments $2,440$ $3,126$ $5,374$ $5,420$ Control investments 5 $ 10$ $-$ Total commitment, facility and loan fee income $2,445$ $3,126$ $5,384$ $5,420$ One-time fee income: $2,445$ $3,126$ $5,384$ $5,420$ Non-control/Non-affiliate investments $5,501$ 791 $6,066$ 956 Total one-time fee income $5,501$ 791 $6,066$ 956 Total fee income $7,946$ $3,917$ $11,450$ $6,382$ Total investment income $48,452$ $43,538$ $94,817$ $82,47$ Operating expenses: 11 $11,348$ $1,278$ $4,186$ $2,265$ General and administrative $4,750$ $4,401$ $8,814$ $7,980$ Employee compensation: $5,916$ $5,331$ $11,262$ $10,00$ Stock-based compensation $1,909$ $1,602$ $3,742$ $4,174$ Total employee compensation $7,825$ $6,933$ $15,004$ $14,115$ Total employee compensation $7,825$ $6,933$ $15,004$ $14,115$ Total employee compensation $7,825$ $6,933$ $15,004$ $14,115$ <td></td> <td></td> <td>1,835</td> <td></td> <td>3,544</td>			1,835		3,544
Total interest and PIK interest income $40,506$ $39,621$ $83,367$ $76,09$ Fee incomeCommitment, facility and loan fee income: $2,440$ $3,126$ $5,374$ $5,426$ Non-control/Non-affiliate investments $2,440$ $3,126$ $5,374$ $5,426$ Control investments 5 $$ 10 $$ Total commitment, facility and loan fee income $2,445$ $3,126$ $5,384$ $5,426$ One-time fee income: $2,445$ $3,126$ $5,384$ $5,426$ One-time fee income: $$ $$ 10 $$ Non-control/Non-affiliate investments $5,501$ 791 $6,066$ 956 Total one-time fee income $5,501$ 791 $6,066$ 956 Total fee income $7,946$ $3,917$ $11,450$ $6,382$ Total investment income $48,452$ $43,538$ $94,817$ $82,47$ Operating expenses: $$ $$ $$ Interest $9,254$ $7,572$ $18,861$ $14,58$ Loan fees $1,348$ $1,278$ $4,186$ $2,267$ General and administrative $4,750$ $4,401$ $8,814$ $7,980$ Employee compensation: $$ $$ $$ Compensation and benefits $5,916$ $5,331$ $11,262$ $10,001$ Stock-based compensation $1,909$ $1,602$ $3,742$ $4,174$ Total employee compensation $7,825$ $6,933$ $15,004$ $14,195$ Total operating expenses $23,177$					
Fee incomeCommitment, facility and loan fee income:Non-control/Non-affiliate investments $2,440$ $3,126$ $5,374$ $5,426$ Control investments 5 $ 10$ $-$ Total commitment, facility and loan fee income $2,445$ $3,126$ $5,384$ $5,426$ One-time fee income: $2,445$ $3,126$ $5,384$ $5,426$ Non-control/Non-affiliate investments $5,501$ 791 $6,066$ 956 Total one-time fee income $5,501$ 791 $6,066$ 956 Total one-time fee income $7,946$ $3,917$ $11,450$ $6,382$ Total investment income $48,452$ $43,538$ $94,817$ $82,47$ Operating expenses: $1,348$ $1,278$ $4,186$ $2,267$ Interest $9,254$ $7,572$ $18,861$ $14,58$ Loan fees $1,348$ $1,278$ $4,186$ $2,267$ General and administrative $4,750$ $4,401$ $8,814$ $7,980$ Employee compensation: C C C $1,909$ $1,602$ $3,742$ $4,174$ Total employee compensation $1,909$ $1,602$ $3,742$ $4,174$ Total employee compensation $7,825$ $6,933$ $15,004$ $14,195$ Total operating expenses $23,177$ $20,184$ $46,865$ $39,02$ Net investment income $25,275$ $23,354$ $47,952$ $43,452$					
Commitment, facility and loan fee income: Non-control/Non-affiliate investments $2,440$ $3,126$ $5,374$ $5,426$ Control investments 5 $ 10$ $-$ Total commitment, facility and loan fee income $2,445$ $3,126$ $5,384$ $5,426$ One-time fee income: $2,445$ $3,126$ $5,384$ $5,426$ One-time fee income: $2,445$ $3,126$ $5,384$ $5,426$ Non-control/Non-affiliate investments $5,501$ 791 $6,066$ 956 Total one-time fee income $7,946$ $3,917$ $11,450$ $6,382$ Total investment income $48,452$ $43,538$ $94,817$ $82,47$ Operating expenses: 11 $11,450$ $6,382$ $7,572$ $18,861$ $14,58$ Loan fees $1,348$ $1,278$ $4,186$ $2,267$ General and administrative $4,750$ $4,401$ $8,814$ $7,980$ Employee compensation $1,909$ $1,602$ $3,742$ $4,174$ Total employee compensation $7,825$ $6,933$		40,506	39,621	83,367	76,095
Non-control/Non-affiliate investments $2,440$ $3,126$ $5,374$ $5,426$ Control investments 5 $ 10$ $-$ Total commitment, facility and loan fee income $2,445$ $3,126$ $5,384$ $5,426$ One-time fee income: $2,445$ $3,126$ $5,384$ $5,426$ One-time fee income: $5,501$ 791 $6,066$ 956 Total one-time fee income $5,501$ 791 $6,066$ 956 Total one-time fee income $7,946$ $3,917$ $11,450$ $6,382$ Total investment income $48,452$ $43,538$ $94,817$ $82,47$ Operating expenses: $ -$ Interest $9,254$ $7,572$ $18,861$ $14,58$ Loan fees $1,348$ $1,278$ $4,186$ $2,267$ General and administrative $4,750$ $4,401$ $8,814$ $7,980$ Employee compensation: $ -$ Compensation and benefits $5,916$ $5,331$ $11,262$ $10,010$ Stock-based compensation $7,825$ $6,933$ $15,004$ $14,19$ Total operating expenses $23,177$ $20,184$ $46,865$ $39,02$ Net investment income $25,275$ $23,354$ $47,952$ $43,452$					
Control investments5 $-$ 10 $-$ Total commitment, facility and loan fee income2,4453,1265,3845,420One-time fee income: $ -$ Non-control/Non-affiliate investments $5,501$ 791 $6,066$ 956 Total one-time fee income $5,501$ 791 $6,066$ 956 Total one-time fee income $7,946$ $3,917$ $11,450$ $6,382$ Total investment income $48,452$ $43,538$ $94,817$ $82,472$ Operating expenses: $ -$ Interest $9,254$ $7,572$ $18,861$ $14,582$ Loan fees $1,348$ $1,278$ $4,186$ $2,2672$ General and administrative $4,750$ $4,401$ $8,814$ $7,980$ Employee compensation: $ -$ Compensation and benefits $5,916$ $5,331$ $11,262$ $10,012$ Stock-based compensation $1,909$ $1,602$ $3,742$ $4,174$ Total operating expenses $23,177$ $20,184$ $46,865$ $39,022$ Net investment income $25,275$ $23,354$ $47,952$ $43,452$					
Total commitment, facility and loan fee income $2,445$ $3,126$ $5,384$ $5,426$ One-time fee income $1,501$ 791 $6,066$ 956 Total one-time fee income $5,501$ 791 $6,066$ 956 Total one-time fee income $5,501$ 791 $6,066$ 956 Total fee income $7,946$ $3,917$ $11,450$ $6,382$ Total investment income $48,452$ $43,538$ $94,817$ $82,472$ Operating expenses: 1 1 $14,582$ $13,488$ $1,278$ $4,186$ $2,2672$ Interest $9,254$ $7,572$ $18,861$ $14,582$ $14,348$ $1,278$ $4,186$ $2,2672$ General and administrative $4,750$ $4,401$ $8,814$ $7,9862$ Employee compensation: $1,909$ $1,602$ $3,742$ $4,1742$ Total employee compensation $1,909$ $1,602$ $3,742$ $4,1742$ Total operating expenses $23,177$ $20,184$ $46,865$ $39,022$ Net investment income $25,275$ $23,354$ $47,952$ $43,452$			3,126		5,426
One-time fee income:Non-control/Non-affiliate investments $5,501$ 791 $6,066$ 956 Total one-time fee income $5,501$ 791 $6,066$ 956 Total fee income $7,946$ $3,917$ $11,450$ $6,382$ Total investment income $48,452$ $43,538$ $94,817$ $82,472$ Operating expenses: $48,452$ $43,538$ $94,817$ $82,472$ Interest $9,254$ $7,572$ $18,861$ $14,582$ Loan fees $1,348$ $1,278$ $4,186$ $2,2672$ General and administrative $4,750$ $4,401$ $8,814$ $7,9802$ Employee compensation: $5,916$ $5,331$ $11,262$ $10,0012$ Stock-based compensation $1,909$ $1,602$ $3,742$ $4,17422$ Total employee compensation $7,825$ $6,933$ $15,004$ $14,1922$ Total operating expenses $23,177$ $20,184$ $46,865$ $39,0022$ Net investment income $25,275$ $23,354$ $47,952$ $43,4522$			_		—
Non-control/Non-affiliate investments $5,501$ 791 $6,066$ 956 Total one-time fee income $5,501$ 791 $6,066$ 956 Total fee income $7,946$ $3,917$ $11,450$ $6,382$ Total investment income $48,452$ $43,538$ $94,817$ $82,472$ Operating expenses: $48,452$ $43,538$ $94,817$ $82,472$ Interest $9,254$ $7,572$ $18,861$ $14,582$ Loan fees $1,348$ $1,278$ $4,186$ $2,2672$ General and administrative $4,750$ $4,401$ $8,814$ $7,9802$ Employee compensation: $5,916$ $5,331$ $11,262$ $10,012$ Stock-based compensation $1,909$ $1,602$ $3,742$ $4,1742$ Total employee compensation $7,825$ $6,933$ $15,004$ $14,192$ Total operating expenses $23,177$ $20,184$ $46,865$ $39,002$ Net investment income $25,275$ $23,354$ $47,952$ $43,452$		2,445	3,126	5,384	5,426
Total one-time fee income $5,501$ 791 $6,066$ 956 Total fee income $7,946$ $3,917$ $11,450$ $6,382$ Total investment income $48,452$ $43,538$ $94,817$ $82,47$ Operating expenses: 1 $9,254$ $7,572$ $18,861$ $14,58$ Loan fees $9,254$ $7,572$ $18,861$ $14,58$ General and administrative $9,254$ $7,572$ $18,861$ $14,58$ Employee compensation: $4,750$ $4,401$ $8,814$ $7,980$ Compensation and benefits $5,916$ $5,331$ $11,262$ $10,01$ Stock-based compensation $1,909$ $1,602$ $3,742$ $4,174$ Total employee compensation $7,825$ $6,933$ $15,004$ $14,192$ Total operating expenses $23,177$ $20,184$ $46,865$ $39,022$ Net investment income $25,275$ $23,354$ $47,952$ $43,452$					
Total fee income7,9463,91711,4506,382Total investment income48,45243,53894,81782,47Operating expenses:9,2547,57218,86114,58Loan fees9,2547,57218,86114,58Loan fees1,3481,2784,1862,267General and administrative4,7504,4018,8147,980Employee compensation:7,8165,33111,26210,01Stock-based compensation1,9091,6023,7424,174Total employee compensation7,8256,93315,00414,19Total operating expenses23,17720,18446,86539,02Net investment income25,27523,35447,95243,455					
Total investment income48,45243,53894,81782,47Operating expenses:9,2547,57218,86114,58Interest9,2547,57218,86114,58Loan fees1,3481,2784,1862,267General and administrative4,7504,4018,8147,980Employee compensation:7,8165,9165,33111,26210,01Stock-based compensation1,9091,6023,7424,174Total employee compensation7,8256,93315,00414,19Total operating expenses23,17720,18446,86539,02Net investment income25,27523,35447,95243,45					
Operating expenses:Interest $9,254$ $7,572$ $18,861$ $14,58$ Loan fees $1,348$ $1,278$ $4,186$ $2,267$ General and administrative $4,750$ $4,401$ $8,814$ $7,980$ Employee compensation: $5,916$ $5,331$ $11,262$ $10,016$ Compensation and benefits $5,916$ $5,331$ $11,262$ $10,016$ Stock-based compensation $1,909$ $1,602$ $3,742$ $4,174$ Total employee compensation $7,825$ $6,933$ $15,004$ $14,196$ Total operating expenses $23,177$ $20,184$ $46,865$ $39,026$ Net investment income $25,275$ $23,354$ $47,952$ $43,456$	Total fee income	7,946		11,450	6,382
Interest9,2547,57218,86114,58Loan fees1,3481,2784,1862,267General and administrative4,7504,4018,8147,980Employee compensation:	Total investment income	48,452	43,538	94,817	82,477
Loan fees1,3481,2784,1862,267General and administrative4,7504,4018,8147,980Employee compensation:5,9165,33111,26210,01Compensation and benefits5,9165,33111,26210,01Stock-based compensation1,9091,6023,7424,174Total employee compensation7,8256,93315,00414,19Total operating expenses23,17720,18446,86539,02Net investment income25,27523,35447,95243,45	Operating expenses:				
General and administrative 4,750 4,401 8,814 7,980 Employee compensation: 200 5,916 5,331 11,262 10,01 Compensation and benefits 5,916 5,331 11,262 10,01 Stock-based compensation 1,909 1,602 3,742 4,174 Total employee compensation 7,825 6,933 15,004 14,195 Total operating expenses 23,177 20,184 46,865 39,025 Net investment income 25,275 23,354 47,952 43,455	Interest	9,254	7,572	18,861	14,589
Employee compensation:Compensation and benefits5,9165,33111,26210,01Stock-based compensation1,9091,6023,7424,174Total employee compensation7,8256,93315,00414,19Total operating expenses23,17720,18446,86539,02Net investment income25,27523,35447,95243,45	Loan fees	1,348	1,278	4,186	2,267
Compensation and benefits5,9165,33111,26210,01Stock-based compensation1,9091,6023,7424,174Total employee compensation7,8256,93315,00414,19Total operating expenses23,17720,18446,86539,02Net investment income25,27523,35447,95243,45	General and administrative	4,750	4,401	8,814	7,980
Stock-based compensation1,9091,6023,7424,174Total employee compensation7,8256,93315,00414,19Total operating expenses23,17720,18446,86539,02Net investment income25,27523,35447,95243,45	Employee compensation:				
Total employee compensation7,8256,93315,00414,19Total operating expenses23,17720,18446,86539,02Net investment income25,27523,35447,95243,45	Compensation and benefits	5,916	5,331	11,262	10,016
Total employee compensation7,8256,93315,00414,19Total operating expenses23,17720,18446,86539,02Net investment income25,27523,35447,95243,45	Stock-based compensation	1,909	1,602	3,742	4,174
Total operating expenses23,17720,18446,86539,02Net investment income25,27523,35447,95243,45		7,825	6,933	15,004	14,190
Net investment income 25,275 23,354 47,952 43,45		23,177	20,184	46,865	39,026
					43,451
Net realized gain (loss) on investments	Net realized gain (loss) on investments				
		(5,319)	25	(2,030)	(4,443)
Control investments $(394) - (445) -$					
		,			(4,443)

Net change in unrealized appreciation (depreciation) on investments				
Non-control/Non-affiliate investments	66,255	(8,159)	34,100	(9,618
Control investments	(53,349)	(3,421)	(53,135)	(3,421
Affiliate investments	681	(2,324)	1,119	(2,199
Total net unrealized appreciation (depreciation) on investments	13,587	(13,904)	(17,916)	(15,238
Total net realized and unrealized gain (loss)	7,874	(13,879)	(20,391)	(19,681
Net increase in net assets resulting from operations	\$33,149	\$9,475	\$27,561	\$23,770
Net investment income before investment gains and losses per common				
share:				
Basic	\$0.31	\$0.32	\$0.58	\$0.59
Change in net assets resulting from operations per common share:				
Basic	\$0.40	\$0.13	\$0.33	\$0.32
Diluted	\$0.40	\$0.13	\$0.33	\$0.32
Weighted average shares outstanding				
Basic	82,292	72,746	81,858	71,959
Diluted	82,395	72,762	81,953	71,965
Distributions declared per common share:				
Basic	\$0.31	\$0.31	\$0.62	\$0.62
See notes to consolidated financial statements.				
E Contraction of the second seco				

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(unaudited)

(dollars and shares in thousands)

Balance at December 31, 2015	Common Shares 72.118		Capital in excess ilucof par valu \$751,902	(Depreciati			nent ons f
Net increase (decrease) in net assets resulting from	,_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	ψ, e	¢,01,00	¢ (02,000) + =,,,,,	÷ (10,020) 4.1.,20
operations				(15,238) (4,443) 43,451	23,770
Public offering, net of offering expenses	2,201	2	23,668		_	_	23,670
Acquisition of common stock under repurchase plan	(450) (1) (4,789) —	_		(4,790)
Issuance of common stock due to stock option exercises	11		118	_	_		118
Issuance of common stock under restricted stock plan	547	1	(1) —			
Retired shares for restricted stock vesting	(192) —	(2,122) —	_	_	(2,122)
Distributions reinvested in common stock	85		997		_		997
Distributions						(45,206) (45,206)
Stock-based compensation ⁽¹⁾	—	—	4,224				4,224
Balance at June 30, 2016	74,320	\$ 75	\$773,997	\$ (68,046) \$ 23,550	\$ (11,781) \$717,795
Balance at December 31, 2016	79,555	\$ 80	\$839,657	\$ (89,025) \$ 37,603	\$ (371) \$787,944
Net increase (decrease) in net assets resulting from							
operations	—	—	_	(17,916) (2,475) 47,952	27,561
Public offering, net of offering expenses	3,309	3	46,908		_	_	46,911
Issuance of common stock due to stock option exercises	27	_	211	_	_	_	211
Retired shares from net issuance	(18) —	(170) —	_	_	(170)
Issuance of common stock under restricted stock plan	10						

Retired shares for restricted							
stock vesting	(145)		(1,988) —			(1,988)
Distributions reinvested in							
common stock	81		1,122				1,122
Issuance of Convertible Notes			3,413				3,413
Distributions						(51,330) (51,330)
Stock-based compensation ⁽¹⁾			3,777				3,777
Balance at June 30, 2017	82,819	\$ 83	\$892,930	\$ (106,941) \$ 35,128	\$ (3,749) \$817,451

(1) Stock-based compensation includes \$35 and \$50 of restricted stock and option expense related to director compensation for the six months ended June 30, 2017 and 2016, respectively.

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

	For the 2017	Six Months End	ed June 30,	2016		
Cash flows from						
operating activities:						
Net increase						
(decrease) in net						
assets resulting from				+		
operations	\$	27,561		\$	23,770	
Adjustments to						
reconcile net increase						
in net assets resulting	5					
from						
operations to not and	2					
operations to net cash						
provided by (used in) operating activities:)					
Purchase of						
investments		(340,632)		(330,750)
Principal and fee		(340,032)		(550,750)
payments received or	n					
investments		349,519			221,331	
Proceeds from the		0.19,019				
sale of investments		18,450			6,041	
Net unrealized		-,			-) -	
depreciation on						
investments		17,916			15,238	
Net realized loss						
(gain) on investments	s	2,475			4,443	
Accretion of						
paid-in-kind principa	1	(4,656)		(3,243)
Accretion of loan						
discounts		(3,776)		(3,776)
Accretion of loan						
discount on						
Convertible Notes		280			82	
Accretion of loan exi	t	(10 CT-			(10.05-	
fees		(10,653)		(10,968)
Change in deferred		19			(44)
loan origination						

revenue				
Unearned fees related				
to unfunded				
commitments	769		(113)
Amortization of debt			(,
fees and issuance				
costs	3,557		1,839	
Depreciation	105		1,057	
Stock-based	105		104	
compensation and				
amortization of				
restricted stock grants				
(1)	3,777		4,224	
Change in operating				
assets and liabilities:				
Interest and fees				
receivable	1,410		(214)
Prepaid expenses and				
other assets	589		(9,041)
Accounts payable			56	
Accrued liabilities	898		(879)
Net cash provided by				
(used in) operating				
activities	67,608		(81,900)
	,		<i>,</i>	/
Cash flows from				
investing activities:				
Purchases of capital				
equipment	(89)	(146)
Reduction of	(0))	(110	,
(increase in)				
restricted cash	(8,904)	5,586	
Net cash (used in)	(0,704)	5,500	
provided by investing activities	(0.002)	5 4 4 0	
activities	(8,993)	5,440	
Cash flows from				
financing activities:				
Issuance of common	46.011		22 (70	
stock, net	46,911		23,670	
Repurchase of			(1 700	ς.
common stock, net			(4,790)
Retirement of	(1.0.17	```	(2.004	
employee shares	(1,947)	(2,004)
Distributions paid	(50,208)	(44,209)
Issuance of				
Convertible Notes	230,000		<u> </u>	
Issuance of 2024	_			
Notes Payable	5,637		141,945	
Repayments of 2019				
Notes Payable	(110,364)	—	

Repayments of 2021					
Asset-Backed Notes		(21,527)	—	
Borrowings of credit					
facilities		8,497		170,985	
Repayments of credit					
facilities		(13,513)	(220,985)
Cash paid for debt					
issuance costs		(4,480)	(4,722)
Cash paid for					
redemption of					
convertible notes		—		(17,604)
Fees paid for credit					
facilities and					
debentures		(253)	(1,307)
Net cash provided by					
financing activities		88,753		40,979	
Net increase					
(decrease) in cash and	b				
cash equivalents		147,368		(35,481)
Cash and cash					
equivalents at					
beginning of period		13,044		95,196	
Cash and cash					
equivalents at end of					
period	\$	160,412		\$ 59,715	
Supplemental					
non-cash investing					
and financing					
activities:					
Distributions					
reinvested		1,122		997	

(1) Stock-based compensation includes \$35 and \$50 of restricted stock and option expense related to director compensation for the six months ended June 30, 2017 and 2016, respectively.

See notes to consolidated financial statements.

7

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2017

(unaudited)

		Type of		Interest Rate and	Principal		
Portfolio Company	Sub-Industry	Investment ⁽¹⁾	Maturity Date	Floor	Amount	Cost ⁽²⁾	Value ⁽³⁾
Debt Investments							
Biotechnology Tools							
1-5 Years Maturity							
Exicure, Inc. ^{(11)(14A)}	Biotechnology Tools	Senior Secured	September 2019	Interest rate PRIME + 6.45% or Floor rate of			
				9.95%	\$6,000	\$6,046	\$6,124
Subtotal: 1-5 Years N	laturity				1 -)	6,046	6,124
Subtotal: Biotechnolo	•					6,046	6,124
Communications & N Under 1 Year Maturity	-						
Achilles Technology Management Co II,	Communications & Networking	Senior Secured	August 2017	PIK Interest			
Inc. ^{(6)(13)(14B)}				10.50%	\$819	928	928
OpenPeak, Inc. ⁽⁷⁾	Communications & Networking	Senior Secured	April 2018	Interest rate PRIME + 8.75% or Floor rate of			
				12.00%	\$11,464	8,228	_
SkyCross, Inc. (6)(7)(13)(14B)(15)	Communications & Networking	Senior Secured	January 2018	Interest rate FIXED 10.95%,	\$14,916	15,058	_

Edgar Filing: Hercules	Capital, Inc	c Form 10-Q
------------------------	--------------	-------------

	Lugar	i ling. Heredi	o oupital, mo.		×		
				PIK Interest 5.00%			
Subtotal: Under 1 Yea	ar Maturity					24,214	928
1-5 Years Maturity							
Spring Mobile Solutions, Inc. (12)(14B)	Communications & Networking	Senior Secured	January 2019	Interest rate PRIME + 6.70%			
				or Floor rate of	* 2 7 2 0	2.026	2.025
	<i>.</i> .			9.95%	\$2,739	2,826	2,827
Subtotal: 1-5 Years M	-					2,826	2,827
Subtotal: Communica						27.040	2755
Networking (0.46%)*						27,040	3,755
Consumer & Business	e Producto						
1-5 Years Maturity	s riouucis						
Antenna79 (p.k.a.	Consumer &	Senior	December 2019	Interest			
Pong Research	Business Products		Determoer 2017	rate			
Corporation) ^{(14A)(15)}	Dusiness Troducts	Securea		PRIME +			
corporation)				7.45%			
				1.1570			
				or Floor			
				rate of			
				10.95%	\$20,000	19,988	20,146
	Consumer &	Senior	December 2018		1 -)	-)	- , -
	Business Products	Secured		rate			
				PRIME +			
				6.00%			
				or Floor			
				rate of			
				9.50%	\$1,000	1,000	1,000
Total Antenna79 (p.k	.a. Pong Research						
Corporation)					\$21,000	20,988	21,146
Second Time Around		Senior	February 2019	Interest			
(Simplify Holdings,	Business Products	Secured		rate			
LLC) ^{(7)(14A)(15)}				PRIME +			
				7.25%			
				101			
				or Floor			
				rate of	¢ 1 00C	1.020	
Cultotal 1 5 V	A a tara aita a			10.75%	\$1,886	1,920	
Subtotal: 1-5 Years M	-					22,908	21,146
Subtotal: Consumer &	x Dusiness					22.000	21 146
Products (2.59%)*						22,908	21,146

Drug Delivery							
Under 1 Year Maturit	.V						
BioQ Pharma Incorporated (10)(14A)(14B)	Drug Delivery	Senior Secured	May 2018	Interest rate PRIME + 8.00%			
				or Floor rate of 11.25%	\$6,356	6,850	6,850
	Drug Delivery	Senior Secured	May 2018	Interest rate PRIME + 7.00%			
				or Floor rate of 10.25%	\$1,898	1,979	1,979
Total BioQ Pharma Ir	ncorporated				\$8,254	8,829	8,829
Subtotal: Under 1 Yea						8,829	8,829
1-5 Years Maturity							
AcelRx Pharmaceuticals, Inc. (9)(10)(14C)(15)	Drug Delivery	Senior Secured	March 2020	Interest rate PRIME + 6.05%			
				or Floor rate of 9.55%	\$20,466	21,340	21,425
Agile Therapeutics, Inc. ^{(10)(14A)}	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 4.75%			
				or Floor rate of 9.00%	\$14,004	14,234	14,150
Antares Pharma Inc. (9)(14A)(15)	Drug Delivery	Senior Secured	July 2022	Interest rate PRIME + 4.50%	φ1,001	1,25	1,100
				or Floor rate of 9.50%	\$25,000	24,862	24,862
Aprecia Pharmaceuticals Company ^{(11)(14A)}	Drug Delivery	Senior Secured	January 2020	Interest rate PRIME + 5.75%	\$15,000	15,221	15,215

				or Floor rate of 9.25%			
Edge Therapeutics, Inc. ⁽¹¹⁾ (14A)	Drug Delivery	Senior Secured	February 2020	Interest rate PRIME + 4.65% or Floor rate of 9.15%	\$20,000	20,131	20,226
Pulmatrix Inc. (8)(10)(14A)	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 6.25% or Floor rate of 9.50%	\$4,639	4,772	4,807
ZP Opco, Inc (p.k.a. Zosano Pharma) (10)(14A)	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 2.70% or Floor rate of 7.95%	\$9,277	9,495	9,465
Subtotal: 1-5 Years M	laturity			1.7570	ψ), 211	110,055	110,150
Subtotal: Drug Delive	-					118,884	118,979

See notes to consolidated financial statements.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2017

(unaudited)

		Type of		Interest Rate and	Principal		
Portfolio Company	Sub-Industry	Investment ⁽¹⁾	Maturity Date	Floor	Amount	Cost ⁽²⁾	Value ⁽³⁾
Drug Discovery & Devel	lopment						
Under 1 Year Maturity							
Cerecor, Inc. ^{(11)(14A)}	Drug Discovery & Development	Senior Secured	August 2017	Interest rate PRIME + 4.70% or Floor rate of 7.95%	\$607	\$792	\$792
Epirus Biopharmaceuticals, Inc. (7)(14A)	Drug Discovery & Development	Senior Secured	April 2018	Interest rate PRIME + 4.70% or Floor rate of 7.95%	\$3,066	3,349	_
Subtotal: Under 1 Year M	Aaturity					4,141	792
1-5 Years Maturity							
Auris Medical Holding, AG ^{(4)(9)(14B)}	Drug Discovery & Development	Senior Secured	January 2020	Interest rate PRIME + 6.05% or Floor rate of 9.55%	\$ 12,500	12,547	12,586
Aveo Pharmaceuticals, Inc. ^{(9)(12)(14A)(14B)}	Drug Discovery & Development	Senior Secured	December 2019	Interest rate PRIME + 6.90%	\$10,000	10,339	10,377

				or Floor rate of 11.90%			
	Drug Discovery & Development	Senior Secured	December 2019	Interest rate PRIME + 6.90% or Floor rate of			
				11.90%	\$10,000	9,842	9,858
Total Aveo Pharmaceution	cals, Inc.				\$20,000	20,181	20,235
Axovant Sciences Ltd. (4)(9)	Drug Discovery & Development	Senior Secured	March 2021	Interest rate PRIME + 6.80% or Floor			
				rate of	¢ 55 000	52 222	52 222
Bellicum Pharmaceuticals, Inc. (14A)(14B)(15)	Drug Discovery & Development	Senior Secured	March 2020	10.55% Interest rate PRIME + 5.85%	\$55,000	53,333	53,333
				or Floor rate of 9.35%	\$15,000	15,421	15,640
	Drug Discovery & Development	Senior Secured	March 2020	Interest rate PRIME + 5.85% or Floor			
				rate of			
	Drug Discovery & Development	Senior Secured	March 2020	9.35% Interest rate PRIME + 5.85%	\$5,000	5,022	5,114
				or Floor rate of 9.35%	\$10,000	10,030	10,163
Total Bellicum Pharmaco		a :	0	T .	\$30,000	30,473	30,917
Brickell Biotech, Inc. (11)(14B)	Drug Discovery & Development	Senior Secured	September 2019	Interest rate PRIME + 5.70%	\$7,262	7,426	7,458

				or Floor rate of 9.20%			
Concert Pharmaceuticals, Inc. (14A)(15)	Drug Discovery & Development	Senior Secured	June 2021	Interest rate PRIME + 4.05% or Floor rate of 8.55%	¢ 20.000	20.540	20.540
CTI BioPharma Corp. (p.k.a. Cell Therapeutics, Inc.) (10)(14A)	Drug Discovery & Development	Senior Secured	December 2018		\$ 30,000 \$ 15,639	29,540 15,469	29,540 15,589
CytRx Corporation (10)(14B)(15)	Drug Discovery & Development	Senior Secured	February 2020	Interest rate PRIME + 6.00% or Floor rate of	¢10,007	10,109	10,009
Genocea Biosciences, Inc. ^{(10)(14A)}	Drug Discovery & Development	Senior Secured	January 2019	9.50% Interest rate PRIME + 2.25% or Floor rate of 7.25%	\$22,573 \$17,000	23,068	23,265
Immune Pharmaceuticals ^{(10)(14B)}	Drug Discovery & Development	Senior Secured	September 2018		\$2,398	2,551	2,551
Insmed, Incorporated (10)(14A)	Drug Discovery & Development	Senior Secured	October 2020	Interest rate PRIME + 4.75% or Floor rate of 9.25%	\$55,000	55,065	55,082

	0	linigi i loroaio					
Metuchen Pharmaceuticals LLC (13)(14A)	Drug Discovery & Development	Senior Secured	October 2020	Interest rate PRIME + 7.25% or Floor rate of 10.75%, PIK Interest 1.35%	\$35,322	35,030	35,221
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) (14A)(15)	Drug Discovery & Development	Senior Secured	September 2020		\$40,000	39,721	39,744
	Drug Discovery & Development	Senior Secured	September 2020		\$ 10,000	9,934	9,937
Total Paratek Pharmaceur	ticals, Inc. (p.k.a	a. Transcept Ph	armaceuticals,	0.50 //	·	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,,,,,,
Inc.) PhaseRx,Inc. ^{(14B)(15)}	Drug Discovery &	Senior Secured	December 2019	rate	\$50,000	49,655	49,681
	Development			PRIME + 5.75% or Floor rate of 9.25%	\$6,000	6,034	6,047
Sorrento Therapeutics, Inc. ^{(9)(14A)}	Drug Discovery & Development	Senior Secured	December 2020			.,	.,
				9.25%	\$30,000	28,879	28,736
Stealth Bio Therapeutics Corp. ^{(4)(9)(14A)}	Drug Discovery & Development	Senior Secured	January 2021	Interest rate PRIME + 5.50%	\$12,500	12,260	12,260

				or Floor			
				rate of			
				9.50%			
uniQure B.V.	Drug	Senior	May 2020	Interest			
(4)(9)(10)(14B)	Discovery &	Secured		rate			
	Development			PRIME +			
				3.00%			
				or Floor			
				rate of			
				8.25%	\$20,000	20,359	20,342
				0.2570	± 20.000		
Verastem, Inc. (14A)(17)	Drug	Senior	December 2020		φ20,000	20,337	20,342
Verastem, Inc. ^{(14A)(17)}	Drug Discovery &	Senior Secured	December 2020		φ20,000	20,337	20,342
Verastem, Inc. ^{(14A)(17)}	•		December 2020	Interest	\$20,000	20,337	20,542
Verastem, Inc. ^{(14A)(17)}	Discovery &		December 2020	Interest rate	\$20,000	20,337	20,372
Verastem, Inc. ^{(14A)(17)}	Discovery &		December 2020	Interest rate PRIME + 6.00%	\$20,000	20,557	20,342
Verastem, Inc. ^{(14A)(17)}	Discovery &		December 2020	Interest rate PRIME + 6.00% or Floor	\$20,000	20,557	20,342
Verastem, Inc. ^{(14A)(17)}	Discovery &		December 2020	Interest rate PRIME + 6.00% or Floor rate of			
	Discovery & Development		December 2020	Interest rate PRIME + 6.00% or Floor	\$2,500	2,465	2,465
Subtotal: 1-5 Years Mat	Discovery & Development urity		December 2020	Interest rate PRIME + 6.00% or Floor rate of			
	Discovery & Development urity y &		December 2020	Interest rate PRIME + 6.00% or Floor rate of		2,465	2,465

See notes to consolidated financial statements.

9

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2017

(unaudited)

		Type of					
Portfolio				Interest Rate	Principal		
Company	Sub-Industry	Investment ⁽¹⁾	Maturity Date	and Floor	Amount	Cost ⁽²⁾	Value ⁽³⁾
Electronics & Con	1						
1-5 Years Maturity				_			
908 DEVICES INC. ^{(14A)(15)(17)}	Electronics & Computer Hardware	Senior Secured	September 2020	Interest rate PRIME + 4.00%			
				or Floor rate			
				of 8.25%	\$7,500	\$7,470	\$7,470
Subtotal: 1-5 Year	-					7,470	7,470
Subtotal: Electroni Hardware (0.91%)	^					7,470	7,470
Healthcare Service							
1-5 Years Maturity				_			
PH Group Holdings	Healthcare Services, Other	Senior Secured	September 2020	Interest rate PRIME + 7.45%			
				or Floor rate			
				of 10.95%	\$20,000	19,841	19,955
	Healthcare Services, Other	Senior Secured	September 2020	Interest rate PRIME + 7.45%			
				or Floor rate			
				of 10.95%	\$10,000	9,899	9,899
Total PH Group H	oldings			01 10.75 /0	\$ 10,000	29,740	29,854
Subtotal: 1-5 Year					φ.50,000	29,740	29,854
Subtotal: Healthca	•					27,710	27,031
(3.65%)*	,					29,740	29,854
Information Servic	ces						

1-5 Years Maturity	у						
MDX Medical, Inc. ⁽¹³⁾⁽¹⁵⁾⁽¹⁷⁾	Information Services	Senior Secured	December 2020	Interest rate PRIME + 4.00% or Floor rate of 8.25%,			
0-14-4-1-1-5 V	. Matavita			PIK Interest 1.70%	\$7,502	7,264	7,264
Subtotal: 1-5 Year						7,264	7,264
Subtotal: Informat (0.89%)*	ion Services					7,264	7,264

	Internet Consumer & Business Services										
1-5 Years Maturity	,										
Aria Systems, Inc. (10)(13)	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 3.20% or Floor rate of 6.95%,							
				PIK Interest 1.95%	\$2,082	2,071	2,068				
	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 5.20% or Floor rate of 8.95%,	Φ2,002	2,071	2,000				
				PIK Interest 1.95%	\$18,646	18,539	18,533				
Total Aria Systems, Inc.					\$20,728	20,610	20,601				
Intent Media, Inc. (13)(14A)(15)	Internet Consumer & Business Services	Senior Secured	May 2019	Interest rate PRIME + 5.25% or Floor rate of 8.75%,	÷ 20,720	20,010	20,001				
				PIK Interest 1.00%	\$5,025	4,929	4,957				
	Internet Consumer & Business Services	Senior Secured	May 2019	Interest rate PRIME + 5.50%	\$2,000	1,938	1,940				

				or Floor rate of 9.00%, PIK Interest 2.35%			
	Internet Consumer & Business Services	Senior Secured	May 2019	Interest rate PRIME + 5.50%			
				or Floor rate of 9.00%,			
				PIK Interest 2.50%	\$2,000	1,938	1,940
Total Intent					¢ 0, 025	0.005	0 0 2 7
Media, Inc. LogicSource (14B)(15)	Internet Consumer & Business Services	Senior Secured	October 2019	Interest rate PRIME + 6.25%	\$9,025	8,805	8,837
				or Floor rate of 9.75%	\$8,001	8,147	8,241
Snagajob.com, Inc. ^{(12)(13)(14A)}	Internet Consumer & Business Services	Senior Secured	July 2020	Interest rate PRIME + 5.15%		, ,	
				or Floor rate of 9.15%,			
				PIK Interest 1.95%	\$35,642	35,125	35,788
Tectura Corporation (6)(7)(8)(13)	Internet Consumer & Business Services	Senior Secured	June 2021	Interest rate FIXED 6.00%,			
				PIK Interest	¢ 10.001	10.001	10.001
	Internet Consumer & Business	Senior Secured	June 2021	3.00% PIK Interest 8.00%	\$19,991	19,991	19,991
	Services				\$11,015	240	
Total Tectura Cor Subtotal: 1-5 Year	s Maturity				\$31,006	20,231 92,918	19,991 93,458
Subtotal: Internet Business Services						92,918	93,458

See notes to consolidated financial statements.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2017

(unaudited)

Portfolio		Type of		Interest Rate and	Principal		
Company	Sub-Industry	Investment ⁽¹⁾	Maturity Date	Floor	Amount	Cost ⁽²⁾	Value ⁽³⁾
Media/Content/Info			5				
Under 1 Year							
Maturity							
Machine Zone, Inc. ⁽¹³⁾⁽¹⁶⁾	Media/Content/Info	Senior Secured	May 2018	Interest rate PRIME + 2.50% or Floor rate of 6.75%, PIK Interest			
				3.00%	\$105,369	\$104,512	\$104,512
Subtotal: Under 1	Year Maturity					104,512	104,512
1-5 Years							
Maturity							
FanDuel, Inc. ^(14B)	Media/Content/Info	Senior Secured	November 2019	Interest rate PRIME + 7.25%			
				or Floor rate of 10.75%	\$20,000	19,871	19,851
WP Technology, Inc. (Wattpad, Inc.) ^{(4)(9)(11)(14B)}	Media/Content/Info	Senior Secured	April 2020	Interest rate PRIME + 4.75% or Floor rate of	¢20,000	17,071	17,001
				8.25%	\$5,000	5,080	5,177

Edgar Filing: Hercules Capital, Inc. - Form 10-Q Media/Content/Info Senior April 2020 Interest Secured rate PRIME + 4.75% or Floor rate of 8.25% 4,997 5,077 \$5,000 Total WP Technology, Inc. (Wattpad, \$10,000 10,077 10,254 Subtotal: 1-5 Years Maturity 29,948 30,105 Subtotal: Media/Content/Info (16.47%)* 134,460 134,617

Inc.)

Medical Devices &	Fauinment						
Under 1 Year	e Equipinent						
Maturity							
Amedica Corporation (8)(14B)(15)	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%	\$4,098	5,678	5,678
Gamma Medica, Inc. ^{(7)(10)(14B)}	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%	\$161	366	_
Subtotal: Under 1	Year Maturity			2.1570	ψ101	6,044	5,678
1-5 Years Maturity						0,011	2,070
Aspire Bariatrics, Inc. ^{(14B)(15)}	Medical Devices & Equipment	Senior Secured	October 2018	Interest rate PRIME + 4.00% or Floor rate of 9.25%	\$3,943	4,173	4,126
IntegenX, Inc. (14B)(15)	Medical Devices & Equipment	Senior Secured	June 2019	Interest rate PRIME + 6.05% or Floor rate of	\$15,000	15,370	15,362

				10.05%			
	Medical Devices & Equipment	Senior Secured	June 2019	Interest rate PRIME + 6.05%			
				or Floor rate of			
Total Integravy				10.05%	\$2,500	2,528	2,528
Total IntegenX, Inc.					\$17,500	17,898	17,890
Micell Technologies, Inc. (11)(14B)	Medical Devices & Equipment	Senior Secured	August 2019	Interest rate PRIME + 7.25%	<i>Ţ</i> ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1,070	
				or Floor rate of 10.50%	\$6,909	7,006	7,070
Quanta Fluid Solutions (4)(9)(10)(14B)	Medical Devices & Equipment	Senior Secured	April 2020	Interest rate PRIME + 8.05%			
				or Floor rate of 11.55%	\$11,625	11,811	11,847
Quanterix Corporation (10)(14A)	Medical Devices & Equipment	Senior Secured	March 2019	Interest rate PRIME + 2.75%			
				or Floor rate of 8.00%	\$9,043	9,427	9,424
Sebacia ^{(14B)(15)}	Medical Devices & Equipment	Senior Secured	July 2020	Interest rate PRIME + 4.35%			
				or Floor rate of 8.85%	\$8,000	7,805	7,805
Tela Bio, Inc. (14A)(15)	Medical Devices & Equipment	Senior Secured	September 2020	Interest rate PRIME + 4.95%			
				or Floor rate of 9.45%	\$5,000	4,945	4,945

	_	-					
Subtotal: 1-5 Year						63,065	63,107
Subtotal: Medical (8.41%)*	Devices & Equipment	Į.				69,109	68,785
(0.1170)						09,109	00,705
Semiconductors Under 1 Year							
Maturity							
Achronix Semiconductor Corporation ⁽¹⁵⁾	Semiconductors	Senior Secured	November 2017	Interest rate PRIME + 7.00% or Floor			
				rate of			
		~ ·	-	10.50%	\$4,025	4,025	4,025
Aquantia Corp. ⁽¹⁷	⁾ Semiconductors	Senior Secured	February 2018	Interest rate PRIME + 3.95%			
				or Floor rate of			
	X7 X X			7.20%	\$5,000	5,000	5,000
Subtotal: Under 1 1-5 Years Maturity	Year Maturity					9,025	9,025
Achronix Semiconductor Corporation (14B)(15)	Semiconductors	Senior Secured	July 2018	Interest rate PRIME + 8.25%			
				or Floor rate of			
				11.50%	\$2,356	2,623	2,607
Subtotal: 1-5 Year Subtotal: Semicon						2,623 11,648	2,607 11,632
Subtotal: Semicon	$(1.42\%)^{*}$					11,048	11,032

See notes to consolidated financial statements.

11

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2017

(unaudited)

		Type of		Interest Rate and	Principal		
Portfolio Company	Sub-Industry	Investment ⁽¹⁾	Maturity Date	Floor	Amount	Cost ⁽²⁾	Value ⁽³⁾
Software							
Under 1 Year Maturity							
Clickfox, Inc. ^{(12)(14C)}	Software	Senior Secured	May 2018	Interest rate PRIME + 8.00% or Floor rate of 11.50%	\$9,672	\$10,437	\$10,437
Cloud Technology Partners, Inc.	Software	Senior Secured	June 2018	Interest rate PRIME + 3.05% or Floor rate of 7.05%	\$3,400	3,400	3,400
JumpStart Games, Inc. (p.k.a Knowledge Holdings, Inc.) (7)(13)(14A)(14C)(15)(18)	Software	Senior Secured	March 2018	Interest rate FIXED 5.75%, PIK Interest 10.75%	\$ 13,000	12,747	3,220
	Software	Senior Secured	February 2017	Interest rate FIXED 5.75%, PIK Interest 10.75%	\$1,566	1,698	429

Total JumpStart Games, Ir	nc. (p.k.a Knov	wledge			¢ 1 / 566	14 445	2 6 4 0
Holdings, Inc.) RedSeal Inc. ^{(14A)(15)(17)}	Software	Senior Secured	August 2017	Interest rate PRIME + 3.25% or Floor rate of 6.50%	\$14,566 \$1,205	14,445	3,649
	Software	Senior Secured	June 2018	Interest rate PRIME + 7.75% or Floor rate of		1,205	
Total RedSeal Inc.				11.00%	\$3,431 \$4,636	3,581 4,786	3,581 4,786
Subtotal: Under 1 Year Ma	aturity				φ + ,050	4,780	4,780
1-5 Years Maturity						55,000	,_ / _
Clarabridge, Inc. ⁽¹³⁾	Software	Senior Secured	April 2021	Interest rate PRIME + 4.80% or Floor rate of 8.55%, PIK Interest 3.25%	\$40,224	40,196	40,196
Cloud Technology Partners, Inc. ^(14A)	Software	Senior Secured	December 2019	Interest rate PRIME + 5.75% or Floor rate of 9.75%	\$ 10,000	9,982	9,914
Evernote Corporation (13)(15)(17)	Software	Senior Secured	October 2020	Interest rate PRIME + 5.45% or Floor rate of 8.95%	\$6,000	5,967	6,134
	Software	Senior Secured	July 2021	Interest rate	\$4,000	3,972	3,972
		Securea		iute			

PRIME + COUNT +		Edgar F	iling: Hercule	s Capital, Inc	Form 10-G	2		
Total Evernote Corporation Software Secured July 2021 Interest 1.25% 9.939 10.106 Fuze, Inc. (130(14A)(15) Software Secured July 2021 Interest 7.37% 9.939 10.106 Fuze, Inc. (130(14A)(15) Software Secured July 2021 Interest 7.37% 9.939 10.106 Fuze, Inc. (130(14A)(15) Software Secured July 2021 Interest 7.37% 9.901 49.901 Impact Radius Holdings, Inc. (130(14A) Software Secured December 2000 Interest 7.42% 9.901 49.901 Interest Inc. (130(14A) Software Secured Jule 2020 Interest 7.42% 4.990 4.990 Interest Inc. (130(14A) Software Secured Jule 2020 Interest 7.42% 4.990 4.990 Interest Interest Interest 7.45% Secured Jule 2020 Interest 7.45% 5.000 4.990 4.990 Interest 7.45% Secured Jule 2020 Interest 7.45% 5.000 4.990 4.990 Interest 7.45% Secured Jule 2020 Interest 7.45% 5.000 Jule 2020 Interest 7.45%								
Interest Total Evernote Corporation Fuze, Inc. (13)(14A)(15) Software Secured Secured July 2021 July 2021 Interest rate PRIME + 3.70% Software Secured Prescure Prescur Prescur Prescure Prescure Prescure Prescure Prescure Prescure					rate of			
Total Evernote Corporation \$10,00 9,939 10,106 Fuze, Inc. (13)(14A)(15) Software Senior July 2021 Interest rate of 7,35%, 7,95					Interest			
Secured rate PRIME + 3.70% rate PRIME + 3.70% rate PRIME + 3.70% Impact Radius Holdings, Inc. (13)(14A) Software Senior December 2020 Feet PRIME + 4.25% PIK Interest rate PRIME + 4.25% \$5,000 49,901 49,901 Inc. (13)(14A) Software Senior December 2020 Interest rate PRIME + 4.25% \$5,000 49,901 49,901 Inc. (13)(14A) (15)(19) Software Senior December 2020 Interest rate PRIME + 4.25% \$5,000 4,990 4,990 Lithium Technologies, Inc. Software Senior June 2020 Interest rate PRIME + 6.45% \$5,000 4,990 4,990 (13)(14A)(15)(19) Secured June 2020 Interest rate PRIME + 6.45% \$5,000 4,990 4,990 (13)(14A)(15)(19) Secured June 2020 Interest rate \$5,000 4,990 4,990 (13)(14A)(15)(19) Fitor Fitor \$5,000 4,990 1,990 OneLogin, Inc. (13)(15) Software Secured August 2019 Interest rate \$15,620 15,838 <td>Total Evernote Corporation</td> <td>1</td> <td></td> <td></td> <td></td> <td>\$10,000</td> <td>9,939</td> <td>10,106</td>	Total Evernote Corporation	1				\$10,000	9,939	10,106
Impact Radius Holdings, Inc. (13)(14A) Software Senior Secured December 2020 Interest 4.25% PIK Interest rate PRIME + 4.25% 550.000 49.901 49.901 Impact Radius Holdings, Inc. (13)(14A) Software Senior Secured December 2020 Interest 1.55% Interest rate PRIME + 4.25% File 49.901 49.901 Lithium Technologies, Inc. Software Senior Secured June 2020 PIK Interest rate PRIME + 6.45% \$5,000 4,990 4,990 Lithium Technologies, Inc. Software Secured June 2020 Interest rate PRIME + 6.45% \$5,000 4,990 4,990 Display (14A)(15)(19) Software Secured June 2020 Interest rate PRIME + 6.45% Software Software <td< td=""><td></td><td></td><td></td><td>July 2021</td><td>rate PRIME +</td><td></td><td>,</td><td></td></td<>				July 2021	rate PRIME +		,	
Interest 1.55% \$50,00 49,901 49,901 Impact Radius Holdings, Inc. (13)(14A) Software Secured December 2020 Reference Interest Ref PRIME + 4.25% Secured Secured<					rate of 7.95%,			
Impact Radius Holdings, Inc. (13)(14A)Software SecuredSenior SecuredDecember 2020 rate PRIME + 4.25%Interest strate PRIME + 4.25%or Floor rate of 8.75%,or Floor rate of 8.75%,PIK Interest 1.55%s5,0004,9904,990Lithium Technologies, Inc. Software (13)(14A)(15)(19)Senior SecuredJune 2020 SecuredInterest rate PRIME + 6.45%s5,0004,9904,990Lithium Technologies, Inc. Software (13)(14A)(15)(19)Senior SecuredJune 2020 SecuredInterest rate rate rate or Floor rate of 9.95%,5,0004,9904,990OneLogin, Inc. (13)(15)Software SecuredSenior SecuredAugust 2019 rateInterest rates rate15,52315,52615,838					Interest	\$ 50,000	40.001	40.001
rate of 8.75%, s	Impact Radius Holdings, Inc. ^{(13)(14A)}	Software		December 2020	Interest rate PRIME + 4.25%	\$ 50,000	49,901	49,901
Interest 1,55% \$5,000 4,990 4,990 Lithium Technologies, Inc. Software (13)(14A)(15)(19) Senior Secured June 2020 Interest rate PRIME + 6.45%					rate of 8.75%,			
Lithium Technologies, Inc. Software (13)(14A)(15)(19)Senior SecuredJune 2020 RecuredInterest rate PRIME + 6.45% Interest rate of 9.95%,or Floor rate of 9.95%,or Floor rate of 9.95%,or Floor rate of 9.95%,or Floor rate of 9.95%,OneLogin, Inc. (13)(15)Software SecuredSenior SecuredAugust 2019 rateInterest rate\$15,623 \$15,52615,838 \$15,838					Interest	\$ 5,000	4 000	4 000
rate of 9.95%, PIK Interest 1.80% \$25,247 25,351 25,351 OneLogin, Inc. ⁽¹³⁾⁽¹⁵⁾ Software Senior August 2019 Secured August 2019 Interest \$15,623 15,526 15,838 rate		. Software		June 2020	Interest rate PRIME +	\$3,000	4,990	4,990
Interest Interest 1.80% \$25,247 25,351 25,351 OneLogin, Inc. ⁽¹³⁾⁽¹⁵⁾ Software Senior August 2019 Interest \$15,623 15,526 15,838 Secured rate rate rate 15,838 15,526 15,838					rate of			
OneLogin, Inc. ⁽¹³⁾⁽¹⁵⁾ Software Senior August 2019 Interest \$15,623 15,526 15,838 Secured rate					Interest	\$ 25 247	25 351	25 351
6.45%	OneLogin, Inc. ⁽¹³⁾⁽¹⁵⁾	Software		August 2019	Interest rate PRIME +			

	Eugai	riing. Hercuit	es Capital, Inc.		لد		
				or Floor rate of 9.95%, PIK Interest 3.25%			
Quid, Inc. ^{(13)(14A)(15)}	Software	Senior Secured	October 2019	Interest rate PRIME + 4.75% or Floor rate of 8.25%, PIK Interest 2.25%	\$8,208	8,278	8,399
RedSeal Inc. ^{(14A)(15)(17)}	Software	Senior Secured	January 2020	Interest rate PRIME + 7.75% or Floor rate of			
Signpost, Inc. ^{(13)(14A)(15)}	Software	Senior Secured	February 2020	11.25% Interest rate PRIME + 4.15% or Floor rate of 8.15%, PIK Interest 1.75%	\$5,000 \$15,373	4,952	4,952
Vela Trading Technologies ⁽¹⁷⁾	Software	Senior Secured	July 2022	Interest rate LIBOR + 9.50% or Floor rate of 10.50%	\$15,200	14,782	14,782
Wrike, Inc. ^{(13)(14A)(17)}	Software	Senior Secured	February 2021	Interest rate PRIME + 6.00%	\$10,062	9,790	9,790

	or Floor rate of 9.50%,		
	PIK Interest 2.00%		
Subtotal: 1-5 Years Maturity		208,993	209,666
Subtotal: Software (28.37%)*		242,061	231,938

See notes to consolidated financial statements.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2017

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Specialty Pharm	naceuticals						
1-5 Years							
Maturity							
Alimera Sciences, Inc. (10)(13)(14A)	Specialty Pharmaceuticals	Senior Secured	November 2020	Interest rate PRIME + 7.50% or Floor rate of 11.00%, PIK Interest			
				1.00%	\$35,218	\$35,049	\$35,398
Jaguar Animal Health, Inc. (10)(14B)	Specialty Pharmaceuticals	Senior Secured	August 2018	Interest rate PRIME + 5.65% or Floor rate of			
				9.90%	\$2,520	2,876	2,821
Subtotal: 1-5 Ye						37,925	38,219
Subtotal: Specia (4.68%)*	lty Pharmaceuticals					37,925	38,219
Surgical Devices							
1-5 Years Maturity							
Transmedics, Inc. ^{(12)(14B)}	Surgical Devices	Senior Secured	February 2020	Interest rate	\$8,500	8,621	8,632

	PRIME + 5.30%		
	or Floor rate of 9.55%		
Subtotal: 1-5 Years Maturity		8,621	8,632
Subtotal: Surgical Devices (1.06%)*		8,621	8,632

Sustainable and Technology	l Renewable						
1-5 Years							
Maturity FuelCell Energy, Inc. (11)(14B)	Sustainable and Renewable Technology	Senior Secured	October 2018	Interest rate PRIME + 5.50% or Floor rate of 9.50%	\$20,000	20,925	21,034
Proterra, Inc. (10)(14A)(14B)	Sustainable and Renewable Technology	Senior Secured	June 2019	Interest rate PRIME + 6.95% or Floor rate of 10.20%	\$ 5,000	5,109	5,137
	Sustainable and Renewable Technology	Senior Secured	June 2019	Interest rate PRIME + 6.95% or Floor rate of 10.20%	\$25,000	25,872	25,814
	Sustainable and Renewable Technology	Senior Secured	June 2019	Interest rate PRIME + 5.75% or Floor rate of 9.25%	\$ 10,000	10,089	10,115
Total Proterra, Inc. Rive Technology,	Sustainable and Renewable	Senior Secured	January 2019	Interest rate	\$40,000 \$6,061	41,070 6,234	41,066 6,283
Inc. (14A)(15)	Technology			PRIME +			

				6.20% or Floor rate of 9.45%			
Tendril Networks (11)(14B)	Sustainable and Renewable Technology	Senior Secured	June 2019	Interest rate FIXED 9.25%	\$13,156	13,765	13,735
Subtotal: Susta	Years Maturity ainable and chnology (10.05%)*					81,994 81,994	82,118 82,118
Total: Debt In	vestments (157.52%)	*				1,324,039	1,287,623

See notes to consolidated financial statements.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2017

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Equity Investments	5					
Biotechnology Tools						
NuGEN Technologies, Inc. (15)	Biotechnology Tools	Equity	Common Stock	55,780	\$500	\$ <i>—</i>
Subtotal: Biotechnology Tools (0	.00%)*				500	_
Communications & Networking						
Achilles Technology	Communications &	Equity	Common			
Management Co II, Inc. ⁽⁶⁾⁽¹⁵⁾	Networking		Stock	100	4,000	1,188
GlowPoint, Inc. ⁽³⁾	Communications &	Equity	Common			
	Networking		Stock	114,192	101	32
Peerless Network Holdings, Inc.	Communications &	Equity	Preferred	1 000 000	1 000	4 505
	Networking		Series A	1,000,000	1,000	4,585
Subtotal: Communications & Net	working $(0.71\%)^*$				5,101	5,805
Consumer & Business Products						
Market Force Information, Inc.	Consumer & Business	Equity	Common			
	Products		Stock	480,261		433
	Consumer & Business	Equity	Preferred			
	Products		Series B-1	187,970	500	280
Total Market Force Information,						
Inc.				668,231	500	713
Subtotal: Consumer & Business F	Products (0.09%)*				500	713
Diagnostic						
Singulex, Inc.	Diagnostic	Equity	Common			
Singulex, inc.	Diagnostic	Equity	Stock	937,998	750	655
Subtotal: Diagnostic (0.08%)*			STOCK	937,990	750	655
Subtotal. Diagnostic (0.0070)					150	055
Drug Delivery						
AcelRx Pharmaceuticals, Inc.	Drug Delivery	Equity	Common			
(3)(9)			Stock	54,240	108	117
BioQ Pharma Incorporated (15)	Drug Delivery	Equity	Preferred			
			Series D	165,000	500	599

		oupital, mo.				
Edge Therapeutics, Inc. ⁽³⁾	Drug Delivery	Equity	Common Stock	53,165	329	545
Merrion Pharmaceuticals, Plc (4)(9)	Drug Delivery	Equity	Common Stock	20,000	9	515
Neos Therapeutics, Inc. ⁽³⁾⁽¹⁵⁾	Drug Delivery	Equity	Common Stock	125,000	1,500	913
Revance Therapeutics, Inc. ⁽³⁾	Drug Delivery	Equity	Common			
Subtotal: Drug Delivery (0.34%)	*		Stock	22,765	557 3,003	601 2,775
Drug Discovery & Development						
Aveo Pharmaceuticals, Inc. (3)(9)(15)	Drug Discovery &	Equity	Common	426 021	1.0(0	050
Cerecor, Inc. ⁽³⁾	Development Drug Discovery &	Equity	Stock Common	426,931	1,060	950
Cerulean Pharma, Inc. ⁽³⁾	Development Drug Discovery &	Equity	Stock Common	119,087	1,000	68
Dicerna Pharmaceuticals, Inc.	Development Drug Discovery &	Equity	Stock Common	135,501	1,000	60
(3)(15) Dynavax Technologies ⁽³⁾⁽⁹⁾	Development Drug Discovery &	Equity	Stock Common	142,858	1,000	453
Epirus Biopharmaceuticals, Inc.	Development Drug Discovery &	Equity	Stock Common	20,000	550	193
	Development		Stock	200,000	1,000	_
Genocea Biosciences, Inc. ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	223,463	2,000	1,166
Inotek Pharmaceuticals Corporation ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	3,778	1,500	7
Insmed, Incorporated ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	70,771	1,000	1,214
Melinta Therapeutics	Drug Discovery & Development	Equity	Preferred Series 4	1,914,448	2,000	2,598
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept	Drug Discovery & Development	Equity	Common Stock	_,, _ ,,	_,	_,_ ,
Pharmaceuticals, Inc.) ⁽³⁾ Subtotal: Drug Discovery & Dev	elopment (1.05%)*			76,362	2,743 14,853	1,840 8,549
	•				,	-)
Electronics & Computer Hardwa		F '/	C			
Identiv, Inc. ⁽³⁾	Electronics & Computer Hardware	Equity	Common Stock	6,700	34	35
Subtotal: Electronics & Compute			Block	0,700	34	35
Information Services						
DocuSign, Inc.	Information Services	Equity	Common Stock	385,000	6,081	7,201
Subtotal: Information Services (0).88%)*				6,081	7,201
Internet Consumer & Business S	ervices					
Blurb, Inc. ⁽¹⁵⁾	Internet Consumer & Business Services	Equity	Preferred Series B	220,653	175	170
Brigade Group, Inc. (p.k.a.	Internet Consumer &	Equity	Common Stock	0.023	03	

Business Services

Philotic, Inc.)

93

9,023

Stock

Lightspeed POS, Inc. (4)(9)	Internet Consumer &	Equity	Preferred			
	Business Services	_1	Series C	230,030	250	245
	Internet Consumer &	Equity	Preferred			
	Business Services		Series D	198,677	250	241
Total Lightspeed POS, Inc.				428,707	500	486
OfferUp, Inc.	Internet Consumer &	Equity	Preferred			
	Business Services		Series A	286,080	1,663	1,917
	Internet Consumer &	Equity	Preferred			
	Business Services		Series A-1	108,710	632	728
Total OfferUp, Inc.				394,790	2,295	2,645
Oportun (p.k.a. Progress	Internet Consumer &	Equity	Preferred			
Financial)	Business Services		Series G	218,351	250	430
	Internet Consumer &	Equity	Preferred			
	Business Services		Series H	87,802	250	254
Total Oportun (p.k.a. Progress						
Financial)				306,153	500	684
RazorGator Interactive Group,	Internet Consumer &	Equity	Preferred			
Inc.	Business Services		Series AA	34,783	15	46
Tectura Corporation ⁽⁶⁾	Internet Consumer &	Equity	Preferred			
-	Business Services		Series BB	1,000,000		
Subtotal: Internet Consumer & B	Business Services					
(0.49%)*					3,578	4,031
See notes to consolidated financi	al statements.					
14						

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2017

(unaudited)

(dollars in thousands)

		Type of				
Portfolio Company	Sub-Industry	Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Media/Content/Info	,					
Pinterest, Inc.	Media/Content/Info	Equity	Preferred			
			Series Seed	620,000	\$4,085	\$4,452
Subtotal: Media/Content/Inf	fo (0.54%)*				4,085	4,452
Madical Daviasa & Equipm	ont					
Medical Devices & Equipme AtriCure, Inc. ⁽³⁾⁽¹⁵⁾	Medical Devices &	Equity	Common			
Autoure, Inc. (1)(1)	Equipment	Equity	Stock	7,536	266	168
Flowonix Medical	Medical Devices &	Equity	Preferred	7,550	200	100
Incorporated	Equipment	1. 5	Series AA	221,893	1,500	
Gelesis, Inc. ⁽¹⁵⁾	Medical Devices &	Equity	Common			
	Equipment		Stock	198,202		888
	Medical Devices &	Equity	Preferred			
	Equipment		Series A-1	191,210	425	954
	Medical Devices &	Equity	Preferred Series A-2	191,626	500	905
Total Gelesis, Inc.	Equipment		Series A-2	581,038	925	903 2,747
HercGamma, Inc. ⁽⁶⁾	Medical Devices &	Equity	Common	561,050	125	2,747
	Equipment	24009	Stock	100	1,169	1,169
Medrobotics Corporation	Medical Devices &	Equity	Preferred		,	,
(15)	Equipment		Series E	136,798	250	236
	Medical Devices &	Equity	Preferred			
	Equipment	1	Series F	73,971	155	185
	Medical Devices &	Equity	Preferred	162 024	500	106
Total Medrobotics	Equipment		Series G	163,934	500	486
Corporation				374,703	905	907
Optiscan Biomedical, Corp.	Medical Devices &	Equity	Preferred	574,705	705	201
(5)(15)	Equipment	-1	Series B	6,185,567	3,000	383
	Medical Devices &	Equity	Preferred			
	Equipment		Series C	1,927,309	655	110
	Medical Devices &	Equity	Preferred			
	Equipment		Series D	55,103,923	5,257	3,826
		Equity		15,638,888	1,308	1,492

	6 6					
	Medical Devices & Equipment		Preferred Series E			
Total Optiscan Biomedical,	Equipment		Series L			
Corp.				78,855,687	10,220	5,811
Outset Medical, Inc. (p.k.a.	Medical Devices &	Equity	Preferred			
Home Dialysis Plus, Inc.)	Equipment	Equity	Series B	232,061	527	566
Quanterix Corporation	Medical Devices & Equipment	Equity	Preferred Series D	272,479	1,000	1,111
Subtotal: Medical Devices &			Series D	272,479	16,512	12,479
					-)-	,
Software						
CapLinked, Inc.	Software	Equity	Preferred	70 (11)	-	0.6
Durana Inc.	Coffmon	Emilia	Series A-3	53,614	51	96
Druva, Inc.	Software	Equity	Preferred Series 2	458,841	1,000	1,584
ForeScout Technologies,	Software	Equity	Preferred	450,041	1,000	1,504
Inc.		_1	Series D	319,099	398	1,937
	Software	Equity	Preferred			
			Series E	80,587	131	493
Total ForeScout				200 (0(500	0.420
Technologies, Inc. HighRoads, Inc.	Software	Equity	Common	399,686	529	2,430
Tinginkoads, me.	Software	Equity	Stock	190	307	
NewVoiceMedia Limited	Software	Equity	Preferred	170	201	
(4)(9)			Series E	669,173	963	1,343
Palantir Technologies	Software	Equity	Preferred			
Carialda Ira	Coffman	E	Series E	727,696	5,431	5,774
Sprinklr, Inc.	Software	Equity	Common Stock	700,000	3,749	3,749
WildTangent, Inc. (15)	Software	Equity	Preferred	700,000	5,747	5,747
		_1	Series 3	100,000	402	175
Subtotal: Software (1.85%)	*				12,432	15,151
Surgical Devices	Sumainal Daviana	Equity	Duofonnod			
Gynesonics, Inc. (15)	Surgical Devices	Equity	Preferred Series B	219,298	250	41
	Surgical Devices	Equity	Preferred	217,270	250	71
	6	1	Series C	656,538	282	57
	Surgical Devices	Equity	Preferred			
			Series D	1,991,157	712	772
	Surgical Devices	Equity	Preferred	2 706 267	420	507
Total Gynesonics, Inc.			Series E	2,786,367 5,653,360	429 1,673	507 1,377
Transmedics, Inc.	Surgical Devices	Equity	Preferred	5,055,500	1,075	1,377
Transmedies, me.	Surgiour Devices	Equity	Series B	88,961	1,100	507
	Surgical Devices	Equity	Preferred			
			Series C	119,999	300	388
	Surgical Devices	Equity	Preferred	• (0, 0, 0, 0)		
	Current on 1 Dawn	Der:	Series D	260,000	650	1,243
	Surgical Devices	Equity	Preferred Series F	100,200	500	600
			Series r	100,200	500	000

Edgar Filing: Hercules	Capital, Inc.	- Form 10-Q
------------------------	---------------	-------------

Total Transmedics, Inc.	569,160	2,550	2,738
Subtotal: Surgical Devices (0.50%)*		4,223	4,115

Sustainable and Renewable Technology

Sustainable and Renewable	Sustainable and Renewable Technology						
Flywheel Building	Sustainable and	Equity	Common				
Intelligence, Inc. (p.k.a.	Renewable Technology		Stock				
SCIEnergy, Inc.)				19,250	761	—	
Glori Energy, Inc. ⁽³⁾	Sustainable and	Equity	Common				
	Renewable Technology		Stock	18,208	165		
Modumetal, Inc.	Sustainable and	Equity	Preferred				
	Renewable Technology		Series C	3,107,520	500	551	
Proterra, Inc.	Sustainable and	Equity	Preferred				
	Renewable Technology		Series 5	99,280	500	516	
Solar Spectrum Holdings	Sustainable and	Equity	Common				
LLC (p.k.a. Sungevity, Inc.)	Renewable Technology		Stock	222	(1.500	0.000	
(6)				333	61,502	8,288	
Subtotal: Sustainable and Re	enewable Technology						
(1.14%)*					63,428	9,355	
Total: Equity Investments (9	9.21%)*				135,080	75,316	

See notes to consolidated financial statements.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2017

(unaudited)

(dollars in thousands)

		Type of				
Portfolio Company	Sub-Industry	Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Warrant Investments	•					
Biotechnology Tools						
Exicure, Inc.	Biotechnology Tools	Warrant	Preferred Series C	104,348	\$107	\$ 202
Labcyte, Inc. ⁽¹⁵⁾	Biotechnology Tools	Warrant	Preferred Series C	1,127,624	323	397
Subtotal: Biotechnology Tools	(0.07%)*				430	599
Communications & Networking	g					
PeerApp, Inc.	Communications & Networking	Warrant	Preferred Series B	298,779	61	27
Peerless Network Holdings, Inc.	Communications & Networking	Warrant	Preferred Series A	135,000	95	345
Spring Mobile Solutions, Inc.	Communications & Networking	Warrant	Common Stock	2,834,375	418	
Subtotal: Communications & N	letworking (0.05%)*				574	372
Consumer & Business Products						
Antenna79 (p.k.a. Pong	Consumer & Business	Warrant	Common	1 ((2 11)	220	
Research Corporation) ⁽¹⁵⁾	Products	XX 7	Stock	1,662,441	228	
Intelligent Beauty, Inc. (15)	Consumer & Business Products	Warrant	Preferred Series B	190,234	230	288
The Neat Company ⁽¹⁵⁾	Consumer & Business Products	Warrant	Preferred Series C-1	540,540	365	200
Subtotal: Consumer & Business			Series C-1	540,540	823	288
	5 1 10 ddets (0.0 170)				025	200
Drug Delivery						
AcelRx Pharmaceuticals, Inc. (3)(9)(15)	Drug Delivery	Warrant	Common Stock	176,730	785	36
Agile Therapeutics, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	180,274	730	136
Aprecia Pharmaceuticals Company	Drug Delivery	Warrant	Preferred Series A-1	735,981	366	31
BIND Therapeutics, Inc. ⁽¹⁵⁾	Drug Delivery	Warrant		152,586	488	

			Common Stock			
BioQ Pharma Incorporated	Drug Delivery	Warrant	Common Stock	459,183	1	379
Celsion Corporation ⁽³⁾	Drug Delivery	Warrant	Common Stock	13,927	428	
Dance Biopharm, Inc. ⁽¹⁵⁾	Drug Delivery	Warrant	Common Stock	110,882	74	_
Edge Therapeutics, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	78,595	390	266
Kaleo, Inc. (p.k.a. Intelliject, Inc.)	Drug Delivery	Warrant	Preferred Series B	82,500	594	306
Neos Therapeutics, Inc. ⁽³⁾⁽¹⁵⁾	Drug Delivery	Warrant	Common Stock	70,833	285	25
Pulmatrix Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	25,150	116	14
ZP Opco, Inc (p.k.a. Zosano Pharma) ⁽³⁾	Drug Delivery	Warrant	Common Stock	72,379	266	5
Subtotal: Drug Delivery (0.15%	6)*			, - · · -	4,523	1,198

See notes to consolidated financial statements.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2017

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Drug Discovery & Development						
ADMA Biologics, Inc. (3)	Drug Discovery & Development	Warrant	Common Stock	89,750	\$295	\$15
Anthera Pharmaceuticals, Inc. ⁽³⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	5,022	984	
Audentes Therapeutics, Inc $^{(3)(9)(15)}$	Drug Discovery & Development	Warrant	Common Stock	9,914	62	82
Auris Medical Holding, AG ⁽³⁾⁽⁴⁾⁽⁹⁾	Drug Discovery & Development	Warrant	Common Stock	156,726	249	21
Aveo Pharmaceuticals, Inc. ⁽³⁾⁽⁹⁾	Drug Discovery & Development	Warrant	Common Stock	2,069,880	396	2,089
Axovant Sciences Ltd. (3)(4)(9)	Drug Discovery & Development	Warrant	Common Stock	274,086	1,269	3,237
Brickell Biotech, Inc.	Drug Discovery & Development	Warrant	Preferred Series C	26,086	119	124
Cerecor, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	22,328	70	
Cerulean Pharma, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	171,901	369	17
Chroma Therapeutics, Ltd. ⁽⁴⁾⁽⁹⁾	Drug Discovery & Development	Warrant	Preferred Series D	325,261	490	
Cleveland BioLabs, Inc. ⁽³⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	7,813	105	1
Concert Pharmaceuticals, Inc. ⁽³⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	132,069	545	369
CTI BioPharma Corp. (p.k.a. Cell Therapeutics, Inc.) ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	29,239	165	4
CytRx Corporation ⁽³⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	634,146	416	150
Dicerna Pharmaceuticals, Inc. ⁽³⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	200	28	
Epirus Biopharmaceuticals, Inc.	Drug Discovery & Development	Warrant	Common Stock	64,194	276	
Epirus Diopharmaceuticais, me.	Development	Warrant	SIUCK	73,009	142	54

Fortress Biotech, Inc. (p.k.a. Coronado Biosciences, Inc.) ⁽³⁾	Drug Discovery & Development		Common Stock			
Corollado Biosciences, Inc.) (*)	•	W.Z units and				
~ ~ ~ (2)	Drug Discovery &	Warrant	Common			
Genocea Biosciences, Inc. ⁽³⁾	Development		Stock	73,725	266	86
	Drug Discovery &	Warrant	Common			
Immune Pharmaceuticals ⁽³⁾	Development		Stock	10,742	164	
	Drug Discovery &	Warrant	Preferred			
Malinto Theneneration	• •	vv arrant		1 202 202	()(561
Melinta Therapeutics	Development		Series 3	1,382,323	626	564
	Drug Discovery &	Warrant	Common			
Nanotherapeutics, Inc. ⁽¹⁵⁾	Development		Stock	171,389	838	245
Neothetics, Inc. (p.k.a. Lithera, Inc)	Drug Discovery &	Warrant	Common			
(3)(15)	Development		Stock	46,838	266	11
(5)(15)	Drug Discovery &	Warrant	Common	10,000	200	••
$N_{1} = 1_{1} + 1_{2} = 1_{2} = (3)(15)$		vv arrain		5 702	77	2
Neuralstem, Inc. ⁽³⁾⁽¹⁵⁾	Development		Stock	5,783	77	2
Paratek Pharmaceuticals, Inc. (p.k.a.	Drug Discovery &	Warrant	Common			
Transcept Pharmaceuticals, Inc.)	Development		Stock			
(3)(15)	-			75,214	178	477
	Drug Discovery &	Warrant	Common			
PhaseRx,Inc. $^{(3)(15)}$	Development		Stock	63,000	125	4
Savara Inc. (p.k.a. Mast	Drug Discovery &	Warrant	Common	,		-
-	Development	vv arrant	Stock	22 167	203	50
Therapeutics, Inc.)				32,467	205	30
Sorrento Therapeutics, Inc.	Drug Discovery &	Warrant	Common			
	Development		Stock	306,748	890	180
Stealth Bio Therapeutics Corp.	Drug Discovery &	Warrant	Preferred			
x x	Development		Series A	487,500	116	116
uniQure B.V.	Drug Discovery &	Warrant	Common	,	110	110
	• •	vv arrain		27 174	010	10
	Development		Stock	37,174	218	10
XOMA Corporation	Drug Discovery &	Warrant	Common			
						10
	Development		Stock	9,063	279	10
Subtotal: Drug Discovery & Develo			Stock	9,063		
Subtotal: Drug Discovery & Develo			Stock	9,063	279 10,226	10 7,918
			Stock	9,063		
Subtotal: Drug Discovery & Develog Electronics & Computer Hardware	pment (0.97%)*	W/		9,063		
	pment (0.97%)* Electronics &	Warrant	Preferred	9,063		
Electronics & Computer Hardware	pment (0.97%)*	Warrant		9,063		
	pment (0.97%)* Electronics &	Warrant	Preferred	9,063 79,856		
Electronics & Computer Hardware	pment (0.97%)* Electronics & Computer Hardware		Preferred Series D		10,226	7,918
Electronics & Computer Hardware	pment (0.97%)* Electronics & Computer Hardware Electronics &	Warrant Warrant	Preferred Series D Common		10,226	7,918
Electronics & Computer Hardware 908 DEVICES INC. ⁽¹⁵⁾	Electronics & Computer Hardware Electronics & Computer		Preferred Series D	79,856	10,226 100	7,918
Electronics & Computer Hardware 908 DEVICES INC. ⁽¹⁵⁾ Clustrix, Inc.	Electronics & Computer Hardware Electronics & Computer Hardware		Preferred Series D Common		10,226 100 12	7,918
Electronics & Computer Hardware 908 DEVICES INC. ⁽¹⁵⁾	Electronics & Computer Hardware Electronics & Computer Hardware		Preferred Series D Common	79,856	10,226 100	7,918
Electronics & Computer Hardware 908 DEVICES INC. ⁽¹⁵⁾ Clustrix, Inc. Subtotal: Electronics & Computer H	Electronics & Computer Hardware Electronics & Computer Hardware		Preferred Series D Common	79,856	10,226 100 12	7,918
Electronics & Computer Hardware 908 DEVICES INC. ⁽¹⁵⁾ Clustrix, Inc.	Electronics & Computer Hardware Electronics & Computer Hardware		Preferred Series D Common	79,856	10,226 100 12	7,918
Electronics & Computer Hardware 908 DEVICES INC. ⁽¹⁵⁾ Clustrix, Inc. Subtotal: Electronics & Computer H	Electronics & Computer Hardware Electronics & Computer Hardware ardware (0.01%)*	Warrant	Preferred Series D Common Stock	79,856	10,226 100 12	7,918
Electronics & Computer Hardware 908 DEVICES INC. ⁽¹⁵⁾ Clustrix, Inc. Subtotal: Electronics & Computer H Healthcare Services, Other	Electronics & Computer Hardware Electronics & Computer Hardware Tardware (0.01%)*		Preferred Series D Common Stock	79,856 50,000	10,226 100 12 112	7,918 114
Electronics & Computer Hardware 908 DEVICES INC. ⁽¹⁵⁾ Clustrix, Inc. Subtotal: Electronics & Computer H Healthcare Services, Other Chromadex Corporation ⁽³⁾⁽¹⁵⁾	Electronics & Computer Hardware Electronics & Computer Hardware dardware (0.01%)* Healthcare Services, Other	Warrant	Preferred Series D Common Stock	79,856	10,226 100 12 112 157	7,918 114
Electronics & Computer Hardware 908 DEVICES INC. ⁽¹⁵⁾ Clustrix, Inc. Subtotal: Electronics & Computer H Healthcare Services, Other	Electronics & Computer Hardware Electronics & Computer Hardware dardware (0.01%)* Healthcare Services, Other	Warrant	Preferred Series D Common Stock	79,856 50,000	10,226 100 12 112	7,918 114
Electronics & Computer Hardware 908 DEVICES INC. ⁽¹⁵⁾ Clustrix, Inc. Subtotal: Electronics & Computer H Healthcare Services, Other Chromadex Corporation ⁽³⁾⁽¹⁵⁾ Subtotal: Healthcare Services, Other	Electronics & Computer Hardware Electronics & Computer Hardware dardware (0.01%)* Healthcare Services, Other	Warrant	Preferred Series D Common Stock	79,856 50,000	10,226 100 12 112 157	7,918 114
Electronics & Computer Hardware 908 DEVICES INC. ⁽¹⁵⁾ Clustrix, Inc. Subtotal: Electronics & Computer H Healthcare Services, Other Chromadex Corporation ⁽³⁾⁽¹⁵⁾	Electronics & Computer Hardware Electronics & Computer Hardware dardware (0.01%)* Healthcare Services, Other	Warrant	Preferred Series D Common Stock	79,856 50,000	10,226 100 12 112 157	7,918 114
Electronics & Computer Hardware 908 DEVICES INC. ⁽¹⁵⁾ Clustrix, Inc. Subtotal: Electronics & Computer H Healthcare Services, Other Chromadex Corporation ⁽³⁾⁽¹⁵⁾ Subtotal: Healthcare Services, Other	Electronics & Computer Hardware Electronics & Computer Hardware dardware (0.01%)* Healthcare Services, Other	Warrant	Preferred Series D Common Stock	79,856 50,000	10,226 100 12 112 157	7,918 114
Electronics & Computer Hardware 908 DEVICES INC. ⁽¹⁵⁾ Clustrix, Inc. Subtotal: Electronics & Computer H Healthcare Services, Other Chromadex Corporation ⁽³⁾⁽¹⁵⁾ Subtotal: Healthcare Services, Other Information Services	Electronics & Computer Hardware Electronics & Computer Hardware ardware (0.01%)* Healthcare Services, Other (0.02%)*	Warrant	Preferred Series D Common Stock	79,856 50,000 139,673	10,226 100 12 112 157 157	7,918 114
Electronics & Computer Hardware 908 DEVICES INC. ⁽¹⁵⁾ Clustrix, Inc. Subtotal: Electronics & Computer H Healthcare Services, Other Chromadex Corporation ⁽³⁾⁽¹⁵⁾ Subtotal: Healthcare Services, Other	Electronics & Computer Hardware Electronics & Computer Hardware ardware (0.01%)* Healthcare Services, Other (0.02%)*	Warrant Warrant Warrant	Preferred Series D Common Stock	79,856 50,000	10,226 100 12 112 157	7,918 114
Electronics & Computer Hardware 908 DEVICES INC. ⁽¹⁵⁾ Clustrix, Inc. Subtotal: Electronics & Computer H Healthcare Services, Other Chromadex Corporation ⁽³⁾⁽¹⁵⁾ Subtotal: Healthcare Services, Other Information Services INMOBI Inc. ⁽⁴⁾⁽⁹⁾	Electronics & Computer Hardware Electronics & Computer Hardware ardware (0.01%)* Healthcare Services, Other (0.02%)*	Warrant	Preferred Series D Common Stock Common Stock Preferred	79,856 50,000 139,673 46,874	10,226 100 12 112 112 157 157 82	7,918 114
Electronics & Computer Hardware 908 DEVICES INC. ⁽¹⁵⁾ Clustrix, Inc. Subtotal: Electronics & Computer H Healthcare Services, Other Chromadex Corporation ⁽³⁾⁽¹⁵⁾ Subtotal: Healthcare Services, Other Information Services	Electronics & Computer Hardware Electronics & Computer Hardware ardware (0.01%)* Healthcare Services, Other (0.02%)*	Warrant Warrant Warrant Warrant Warrant	Preferred Series D Common Stock	79,856 50,000 139,673 46,874 648,400	10,226 100 12 112 112 157 157 82 82 98	7,918 114 114 155 155 15
Electronics & Computer Hardware 908 DEVICES INC. ⁽¹⁵⁾ Clustrix, Inc. Subtotal: Electronics & Computer H Healthcare Services, Other Chromadex Corporation ⁽³⁾⁽¹⁵⁾ Subtotal: Healthcare Services, Other Information Services INMOBI Inc. ⁽⁴⁾⁽⁹⁾	Electronics & Computer Hardware Electronics & Computer Hardware ardware (0.01%)* Healthcare Services, Other (0.02%)*	Warrant Warrant Warrant	Preferred Series D Common Stock Common Stock Preferred	79,856 50,000 139,673 46,874	10,226 100 12 112 112 157 157 82	7,918 114

	Information Services		Preferred Series C-1			
Total InXpo, Inc.				1,813,583	172	42
	Information	Warrant	Common			
MDX Medical, Inc. ⁽¹⁵⁾	Services		Stock	2,250,000	246	215
RichRelevance, Inc.	Information	Warrant	Preferred			
	Services		Series E	112,612	98	—
Subtotal: Information Services (0.03%)*						257

See notes to consolidated financial statements.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2017

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Internet Consumer & Busin						
Aria Systems, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series E	239,692	\$73	\$—
Blurb, Inc. ⁽¹⁵⁾	Internet Consumer & Business Services	Warrant	Preferred Series C	234,280	636	61
CashStar, Inc. (15)	Internet Consumer & Business Services	Warrant	Preferred Series C-2	727,272	130	30
ClearObject, Inc. (p.k.a. CloudOne, Inc.)	Internet Consumer & Business Services	Warrant	Preferred Series E	968,992	19	112
Intent Media, Inc. ⁽¹⁵⁾	Internet Consumer & Business Services	Warrant	Common Stock	140,077	168	148
Just Fabulous, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	206,184	1,102	1,850
Lightspeed POS, Inc. (4)(9)	Internet Consumer & Business Services	Warrant	Preferred Series C	245,610	20	25
LogicSource ⁽¹⁵⁾	Internet Consumer & Business Services	Warrant	Preferred Series C	79,625	30	32
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Warrant	Preferred Series G	174,562	78	175
ShareThis, Inc. ⁽¹⁵⁾	Internet Consumer & Business Services	Warrant	Preferred Series C	493,502	547	
Snagajob.com, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series A	1,575,000	640	782
Tapjoy, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series D	748,670	316	1
Subtotal: Internet Consumer (0.39%)*					3,759	3,216
Media/Content/Info					,	
FanDuel, Inc.	Media/Content/Info	Warrant	Preferred Series E-1	4,648	730	851
Machine Zone, Inc. ⁽¹⁶⁾	Media/Content/Info	Warrant	Common Stock	1,552,710	1,958	4,484
	Media/Content/Info	Warrant	Stock	715,755	385	17

	8 8	1 1				
Rhapsody International, Inc. (15)			Common Stock			
WP Technology, Inc.	Media/Content/Info	Warrant	Common			
(Wattpad, Inc.) $^{(4)(9)}$	Wiedła Content/III0	vv arrant	Stock	255,818	4	8
	Media/Content/Info	Warrant	Preferred	233,010	4	0
Zoom Media Group, Inc.	Media/Content/IIII0	w arrant		1 204	240	21
	(D. ((C))+		Series A	1,204	348	21
Subtotal: Media/Content/Info	0 (0.66%)*				3,425	5,381
Medical Devices & Equipme	nt					
Amedica Corporation $(3)(15)$	Medical Devices &	Warrant	Common			
*	Equipment		Stock	103,225	459	5
Aspire Bariatrics, Inc. ⁽¹⁵⁾	Medical Devices &	Warrant	Preferred	,		
r i i i i i i i i i i i i i i i i i i i	Equipment		Series B-1	112,858	455	303
Avedro, Inc. ⁽¹⁵⁾	Medical Devices &	Warrant	Preferred	112,000	100	202
rivedro, me.	Equipment	vv arrant	Series AA	300,000	401	316
Flowonix Medical	Medical Devices &	Warrant	Preferred	500,000	101	510
Incorporated	Equipment	vv arrain	Series AA	155,325	362	
Gelesis, Inc. ⁽¹⁵⁾	Medical Devices &	Warrant	Preferred	155,525	302	_
Gelesis, Inc. (19)		vv arrant		74 70 4	70	015
I = (2)(4)(0)	Equipment	XX 7	Series A-1	74,784	78	215
InspireMD, Inc. $^{(3)(4)(9)}$	Medical Devices &	Warrant	Common	20.244	2.12	
(15)	Equipment		Stock	39,364	242	1
IntegenX, Inc. ⁽¹⁵⁾	Medical Devices &	Warrant	Preferred			
	Equipment		Series C	547,752	15	33
Medrobotics Corporation ⁽¹⁵⁾	Medical Devices &	Warrant	Preferred			
	Equipment		Series E	455,539	370	360
Micell Technologies, Inc.	Medical Devices &	Warrant	Preferred			
	Equipment		Series D-2	84,955	262	277
NetBio, Inc.	Medical Devices &	Warrant	Preferred			
	Equipment		Series A	7,841	408	123
NinePoint Medical, Inc. (15)	Medical Devices &	Warrant	Preferred			
,	Equipment		Series A-1	587,840	170	73
Optiscan Biomedical, Corp.	Medical Devices &	Warrant	Preferred			
(5)(15)	Equipment		Series D	10,535,275	1,252	180
Outset Medical, Inc. (p.k.a.	Medical Devices &	Warrant	Preferred	10,000,270	1,202	100
Home Dialysis Plus, Inc.)	Equipment	vv arrant	Series A	500,000	402	410
Quanterix Corporation	Medical Devices &	Warrant	Preferred	500,000	402	410
Qualiterix Corporation		vv arrain	Series C	172 100	100	01
	Equipment	Wannant	Preferred	173,428	180	82
	Medical Devices &	Warrant		20.020	25	16
	Equipment		Series D	38,828	25	16
Total Quanterix Corporation		** *		212,256	205	98
Sebacia ⁽¹⁵⁾	Medical Devices &	Warrant	Preferred			
	Equipment		Series D	778,301	133	133
SonaCare Medical, LLC	Medical Devices &	Warrant	Preferred			
(p.k.a. US HIFU, LLC)	Equipment		Series A	6,464	188	_
Strata Skin Sciences, Inc.	Medical Devices &	Warrant	Common			
(p.k.a. MELA Sciences, Inc.)	Equipment		Stock	13,864	402	
(3) Tela Bio, Inc. ⁽¹⁵⁾	Medical Devices &	Warrant	Preferred	15,004	T 02	
		vv all'alli		120 210	20	10
\mathbf{V}_{i} and \mathbf{D}_{i} are $(3)(15)$	Equipment	Warnet	Series B	129,310	20	12
ViewRay, Inc. $^{(3)(15)}$	Medical Devices &	Warrant	Common	100 001	222	120
	Equipment		Stock	128,231	333	130

Subtotal: Medical Devices & Equipment (0.33%)*

See notes to consolidated financial statements.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2017

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Semiconductors						
Achronix Semiconductor Corporation ⁽¹⁵⁾	Semiconductors	Warrant	Preferred Series C	360,000	\$160	\$15
	Semiconductors	Warrant	Preferred Series D-2	750,000	99	307
Total Achronix Semiconductor C	orporation			1,110,000	259	322
Aquantia Corp.	Semiconductors	Warrant	Preferred Series G	196,831	4	168
Avnera Corporation	Semiconductors	Warrant	Preferred Series E	141,567	46	114
Subtotal: Semiconductors (0.07%)*		Series E	141,507	309	604
	,				007	001
Software						
Actifio, Inc.	Software	Warrant	Common Stock	73,584	249	79
	Software	Warrant	Preferred	, 0,001	,	.,
			Series F	31,673	343	60
Total Actifio, Inc.				105,257	592	139
Braxton Technologies, LLC	Software	Warrant	Preferred Series A	168,750	188	
CareCloud Corporation ⁽¹⁵⁾	Software	Warrant	Preferred Series B	413,433	258	634
Clickfox, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred Series B	1,038,563	330	152
	Software	Warrant	Preferred	1,038,303	330	132
	Software	vv arrant	Series C	592,019	730	183
	Software	Warrant	Preferred	572,017	150	105
		·· ····	Series C-A	2,218,214	230	3,673
Total Clickfox, Inc.				3,848,796	1,290	4,008
Cloud Technology Partners, Inc.	Software	Warrant	Preferred	,,	,	,
			Series C	113,960	34	4
Evernote Corporation ⁽¹⁵⁾	Software	Warrant	Common Stock	62,500	106	131
Fuze, Inc. ⁽¹⁵⁾	Software	Warrant		256,158	89	89

			Preferred			
			Series F			
JumpStart Games, Inc. (p.k.a	Software	Warrant	Preferred			
Knowledge Holdings, Inc.) ⁽¹⁵⁾			Series E	614,333	16	—
Mattersight Corporation ⁽³⁾	Software	Warrant	Common			
			Stock	357,143	538	173
Message Systems, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred			
			Series C	503,718	334	306
Mobile Posse, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred			
			Series C	396,430	130	130
Neos, Inc. ⁽¹⁵⁾	Software	Warrant	Common			
			Stock	221,150	22	18
NewVoiceMedia Limited (4)(9)	Software	Warrant	Preferred			
			Series E	225,586	33	125
OneLogin, Inc. ⁽¹⁵⁾	Software	Warrant	Common			
			Stock	228,972	150	348
Poplicus, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred			
			Series C	2,595,230		5
Quid, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred			
			Series D	71,576	1	5
RedSeal Inc. ⁽¹⁵⁾	Software	Warrant	Preferred			
			Series C-Prime	640,603	66	81
Signpost, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred			
			Series C	324,005	314	130
Sonian, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred	,		
,			Series C	185,949	106	109
Wrike, Inc.	Software	Warrant	Common			
··· · · · · · · · · · · · · · · · · ·			Stock	139,751	462	691
Subtotal: Software (0.87%)*				,	4,729	7,126
					.,,	.,
Specialty Pharmaceuticals						
Alimera Sciences, Inc. ⁽³⁾	Specialty	Warrant	Common			
	Pharmaceuticals		Stock	1,717,709	861	584
Subtotal: Specialty Pharmaceutic			Stoon	1,717,702	861	584
Suctour. Speciary I numiliceutie	(0.0770)				001	501
Surgical Devices						
Gynesonics, Inc. ⁽¹⁵⁾	Surgical Devices	Warrant	Preferred			
Gynesomes, me.	Surgical Devices	vv arrant	Series C	180,480	75	14
	Surgical Devices	Warrant	Preferred	100,400	15	17
	Surgical Devices	vv arrant	Series D	1,575,965	320	278
Total Gynesonics, Inc.			Series D	1,756,445	320 395	278
Transmedics, Inc.	Surgical Devices	Warrant	Preferred	1,750,445	575	L7L
	Surgical Devices	vv allallt	Series B	40,436	225	12
	Sumainal Devices	Woment		40,430	223	12
	Surgical Devices	Warrant	Preferred	175.000	100	542
	Constant D	XX7 - mark	Series D	175,000	100	543
	Surgical Devices	Warrant	Preferred	50 544	20	
			Series F	50,544	38	66
Total Transmedics, Inc.		265,980	363	621		
Subtotal: Surgical Devices (0.119	<i>(</i> 0)*				758	913

See notes to consolidated financial statements.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2017

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾	
Sustainable and Renewable Technology							
Agrivida, Inc. ⁽¹⁵⁾	Sustainable and Renewable	Warrant	Preferred				
	Technology		Series D	471,327	\$ 120	\$ 110	
Alphabet Energy, Inc. (15)	Sustainable and Renewable	Warrant	Preferred				
	Technology		Series 1B	13,667	82		
American Superconductor	Sustainable and Renewable	Warrant	Common				
Corporation ⁽³⁾	Technology		Stock	58,823	39	29	
Brightsource Energy, Inc.	Sustainable and Renewable	Warrant	Preferred				
	Technology		Series 1	116,666	104	_	
Calera, Inc. ⁽¹⁵⁾	Sustainable and Renewable	Warrant	Preferred				
	Technology		Series C	44,529	513		
EcoMotors, Inc. ⁽¹⁵⁾	Sustainable and Renewable						
	Technology						