

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

FORM 10-K

(Mark One)

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

FOR THE FISCAL YEAR ENDED December 31, 2014

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

COMMISSION FILE NUMBER: 814-00852

GSV Capital Corp.

(Exact name of registrant as specified in its charter)

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

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

94062
(Zip Code)

(650) 235-4769

(Registrant's telephone number, including area code)

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

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

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

None

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

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

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

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

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

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

(Do not check if a smaller reporting company)

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

The aggregate market value of common stock beneficially owned by non-affiliates of the Registrant on June 30, 2014, based on the closing price on that date of \$10.57 on the NASDAQ Capital Market, was \$203,542,146. For the purposes of calculating this amount only, all directors and executive officers of the Registrant have been treated as affiliates. There were 19,320,100 shares of the Registrant's common stock outstanding as of March 16, 2015.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement relating to the registrant's 2015 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of the Company's fiscal year, are incorporated by reference in Part III of this Annual Report on Form 10-K as indicated herein.

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PART I

Item 1. Business

GSV Capital

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

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

We seek to deploy capital primarily in the form of non-controlling equity and equity-related investments, including common stock, warrants, preferred stock and similar forms of senior equity, which may or may not be convertible into a portfolio company’s common equity, and convertible debt securities with a significant equity component.

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

Our common stock is traded on the NASDAQ Capital Market under the symbol “GSVC”. The net asset value per share of our common stock on December 31, 2014 was \$14.80. On December 31, 2014, the last reported sale price of a share of our common stock on the NASDAQ Capital Market was \$8.63.

About GSV Asset Management

Our investment activities are managed by GSV Asset Management, an investment adviser registered under the Investment Advisers Act of 1940, as amended, or the “Advisers Act.” GSV Asset Management is led by Michael T. Moe, our chief executive officer and chairman of our board of directors. Mr. Moe is assisted by William Tanona, our chief financial officer, treasurer and corporate secretary, and Mark Flynn, our president, whom we refer to collectively as GSV Asset Management’s senior investment professionals. Mr. Moe co-founded and previously served as chairman and chief executive officer of ThinkEquity Partners, an asset management and investment banking firm focusing on venture capital, entrepreneurial and emerging private companies. Prior to founding ThinkEquity, Mr. Moe served as Head of Global Growth Research at Merrill Lynch and before that served as Head of Growth Research and Strategy at Montgomery Securities.

We believe we benefit from the ability of our investment adviser’s senior investment professionals and board of advisers (the “Advisory Board”) to identify attractive investment opportunities, conduct diligence on and value prospective investments, negotiate terms, and manage and monitor a portfolio of those investments. Our investment adviser’s senior investment professionals and Advisory Board members have broad investment backgrounds, with prior experience at investment banks, commercial banks, unregistered investment funds and other financial services companies, and have collectively developed a broad network of contacts that provides us with an important source of investment opportunities.

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

Investment Opportunity

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

At the same time, we believe that the initial public offering, or “IPO,” markets have experienced substantial structural changes which have made it significantly more challenging for private companies to go public. Volatile equity markets, a lack of investment research coverage for private and smaller companies and investor demand for a longer history of revenue and earnings growth have resulted in companies staying private significantly longer than in the past. In addition, increased public company compliance obligations such as those imposed by the Sarbanes-Oxley Act of 2002 have made it more costly and less attractive to become a public company. As a result, there are significantly fewer IPOs today than there were during the 1990’s, with prospective public companies taking longer to come to market. For example, from 1991 – 2000, there were 4,361 IPOs in the United States, of which 1,701 were venture-capital backed. From 2011 – 2013 there were 401 IPOs, of which 198 were venture capital backed.

Investment Strategy

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

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

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

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

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

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

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

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

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

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

Competitive Advantages

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

- **Experienced team of investment professionals.** Our investment adviser's senior investment professionals, its Advisory Board and our board of directors have significant experience researching and investing in the types of potentially rapidly growing venture capital-backed emerging companies we are targeting for investment. Through our proprietary company evaluation process, including our identification of technology trends and themes and company research, we believe we have developed important insight into identifying and valuing emerging private companies.
- **Disciplined and repeatable investment process.** We have established a disciplined and repeatable process to locate and acquire available shares at attractive valuations by utilizing multiple sources. In contrast to industry "aggregators" that accumulate stock at market prices, we conduct valuation analyses and make acquisitions only when we can invest at valuations that we believe are attractive to our investors. Following this process, we have completed investments in the 52 companies in our portfolio as of December 31, 2014.
- **Deep relationships with significant credibility to source and complete transactions.** GSV Asset Management and its senior investment professionals are strategically located in the heart of Silicon Valley in Woodside, California. During the course of over two decades of researching and investing

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in emerging private companies, our investment adviser's senior investment professionals have developed strong reputations within the investing community, particularly within technology-related sectors. Our investment adviser's Advisory Board members and our board of directors have also developed strong relationships in the financial, investing and technology-related sectors.

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

Operating and Regulatory Structure

GSV Capital was formed as a Maryland corporation that is an externally managed, non-diversified closed-end management investment company. We completed our initial public offering in May 2011 and have elected to be treated as a business development company under the 1940 Act. As a business development company, we are required to meet regulatory tests, including the requirement to invest at least 70% of our gross assets in "qualifying assets." Qualifying assets generally include, among other things, securities of "eligible portfolio companies." "Eligible portfolio companies" generally include U.S. companies that are not investment companies and that do not have securities listed on a national exchange. If at any time less than 70% of our gross assets are comprised of qualifying assets, including as a result of an increase in the value of any non-qualifying assets or decrease in the value of any qualifying assets, we would generally not be permitted to acquire any additional non-qualifying assets until such time as 70% of our then current gross assets were comprised of qualifying assets. We would not be required, however, to dispose of any non-qualifying assets in such circumstances. See "Business — Regulation as a Business Development Company." We may elect to be treated for federal income tax purposes as a RIC effective for the 2013 tax year. In September, 2014 we filed our 2013 tax return as a RIC and are seeking to be granted RIC status for our 2013 taxable year, however, we will not be eligible to elect to be treated as a RIC for the 2013 taxable year unless we are certified by the SEC ("SEC Certification"), as "principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available" for the 2013 taxable year. Although we filed an application with the SEC for an SEC Certification for the 2013 taxable year, there can be no assurance that we will receive an SEC Certification. In the event that we do not receive such SEC Certification or we are otherwise unable to meet all of the qualifications to be treated as a RIC for 2013, we will be taxed as a C Corporation for the 2013 taxable year. To that end, for purposes of our financial statements, we have accrued taxes as though we were a C Corporation for the 2013 taxable year, in the event we are unable to qualify as a RIC. Should we not qualify as a RIC for 2013, we intend to elect to be treated as a RIC for our 2014 taxable year, if management determines that it is in our best interests to do so. For example, it may not be in our best interests in the event that we experience large operating losses or have large loss carryforwards. If we opt not to do so or are unable to qualify, we will continue to be taxed as a C corporation under the Code for our 2014 taxable year. See "Business — Material U.S. Federal Income Tax Considerations."

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

Investment Process

Concentrated Technology-related Focus

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

Investment Targeting and Screening

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

Research and Due Diligence Process

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

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

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Portfolio Construction and Sourcing

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

Transaction Execution

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

Risk Management and Monitoring

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

Portfolio Overview

The following table shows the fair value of our portfolio of investments by asset class as of December 31, 2014, and 2013, excluding United States Treasury Bills.

	December 31, 2014		December 31, 2013	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
Private Portfolio Companies:				
Common Stock	\$ 85,598,467	17.9%	\$ 81,410,161	22.2%
Preferred Stock	193,847,045	40.5	129,925,500	35.5
Common Membership Interest	—	—	557,084	0.2
Term Loans	1,374,210	0.3	750,000	0.2
Warrants	904,345	0.2	489,657	0.1
Subtotal – Private Portfolio Companies	281,724,067	58.9	213,132,402	58.2
Publicly Traded Portfolio Companies:				
Common Stock	89,260,250	18.7	142,251,251	38.8
Total Private and Publicly Traded Portfolio Companies:	370,984,317	77.6	355,383,653	97.0
Non-Portfolio Investments	107,298,098	22.4	10,865,200	3.0
Total Investments	\$478,282,415	100.0%	\$366,248,853	100.0%

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Our ten largest portfolio company investments at December 31, 2014, based on the combined fair value of the securities we hold in each portfolio company, were as follows:

Portfolio Company	Industry	Cost	Fair Value	% of Net Asset Value
Twitter, Inc.	Social Communication	\$ 27,551,563	\$ 57,413,522	20.08%
Palantir Technologies, Inc.	Cyber Security	17,198,903	45,475,315	15.90
Dropbox, Inc.	Online Storage	13,656,926	25,068,483	8.77
2U, Inc. (f/k/a 2tor, Inc.)	Online Education	10,032,117	23,342,509	8.16
Coursera, Inc.	Online Education	14,519,519	14,510,855	5.08
Solexel, Inc.	Solar Power	14,018,399	14,027,466	4.91
Avenue Global Holdings LLC ⁽¹⁾	Globally-focused Private School	10,151,854	11,303,410	3.95
SugarCRM, Inc.	Customer Relationship Manager	8,299,914	11,260,934	3.94
OzyMedia, Inc.	Daily News and Information Site	8,500,199	10,738,090	3.76
Declara, Inc.	Social Cognitive Learning	9,999,999	10,019,825	3.50
Total		\$133,929,393	\$223,160,409	78.05%

(1) Whittle Schools, LLC is a derivative investment with economics linked to Avenues Global Holdings LLC.

Set forth below are descriptions of the ten largest portfolio investments as of December 31, 2014:

Twitter, Inc. — A social networking company. Twitter, Inc. is a real-time information network that allows users to send and receive information.

Palantir Technologies, Inc. — Solves critical intelligence and security issues for government agencies, banks, and large institutions.

Dropbox, Inc. — A provider of cloud storage that enables users to store and share files across the internet.

2U, Inc. (f/k/a 2tor, Inc.) — Partners with universities, providing technology solutions to manage students from recruitment to post-graduation job placement, as well as develop and deliver curriculum in a virtual environment.

Coursera, Inc. — An education company that partners with the top universities and organizations in the world to offer courses online for anyone to take, for free.

Solexel, Inc. — Is developing high-efficiency, low-cost, crystalline silicon solar cells and modules for photovoltaic electricity generation.

Avenues Global Holdings LLC — A private pre-K through 12th grade school that aspires to ultimately become a single school with multiple integrated global campuses, raising the global standard for top-tier private schools.

SugarCRM, Inc. — An affordable and easy-to-use customer relationship management (CRM) platform, designed to help businesses communicate with prospects, share sales information, close deals, and keep customers happy.

OzyMedia, Inc. — A next generation media business focused on the Change Generation — a subset of 20-, 30- and 40-somethings that are driving the unexpected and the unconventional to great heights.

Declara, Inc. — An intelligent learning platform that combines social sharing, learning paths, personalized content discovery, and feedback and efficacy analytics to deliver learning results.

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Managerial Assistance

As a business development company, we are required to offer, and in some cases may provide and be paid for, significant managerial assistance to portfolio companies. This assistance typically involves monitoring the operations of portfolio companies, participating in their board and management meetings, consulting with and advising their officers and providing other organizational and financial guidance.

Competition

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

Employees

While we have executive officers, they receive no direct compensation from us, and we have no direct employees. Our day-to-day investment operations are managed by our investment adviser. In addition, we reimburse GSV Capital Service Company for an allocable portion of expenses incurred by it in performing its obligations under the Administration Agreement, including a portion of the rent and the compensation of our chief financial officer and chief compliance officer and any administrative support personnel. See “Business — Investment Advisory Agreement.”

Determination of Net Asset Value

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

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

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

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

1. Public trading of our portfolio securities, taking into consideration lock-up requirements and liquidity;
2. Active trading of our portfolio securities on a private secondary market, where we have determined that there is meaningful volume and the transactions are considered arm's length by sophisticated investors;
3. Qualified funding rounds in the companies in which we are invested, where there is meaningful and reputable information available on size, valuation and investors; and
4. Additional investments by us in current portfolio companies, where the price of the new investment differs materially from prior investments.

There is inherent subjectivity in determining the fair value of our investments. In addition, we will accrue as a liability, each time we calculate net asset value, the amount which we may owe our Adviser for the income incentive fee and capital gains incentive fee, the latter of which is based on the amount of unrealized and realized capital appreciation. We expect that most of our portfolio investments, other than those for which market quotations are readily available and that may be sold without restriction, will be valued at fair value as determined in good faith by our board of directors, with the assistance of our valuation committee. Furthermore, when calculating net asset value, the Company also considers its recognition of a deferred tax liability for unrealized gains on investments.

Investment Advisory Agreement

Management Services

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

- determines the composition of our portfolio, the nature and timing of the changes to our portfolio and the manner of implementing such changes;
- determines what securities we will purchase, retain or sell;
- identifies, evaluates and negotiates the structure of the investments we make; and
- closes, monitors and services the investments we make.

GSV Asset Management's services under the Investment Advisory Agreement are not exclusive, and it is free to furnish similar services to other entities so long as its services to us are not impaired. GSV Asset Management currently serves as the investment adviser for GSV X Fund ("GSV X Fund"), a global long/short absolute return fund and Coursera@GSV Fund, LP, a special purpose vehicle comprised of an underlying investment in Coursera stock. GSV Asset Management does not anticipate that it will ordinarily identify investment opportunities that are appropriate for both GSV Capital and the other funds that are currently or in the future may be managed by GSV Asset Management. However, to the extent it does identify such opportunities, GSV Asset Management will allocate such opportunities between GSV Capital and such other funds pursuant to an established procedure that is designed to ensure that such allocation is fair and equitable.

Management Fees

We pay GSV Asset Management a fee for its services under the Investment Advisory Agreement consisting of two components — a base management fee and an incentive fee. The cost of both the base management fee payable to GSV Asset Management, and any incentive fees earned by GSV Asset Management, are ultimately borne by our common stockholders.

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The base management fee (the “Base Fee”) is calculated at an annual rate of 2.00% of our gross assets, which is defined as our total assets as reflected on our balance sheet (with no deduction for liabilities). For the years ended December 31, 2014, and December 31, 2013, the Base Fee was payable monthly in arrears, and was calculated based on the average value of our gross assets at the end of the two most recently completed calendar quarters, and appropriately adjusted for any equity or debt capital raises, repurchases or redemptions during the current calendar quarter. The Base Fee for any partial month or quarter was appropriately pro-rated.

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

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

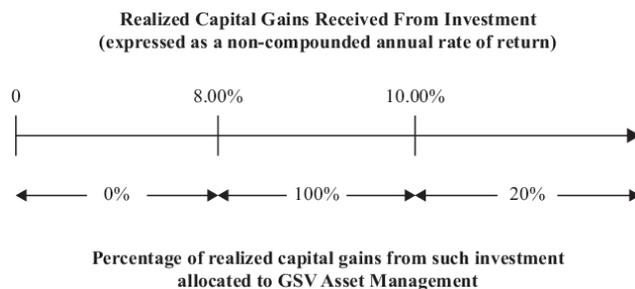
Our realized capital gains from each investment, expressed as a non-compounded annual rate of return on the cost of such investment since we initially acquired it, will be compared to a hurdle rate of 8.00% per year. We will only pay an incentive fee on any realized capital gains from an investment that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

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

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

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



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

Example: Calculation of incentive fee

Alternative 1:

Assumptions

- Hurdle rate = 8.00% non-compounded annual rate of return
- Hurdle rate = (purchase price) \times (8% \times (days owned/365))
- Catch-up rate = 10.00% non-compounded annual rate of return
- Catch-up rate = (purchase price) \times (10% \times (days owned/365))
- Year 1: \$20,000,000 investment made on March 15 in Company A (“Investment A”), and \$30,000,000 investment made on February 1 in Company B (“Investment B”)
- Year 2: Investment A is sold on September 15 for \$25,000,000, and fair market value (“FMV”) of Investment B is determined to be \$28,000,000
- Year 3: FMV of Investment B is determined to be \$28,000,000
- Year 4: Investment B is sold on March 1 for \$38,000,000

The incentive fee would be calculated as follows:

- Year 1: None
- Year 2: Incentive fee calculation:
 - Hurdle rate for Investment A = (\$20,000,000) \times (8% \times (550 days/365))
 - Hurdle rate for Investment A = \$2,410,959
 - Catch-up rate for Investment A = (\$20,000,000) \times (10% \times (550 days/365))
 - Catch-up rate for Investment A = \$3,013,699
 - Incentive fee on Investment A = 20% \times \$5,000,000 (since the hurdle rate has been satisfied and the catch up has been fully achieved)
 - Incentive fee on Investment A = \$1,000,000

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- Maximum incentive fee = $20\% \times (\text{cumulative realized capital gains} - (\text{cumulative realized losses} + \text{cumulative net unrealized depreciation})) - (\text{previously paid incentive fees})$
- Maximum incentive fee = $20\% \times (\$5,000,000 - \$2,000,000 (\text{unrealized depreciation on Investment B}))$
- Maximum incentive fee = $20\% \times \$3,000,000$
- Maximum incentive fee = \$600,000
- Incentive fee paid = \$600,000 (because the incentive fee payable on Investment A exceeds the maximum incentive fee, the maximum incentive fee applies)
- Year 3: None
- Year 4: Incentive fee calculation:
 - Hurdle rate for Investment B = $(\$30,000,000) \times (8\% \times (1,124 \text{ days}/365))$
 - Hurdle rate for Investment B = \$7,390,685
 - Catch-up rate for Investment B = $(\$30,000,000) \times (10\% \times (1,124 \text{ days}/365))$
 - Catch-up rate for Investment B = \$9,238,356
 - Incentive fee on Investment B = $100\% \times (\$8,000,000 - \$7,390,685)$ (since the hurdle rate has been satisfied, but the catch up has not been fully achieved)
 - Incentive fee on Investment B = \$609,315
 - Maximum incentive fee = $20\% \times (\text{cumulative realized capital gains} - (\text{cumulative realized losses} + \text{cumulative net unrealized depreciation})) - (\text{previously paid incentive fees})$
 - Maximum incentive fee = $(20\% \times \$13,000,000) - (\$600,000 (\text{previously paid incentive fees}))$
 - Maximum incentive fee = \$2,000,000
 - Incentive fee paid = \$609,315 (because the incentive fee payable on Investment B does not exceed the maximum incentive fee)

Alternative 2:

Assumptions

- Hurdle rate = 8.00% non-compounded annual rate of return
- Hurdle rate = $(\text{purchase price}) \times (8\% \times (\text{days owned}/365))$
- Catch-up rate = 10.00% non-compounded annual rate of return
- Catch-up rate = $(\text{purchase price}) \times (10\% \times (\text{days owned}/365))$
- Year 1: \$20 million investment made on March 15 in Company A (“Investment A”), \$30 million investment made on February 1 in Company B (“Investment B”), and \$25 million investment made on September 1 in Company C (“Investment C”)
- Year 2: Investment A is sold on September 15 for \$50 million, FMV of Investment B is determined to be \$25 million, and FMV of Investment C is determined to be \$25 million
- Year 3: FMV of Investment B is determined to be \$27 million and Investment C is sold on December 1 for \$30 million
- Year 4: FMV of Investment B is determined to be \$35 million
- Year 5: Investment B is sold on March 1 for \$20 million

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The incentive fee would be calculated as follows:

- Year 1: None
- Year 2: Incentive fee calculation:
 - Hurdle rate for Investment A = $(\$20,000,000) \times (8\% \times (550 \text{ days}/365))$
 - Hurdle rate for Investment A = \$2,410,959
 - Catch-up rate for Investment A = $(\$20,000,000) \times (10\% \times (550 \text{ days}/365))$
 - Catch-up rate for Investment A = \$3,013,699
 - Incentive fee on Investment A = $20\% \times \$30,000,000$ (since the hurdle rate has been satisfied and the catch up has been fully achieved)
 - Incentive fee on Investment A = \$6,000,000
 - Maximum incentive fee = $20\% \times (\text{cumulative realized capital gains} - (\text{cumulative realized losses} + \text{cumulative net unrealized depreciation})) - (\text{previously paid incentive fees})$
 - Maximum incentive fee = $20\% \times (\$30,000,000 - \$5,000,000 \text{ (unrealized depreciation on Investment B)})$
 - Maximum incentive fee = \$5,000,000
 - Incentive fee paid = \$5,000,000 (because the incentive fee payable on Investment A exceeds the maximum incentive fee, the maximum incentive fee applies)
- Year 3: Incentive fee calculation:
 - Hurdle rate for Investment C = $(\$25,000,000) \times (8\% \times (822 \text{ days}/365))$
 - Hurdle rate for Investment C = \$4,504,110
 - Catch-up rate for Investment C = $(\$25,000,000) \times (10\% \times (822 \text{ days}/365))$
 - Catch-up rate for Investment C = \$5,630,137
 - Incentive fee on Investment C = $100\% \times (\$5,000,000 - \$4,504,110)$ (since the hurdle rate has been satisfied, but the catch up has not been fully achieved)
 - Incentive fee on Investment C = \$495,890
 - Maximum incentive fee = $20\% \times (\text{cumulative realized capital gains} - (\text{cumulative realized losses} + \text{cumulative net unrealized depreciation})) - (\text{previously paid incentive fees})$
 - Maximum incentive fee = $20\% \times (\$35,000,000 - \$3,000,000 \text{ (unrealized depreciation on Investment B)}) - (\$5,000,000 \text{ (previously paid incentive fees)})$
 - Maximum incentive fee = \$1,400,000
 - Incentive fee paid = \$495,890 (because the incentive fee payable on Investment C does not exceed the maximum incentive fee)
- Year 4: None
- Year 5: None

We seek to deploy capital primarily in the form of non-controlling investments in our portfolio companies. Although we primarily invest through private secondary markets, to the extent we make a direct minority investment in a portfolio company, neither we, nor our investment adviser, GSV Asset Management, may have the ability to control the timing of when we realize capital gains or losses with respect to such investment. We expect the timing of such realization events to be determined by our portfolio companies in such cases. To the extent we have non-minority investments, or the securities we hold are traded on a private secondary market or public securities exchange, GSV Asset Management will have greater control over the

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timing of a realization event. In such cases, our board of directors will monitor such investments in connection with their general oversight of the investment management services provided by GSV Asset Management. In addition, as of the end of each fiscal quarter, we will evaluate whether the cumulative aggregate unrealized appreciation on our portfolio would be sufficient to require us to pay an incentive fee to our investment adviser if such unrealized appreciation were actually realized as of the end of such quarter, and if so, we will accrue an expense equal to the amount of such incentive fee. Any such accrual of incentive fees will be reflected in the calculation of our net asset value.

Payment of our Expenses

All personnel of our investment adviser when and to the extent engaged in providing investment advisory services, and the compensation and expenses of such personnel allocable to such services, are provided and paid for by GSV Asset Management. We are responsible for all other costs and expenses of our operations and transactions, including (without limitation) the cost of calculating our net asset value; the cost of effecting sales and repurchases of shares of our common stock and other securities; investment advisory fees; fees payable to third parties relating to, or associated with, making investments (including the legal, accounting and travel expenses incurred in connection with making investments), including fees and expenses associated with performing due diligence reviews of prospective investments (in each case subject to approval of our board of directors); transfer agent and custodial fees; fees and expenses associated with marketing efforts (including attendance at investment conference and similar events); federal and state registration fees; any exchange listing fees; federal, state and local taxes; independent directors' fees and expenses; brokerage commissions; costs associated with our reporting and compliance obligations under the 1940 Act and applicable federal and state securities laws including costs of proxy statements, stockholders' reports and notices; fidelity bond, directors and officers/errors and omissions liability insurance and other insurance premiums; direct costs such as printing, mailing, long distance telephone, staff, independent audits and outside legal costs and all other expenses incurred by either GSV Capital Service Company or us in connection with administering our business, including payments under the Administration Agreement that are based upon our allocable portion of overhead and other expenses incurred by GSV Capital Service Company in performing its obligations under the Administration Agreement, including a portion of the rent and the compensation of our chief financial officer and chief compliance officer and other staff providing administrative services. All of these expenses are ultimately borne by our common stockholders.

Duration and Termination

The Investment Advisory Agreement was reapproved by our board of directors on March 5, 2015. Unless earlier terminated as described below, the Investment Advisory Agreement will remain in effect from year to year if approved annually by our board of directors or by the affirmative vote of the holders of a majority of our outstanding voting securities, including, in either case, approval by a majority of our directors who are not interested persons of any such party, as such term is defined in Section 2(a)(19) of the 1940 Act. The Investment Advisory Agreement will automatically terminate in the event of its assignment. The Investment Advisory Agreement may be terminated by either party without penalty upon not more than 60 days' written notice to the other. The Investment Advisory Agreement may also be terminated, without penalty, upon the vote of a majority of our outstanding voting securities.

Indemnification

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

Organization of the Investment Adviser

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

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Board Approval of the Investment Advisory Agreement

Our Board of Directors determined at a meeting held on March 5, 2015 to reapprove the Investment Advisory Agreement. In its consideration of the reapproval of the Investment Advisory Agreement, the Board of Directors focused on information it had received relating to, among other things:

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

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

Administration Agreement

Pursuant to a separate Administration Agreement, GSV Capital Service Company, a Delaware limited liability company, furnishes us with office facilities, together with equipment and clerical, bookkeeping and record-keeping services at such facilities. The principal executive offices of GSV Capital Service Company are located at 2925 Woodside Road, Woodside, CA 94062. Under the Administration Agreement, GSV Capital Service Company also performs, or oversees the performance of, our required administrative services, which includes being responsible for the financial records which we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, GSV Capital Service Company assists us in determining and publishing our net asset value, overseeing the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others. Payments under the Administration Agreement are based upon our allocable portion of overhead and other expenses incurred by GSV Capital Service Company in performing its obligations under the administration agreement, including a portion of the rent and the compensation of our chief financial officer and chief compliance officer and other staff providing administrative services. In accordance with the terms of the Administration Agreement, overhead and other administrative expenses are generally allocated between us and GSV Asset Management by reference to the relative time spent by personnel in performing administrative and similar functions on our behalf as compared to performing investment advisory or administrative functions on behalf of GSV Asset Management. To the extent personnel retained by GSV Service Company perform administrative tasks for GSV Asset Management, the fees incurred with respect to the actual time dedicated to such tasks will be reimbursed by GSV Asset Management. While there is no limit on the total amount of

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expenses we may be required to reimburse to GSV Capital Service Company, our administrator will only charge us for the actual expenses it incurs on our behalf, or our allocable portion thereof, without any profit to GSV Capital Service Company. The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party.

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

GSV Capital Service Company also provides administrative services to our investment adviser, GSV Asset Management. As a result, GSV Asset Management also reimburses GSV Capital Service Company for its allocable portion of GSV Capital Service Company's overhead, including rent, the fees and expenses associated with performing compliance functions for GSV Asset Management, and its allocable portion of the compensation of any administrative support staff.

License Agreement

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

Regulation as a Business Development Company

General

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

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

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

As a business development company, we are generally required to meet an asset coverage ratio, defined under the 1940 Act as the ratio of our gross assets (less all liabilities and indebtedness not represented by senior securities) to our outstanding senior securities, of at least 200% after each issuance of senior securities.

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We may also be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our directors who are not interested persons and, in some cases, prior approval by the SEC.

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

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

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

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

Qualifying Assets

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

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

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

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

Managerial Assistance to Portfolio Companies

In addition, a business development company must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described above in Qualifying Assets categories 1, 2 or 3. However, in order to count portfolio securities as qualifying assets for the purpose of the 70% test, a business development company generally must offer to make available to the issuer of the securities significant managerial assistance, except in circumstances where either (i) the business development company controls such issuer of securities or (ii) the business development company purchases such securities in conjunction with one or more other persons acting together and one of the other persons in the group makes available such managerial assistance. Making available managerial assistance means, among other things, any arrangement whereby the business development company, through its directors, officers or employees, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company.

Temporary Investments

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

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Senior Securities

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

Code of Ethics

We and GSV Asset Management have each adopted a code of ethics pursuant to Rule 17j-1 under the 1940 Act and Rule 204A-1 under the Advisers Act, respectively, that establishes procedures for personal investments and restricts certain transactions by our personnel. Our codes of ethics generally do not permit investments by our employees in securities that may be purchased or held by us. You may read and copy these codes of ethics at the SEC’s Public Reference Room in Washington, D.C. You may obtain information on the operation of the Public Reference Room by calling the SEC at (202) 551-8090. In addition, each code of ethics is available on the EDGAR Database on the SEC’s Internet site at <http://www.sec.gov>. You may also obtain copies of the codes of ethics, after paying a duplicating fee, by electronic request at the following Email address: publicinfo@sec.gov, or by writing the SEC’s Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549.

Compliance Policies and Procedures

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

Sarbanes-Oxley Act of 2002

The Sarbanes-Oxley Act of 2002 imposes a wide variety of regulatory requirements on publicly-held companies and their insiders. Many of these requirements affect us. For example:

- pursuant to Rule 13a-14 of the Exchange Act, our chief executive officer and chief financial officer must certify the accuracy of the financial statements contained in our periodic reports;
- pursuant to Item 307 of Regulation S-K, our periodic reports must disclose our conclusions about the effectiveness of our disclosure controls and procedures;
- pursuant to Rule 13a-15 of the Exchange Act, our management prepares an annual report regarding its assessment of our internal control over financial reporting, and obtains an audit of the effectiveness of internal control over financial reporting performed by our independent registered public accounting firm; and
- pursuant to Item 308 of Regulation S-K and Rule 13a-15 of the 1934 Act, our periodic reports must disclose whether there were significant changes in our internal controls over financial reporting or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The Sarbanes-Oxley Act requires us to review our current policies and procedures to determine whether we comply with the Sarbanes-Oxley Act and the regulations promulgated thereunder. We will continue to monitor our compliance with all regulations that are adopted under the Sarbanes-Oxley Act and will take actions necessary to ensure that we are in compliance therewith.

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Proxy Voting Policies and Procedures

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

Introduction

An investment adviser registered under the Advisers Act has a fiduciary duty to act solely in the best interests of its clients. As part of this duty, we recognize that we must vote client securities in a timely manner free of conflicts of interest and in the best interests of our clients.

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

Proxy Policies

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

Our proxy voting decisions will be made by the senior officers who are responsible for monitoring each of our clients’ investments. To ensure that our vote is not the product of a conflict of interest, we will require that: (1) anyone involved in the decision making process disclose to our managing members any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (2) employees involved in the decision making process or vote administration are prohibited from revealing how we intend to vote on a proposal in order to reduce any attempted influence from interested parties.

Proxy Voting Records

You may obtain information about how we voted proxies by making a written request for proxy voting information to: GSV Asset Management, 2925 Woodside Road, Woodside, CA 94062.

Privacy Principles

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

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

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

Material U.S. Federal Income Tax Considerations

The following discussion is a general summary of the material U.S. federal income tax considerations applicable to us and to an investment in our shares. This summary does not purport to be a complete description of the income tax considerations applicable to such an investment. For example, we have not

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described tax consequences that may be relevant to certain types of holders subject to special treatment under U.S. federal income tax laws, including stockholders subject to the alternative minimum tax, tax-exempt organizations, insurance companies, dealers in securities, a trader in securities that elects to use a mark-to-market method of accounting for its securities holdings, pension plans and trusts, and financial institutions. This summary assumes that investors hold our common stock as capital assets (within the meaning of the Internal Revenue Code of 1986, as amended the "Code"). The discussion is based upon the Code, Treasury regulations, and administrative and judicial interpretations, each as of the date of this annual report on Form 10-K and all of which are subject to change, possibly retroactively, which could affect the continuing validity of this discussion. This summary does not discuss any aspects of U.S. estate or gift tax or foreign, state or local tax. It does not discuss the special treatment under U.S. federal income tax laws that could result if we invested in tax-exempt securities or certain other investment assets.

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

- A citizen or individual resident of the United States;
- A corporation or other entity treated as a corporation, for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any political subdivision thereof (and an entity organized outside of the United States that is treated as a U.S. corporation under specialized sections of the Code);
- A trust if a court within the United States is asked to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantive decisions of the trust (or a trust that has made a valid election to be treated as a U.S. trust); or
- An estate, the income of which is subject to U.S. federal income taxation regardless of its source.

A "Non-U.S. stockholder" generally is a beneficial owner of shares of our common stock who is not a U.S. stockholder.

If a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) holds shares of our common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A prospective stockholder that is a partner of a partnership holding shares of our common stock should consult his, her or its tax advisers with respect to the purchase, ownership and disposition of shares of our common stock. Tax matters are complicated and the tax consequences to an investor of an investment in our shares will depend on the facts of his, her or its particular situation. We encourage investors to consult their own tax advisers regarding the specific consequences of such an investment, including tax reporting requirements, the applicability of federal, state, local and foreign tax laws, eligibility for the benefits of any applicable tax treaty and the effect of any possible changes in the tax laws.

Election to be Taxed as a RIC

We may elect to be treated for federal income tax purposes as a RIC effective for the 2013 tax year. In September, 2014 we filed our 2013 tax return as a RIC and are seeking to be granted RIC status for our 2013 taxable year, however, we will not be eligible to elect to be treated as a RIC for the 2013 taxable year unless we are certified by the SEC as "principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available" for the 2013 taxable year. Although we filed an application with the SEC for an SEC Certification for the 2013 taxable year, there can be no assurance that we will receive an SEC Certification. In the event that we do not receive such SEC Certification or we are otherwise unable to meet all of the qualifications to be treated as a RIC for 2013, we will be taxed as a C Corporation for the 2013 taxable year. To that end, for purposes of our financial statements, we have accrued taxes as though we were a C Corporation for the 2013 taxable year, in the event we are unable to qualify as a RIC. Should we not qualify as a RIC for 2013, we intend to elect to be treated as a RIC for our 2014 taxable year, if we are able to satisfy the requirements under subchapter M of the Code and if management determines that it is in our best interests to do so. For example, it may not be in our best

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interests in the event that we experience large operating losses or have large loss carryforwards. If we opt not to do so or are unable to qualify, we will continue to be taxed as a C corporation under the Code for our 2014 taxable year. If we qualify as a RIC for 2013, then we will be a RIC for 2014 to the extent we satisfy the qualification tests. For purposes of our financial statements, we have accrued taxes as though we were a C Corporation for the 2014 taxable year. However if we do qualify as a RIC for 2013, we will be required to file as a RIC for 2014 and future tax years to the extent we qualify as a RIC in such years.

To qualify as a RIC, we must, among other things, meet certain source-of-income and the quarterly asset diversification requirements (as described below). In addition, in order to qualify for the special treatment afforded to RICs, we are required to distribute to our stockholders on a timely basis each year at least 90% of “investment company taxable income,” which is generally our net ordinary income plus the excess of realized net short-term capital gains over realized net long-term capital losses (the “Annual Distribution Requirement”). We intend to elect to be treated as a RIC for our 2014 taxable year, if we qualify and if management determines that it is in our best interests to do so or we receive SEC certification for 2013 and qualify to elect RIC status in 2014. If we opt not to elect RIC status or are unable to qualify, we will continue to be taxed as a C corporation under the Code for our 2014 taxable year.

The Company evaluates tax positions taken or expected to be taken in the course of preparing its consolidated financial statements to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. The Company recognizes the tax benefits of uncertain tax positions only when the position has met the “more-likely-than-not” threshold. The Company classifies penalties and interest associated with income taxes, if any, as income tax expense. Conclusions regarding tax positions are subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analyses of tax laws, regulations and interpretations thereof. Although the Company filed its 2013 tax return in September 2014 as a RIC, it continues to provide for deferred income taxes in its financial statements as if it were a C-Corporation, due to the uncertainties discussed above. The Company is unable to make a reasonably reliable estimate of when, if ever, it will become eligible to be treated as a RIC and thereby release the deferred tax assets and liabilities associated with being a C-Corporation. The Company has identified its major tax jurisdictions as U.S. federal and California.

Taxation as a Regulated Investment Company

If we:

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

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

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

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

- have in effect an election to be treated as a business development company under the 1940 Act at all times during each taxable year;
- derive in each taxable year at least 90% of our gross income from dividends, interest, payments with respect to loans of certain securities, gains from the sale of stock or other securities or foreign currencies, net income from certain “qualified publicly traded partnerships,” or other income derived with respect to our business of investing in such stock or securities (the “90% Income Test”); and
- diversify our holdings so that at the end of each quarter of the taxable year:

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- at least 50% of the value of our assets consists of cash, cash equivalents, U.S. Government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of our assets or more than 10% of the outstanding voting securities of the issuer; and
- no more than 25% of the value of our assets is invested in the securities, other than U.S. government securities or securities of other RICs, of one issuer, of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses, or of certain “qualified publicly traded partnerships” (the “Diversification Tests”).

Provided that we satisfy the Diversification Tests as of the close of any quarter, we will not fail the Diversification Tests as of the close of a subsequent quarter as a consequence of a discrepancy between the value of our assets and the requirements of the Diversification Tests that is attributable solely to fluctuations in the value of our assets. Rather, we will fail the Diversification Tests as of the end of a subsequent quarter only if such a discrepancy existed immediately after our acquisition of any asset and was wholly or partly the result of that acquisition. In addition, if we fail the Diversification Tests as of the end of any quarter, we will not lose our status as a RIC if we eliminate the discrepancy within thirty days of the end of such quarter and, if we eliminate the discrepancy within that thirty-day period, we will be treated as having satisfied the Diversification Tests as of the end of such quarter for purposes of applying the rule described in the preceding sentence, assuming that it is not the 1st quarter of RIC qualification.

An alternative 50% Diversification Test applies to certain RICs that obtain SEC Certification for the applicable taxable year. Such SEC Certification may not be received earlier than 60 days prior to the close of the taxable year to which it applies. If a RIC has received this certification, then, for purposes of the 50% Diversification Test, securities of an issuer will be treated as good investments as long as the RIC’s basis in the securities of such issuer did not exceed 5% of the RIC’s total assets when acquired whether or not the RIC owns more than 10% of the voting securities of such issuer. This alternative test does not apply to the securities of any issuer if the RIC has continuously held securities of the issuer for 10 or more years preceding the applicable quarter end. The 25% Diversification Test is not affected by this alternative 50% Diversification Test. On December 4, 2013 we filed an application with the SEC for SEC Certification for our 2013 taxable year. We can provide no assurance that we will receive such certification. If we fail to receive this SEC Certification, we will not be able to satisfy the 50% Diversification Test for 2013 and therefore would not be eligible to make an election to be treated as a RIC for our 2013 taxable year.

Upon converting from a C corporation to a RIC, we may be required to pay a corporate-level tax on the net amount of the net built-in gains, if any, in our assets (i.e., the amount by which the net fair market value of our assets exceeds our net adjusted basis in our assets) as of the date of conversion (i.e., the beginning of the first taxable year that we qualify as a RIC) to the extent that such gains are recognized by us during the applicable recognition period, which is the ten-year period (or shorter applicable period) beginning on the date of conversion. Alternatively, we may make a special election to cause the gain to be recognized at the time of the conversion. In that event, we would be required to recognize such built-in gain as if our assets were sold at the time of the conversion. We do not anticipate making this election at this time. Any corporate-level built-in gain tax is payable at the time the built-in gains are recognized (which generally will be the years in which the built-in gain assets are sold in a taxable transaction). The amount of this tax will vary depending on the assets that are actually sold by us in the applicable period, the amount of realized gain (loss), the actual amount of net built-in gain or loss present in those assets as of the date of conversion, and the effective tax rates at such times. The payment of any such corporate-level tax on built-in gains will be a company expense that will reduce the amount available for distribution to stockholders. As of January 1, 2013, we did not have net unrealized built-in gain. Accordingly, the built-in gains tax will not apply to the extent that we qualify to be a RIC for the 2013 tax year. If we are not a RIC for 2013, but we elect to be a RIC for 2014, then we expect to not incur any built-in gains tax for the 2014 tax year because there are sufficient net operating loss and net capital loss carryforwards to offset any built-in gains.

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

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

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

Gain or loss realized by us from the sale or exchange of warrants acquired by us as well as any loss attributable to the lapse of such warrants generally will be treated as capital gain or loss. The treatment of such gain or loss as long-term or short-term will depend on how long we held a particular warrant. Upon the exercise of a warrant acquired by us, our tax basis in the stock purchased under the warrant will equal the sum of the amount paid for the warrant plus the strike price paid on the exercise of the warrant.

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Item 1A. Risk Factors

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

Risks Related To Our Investments

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

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

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

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

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

Our portfolio investments will generally not be in publicly traded securities. As a result, although we expect that some of our equity investments may trade on private secondary marketplaces, the fair value of our direct investments in portfolio companies will often not be readily determinable. Under the 1940 Act, for our investments for which there are no readily available market quotations, including securities that while listed

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

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

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

Illustration. The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns on the portfolio, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing in the table below.

Assumed Return on Portfolio (Net of Expenses)	-10%	-5%	0%	5%	10%
Corresponding Return to Stockholders ⁽¹⁾	-20.07%	-11.27%	-2.47%	6.33%	15.13%

(1) Assumes \$503.3 million in total assets and \$112.0 million in total debt outstanding, which reflects our total assets and total debt outstanding as of December 31, 2014 (adjusted to include the assumption that we issue \$25.0 million of additional debt at an interest rate equal to 8% per annum).

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

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

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

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

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

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

A consequence of our limited number of investments is that the aggregate returns we realize may be significantly adversely affected if a small number of investments perform poorly or if we need to write down the value of any one investment. For example, as of December 31, 2014, over half of our net asset value was comprised of investments in four portfolio companies. Beyond the asset diversification requirements necessary to qualify as a RIC, we have general guidelines for diversification, however, our investments could be concentrated in relatively few issuers. In addition, our investments may be concentrated in a limited number of market sectors, including in technology-related sectors. As a result, a downturn in any market sector in which a significant number of our portfolio companies operate or the deterioration of the market position of any portfolio company in which we have a material position could materially adversely affect us.

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

Given the experience of our investment adviser's senior investment professionals and its Advisory Board members within the technology space, we expect that a number of the companies with respect to which we invest will operate in technology-related sectors. The revenues, income (or losses) and valuations of technology-related companies can and often do fluctuate suddenly and dramatically. In addition, because of rapid technological change, the average selling prices of products and some services provided by technology-related sectors have historically decreased over their productive lives. As a result, the average selling prices of products and services offered by our portfolio companies that operated in technology-related sectors may decrease over time, which could adversely affect their operating results and, correspondingly, the

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value of any equity securities that we may hold. This could, in turn, materially adversely affect our business, financial condition and results of operations.

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

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

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

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

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

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

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

While we invest primarily in U.S. companies, we may invest on an opportunistic basis in certain non-U.S. companies, including those located in emerging markets, that otherwise meet our investment criteria, although in no event will the aggregate value of our non-U.S. investments exceed 30% of the aggregate value of our total investment portfolio. Investing in foreign companies, and particularly those in emerging markets, may expose us to additional risks not typically associated with investing in U.S. issues. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. Further, we may have difficulty enforcing our rights as equity holders in foreign jurisdictions. In addition, to the extent we invest in non-U.S. companies, we may face greater exposure to foreign economic developments.

Although we expect that most of our investments will be U.S. dollar-denominated, any investments denominated in a foreign currency will be subject to the risk that the value of a particular currency will

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change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments.

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

If we engage in hedging transactions, we may expose ourselves to risks associated with such transactions. We may utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates and market interest rates. Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. However, such hedging can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions may also limit the opportunity for gain if the values of the underlying portfolio positions should increase. It may not be possible to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at an acceptable price. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss. In addition, it may not be possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of factors not related to currency fluctuations.

Risks Relating to Our Business and Structure

We are a relatively new company with little operating history, and our investment adviser has only a limited history of investing experience.

We were initially formed in September 2010 and completed our initial public offering in May 2011. As a result, we have relatively limited financial information on which you can evaluate an investment in our company or our prior performance and a limited history of operating pursuant to the requirements to continue as a BDC under the 1940 Act and to qualify as a RIC under the Code. For example, in the fiscal year ended December 31, 2012, we failed to satisfy certain tests required for us to qualify as a RIC under the Code. In addition, our investment adviser, GSV Asset Management, was formed in November 2009, and has only a limited history of investing experience managing a pool of assets substantially smaller in size than the net proceeds that were received in the initial public offering. We are subject to all of the business risks and uncertainties associated with any new business, including the risk that we will not achieve our investment objective and that the value of your investment could decline substantially or fall to zero.

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

We intend to continue to qualify as a business development company under the 1940 Act. The 1940 Act imposes numerous constraints on the operations of business development companies. For example, business development companies are required to invest at least 70% of their gross assets in specified types of securities, primarily in private companies or thinly-traded U.S. public companies, cash, cash equivalents, U.S. government securities and other high quality debt investments that mature in one year or less. Furthermore, any failure to comply with the requirements imposed on business development companies by the 1940 Act could cause the SEC to bring an enforcement action against us and/or expose us to claims of private litigants. In addition, upon approval of a majority of our stockholders, we may elect to withdraw our status as a business development company. If we decide to withdraw our election, or if we otherwise fail to qualify, or maintain our qualification, as a business development company, we may be subject to the substantially greater regulation under the 1940 Act as a closed-end investment company. Compliance with such regulations would significantly decrease our operating flexibility, and could significantly increase our costs of doing business. If we do not remain a business development company, we might be regulated as a closed-end investment company under the 1940 Act, which would subject us to substantially more regulatory restrictions under the 1940 Act and correspondingly decrease our operating flexibility.

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We are dependent upon GSV Asset Management's senior investment professionals for our future success, particularly Michael T. Moe, Mark W. Flynn, William Tanona, Luben Pampoulov and Matthew Hanson. If we lose any of our investment adviser's senior investment professionals, our ability to implement our business strategy could be significantly harmed.

We depend on the diligence, skill and network of business contacts of the GSV Asset Management's senior investment professionals. These senior investment professionals, together with other investment professionals employed by GSV Asset Management, evaluate, negotiate, structure, close, monitor and service our investments. Our future success will depend to a significant extent on the continued service and coordination of our investment adviser's senior investment professionals, particularly Michael T. Moe, Mark W. Flynn, William Tanona, Luben Pampoulov and Matthew Hanson. None of Messrs. Moe, Flynn, Tanona, Pampoulov or Hanson is subject to an employment contract, and none receive any compensation from us. None of Messrs. Moe, Flynn, Tanona, Pampoulov or Hanson devote all of their business time to our operations, and each have other demands on their time as a result of their other activities. The departure of any of these individuals could have a material adverse effect on our ability to achieve our investment objective.

All of GSV Asset Management's senior investment professionals and Advisory Board members, including Michael T. Moe, Mark W. Flynn, William Tanona, Luben Pampoulov and Matthew Hanson, are at-will employees, and there can be no assurance that our investment adviser will be successful in retaining its senior investment professionals.

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

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

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

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

In addition to monitoring the performance of our existing investments, GSV Asset Management is required to offer, and may be called upon, to provide, managerial assistance to some of our portfolio

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companies. GSV Asset Management also currently manages GSV X Fund, LP, a global long/short absolute return fund, and Coursera@GSV Fund, LP, a special purpose vehicle comprised of an underlying investment in Coursera stock, in which we have no economic interest, and may manage one or more additional vehicles with alternative investment strategies in the future. These demands on their time may distract them or slow the rate of investment. Even if we are able to grow and build upon our investment operations, any failure to manage our growth effectively could have a material adverse effect on our business, financial condition, results of operations and prospects. The results of our operations will depend on many factors, including the availability of opportunities for investment, readily accessible short and long-term funding alternatives in the financial markets and economic conditions. Furthermore, if we cannot successfully operate our business or implement our investment policies and strategies as described herein, it could negatively impact our ability to pay dividends.

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

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

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

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

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

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

In addition, while we believe the ability to trade on private secondary marketplaces provides valuable opportunities for liquidity, there can be no assurance that the portfolio companies with respect to which we invest through private secondary marketplaces will have or maintain active trading markets, and the prices of

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those securities may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods, which may cause an inability for us to realize full value on our investment. In addition, wide swings in market prices, which are typical of irregularly traded securities, could cause significant and unexpected declines in the value of our portfolio investments. Further, prices in private secondary marketplaces, where limited information is available, may not accurately reflect the true value of a portfolio company, and may overstate a portfolio company's actual value, which may cause us to realize future capital losses on our investment in that portfolio company. If any of the foregoing were to occur, it would likely have a material and adverse effect on our net asset value and results of operations.

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

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

Most of our investments are or will be in equity or equity-related securities of privately-held companies. The securities we acquire in private companies are typically subject to contractual transfer limitations, which may include prohibitions on transfer without the company's consent may require that shares owned by us be held in escrow and may include provisions in company charter documents, investor rights of first refusal and co-sale and/or employment or trading policies further restricting trading. In order to complete a purchase of shares we may need to, among other things, give the issuer, its assignees or its stockholders a particular period of time, often 30 days or more, in which to exercise a veto right, or a right of first refusal over, the sale of such securities. We may be unable to complete a purchase transaction if the subject company or its stockholders chooses to exercise a veto right or right of first refusal. When we complete an investment, we generally become bound to the contractual transfer limitations imposed on the subject company's stockholders as well as other contractual obligations, such as co-sale or tag-along rights. These obligations generally expire only upon an IPO by the subject company. As a result, prior to an IPO, our ability to liquidate may be constrained. Transfer restrictions could limit our ability to liquidate our positions in these securities if we are unable to find buyers acceptable to our portfolio companies, or where applicable, their stockholders. Such buyers may not be willing to purchase our investments at adequate prices or in volumes sufficient to liquidate our position, and even where they are willing, other stockholders could exercise their co-sales or tag-along rights to participate in the sale, thereby reducing the number of shares sellable by us. Furthermore, prospective buyers may be deterred from entering into purchase transactions with us due to the delay and uncertainty that these transfer and other limitations create.

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

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

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

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

A disruption in the capital markets or the credit markets could negatively affect our business.

As a business development company, we need the ability to raise additional capital for investment purposes. Without sufficient access to the capital markets, we may be forced to curtail our business operations or we may not be able to pursue new business opportunities. Disruptive conditions in the financial industry and any new legislation in response to those conditions could restrict our business operations and could adversely impact our results of operations and financial condition.

To the extent we do utilize leverage and the fair value of our assets declines substantially, we may fail to maintain the asset coverage ratios imposed upon us by the 1940 Act. Any such failure would affect our ability to issue senior securities, including borrowings, and pay dividends, which could materially impair our business operations. Our liquidity could be impaired further by an inability to access the capital markets. For example, we cannot be certain that we will be able to raise additional equity capital to provide funding for normal operations, including new investments. Reflecting concern about the stability of the financial markets, many institutional investors have reduced or ceased providing funding to certain borrowers. This market turmoil has led to increased market volatility and widespread reduction of business activity generally.

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

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

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advantage of attractive investment opportunities from time to time, and we can offer no assurance that we will be able to identify and make direct equity investments that are consistent with our investment objective.

The incentive fee may induce GSV Asset Management to make speculative investments.

The incentive fee payable by us to GSV Asset Management may create an incentive for GSV Asset Management to make investments on our behalf that are risky or more speculative than would be the case in the absence of such compensation arrangement. The way in which the incentive fee payable to GSV Asset Management is determined, which is calculated as a percentage of the return on invested capital, may encourage GSV Asset Management to use leverage to increase the return on our investments. In addition, the fact that our base management fee is payable based upon our gross assets, which is our total assets as reflected on our balance sheet (with no deduction for liabilities), may encourage GSV Asset Management to use leverage to make additional investments. On September 17, 2013, we completed a private placement of 5-year unsecured 5.25% Convertible Senior Notes. A total of \$69.0 million in aggregate principal amount of the Convertible Senior Notes were issued at the closing. We entered into a Loan and Security Agreement (the "Loan Agreement"), effective December 31, 2013, with Silicon Valley Bank to provide us with a new \$18 million credit facility (the "Credit Facility"). Under the Credit Facility, we are permitted to borrow an amount equal to the lesser of \$18 million or 20% of our then-current net asset value. The Credit Facility, among other things, matures on December 31, 2016, and bears interest at a per annum rate equal to the greater of (i) the prime rate plus 4.75% and (ii) 8.0%. We will be required, however, to obtain the approval of our board of directors before we incur any additional indebtedness. Under certain circumstances, the use of leverage may increase the likelihood of default, which would disfavor holders of our common stock. Such a practice could result in our investing in more speculative securities than would otherwise be the case, which could result in higher investment losses, particularly during cyclical economic downturns.

In addition, our investment adviser has control over the timing of the acquisition and dispositions of our investments, and therefore over when we realize gains and losses on our investments. As a result, our investment adviser may face a conflict of interest in determining when it is appropriate to dispose of a specific investment to the extent doing so may serve to maximize its incentive fee at a point where disposing of such investment may not necessarily be in the best interests of our stockholders. Our board of directors monitors such conflicts of interest in connection with its review of the performance of our investment adviser under our Investment Advisory Agreement, as well as during its quarterly review of our financial performance and results of operations.

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

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

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

We have entered into an Investment Advisory Agreement with GSV Asset Management. GSV Asset Management is controlled by Michael T. Moe, our chief executive officer and chairman of our board of directors, William F. Tanona, our chief financial officer, treasurer and corporate secretary and Mark W. Flynn, our president. Messrs. Moe, Tanona and Flynn, as principals of GSV Asset Management, collectively manage the business and internal affairs of GSV Asset Management. In addition, GSV Capital Service Company provides us with office facilities and administrative services pursuant to an Administration Agreement. Mr. Tanona is the managing member of and controls GSV Capital Service Company. While there is no limit on the total amount of expenses we may be required to reimburse to GSV Capital Service Company, our administrator will only charge us for the actual expenses it incurs on our behalf, or our allocable portion thereof, without any profit to GSV Capital Service Company.

In addition, our executive officers and directors, and the principals of our investment adviser, GSV Asset Management, serve or may serve as officers and directors of entities that operate in a line of business similar to our own, including new entities that may be formed in the future. Accordingly, they may have obligations to investors in those entities, the fulfillment of which might not be in the best interests of us or our stockholders, such as, for example, the management of GSV X Fund and Coursera@GSV Fund, L.P. and certain entities affiliated with the GSV Financial Group, by GSV Asset Management.

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

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

In the ordinary course of business, we may enter into transactions with portfolio companies that may be considered related party transactions. In order to ensure that we do not engage in any prohibited transactions with any persons affiliated with us, we have implemented certain written policies and procedures whereby our executive officers screen each of our transactions for any possible affiliations between the proposed portfolio investment, us, companies controlled by us and our executive officers and directors. We will not enter into any agreements unless and until we are satisfied that doing so will not raise concerns under the 1940 Act or, if such concerns exist, we have taken appropriate actions to seek board review and approval or exemptive relief for such transaction. Our board of directors will review these procedures on an annual basis.

We have also adopted a Code of Ethics which applies to, among others, our senior officers, including our chief executive officer and chief financial officer, as well as all of our officers, directors and employees. Our officers and directors also remain subject to the fiduciary obligations imposed by both the 1940 Act and applicable state corporate law. Our Code of Ethics requires that all employees and directors avoid any conflict, or the appearance of a conflict, between an individual’s personal interests and our interests. Pursuant to our Code of Ethics, each employee and director must disclose any conflicts of interest, or actions or relationships that might give rise to a conflict, to our chief compliance officer. Our board of directors is charged with

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approving any waivers under our Code of Ethics. As required by the NASDAQ corporate governance listing standards, the Audit Committee of our board of directors is also required to review and approve any transactions with related parties, as such term is defined in Item 404 of Regulation S-K. In accordance with Item 404, related parties generally include our directors and executive officers, any nominees for director, any immediate family member of a director or executive officer or nominee for director, and any other person sharing the household of such director, executive officer or nominee for director.

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

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

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

The lack of experience of our investment adviser and its management in operating under the constraints imposed on us as a business development company may hinder the achievement of our investment objectives.

The 1940 Act imposes numerous constraints on the operations of business development companies. For example, business development companies are required to invest at least 70% of their total assets primarily in securities of U.S.-based private companies or public companies with market capitalizations of less than \$250 million, cash, cash equivalents, U.S. government securities and other high quality debt instruments that mature in one year or less. In addition, qualification for taxation as a RIC requires satisfaction of source-of-income, diversification and distribution requirements. GSV Asset Management has limited experience investing under these constraints. These constraints, among others, may hinder GSV Asset Management's ability to take advantage of attractive investment opportunities and to achieve our investment objective.

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

Although we focus on achieving capital gains from our investments, in certain cases we may receive current income, such as interest or dividends, on our investments. Because in certain cases we may recognize such current income before or without receiving cash representing such income, we may have difficulty satisfying the annual distribution requirement applicable to RICs. Accordingly, if we qualify and elect to be taxed as a RIC, we may have to sell some of our investments at times we would not consider advantageous, raise additional debt or equity capital or reduce new investments to meet these distribution requirements. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus would be subject to corporate-level income tax.

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

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

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

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

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

The Convertible Senior Notes require us to comply with certain financial and operational covenants. These covenants require us to, among other things, maintain certain financial ratios, including asset coverage, debt to equity and interest coverage. Our ability to continue to comply with these covenants in the future depends on many factors, some of which are beyond our control. There are no assurances that we will be able to comply with these covenants. Failure to comply with these covenants would result in a default which, if we were unable to obtain a waiver from the lenders under the Convertible Senior Notes and accelerate repurchase of the Convertible Senior Notes and thereby have a material adverse impact on our liquidity, financial condition, results of operations and ability to pay dividends. In addition, holders of the Convertible Senior Notes will have the right to require us to repurchase the Convertible Senior Notes upon the occurrence of a fundamental change at a repurchase price equal to 100% of their principal amount, plus accrued and unpaid interest, if any. We may not have enough available cash or be able to obtain financing at the time we are required to make repurchases.

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

We may elect to be treated for federal income tax purposes as a RIC effective for the 2013 tax year. In September, 2014 we filed our 2013 tax return as a RIC and are seeking to be granted RIC status for our 2013 taxable year, however, we will not be eligible to elect to be treated as a RIC for the 2013 taxable year unless we are certified by the SEC as “principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available” for the 2013 taxable year. Although we filed an application with the SEC for an SEC Certification for the 2013 taxable year, there can be no assurance that we will receive an SEC Certification. In the event that we do not receive such SEC Certification or we are otherwise unable to meet all of the qualifications to be treated as a RIC for 2013, we will be taxed as a C Corporation for the 2013 taxable year. To that end, for purposes of our financial statements, we have accrued taxes as though we were a C Corporation for the 2013 taxable year, in the event we are unable to qualify as a RIC. Should we not qualify as a RIC for 2013, we intend to elect to be treated as a RIC for our 2014 taxable year, if management determines that it is in our best interests to do so. For example, it may not be in our best interests in the event that we experience large operating losses or have large loss carryforwards. If we opt not to do so or are unable to qualify, we will continue to be taxed as a C corporation under the Code for our 2014 taxable year. See “Business — Material U.S. Federal Income Tax Considerations.”

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

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

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

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

The base management fee will be calculated at an annual rate of 2.0% of the value of our gross assets, which we pay monthly in arrears. The base management fee is payable regardless of whether the value of our gross assets or your investment declines. As a result, we will owe GSV Asset Management a base management fee regardless of whether we incurred significant realized capital losses and unrealized capital depreciation (losses) during the period for which the base management fee is paid.

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

As a publicly traded company, we incur legal, accounting and other expenses, including costs associated with the periodic reporting requirements applicable to a company whose securities are registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as well as additional corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002, and other rules implemented by the Securities and Exchange Commission.

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

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

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

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

Changes in laws or regulations governing our operations may adversely affect our business.

We and our portfolio companies are subject to regulation by laws at the local, state and federal levels. These laws and regulations, as well as their interpretation, may be changed from time to time. Any change in these laws or regulations could have a material adverse effect on our business and the value of your investment.

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

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

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

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

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

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

Risks Related to an Investment in Our Common Stock

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

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

- price and volume fluctuations in the overall stock market from time to time;
- investor demand for our shares;
- significant volatility in the market price and trading volume of securities of regulated investment companies, business development companies or other financial services companies;
- changes in regulatory policies or tax guidelines with respect to regulated investment companies or business development companies;
- failure to qualify as a RIC for a particular taxable year, or the loss of RIC status;

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- actual or anticipated changes in our earnings or fluctuations in our operating results or changes in the expectations of securities analysts;
- general economic conditions and trends;
- fluctuations in the valuation of our portfolio investments;
- operating performance of companies comparable to us;
- market sentiment against technology-related companies; or
- departures of any of the senior investment professionals or Advisory Board members of GSV Asset Management.

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

Our shares have historically traded, and may in the future trade at premiums that may prove to be unsustainable or at discounts from net asset value.

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

The possibility that our shares will trade at a discount from net asset value or at premiums that are unsustainable are risks separate and distinct from the risk that our net asset value per share will decrease. The risk of purchasing shares of a business development company that might trade at a discount or unsustainable premium is more pronounced for investors who wish to sell their shares in a relatively short period of time because, for those investors, realization of a gain or loss on their investments is likely to be more dependent upon changes in premium or discount levels than upon increases or decreases in net asset value per share.

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

We cannot assure you that we will achieve investment results or maintain a tax status that will allow or require any specified level of cash distributions or year-to-year increases in cash distributions. As we intend to focus on making primarily capital gains-based investments in equity securities, which generally will not be income producing, we do not anticipate that we will pay dividends on a quarterly basis or become a predictable issuer of dividends, and we expect that our dividends, if any, will be less consistent than other business development companies that primarily make debt investments. To date, we have distributed no dividends and are not certain as to when we will be able to distribute dividends in the future.

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

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

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Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

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

Item 3. Legal Proceedings

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

Item 4. Mine Safety Disclosures

Not applicable.

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

Our common stock is traded on the NASDAQ Capital Market under the symbol “GSVC”. The following table sets forth, for each fiscal quarter since our initial public offering on April 28, 2011, the net asset value, or “NAV,” per share of our common stock, the high and low sales prices for our common stock, and such sales prices as a percentage of NAV per share. The last reported closing market price of our common stock on March 13, 2015 was \$9.74.

	NAV ⁽¹⁾	Price Range		High Sales Price as a Premium (Discount) to NAV ⁽²⁾	Low Sales Price as a Premium (Discount) to NAV ⁽²⁾
		High	Low		
Fiscal 2015					
First Quarter (through March 13, 2015)	\$ *	\$ 10.49	\$ 8.64	*	*
Fiscal 2014					
Fourth Quarter	\$14.80	\$ 10.40	\$ 8.22	(29.7)%	(44.5)%
Third Quarter	15.17	11.70	9.45	(22.9)	(37.7)
Second Quarter	14.86	10.84	8.46	(27.1)	(43.1)
First Quarter	14.91	13.79	9.81	(7.5)	(34.2)
Fiscal 2013					
Fourth Quarter	\$14.91	\$ 16.90	\$ 10.12	13.3%	(32.1)%
Third Quarter	13.16	15.50	7.82	17.8	(40.6)
Second Quarter	12.87	8.44	7.42	(34.4)	(42.3)
First Quarter	12.69	9.14	7.79	(28.0)	(38.6)

(1) NAV per share is determined as of the last day in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low sales prices. The NAV per share figures shown are based on outstanding shares at the end of each period.

(2) Calculated as the respective high or low sales price during the quarter divided by NAV per share on the last trading day of the quarter.

* Not determinable as of the date of this report.

Shares of business development companies may trade at a market price that is less than the value of the net assets attributable to those shares. The possibility that our shares of common stock will trade at premiums that are unsustainable over the long term or at a discount from net asset value are separate and distinct from the risk that our net asset value will decrease. Shares of our common stock have historically traded at both a discount and a premium to the net assets attributable to those shares. As of December 31, 2014, our shares of common stock traded at a discount of approximately 41.7% to our NAV per share of \$14.80.

 Holders

As of February 20, 2015, there were 117 holders of record of our common stock.

 Dividend Distribution Policy

The timing and amount of our dividends, if any, will be determined by our board of directors. Any dividends to our stockholders will be declared out of assets legally available for distribution. We intend to focus on making capital gains-based investments. As a consequence, we do not anticipate that we will pay dividends on a quarterly basis or become a predictable issuer of dividends, and we expect that our dividends, if any, will be much less consistent than other business development companies that primarily make debt investments. However, to the extent there are earnings or realized capital gains to be distributed, we intend to declare and pay a dividend at least annually. We have not declared any dividends since inception and are not certain as to when we will be able to distribute dividends in the future.

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We intend to elect to be treated, and intend to qualify annually thereafter, as a RIC under Subchapter M of the Code, beginning with our 2013 taxable year. In September, 2014 we filed our 2013 tax return as a RIC and are seeking to be granted RIC status for our 2013 taxable year, however, we will not be eligible to elect to be treated as a RIC for the 2013 taxable year unless we are certified by the SEC as “principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available” for the 2013 taxable year. Although we filed an application with the SEC for an SEC Certification for the 2013 taxable year, there can be no assurance that we will receive an SEC Certification. In the event that we do not receive such SEC Certification or we are otherwise unable to meet all of the qualifications to be treated as a RIC for 2013, we will be taxed as a C Corporation for the 2013 taxable year. To that end, for purposes of our financial statements, we have accrued taxes as though we were a C Corporation for the 2013 taxable year, in the event we are unable to qualify as a RIC. Should we not qualify as a RIC for 2013, we intend to elect to be treated as a RIC for our 2014 taxable year, if management determines that it is in our best interests to do so. For example, it may not be in our best interests in the event that we experience large operating losses or have large loss carryforwards. If we opt not to do so or are unable to qualify, we will continue to be taxed as a C corporation under the Code for our 2014 taxable year. See “Business — Material U.S. Federal Income Tax Considerations.”

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

Our current intention is to make any distributions out of assets legally available in additional shares of our common stock under our dividend reinvestment plan, except in the case of stockholders who elect to receive dividends and/or long-term capital gains distributions in cash. Under the dividend reinvestment plan, if a stockholder owns shares of common stock registered in its own name, the stockholder will have all cash distributions (net of any withholding) automatically reinvested in additional shares of common stock unless the stockholder opts out of our dividend reinvestment plan by delivering a written notice to our dividend paying agent prior to the record date of the next dividend or distribution. See “Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities — Dividend Reinvestment Plan.” Any distributions reinvested under the plan will nevertheless remain taxable to the U.S. stockholder, although no cash distribution has been made. As a result, if a stockholder does not elect to opt out of the dividend reinvestment plan, it will be required to pay applicable federal, state and local taxes on any reinvested dividends even though it will not receive a corresponding cash distribution. In addition, reinvested dividends have the effect of increasing our gross assets, which may correspondingly increase the management fee payable to our investment adviser. If stockholders hold shares in the name of a broker or financial intermediary, they should contact the broker or financial intermediary regarding their election to receive distributions in cash.

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RECENT SALES OF UNREGISTERED EQUITY SECURITIES

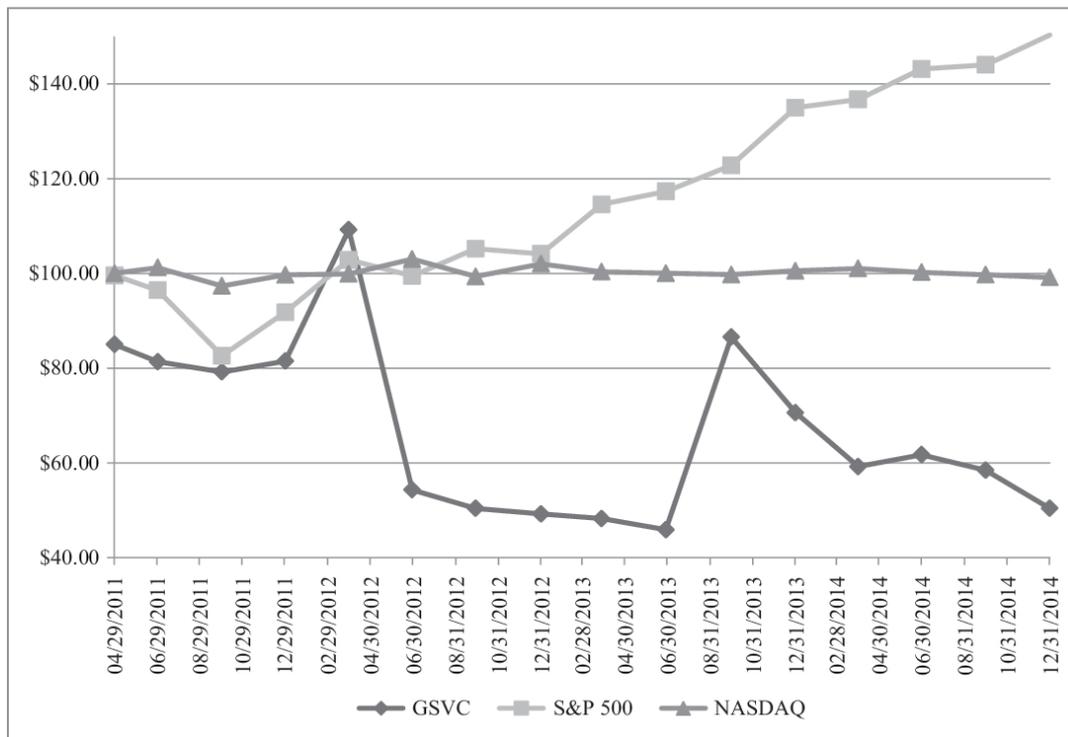
We have reported all sales of our unregistered equity securities that occurred during the period covered by this report in our Reports on Form 10-Q or Form 8-K, as applicable.

ISSUER PURCHASES OF EQUITY SECURITIES

For the year ended December 31, 2014, we did not purchase any shares of our common stock.

Performance Graph

The following graph compares the return on our common stock with that of the Standard & Poor’s 500 Stock Index and the NASDAQ Stock Index, as we do not believe there is an appropriate index of companies with an investment strategy similar to our own with which to compare the return on our common stock, for the period from April 28, 2011 (the date of our initial public offering) to December 31, 2014. The graph assumes that, on April 28, 2011, a person invested \$100 in each of our common stock, the Standard & Poor’s 500 Stock Index and the NASDAQ Stock Index. The graph measures total shareholder return, which takes into account both changes in stock price and dividends. It assumes that dividends are reinvested in like securities.



Dividend Reinvestment Plan

We have adopted a dividend reinvestment plan, through which all dividends are paid to stockholders in the form of additional shares of our common stock, unless a stockholder elects to receive cash as provided below. In this way, a stockholder can maintain an undiluted investment in us and still allow us to pay out the required distributable income.

No action is required on the part of a registered stockholder to receive a distribution in shares of our common stock. A registered stockholder may elect to receive an entire distribution in cash by notifying American Stock Transfer & Trust Company, the plan administrator and our transfer agent and registrar, in writing so that such notice is received by the plan administrator no later than 10 days prior to the record date

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for distributions to stockholders. The plan administrator will set up an account for shares acquired through the plan for each stockholder who has not elected to receive distributions in cash and hold such shares in non-certificated form. Upon request by a participant, received in writing not less than 10 days prior to the record date, the plan administrator will, instead of crediting shares to the participant's account, issue a certificate registered in the participant's name for the number of whole shares of our common stock and a check for any fractional share.

Those stockholders whose shares are held by a broker or other financial intermediary may receive distributions in cash by notifying their broker or other financial intermediary of their election.

We use only newly-issued shares to implement the plan, whether our shares are trading at a premium or at a discount to net asset value. The number of shares to be issued to a stockholder is determined by dividing the total dollar amount of the distribution payable to such stockholder by the market price per share of our common stock at the close of regular trading on the NASDAQ Capital Market on the valuation date for such distribution. Market price per share on that date will be the closing price for such shares on the NASDAQ Capital Market or, if no sale is reported for such day, at the average of their electronically-reported bid and asked prices. The number of shares of our common stock to be outstanding after giving effect to payment of the distribution cannot be established until the value per share at which additional shares will be issued has been determined and elections of our stockholders have been tabulated.

There is no charge to stockholders for receiving their distributions in the form of additional shares of our common stock. The plan administrator's fees for handling distributions in stock are paid by us. There are no brokerage charges with respect to shares we have issued directly as a result of distributions payable in stock. If a participant elects by written or telephonic notice to the plan administrator to have the plan administrator sell part or all of the shares held by the plan administrator in the participant's account and remit the proceeds to the participant, the plan administrator is authorized to deduct a \$15 transaction fee plus brokerage commissions from the proceeds.

Stockholders who receive distributions in the form of stock are subject to the same federal, state and local tax consequences as are stockholders who elect to receive their distributions in cash. A stockholder's basis for determining gain or loss upon the sale of stock received in a distribution from us will be equal to the total dollar amount of the distribution payable to the stockholder. As a result, if you do not elect to opt out of the dividend reinvestment plan, you will be required to pay applicable federal, state and local taxes on any reinvested dividends even though you will not receive a corresponding cash distribution. In addition, reinvested dividends have the effect of increasing our gross assets, which may correspondingly increase the management fee payable to our investment adviser.

The plan may be terminated by us upon notice in writing mailed to each participant at least 30 days prior to any record date for the payment of any dividend or distribution by us. All correspondence concerning the plan should be directed to the plan administrator by mail at 59 Maiden Lane, New York, New York 10038 or by phone at (800) 937-5449.

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Item 6. Selected Financial Data

The following selected financial and other data for the years ended December 31, 2014, 2013, 2012, and for the period from January 6, 2011 (date of inception) to December, 31 2011, respectively, is derived from our financial statements. The data should be read in conjunction with our financial statements and notes thereto and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” which are included in this Annual Report.

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012	For the period from January 6, 2011 (date of inception) to December 31, 2011
Income Statement Data:				
Total investment income	\$ 185,946	\$ 48,951	\$ 248,077	\$ 162,328
Total operating expenses	21,775,939	22,083,875	8,530,958	2,196,192
Benefit for taxes on net investment loss	8,810,102	13,159,268	—	—
Net investment loss	(12,779,891)	(8,875,656)	(8,282,881)	(2,033,864)
Net realized gain (loss) on investments	23,926,124	(21,706,021)	(1,380,519)	—
(Provision)/Benefit for taxes on net realized capital losses/gains	(9,769,036)	9,426,234	—	—
Net change in unrealized appreciation (depreciation) on investments	(5,811,797)	87,445,149	(10,170,850)	(1,579,800)
(Provision)/Benefit for taxes on unrealized appreciation/depreciation of investments	2,371,829	(30,906,063)	—	—
Net increase (decrease) in net assets resulting from operations	(2,062,771)	35,383,643	(19,834,250)	(3,613,664)
Per Common Share Data:				
Net increase (decrease) in net assets resulting from operations per average share:				
Basic	\$ (0.11)	\$ 1.83	\$ (1.23)	\$ (1.07)
Diluted	(0.11)	1.78	(1.23)	(1.07)
<i>Weighted Average Common Shares:⁽²⁾</i>				
Basic	19,320,100	19,320,100	16,096,330	3,377,429
Diluted	19,320,100	20,541,014	16,096,330	3,377,429
Net asset value per share ⁽³⁾	14.80	14.91	13.07	12.95
Shares Outstanding at year/period end	19,320,100	19,320,100	19,320,100	5,520,100
Balance Sheet Data:				
Total assets ⁽¹⁾	\$485,646,096	\$377,947,558	\$253,130,728	\$ 91,798,242
Convertible senior notes embedded derivative liability	1,000	799,000	—	—
Convertible senior notes payable 5.25% due September 15, 2018	68,462,353	68,335,295	—	—
Total net assets	285,903,673	287,966,444	252,582,801	71,503,248

(1) During the years ended December 31, 2014, December 31, 2013, December 31, 2012, and for the period from January 6, 2011 (date of inception) to December, 31 2011 total assets increased due to the issuance of convertible senior notes payable in September 2013 as well as multiple equity offerings. Refer to Note 4 for further detail on equity offerings.

(2) Weighted average common shares for the period from January 6, 2011 (date of inception) to December 31, 2011 were calculated starting from the issuance of 100 shares as of February 28, 2011.

(3) Net asset value per share is based on weighted average basic shares outstanding for the period.

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

Forward-Looking Statements

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

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

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

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

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

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

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

Overview

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

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

We seek to deploy capital primarily in the form of non-controlling equity and equity-related investments, including common stock, warrants, preferred stock and similar forms of senior equity, which may or may not be convertible into a portfolio company's common equity, and convertible debt securities with a significant equity component.

Investments

The value of our investment portfolio will change over time due to changes in the fair value of our underlying investments, as well as changes in the composition of our portfolio resulting from purchases and sales of new and follow-on investments. The fair value, as of December 31, 2014, of all of our portfolio investments, excluding U.S. Treasury Bills and Strips, was \$370,984,317. The table below summarizes the investments we funded during the fiscal year ended December 31, 2014.

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Investments Funded for the Year Ended December 31, 2014

Portfolio Company (Industry)	Q1 Fundings	Q2 Fundings	Q3 Fundings	Q4 Fundings	Total Fundings
AlwaysOn, Inc. (Social Media)	\$ 232,104	\$ —	\$ —	\$ —	\$ 232,104
Circle Media (f.k.a. S3 Digital Corp. (d/b/a S3i) (Sports Analytics)	—	90,000	410,001	—	500,001
Course Hero, Inc. (Online Education) ⁽¹⁾	—	—	—	5,000,001	5,000,001
Clever, Inc. (Education Software)	—	—	—	2,000,001	2,000,001
CUX, Inc. (d/b/a CorpU) (Corporate Education)	—	—	—	1,000,000	1,000,000
Dailybreak, Inc. (Social Advertising)	430,000	—	—	—	430,000
Declaro, Inc. (Social Cognitive Learning)	—	9,973,479	—	—	9,973,479
DogVacay, Inc. (Dog Boarding)	—	—	—	2,499,999	2,499,999
Earlyshares.com (Equity Crowd Funding)	—	224,999	24,999	—	249,998
EdSurge, Inc. (Education Media Platform)	482,146	—	—	—	482,146
Enjoy Technology, Inc. (Online Shopping)	—	—	—	1,000,000	1,000,000
Fullbridge, Inc. (Business Education)	1,280,000	1,297,620	—	—	2,577,620
General Assembly Space, Inc. (Online Education)	5,991,641	—	—	—	5,991,641
NestGSV, Inc. (d.b.a. GSV Labs, Inc.) (Incubator)	297,000	1,145,249	501,000	899,999	2,843,248
GSV Sustainability Partners (Clean Technology)	—	596,550	350,000	3,875,000	4,821,550
JAMF Holdings, Inc. (Mobile Device Management)	4,996,044	—	—	—	4,996,044
Learnist Inc. (f/k/a Grockit, Inc.)	—	—	—	1,450,000	1,450,000
Lyft, Inc. (Peer to Peer Ridesharing)	4,999,991	—	—	—	4,999,991
Lytro, Inc. (Plenoptic Camera Maker)	—	—	—	7,500,001	7,500,001
OzyMedia (Daily News and Information Site)	—	—	—	4,999,999	4,999,999
Soloxel, Inc. (Solar Power)	—	—	2,999,999	—	2,999,999
StormWind, LLC (Interactive Learning)	3,092,255	—	999,997	—	4,092,252
Totus Solutions, Inc. (LED Lighting)	—	75,000	—	—	75,000
Capitalized Fees	17,629	73,413	17,688	17,105	125,835
Total Gross Payments	\$ 21,818,810	\$ 13,476,310	\$ 5,303,684	\$ 30,242,105	\$ 70,840,909

(1) On September 19, 2014, we signed a binding purchase agreement obligating us to buy \$5,000,001 of Course Hero Inc.'s Series A Preferred Shares. As such, we accrued the investment in our financial statements, on September 19, 2014, although we were not required to fund the investment until the closing date of November 4, 2014.

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The table below summarizes the investments we disposed of during the year ended December 31, 2014.

Investments Sold for the Year Ended December 31, 2014

<u>Portfolio Company</u>	<u>Quarter</u>	<u>Shares Sold</u>	<u>Average Net Share Price⁽¹⁾</u>	<u>Net Proceeds</u>	<u>Realized Gain/(Loss)</u>
Twitter Inc.	Quarter 3	300,000	\$ 52.27	\$15,681,483	\$10,241,936
Control4 Corporation	Quarter 1	203,700	22.78	4,640,039	2,886,302
	Quarter 2	579,089	18.52	10,722,817	5,465,113
Total Control4 Corporation		782,789	19.63	15,362,856	8,351,415
Facebook, Inc.	Quarter 1	150,000	63.08	9,461,526	4,973,399
	Quarter 2	25,000	64.11	1,602,665	854,644
Total Facebook, Inc.		175,000	63.22	11,064,191	5,828,043
Palantir Technologies	Quarter 3	320,000	5.50	1,759,900	889,672
Palantir Technologies	Quarter 4	1,052,000	5.76	6,059,520	3,058,374
Total Palantir Technologies		1,372,000	5.70	7,819,420	3,948,046
DianRong (f/k/a SinoLending Ltd.)	Quarter 3	8,747,476	0.49	4,281,670	3,526,584
TrueCar, Inc.	Quarter 4	251,572	20.09	5,053,570	3,038,548
ZocDoc Inc.	Quarter 3	311,866	25.00	7,788,899	2,490,843
Silver Spring Networks, Inc.	Quarter 2	102,028	15.14	1,544,984	(3,600,272)
Violin Memory, Inc.	Quarter 2	1,247,498	3.97	4,955,220	(9,864,958)
Totals				<u>\$73,552,293</u>	<u>\$23,960,185</u>

(1) The average net share price is the net share price realized after deducting all commissions and fees on the sale(s).

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Operating results for the fiscal years ended December 31, 2014, 2013, and 2012 are as follows:

	December 31, 2014		December 31, 2013		December 31, 2012	
	Total	Per Basic Share	Total	Per Basic Share	Total	Per Basic Share
Total Investment Income	\$ 185,946	0.01	\$ 48,951	0.00	\$ 248,077	0.02
Interest income	185,059	0.01	25,871	0.00	222,047	0.01
Dividend income	887	0.00	23,080	0.00	26,030	0.00
Total Operating Expenses	21,775,939	1.13	22,083,875	1.14	8,530,958	0.53
Investment management fees	7,562,488	0.39	5,426,485	0.28	4,419,345	0.27
Accrued incentive fees	3,614,347	0.19	10,523,552	0.54	—	—
Costs incurred under our administration agreement	3,199,904	0.17	3,089,771	0.16	2,384,764	0.15
Directors' fees	260,000	0.01	260,250	0.01	237,500	0.01
Professional fees	1,764,722	0.09	876,769	0.05	959,604	0.06
Interest Expense	5,503,843	0.28	1,278,997	0.07	214,306	0.01
Insurance Expense	243,285	0.01	240,725	0.01	182,193	0.01
Investor Relations Expense	208,710	0.01	198,809	0.01	—	—
Other expenses	216,640	0.01	89,517	0.00	133,246	0.01
Loss (Gain) on fair value adjustment for embedded derivative	(798,000)	(0.04)	99,000	0.01	—	—
Benefit for taxes on net investment loss	8,810,102	0.46	13,159,268	0.68	—	—
Net Investment Loss	(12,779,891)	(0.66)	(8,875,656)	(0.46)	(8,282,881)	(0.51)
Net Realized Gain (Loss) on Investments	23,926,124	1.24	(21,706,021)	(1.12)	(1,380,519)	(0.09)
(Provision)/Benefit/for taxes on Net Realized Capital Gains/Losses	(9,769,036)	(0.51)	9,426,234	0.49	—	—
Change in Unrealized Appreciation (Depreciation) on Investments	(5,811,797)	(0.30)	87,445,149	4.53	(10,170,850)	(0.63)
Provision/(Benefit) for taxes on Unrealized Appreciation/Depreciation of Investments	2,371,829	0.12	(30,906,063)	(1.60)	—	—
Net Increase (Decrease) in Net Assets Resulting From Operations	\$ (2,062,771)	(0.11)	\$ 35,383,643	1.83	\$(19,834,250)	(1.23)

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Results of Operations

Comparison of the years ended December 31, 2014 and December 31, 2013

Investment Income

Investment income increased to \$185,946 for the year ended December 31, 2014, from \$48,951 for the year ended December 31, 2013. The increase was primarily due to the addition of several new term loans during the year ended December 31, 2014.

Operating Expenses

Total operating expenses decreased to \$21,775,939, for the year ended December 31, 2014, from \$22,083,875 for the year ended December 31, 2013. The decrease was primarily due to a significant decrease in accrued incentive fees. This was offset by increases in interest expense, investment management fees, and professional fees, which include legal, valuation, audit and consulting fees. The increases in interest expense resulted from the Convertible Senior Notes and the Credit Facility. These borrowings have enabled us to increase our portfolio and continue to invest in emerging companies. Refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Overview” for a further discussion of our investment philosophy. The decrease in incentive fees resulted from the depreciation in our portfolio for the year ended December 31, 2014 relative to the year ended December 31, 2013. The increased management fees are a result of the growth in our total assets, which primarily results from the growth of our investment portfolio for the year ended December 31, 2014 relative to the year ended December 31, 2013. The increase in professional fees, to \$1,764,722 during the year ended December 31, 2014 from \$876,769 during the year ended December 31, 2013, is primarily attributable to increases in audit fees, compliance costs related to SOX 404 testing, as well as the write-off of deferred offering expenses.

Benefit for Taxes on Net Investment Loss

For the year ended December 31, 2014, we recognized a benefit for taxes on net investment loss of \$8,810,102, compared to a corresponding benefit of \$13,159,268 for the year ended December 31, 2013. The decrease in benefit for taxes on net investment loss is due to the fact that fiscal year 2013 was the first year a benefit was recognized, and the benefit was based on the cumulative net operating loss for the period from January 6, 2011 (date of inception) to December 31, 2013.

Net Realized Gains and (Losses) on Investments

For the year ended December 31, 2014, net realized gains on investments were \$23,926,124. The realized gains resulted primarily from the sales of Twitter, Inc., Control4 Corporation, Facebook, Inc. DianRong (f/k/a SinoLending Ltd.), ZocDoc Inc, and Palantir Technologies, Inc. The gains were offset by losses resulting from the sales of Violin Memory, Inc. and Silver Springs Networks, Inc.

For the year ended December 31, 2013, we recognized a realized loss of \$21,706,021. The realized loss resulted primarily from our write-offs of Kno, Inc., Top Hat 430, Inc., Serious Energy, Inc., AltEgo, LLC, and Starfish Holdings, Inc., as well as the sales of Groupon, Inc., and Zynga, Inc.

Benefit (Provision) for Taxes on Net Realized Capital Losses/Gains

For the year ended December 31, 2014, we recognized a provision of \$9,769,036 for taxes on net realized capital gains, compared to a corresponding benefit of \$9,426,234 for the year ended December 31, 2013. The decrease in benefit for taxes on net realized capital losses is due to the fact that we had net realized gain for the year ended 2014 of approximately \$23.9 million.

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Net Change in Unrealized Appreciation (Depreciation) of Investments

For the year ended December 31, 2014, we had a net change in unrealized depreciation of \$5,811,797. For the year ended December 31, 2013, we had a net change in unrealized appreciation of \$87,445,149. The following table summarizes, by Portfolio Company, the significant changes in unrealized appreciation (depreciation) of the Company's investment portfolio for the years ended December 31, 2014 and 2013.

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

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

(2) Change in unrealized gains and losses for these positions includes the reversal of previously unrealized gains and losses on these positions that were realized when the position was sold.

Benefit/Provision for Taxes on Unrealized Appreciation and (Depreciation) of Investments

For the year ended December 31, 2014, we recognized a benefit for taxes of \$2,371,829 on unrealized depreciation of investments.

For the year ended December 31, 2013, we recognized a provision for taxes of \$30,906,063 on unrealized appreciation of investments.

The change between the two periods is due to the fact that the change in unrealized appreciation from investments decreased from \$87.4 million to \$(5.8) million as shown in the table above. The change in unrealized appreciation for the year ended December 31, 2013 was primarily due to the initial public offering of Twitter, Inc.

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Net Increase (Decrease) in Net Assets

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

For the year ended December 31, 2013, the net increase in net assets resulting from operations was \$35,383,643.

The decrease in net assets resulting from operations for the year ended December 31, 2014, as compared to the year ended December 31, 2013, is the result of the change in unrealized depreciation of the portfolio as a whole, which was partially offset by the increase in realized gains and decreased operating expenses.

One of the primary drivers of the change in unrealized depreciation was the decline of Twitter's stock price. Twitter is our largest position and comprises 15.5% of total portfolio value at December 31, 2014. Twitter's stock price declined from \$63.65 on December 31, 2013 to \$35.87 per share on December 31, 2014. The net effect of this decline was to decrease our net assets by \$48.3 million, or approximately \$2.50 per share.

The per-share figures noted above are based on a weighted-average of 19,320,100 shares outstanding for the years ended December 31, 2014 and 2013, respectively.

Comparison of the year ended December 31, 2013 and December 31, 2012

Investment Income

For the year ended December 31, 2013, we had investment income of \$48,951, which consisted of \$25,871 of interest income from our portfolio investments and \$23,080 of dividend income from our money market investments which were held during 2013 but liquidated in the fourth quarter of 2013.

For the year ended December 31, 2012, we had investment income of \$248,077, which consisted of \$222,047 of interest income from our portfolio investments and \$26,030 of dividend income from our money market investments.

The decrease in investment income for the year ended December 31, 2013 relative to the year ended December 31, 2012, was primarily due to the decrease in interest income earned. This resulted from a smaller average loan portfolio during the year ended December 31, 2013, relative to the year ended December 31, 2012.

Operating Expenses

For the year ended December 31, 2013, we had \$22,083,875 in total operating expenses consisting primarily of incentive fees, and to a lesser extent, investment management fees, administration fees, the loss on fair value adjustment for embedded derivative, interest expense on the Convertible Senior Notes, in addition to legal, audit and consulting fees. This represents a substantial increase when compared to operating expenses of \$8,530,958 incurred during the year ended December 31, 2012, which consisted primarily of investment management fees and administration fees, in addition to legal, audit and consulting fees. This increase is partially attributable to the fact that we recognized accrued incentive fees of \$10,523,552 for the year ended December 31, 2013, whereas we recognized no accrued incentive fees for the year ended December 31, 2012. In addition, the investment advisory fee for the year ended December 31, 2013, was \$5,426,485, representing the base management fee as provided in our investment advisory agreement. Our base management fee for the year ended December 31, 2013 was significantly higher than the \$4,419,345 fee incurred during the year ended December 31, 2012, largely due to an increase in our gross assets. Costs incurred under our administration agreement for the year ended December 31, 2013, were \$3,089,771, compared to \$2,384,764 for the year ended December 31, 2012. The increase in costs incurred under the administration agreement is attributable to the increase in our gross assets during the same time period. The loss on fair value adjustment for embedded derivative and the interest expense on the Convertible Senior Notes were \$99,000 and \$1,278,997, respectively, for the year ended December 31, 2013. The Convertible Senior Notes were added in September 2013 causing us to incur interest expense. For the year ended December 31, 2012 we had no interest bearing liabilities.

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Benefit for taxes on net investment loss

For the year ended December 31, 2013, we recognized a benefit for taxes on net investment loss of \$13,159,268.

For the year ended December 31, 2012, we recognized no benefit for taxes on net investment loss.

Net Realized Gains and Losses on Investments

For the year ended December 31, 2013, we recognized a realized loss of \$21,706,021. The realized loss resulted primarily from our write-offs of Top Hat 430, Inc., Serious Energy, Inc., AltEgo, LLC, and Starfish Holdings, Inc., as well as the sales of Groupon, Inc., and Zynga, Inc.

For the year ended December 31, 2012, we recognized a realized loss of \$1,380,519. The realized loss was primarily the result of a realized loss on our investment in PJB Fund LLC. The note matured and was repaid by transfer of shares of common stock of Zynga, Inc.

Benefit for taxes on net realized capital losses

For the year ended December 31, 2013, we recognized a benefit for tax of \$9,426,234 on net realized capital losses.

For the year ended December 31, 2012, we recognized no benefit for tax on net realized capital losses.

Net Change in Unrealized Appreciation and (Depreciation) of Investments

For the year ended December 31, 2013, we had a net change in unrealized appreciation of \$87,445,149. For the year ended December 31, 2012, we had a net change in unrealized depreciation of \$10,170,850. The following table summarizes, by Portfolio Company, the significant changes in unrealized appreciation (depreciation) of the Company's investment portfolio company for the year ended December 31, 2013 and 2012.

Portfolio Company	Change in Unrealized Appreciation (Depreciation)	December 31, 2013			December 31, 2012		
		Cost	Fair Value	Unrealized Appreciation (Depreciation)	Cost	Fair Value	Unrealized Appreciation (Depreciation)
2U, Inc. (f/k/a 2tor, Inc.)	\$ 1,310,329	\$ 10,031,318	\$ 11,310,709	\$ 1,279,391	\$ 10,030,724	\$ 9,999,786	\$ (30,938)
4C Insights (f.k.a The Echo Systems Corp.)	(1,478,693)	1,512,392	229,234	(1,283,158)	1,512,392	1,707,927	195,535
Chegg, Inc.	(5,643,621)	14,022,863	8,551,589	(5,471,274)	14,021,197	14,193,544	172,347
Control4 Corporation	6,176,725	7,010,762	13,300,129	6,289,367	7,011,025	7,123,667	112,642
Dailybreak, Inc.	(1,212,840)	2,430,950	1,211,393	(1,219,557)	2,000,000	1,993,283	(6,717)
Dropbox, Inc.	1,417,851	13,656,486	15,855,197	2,198,711	13,656,486	14,437,346	780,860
Facebook Inc	5,482,897	5,236,147	9,563,750	4,327,603	10,472,294	9,317,000	(1,155,294)
Groupon Inc.	1,739,974	—	—	—	2,128,774	388,800	(1,739,974)
Palantir Technologies, Inc	12,766,416	21,060,447	33,838,830	12,778,383	21,060,447	21,072,414	11,967
Stormwind, LLC	1,659,330	2,019,687	4,205,142	2,185,455	2,019,687	2,545,812	526,125
SugarCRM, Inc.	1,092,092	8,299,794	9,379,673	1,079,879	3,813,378	3,801,165	(12,213)
Top Hat 430, Inc.	4,167,943	—	—	—	4,167,943	—	(4,167,943)
Totus Solutions, Inc.	(2,249,386)	6,023,973	3,750,839	(2,273,134)	5,023,748	5,000,000	(23,748)
Twitter, Inc.	66,711,060	32,991,111	102,822,460	69,831,349	32,991,111	36,111,400	3,120,289
Violin Memory, Inc.	(10,596,703)	14,819,618	4,204,068	(10,615,550)	14,818,843	14,799,996	(18,847)
Zynga, Inc.	1,744,796	—	—	—	3,003,462	1,258,666	(1,744,796)
Other ⁽¹⁾	4,356,979	151,438,806	148,025,840	(3,412,966)	105,416,224	97,646,279	(7,769,945)
Totals	\$ 87,445,149	\$ 290,554,354	\$ 366,248,853	\$ 75,694,499	\$ 253,147,735	\$ 241,397,085	\$ (11,750,650)

(1) Other represents all investments (including U.S. Treasury Bills and U.S. Treasury Strips) whose individual change in unrealized appreciation (depreciation) was less than \$1,000,000 for the year ended December 31, 2013.

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- (2) Change in unrealized gains and losses for these positions includes the reversal of previously unrealized gains and losses on these positions that were realized when the position was sold.

Provision for taxes on unrealized appreciation of investments

For the year ended December 31, 2013, we recognized a provision for taxes of \$30,906,063 on unrealized appreciation of investments.

For the year ended December 31, 2012, we recognized no provision for tax on unrealized appreciation of investments.

Net Increase (Decrease) in Net Assets

For the year ended December 31, 2013, the net increase in net assets resulting from operations was \$35,383,643.

For the year ended December 31, 2012, the net decrease in net assets resulting from operations was \$(19,834,250).

The increase in net assets resulting from operations for the year ended December 31, 2013, as compared to the year ended December 31, 2012, is primarily the result of the unrealized appreciation of Twitter, Inc., and Palantir Technologies, Inc. The increase in net assets resulting from operations was partially offset by the \$0.43 per share net impact of the various tax provisions noted above, for the year ended December 31, 2013.

The per share figures noted above are based on a weighted-average of 19,320,100 and 16,096,330 shares outstanding for the year ended December 31, 2013 and December 31, 2012, respectively.

Liquidity and Capital Resources

Our liquidity and capital resources are generated primarily from the net proceeds of public offerings of our equity and debt securities, advances from our credit facility, as well as sales of our investments.

Our primary use of cash is to make investments and to pay our operating expenses. Our current policy is to maintain cash reserves and liquid securities in an amount sufficient to pay our operating expenses, including investment management fees and costs incurred under the administration agreement, for approximately two years. For the years ended December 31, 2014, 2013 and 2012 our operating expenses were \$21,775,939, \$22,083,875, and \$8,530,958, respectively.

	December 31, 2014	December 31, 2013	December 31, 2012
Cash reserves and Liquid securities			
Cash	\$ 3,472,880	\$ 7,219,203	\$ 11,318,525
Amounts available for borrowing under the credit facility ⁽¹⁾	—	18,000,000	—
Securities of Publicly Traded Portfolio Companies ⁽²⁾			
Unrestricted securities ⁽³⁾	65,586,615	11,706,338	10,964,466
Subject to other Sales Restrictions ⁽⁴⁾	23,673,635	1,666,667	—
Total	89,260,250	13,373,005	10,964,466
Total Cash reserves and Liquid securities	\$ 92,733,130	\$ 38,592,208	\$ 22,282,991

(1) Subject to leverage and borrowing base restrictions under the Credit facility. Refer to NOTE 9 — LONG TERM LIABILITIES for detail regarding the Credit Facility.

(2) The Company's portfolio investments are pledged first to secure the payment of both principal and interest on the 2013 Convertible Senior Notes. Thereafter the portfolio investments are pledged as collateral to secure any borrowings under the Credit Facility. We may incur losses if we liquidate these positions in order to pay operating expenses or fund new investments. The 2013 Convertible Senior Notes mature on September 15, 2018.

(3) "Unrestricted securities" represents the common stock of our publicly traded companies that are not subject to lock-up restrictions.

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(4) This balance represents the Company's common shares of 2U, Inc. (f/k/a 2tor, Inc.) and Cricket Media (f/k/a ePals Inc.). These shares are freely tradable, however at certain times during the year, these shares may be subject to black-out periods as a result of Michael Moe's seat on the Board of 2U, Inc. (f/k/a 2tor, Inc.) and Cricket Media (f/k/a ePals Inc.). During these black-out periods the Company may be unable to sell these securities under U.S. and Canadian Securities law.

During the year ended December 31, 2014, cash and cash equivalents decreased from approximately \$7.2 million at the beginning of the period to approximately \$3.4 million at the end of the period. Net cash used by operating activities for the period, consisting primarily of the items described in "— Results of Operations," was approximately \$21.6 million, reflecting purchases of portfolio investments of approximately \$71.1 million partially offset by the proceeds from sales of investments of approximately \$73.6 million. During the period, net cash provided by financing activities was approximately \$17.8 million, primarily reflecting borrowings from the credit facility.

Equity Issuances & Debt Capital Activities

There were no sales of our equity securities during the year ended December 31, 2014.

As of December 31, 2014, we had \$18,000,000 of borrowings under the Credit Facility, and \$0 unused under the Credit Facility.

Contractual Obligations

Payments Due By Period (dollars in millions)

	Total	Less than 1 year	1 – 3 years	3 – 5 years	More than 5 years
Payable for securities purchased ⁽¹⁾	\$ 90.0	\$ 90.0	\$ —	\$ —	\$ —
Convertible Senior Notes	69.0	—	—	69.0	—
Credit Facility ⁽²⁾⁽³⁾	18.0	—	18.0	—	—
Total	\$ 177.0	\$ 90.0	\$ 18.0	\$ 69.0	\$ —

(1) Payable for securities purchased relates to the purchase of the United States Treasury Bill on margin. The United States Treasury Bill payable was subsequently repaid on January 2, 2015 when the United States Treasury Bill matured and the \$10.0 million margin deposit which was posted as collateral was returned.

(2) Total unused amount of the credit facility for the year ended December 31, 2014 was \$0.

(3) The weighted average interest rates incurred under the credit facility were 8.00% and 0.00% for the years ended December 31, 2014 and 2013.

Off-Balance Sheet Arrangements

As of December 31, 2014, we had no off-balance sheet arrangements, including any risk management of commodity pricing or other hedging practices. However, we may employ hedging and other risk management techniques in the future.

Distribution Policy

The timing and amount of our dividends, if any, will be determined by our board of directors. Any dividends to our stockholders will be declared out of assets legally available for distribution. We intend to focus on making capital gains-based investments from which we will derive primarily capital gains. As a consequence, we do not anticipate that we will pay dividends on a quarterly basis or become a predictable distributor of dividends, and we expect that our dividends, if any, will be much less consistent than the dividends of other business development companies that primarily make debt investments. However, if there are earnings or realized capital gains to be distributed, we intend to declare and pay a dividend at least annually.

We may elect to be treated for federal income tax purposes as a RIC effective for the 2013 tax year. In September, 2014 we filed our 2013 tax return as a RIC and are seeking to be granted RIC status for our 2013

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taxable year, however, we will not be eligible to elect to be treated as a RIC for the 2013 taxable year unless we are certified by the SEC as “principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available” for the 2013 taxable year. Although we filed an application with the SEC for an SEC Certification for the 2013 taxable year, there can be no assurance that we will receive an SEC Certification. In the event that we do not receive such SEC Certification or we are otherwise unable to meet all of the qualifications to be treated as a RIC for 2013, we will be taxed as a C Corporation for the 2013 taxable year. To that end, for purposes of our financial statements, we have accrued taxes as though we were a C Corporation for the 2013 taxable year, in the event we are unable to qualify as a RIC. Should we not qualify as a RIC for 2013, we intend to elect to be treated as a RIC for our 2014 taxable year, if management determines that it is in our best interests to do so. For example, it may not be in our best interests in the event that we experience large operating losses or have large loss carryforwards. If we opt not to do so or are unable to qualify, we will continue to be taxed as a C corporation under the Code for our 2014 taxable year. See “Business — Material U.S. Federal Income Tax Considerations.”

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

Borrowings

Convertible senior notes payable

On September 17, 2013, the Company issued \$69,000,000 aggregate principal amount of the Convertible Senior Notes (including \$9,000,000 aggregate principal amount issued pursuant to the exercise of the initial purchasers’ option to purchase additional Convertible Senior Notes). The Convertible Senior Notes bear interest at a fixed rate of 5.25% per year, payable semi-annually in arrears on March 15 and September 15 of each year, commencing on March 15, 2014. The Convertible Senior Notes are convertible into shares of our common stock based on an initial conversion rate of 61.5091 shares of our common stock per \$1,000 principal amount of Convertible Senior Notes, which is equivalent to an initial conversion price of approximately \$16.26 per share of common stock. The Convertible Senior Notes mature on September 15, 2018, unless previously purchased or converted in accordance with their terms. The Company does not have the right to redeem the Convertible Senior Notes prior to maturity.

The terms of the offering require the Company to place a portion of the proceeds of the offering in an escrow account (the “Interest Escrow”) with U.S. Bank National Association (the “Trustee”) under the indenture pursuant to which the notes are issued. Funds in the escrow account will be invested in government securities and will be used to make the first six scheduled interest payments on the notes, unless the Company elects to make the interest payments from the Company’s available funds. The interest payments on the Convertible Senior Notes will be secured by a pledge of the Company’s interest in the escrow account. In accordance with the Interest Escrow, the Company deposited \$10,867,500 in an escrow account with the Trustee. These funds were used to purchase U.S. Treasury Strips (“Government Securities”) with an original cost of \$10,845,236. At December 31, 2014, the remaining government securities are shown on the Consolidated Schedule of Investments and have an amortized cost of \$7,286,332. The excess funds of \$23,889 held in escrow will be used to secure the payment of the notes and is included on the Consolidated Statements of Assets and Liabilities as “Restricted Cash”. Proceeds from the issuance of the Convertible Senior Notes

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were offset by offering costs of approximately \$3,585,929 that are being amortized over the term of the notes in accordance with ASC 470 *Debt*. As of December 31, 2014, of the total offering costs of \$3,585,929 incurred, \$2,667,069 remains to be amortized and is included within deferred debt issuance costs on the Consolidated Statements of Assets and Liabilities.

As of December 31, 2014, the principal amount of the Convertible Senior Notes exceeded the value of the underlying shares multiplied by the per share closing price of the Company's common stock.

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

Embedded Derivative

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

Credit Facility

The Company entered into the Loan Agreement, effective December 31, 2013, with Silicon Valley Bank to provide the Company with a new \$18 million Credit Facility. Under the Credit Facility, the Company is permitted to borrow an amount equal to the lesser of \$18 million or 20% of our then-current net asset value.

The Credit Facility, among other things, matures on December 31, 2016, and bears interest at a per annum rate equal to the greater of (i) the prime rate plus 4.75% and (ii) 8.0%. In addition, a fee of \$180,000 per annum (1.0% of the \$18 million revolving line of credit) is charged under the Loan Agreement. Under the terms of the Credit Facility, we must repay all outstanding borrowings so that there is at least a 30-day period every twelve months during which we have no balance outstanding. Under the Loan Agreement, we have made certain customary representations and warranties and we are required to comply with various covenants, reporting requirements, and other customary requirements for similar credit facilities. The Loan Agreement includes usual and customary events of default for credit facilities of this nature, including, without limitation, nonpayment, misrepresentation of representations and warranties in a material respect, breach of covenant, cross-default to certain other indebtedness, bankruptcy, change of control, and the occurrence of a material adverse effect. As of December 31, 2014, we had \$18,000,000 of borrowings outstanding under the Credit Facility.

The Credit Facility is secured by all of our property and assets, except for our assets pledged to secure certain obligations in connection with our issuance, in September 2013, of the Convertible Senior Notes and, as provided for in the Loan Agreement, as may be pledged in connection with any future issuance by us of convertible senior notes on substantially similar terms.

Borrowing under the Credit Facility is subject to the leverage restrictions contained in the Investment Company Act of 1940, as amended. In addition, under the Loan Agreement, and as provided for therein, we have agreed not to incur certain additional permitted indebtedness in an aggregate amount exceeding 50% of our then-applicable net asset value.

Related Party Transactions

We entered into an investment advisory agreement with GSV Asset Management (the “Advisory Agreement”) in connection with our initial public offering. Pursuant to the Advisory Agreement, GSV Asset Management will be paid a base annual fee of 2.00% of gross assets, and an annual incentive fee equal to the lesser of (i) 20% of GSV Capital’s realized capital gains during each calendar year, if any, calculated on an investment-by-investment basis, subject to a non-compounded preferred return, or “hurdle,” and a “catch-up” feature, and (ii) 20% of GSV Capital’s realized capital gains, if any, on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid incentive fees. GSV Asset Management earned \$7,562,488, \$5,426,485 and \$4,419,345 in base management fees and \$0 in incentive fees for the years ended December 31, 2014, 2013, and 2012, respectively. For the years ended December 31, 2014, 2013, and 2012, respectively, we accrued incentive fees of \$3,614,347, and \$10,523,552, and \$0, in accordance with the AICPA’s TPA (TIS 6910.2) which considers the hypothetical liquidation value of our investment portfolio as of the measurement date.

As of December 31, 2014, we were owed \$204,825 from GSV Asset Management for reimbursement of expenses paid for by us that were the responsibility of GSV Asset Management. In addition as of December 31, 2014, we owed GSV Asset Management \$23,396 for reimbursement of other expenses.

As of December 31, 2013, we were owed \$3,039 from GSV Capital Service Company, LLC for reimbursement of expenses paid for by us that were the responsibility of GSV Asset Management. In addition as of December 31, 2013, we owed GSV Asset Management \$31,428, which relates to the reimbursement of expenses paid for by GSV Asset Management that were the responsibility of the Company.

In February 2013, Mark Moe joined NestGSV, Inc. (d.b.a. GSV Labs, Inc.), one of our portfolio companies, as a Vice President of Business Development, Global Expansion. On August 26, 2014, Diane Flynn joined NestGSV, Inc. (d.b.a. GSV Labs, Inc.), on a contract basis as Chief Marketing Officer. In February 2015, she became the Chief Marketing Officer on a full time basis. Ron Johnson, the CEO of Enjoy Technology, Inc, is the brother in law of our president, Mark Flynn. As of December 31, 2014 the fair value of our investments in NestGSV, Inc. (d.b.a. GSV Labs, Inc.), and Enjoy Technology, Inc, respectively were \$3,760,744 and \$1,002,440.

We entered into an Administration Agreement with GSV Capital Service Company (the “Administration Agreement”) to provide administrative services, including furnishing us with office facilities, equipment, clerical, bookkeeping services and other administrative services, in connection with our initial public offering. We reimburse GSV Capital Service Company an allocable portion of overhead and other expenses in performing its obligations under the Administration Agreement. There were \$3,199,904, \$3,089,771 and \$2,384,764 in such costs incurred under the Administration Agreement for the years ended December 31, 2014, 2013, and 2012, respectively.

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

Critical Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with GAAP, and include the accounts of ours and our consolidated subsidiaries. We are an investment company following accounting and reporting guidance in ASC 946. The consolidated financial statements reflect all adjustments and reclassifications that, in the opinion of management, are

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necessary for the fair presentation of the results of the operations and financial condition as of and for the periods presented. All intercompany balances and transactions have been eliminated.

In accordance with Regulation S-X under the Securities Act of 1933 and Securities Exchange Act of 1934, the Company does not consolidate portfolio company investments.

Valuation of Investments at Fair Value

We carry our investments at fair value, as determined in good faith by our board of directors, in accordance with GAAP. Fair value is the price that one would receive upon selling an investment or pay to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for the investment or liability. GAAP emphasizes that valuation techniques should maximize the use of observable market inputs and minimize the use of unobservable inputs. Observable inputs are based on market data obtained from sources independent of the entity and should not be limited to information that is only available to the entity making the fair value determination, or to a small group of users. Observable market inputs should be readily available to participants in that market. In addition, observable market inputs should include a level of transparency that is reliable and verifiable.

GAAP fair value measurement guidance classifies the inputs used to measure these fair values into the following hierarchy:

Level 1. Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that we have the ability to access.

Level 2. Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- a) Quoted prices for similar assets or liabilities in active markets;
- b) Quoted prices for identical or similar assets or liabilities in non-active markets;
- c) Pricing models whose inputs are observable for substantially the full term of the asset or liability; and
- d) Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.

Level 3. Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

An asset's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Securities that are publicly traded are generally valued at the close price on the valuation date; however, if they remain subject to lock-up restrictions they are discounted accordingly. Securities that are not publicly traded or for which there are no readily available market quotations are valued at fair value as determined in good faith by our board of directors.

In connection with that determination, portfolio company valuations are prepared using the most currently available data. As appropriate, we obtain updates on each portfolio company's financial performance, including information such as economic and industry trends, new product development, and other operational issues.

In making our good faith determination of the fair value of investments, we consider valuation methodologies consistent with industry practice, including but not limited to (i) publicly available information regarding the valuation of the securities based on recent sales in comparable transactions of private companies, (ii) when management believes there are comparable companies that are publicly traded, a review

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of these publicly traded companies and applicable market multiples of their equity securities and, (iii) an income approach that estimates value based on the expectation of future cash flows that an asset or business will generate.

We engage independent valuation firms to perform valuations of our investments that are not publicly traded or for which there are no readily available market quotations. We also engage independent valuation firms to perform valuations of any securities that trade on private secondary markets, but are not otherwise publicly traded, where there is a lack of appreciable trading or a wide disparity in recently reported trades. We consider the independent valuations provided by the valuation firms, among other factors, in making our fair value determinations.

U.S. Federal and State Income Taxes

The Company uses the liability method of accounting for income taxes. Deferred tax assets and liabilities are recorded for tax loss carryforwards and temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements, using statutory tax rates in effect for the year in which the temporary differences are expected to reverse. Certain tax attributes may be subject to limitations on timing and usage. A valuation allowance is provided against deferred tax assets when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

We may elect to be treated for federal income tax purposes as a RIC effective for the 2013 tax year. In September, 2014 we filed our 2013 tax return as a RIC and are seeking to be granted RIC status for our 2013 taxable year, however, we will not be eligible to elect to be treated as a RIC for the 2013 taxable year unless we are certified by the SEC as “principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available” for the 2013 taxable year. Although we filed an application with the SEC for an SEC Certification for the 2013 taxable year, there can be no assurance that we will receive an SEC Certification. In the event that we do not receive such SEC Certification or we are otherwise unable to meet all of the qualifications to be treated as a RIC for 2013, we will be taxed as a C Corporation for the 2013 taxable year. To that end, for purposes of our financial statements, we have accrued taxes as though we were a C Corporation for the 2013 taxable year, in the event we are unable to qualify as a RIC. Should we not qualify as a RIC for 2013, we intend to elect to be treated as a RIC for our 2014 taxable year, if management determines that it is in our best interests to do so. For example, it may not be in our best interests in the event that we experience large operating losses or have large loss carryforwards. If we opt not to do so or are unable to qualify, we will continue to be taxed as a C corporation under the Code for our 2014 taxable year. See “Business — Material U.S. Federal Income Tax Considerations.

The Company evaluates tax positions taken or expected to be taken in the course of preparing its consolidated financial statements to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. The Company recognizes the tax benefits of uncertain tax positions only where the position has met the “more-likely-than-not” threshold. The Company classifies penalties and interest associated with income taxes, if any, as income tax expense. Conclusions regarding tax positions are subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analyses of tax laws, regulations and interpretations thereof. The Company did not have any unrecognized tax benefits as of the period presented herein. The Company has identified its major tax jurisdictions as U.S. federal and California, and is not aware of any tax positions for which it is reasonably possible that the total amount of unrecognized tax benefits will change significantly in the next 12 months.

Recently Adopted Accounting Standards

The Company does not believe that the adoption of any recently issued accounting standards will have a material impact on its current financial position and results of operations.

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Recent Developments

From December 31, 2014 through March 16, 2015, the Company closed on investments of \$4,518,788 plus transaction costs as shown in following table:

<u>Portfolio Company</u>	<u>Industry</u>	<u>Transaction Date</u>	<u>Gross Payments</u>
NestGSV, Inc. (d.b.a. GSV Labs, Inc.)	Incubator	2-Jan-2015	\$ 994,760
Fullbridge, Inc.	Business Education	3-Feb-2015	330,000
Fullbridge, Inc.	Business Education	18-Feb-2015	330,000
Fullbridge, Inc.	Business Education	4-March-2015	364,043
Lyft, Inc.	Peer to Peer Ridesharing	11-March-2015	2,499,985
Total Gross Payments			\$ 4,518,788

From December 31, 2014 through March 16, 2015, the Company sold investments of \$9,401,877 net of transaction costs as shown in following table:

<u>Portfolio Company</u>	<u>Transaction Date</u>	<u>Shares Sold</u>	<u>Average Net Share Price⁽¹⁾</u>	<u>Net Proceeds</u>
Twitter Inc.	12-March-2015	200,000	\$ 47.01	\$ 9,401,877

(1) The average net share price is the net share price realized after deducting all commissions and fees on the sale(s).

The Company is presently in the final stages of negotiations with respect to a handful of private company investments that it anticipates entering into within the next 30 to 60 days, subject to satisfaction of applicable closing conditions. In the case of secondary market transactions, such closing conditions may include approval of the issuer, waiver or failure to exercise rights of first refusal by the issuer and/or its stockholders and termination rights by the seller or the Company. Equity investments made through the secondary market may involve making deposits in escrow accounts until the applicable closing conditions are satisfied, at which time the escrow accounts will close and such equity investments will be effectuated. From December 31, 2014 through March 16, 2015, the Company has not made any such escrow deposits.

On February 2, 2015, Gilt Groupe Holdings, Inc., completed an equity financing consisting of the issuance and sale of Series AA Convertible Preferred Stock. In connection with the financing, the following actions were approved: a) an Amended and Restated Certificate of Incorporation to effect a recapitalization; b) an increase in the total number of shares of Common Stock issued or reserved for issuance under the 2007 Stock Incentive Plan. A notice of written consent was provided to GSV Capital and other stockholders on February 24, 2015. As a result of the recapitalization, the value of our common stock would change to approximately \$4.00 to \$6.50 per share.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

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

As of December 31, 2014, all of our debt investments bore a fixed rate of interest. As of December 31, 2014, all of our borrowings bear a fixed rate of interest with the exception of the credit facility which is indexed to the prime rate. We do not expect a significant impact on net investment income, due to changes in the prime rate, based on its historical stability. The table below, however, indicates the impact on our net investment income should the prime rate rise.

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Based on our December 31, 2014, balance sheet, the following table shows the annual impact on net income of changes in interest rates assuming no changes in our investment and borrowing structure:

<u>Basis Point Change</u>	<u>Interest Income</u>	<u>Interest Expense</u>	<u>Net Income</u>
Up 300 Basis points	\$ —	\$ 1,980,000	\$(1,980,000)
Up 200 Basis points	\$ —	\$ 1,800,000	\$(1,800,000)
Up 100 Basis points	\$ —	\$ 1,620,000	\$(1,620,000)
Down 100 Basis points	\$ —	—	—
Down 200 Basis points	\$ —	—	—
Down 300 Basis points	\$ —	—	—

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting, and for performing an assessment of the effectiveness of internal control over financial reporting as of December 31, 2014. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Management performed an assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2014 based upon criteria in Internal Control — *Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on our assessment, management determined that the Company's internal control over financial reporting was effective as of December 31, 2014 based on the criteria on Internal Control — *Integrated Framework (2013)* issued by COSO.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2014 has been audited by Grant Thornton LLP, an independent registered public accounting firm, as stated in their report which appears herein.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
GSV Capital Corp.

We have audited the accompanying consolidated statements of assets and liabilities of GSV Capital Corp. and subsidiaries (the “Company”), including the consolidated schedules of investments, as of December 31, 2014 and 2013, and the related consolidated statements of operations, changes in net assets, and cash flows for each of the three years in the period ended December 31, 2014. Our audits of the basic consolidated financial statements included the financial statement schedules listed in the index appearing under Item 15(a)(2). These financial statements and financial statement schedules are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included verification by confirmation of securities as of December 31, 2014 and 2013, by correspondence with the portfolio companies and custodian, or by other appropriate auditing procedures where replies were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GSV Capital Corp. and subsidiaries as of December 31, 2014 and 2013, and the results of their operations, their changes in net assets and their cash flows for each of the three years in the period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the related financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as of December 31, 2014, based on criteria established in the 2013 *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 16, 2015 expressed an unqualified opinion thereon.

/s/ GRANT THORNTON LLP

San Francisco, California
March 16, 2015

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES

	December 31, 2014	December 31, 2013
ASSETS		
Investments at fair value:		
Investments in controlled securities (cost of \$17,933,651 and \$0, respectively) ⁽¹⁾	\$ 18,819,335	\$ —
Investments in affiliated securities (cost of \$80,760,208 and \$64,912,527, respectively) ⁽¹⁾	70,172,313	62,740,162
Investments in non-controlled/non-affiliated securities (cost of \$202,417,830 and \$214,796,591, respectively)	281,992,669	292,643,491
Investments in treasury bill (cost of \$100,001,692 and \$0, respectively)	100,000,056	—
Investments owned and pledged (cost of \$7,286,332 and \$10,845,236, respectively)	7,298,042	10,865,200
Total Investments (cost of \$408,399,713 and \$290,554,354, respectively)	478,282,415	366,248,853
Cash	3,472,880	7,219,203
Restricted cash	48,889	22,264
Due from:		
GSV Asset Management ⁽¹⁾	204,825	3,039
Portfolio companies ⁽¹⁾	85,356	153,178
Interest and dividends receivable	26,671	31,678
Prepaid expenses	179,556	49,739
Deferred credit facility fees	261,065	288,249
Deferred debt issuance costs	2,667,069	3,378,121
Other assets	417,370	553,234
Total Assets	485,646,096	377,947,558
LIABILITIES		
Due to:		
GSV Asset Management ⁽¹⁾	23,396	31,428
Accounts payable	292,950	382,165
Accrued incentive fees ⁽¹⁾	14,137,899	10,523,552
Accrued management fees ⁽¹⁾	641,276	532,550
Accrued interest payable	1,139,458	1,056,563
Payable for securities purchased	90,001,692	—
Current taxes payable	134,733	—
Deferred tax liability	6,907,666	8,320,561
Line of credit payable	18,000,000	—
Convertible senior notes embedded derivative liability	1,000	799,000
Convertible senior notes payable 5.25% due September 15, 2018	68,462,353	68,335,295
Total Liabilities	199,742,423	89,981,114
Commitments and contingencies (Note 6)		
Net Assets	\$285,903,673	\$287,966,444
NET ASSETS		
Common stock, par value \$0.01 per share (100,000,000 authorized; 19,320,100 issued and outstanding)	\$ 193,201	\$ 193,201
Paid-in capital in excess of par	275,837,514	275,837,514
Accumulated net investment loss	(31,972,292)	(19,192,401)
Accumulated net realized gain (loss) on investments	496,782	(13,660,306)
Accumulated net unrealized appreciation (depreciation) on investments	41,348,468	44,788,436
Net Assets	\$285,903,673	\$287,966,444
Net Asset Value Per Share	\$ 14.80	\$ 14.91

(1) This balance is a related party transaction. Refer to Note 2 for more detail.

See notes to Consolidated Financial Statements

GSV CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
INVESTMENT INCOME			
Interest income from controlled securities	\$ 10,233	\$ —	\$ —
Interest income from affiliate securities	130,021	23,615	21,852
Interest income from non-affiliated/non-controlled securities	44,805	2,256	200,195
Dividend income from affiliated securities	—	13,008	26,030
Dividend income from non-affiliated/non-controlled securities	887	10,072	—
Total Investment Income	<u>185,946</u>	<u>48,951</u>	<u>248,077</u>
OPERATING EXPENSES			
Investment management fees ⁽¹⁾	7,562,488	5,426,485	4,419,345
Accrued incentive fees ⁽¹⁾	3,614,347	10,523,552	—
Costs incurred under administration agreement	3,199,904	3,089,771	2,384,764
Directors' fees ⁽¹⁾	260,000	260,250	237,500
Professional fees	1,764,722	876,769	959,604
Interest and credit facility expense	5,503,843	1,278,997	—
Insurance expense	243,285	240,725	214,306
Investor relations expense	208,710	198,809	182,193
Other expenses	216,640	89,517	133,246
Gain (Loss) on fair value adjustment for embedded derivative	(798,000)	99,000	—
Total Operating Expenses	<u>21,775,939</u>	<u>22,083,875</u>	<u>8,530,958</u>
Benefit for taxes on net investment loss	8,810,102	13,159,268	—
Net Investment Loss	<u>(12,779,891)</u>	<u>(8,875,656)</u>	<u>(8,282,881)</u>
Net Realized gain (loss):			
From affiliated securities	10,419	(7,839,791)	—
From non-controlled/non-affiliated securities	23,915,705	(13,866,230)	(1,380,519)
Total Realized Gain (Loss) on investments	<u>23,926,124</u>	<u>(21,706,021)</u>	<u>(1,380,519)</u>
(Provision)/Benefit for Taxes on realized gain/loss on investments	<u>(9,769,036)</u>	<u>9,426,234</u>	<u>—</u>
Net Change in Unrealized Appreciation (Depreciation) on investments:			
From controlled securities	(662,619)	—	—
From affiliated securities	(6,867,225)	1,600,822	(3,537,748)
From non-controlled/non-affiliated securities	1,718,047	85,844,327	(6,633,102)
Change in Unrealized Appreciation (Depreciation) on investments	<u>(5,811,797)</u>	<u>87,445,149</u>	<u>(10,170,850)</u>
(Provision)/Benefit for taxes on unrealized appreciation/depreciation on investments	<u>2,371,829</u>	<u>(30,906,063)</u>	<u>—</u>
Net Increase (Decrease) in Net Assets Resulting From Operations	<u>\$ (2,062,771)</u>	<u>\$ 35,383,643</u>	<u>\$ (19,834,250)</u>
Net Increase (Decrease) in Net Assets Resulting From Operations Per Common Share:			
Basic	<u>\$ (0.11)</u>	<u>\$ 1.83</u>	<u>\$ (1.23)</u>
Diluted	<u>\$ (0.11)</u>	<u>\$ 1.78</u>	<u>\$ (1.23)</u>
Weighted Average Common Shares Outstanding:			
Basic	<u>19,320,100</u>	<u>19,320,100</u>	<u>16,096,330</u>
Diluted	<u>19,320,100</u>	<u>20,541,014</u>	<u>16,096,330</u>

(1) This balance is a related party transaction. Refer to Note 2 for more detail.

See notes to Consolidated Financial Statements

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Increase (Decrease) in Net Assets Resulting From Operations			
Net Investment Loss	\$ (12,779,891)	\$ (8,875,656)	\$ (8,282,881)
Net Realized Gain (Loss) on Investments	23,926,124	(21,706,021)	(1,380,519)
Provision/Benefit for Taxes on realized gain/loss on investments	(9,769,036)	9,426,234	—
Net Change in Unrealized Appreciation (Depreciation)	(5,811,797)	87,445,149	(10,170,850)
Provision/Benefit for taxes on unrealized appreciation/depreciation on investments	2,371,829	(30,906,063)	—
Net Increase (Decrease) in Net Assets Resulting From Operations	<u>(2,062,771)</u>	<u>35,383,643</u>	<u>(19,834,250)</u>
Net Increase (Decrease) in Net Assets Resulting From Capital Share Transactions			
Net Proceeds from Common Shares Issued	—	—	201,652,500
Offering Costs	—	—	(738,697)
Net Increase (Decrease) in Net Assets Resulting From Capital Share Transactions	<u>—</u>	<u>—</u>	<u>200,913,803</u>
Total Increase (Decrease) in Net Assets	<u>(2,062,771)</u>	<u>35,383,643</u>	<u>181,079,553</u>
Net Assets at Beginning of Year	287,966,444	252,582,801	71,503,248
Net Assets at End of Year	<u>\$285,903,673</u>	<u>\$287,966,444</u>	<u>\$252,582,801</u>
Capital Share Activity			
Shares Issued	—	—	13,800,000
Shares Outstanding at Beginning of Year	19,320,100	19,320,100	5,520,100
Shares Outstanding at End of Year	<u>19,320,100</u>	<u>19,320,100</u>	<u>19,320,100</u>

See notes to Consolidated Financial Statements

GSV CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Cash Flows from Operating Activities			
Net increase (decrease) in net assets resulting from operations	\$ (2,062,771)	\$ 35,383,643	\$ (19,834,250)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided (used in) operating activities:			
Net realized (gain) loss on investments	(23,926,124)	21,706,021	1,380,519
Net change in unrealized (appreciation) depreciation on investments	5,811,797	(87,445,149)	10,170,850
Deferred tax liability	(1,412,895)	8,320,561	—
Current taxes payable	134,733	—	—
Loss on fair value adjustment for embedded derivative	(798,000)	99,000	—
Amortization of deferred credit facility fees	225,910	—	—
Amortization of deferred debt issuance costs	718,135	207,808	—
Amortization of fixed income security premiums and discounts	(63,053)	—	—
Purchases of investments in:			
Portfolio investments	(71,094,138)	(71,953,895)	(172,869,132)
United States treasury bill	(360,004,426)	—	(19,999,128)
Money market funds	—	(53,000,000)	(10,000,000)
United States treasury strips	—	(10,845,236)	—
Proceeds from sales or redemption of investments in:			
Portfolio investments	73,557,189	7,686,491	—
Treasuries strips	3,603,708	—	—
United States treasury bill	260,002,734	—	19,998,872
Money market funds	—	69,000,000	1,000,000
Change in operating assets and liabilities:			
Due from GSV Asset Management ⁽¹⁾	(201,786)	2,684	7,747
Due from portfolio company	67,822	163,199	(307,128)
Prepaid expenses	(129,817)	14,214	28,797
Interest and dividends receivable	5,007	(29,758)	157,532
Other assets	135,864	(526,089)	(24,449)
Due to GSV Asset Management ⁽¹⁾	(8,032)	512,784	(27,233)
Due to other affiliate	—	—	(10,782)
Payable for securities purchased	90,001,692	—	—
Accounts payable	(89,215)	(114,568)	54,172
Accrued incentive fees ⁽¹⁾	3,614,347	10,523,552	—
Accrued management fees ⁽¹⁾	108,726	—	—
Accrued interest payable	82,895	1,056,563	—
Accrued expenses	—	—	292,340
Net Cash Used in Operating Activities	<u>(21,719,698)</u>	<u>(69,238,175)</u>	<u>(189,981,273)</u>

See notes to Consolidated Financial Statements

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS – (continued)

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Cash Flows from Financing Activities			
Borrowings under credit facility	36,000,000	—	—
Payments under credit facility	(18,000,000)	—	—
Net proceeds from common shares issued	—	—	201,652,500
Offering costs	—	—	(738,697)
Deferred credit facility fees	—	(288,249)	—
Deferred debt issuance costs	—	(3,585,929)	—
Change in restricted cash	(26,625)	(22,264)	—
Gross proceeds from convertible senior notes issued	—	69,035,295	—
Net Cash Provided by Financing Activities	<u>17,973,375</u>	<u>65,138,853</u>	<u>200,913,803</u>
Total Increase (Decrease) in Cash Balance	<u>(3,746,323)</u>	<u>(4,099,322)</u>	<u>10,932,530</u>
Cash Balance at Beginning of Year	7,219,203	11,318,525	385,995
Cash Balance at End of Year	<u>\$ 3,472,880</u>	<u>\$ 7,219,203</u>	<u>\$ 11,318,525</u>

(1) This balance is a related party transaction. Refer to Note 2 Related Party Arrangements.

See notes to Consolidated Financial Statements

GSV CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Non-Cash Operating Items			
<u>Transactions in Investments in Portfolio Companies</u>			
Structured note exchanged for common shares	\$ —	\$ —	\$ 3,002,665
Structured notes converted to preferred shares	\$ 3,568,635	\$ —	\$ 924,651
Warrants exercised for preferred shares	\$ 503,851	\$ —	\$ 53,665
Preferred shares converted to preferred shares	\$ 1,273,125	\$ 519,989	\$ —
Preferred shares converted to junior preferred shares	\$ —	\$ 10,032,45	\$ —
Preferred shares converted to common shares	\$ 2,006,077	\$ 22,069,188	\$ —
Preferred shares converted to common warrants	\$ 500,000	\$ 67,021	\$ —
Common shares converted to preferred shares	\$ —	\$ 12,655,877	\$ —
Non-Cash Financing Items			
Fair value of make-whole derivative issued in connection with the convertible debt	\$ 1,000	\$ 700,000	\$ —

See notes to Consolidated Financial Statements

GSV CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
DECEMBER 31, 2014

Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
Twitter, Inc.**	San Francisco, CA				
Common shares	Social Communication	1,600,600	\$ 27,551,563	\$ 57,413,522	20.08%
Palantir Technologies, Inc.	Palo Alto, CA				
Common shares, Class A	Cyber Security	5,773,690	16,189,935	42,985,122	15.03%
Preferred shares, Series G		326,797	1,008,968	2,490,193	0.87%
Total			<u>17,198,903</u>	<u>45,475,315</u>	<u>15.90%</u>
Dropbox, Inc.	San Francisco, CA				
Common shares	Online Storage	760,000	8,641,153	14,516,000	5.08%
Preferred shares, Series A-1		552,486	5,015,773	10,552,483	3.69%
Total			<u>13,656,926</u>	<u>25,068,483</u>	<u>8.77%</u>
2U, Inc. (f/k/a 2tor, Inc.)^{(9)**}	Landover, MD				
Common shares	Online Education	1,319,233	10,032,117	23,342,509	8.16%
Coursera, Inc.	Mountain View, CA				
Preferred shares, Series B	Online Education	2,961,399	14,519,519	14,510,855	5.08%
Solexel, Inc.	Milpitas, CA				
Preferred shares, Series C	Solar Power	5,300,158	11,598,648	11,607,346	4.06%
Preferred shares, Series D		1,613,413	2,419,751	2,420,120	0.85%
Total			<u>14,018,399</u>	<u>14,027,466</u>	<u>4.91%</u>
Avenues Global Holdings, LLC⁽³⁾	New York, NY				
Preferred shares, Junior Preferred Stock	Globally-focused Private School	10,014,270	10,151,854	11,303,410	3.95%
SugarCRM, Inc.	Cupertino, CA				
Common shares	Customer Relationship	1,899,799	6,799,392	9,214,025	3.22%
Preferred shares, Series E	Manager	373,134	1,500,522	2,046,909	0.72%
Total			<u>8,299,914</u>	<u>11,260,934</u>	<u>3.94%</u>
Ozy Media, Inc.⁽¹⁾	Mountain View, CA				
Preferred shares, Series B	Daily News and	922,509	4,999,999	4,999,999	1.75%
Preferred shares, Series A	Information Site	1,090,909	3,000,200	4,165,091	1.46%
Preferred shares, Series Seed		500,000	500,000	1,573,000	0.55%
Total			<u>8,500,199</u>	<u>10,738,090</u>	<u>3.76%</u>
Declaro, Inc.⁽¹⁾	Palo Alto, CA				
Preferred shares, Series A	Social Cognitive Learning	5,358,195	9,999,999	10,019,825	3.50%
JAMF Holdings, Inc.	Minneapolis, MN				
Preferred shares, Series B	Mobile Device Management	73,440	9,999,928	9,999,590	3.50%
Curious.com Inc.⁽¹⁾	Menlo Park, CA				
Preferred shares, Series B	Online Education	2,839,861	10,000,003	9,996,311	3.50%
PayNearMe, Inc.⁽¹⁾	Sunnyvale, CA				
Preferred shares, Series E	Cash Payment Network	3,914,535	10,000,401	9,982,064	3.49%

See notes to Consolidated Financial Statements

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
DECEMBER 31, 2014

Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
StormWind, LLC ⁽²⁾⁽⁵⁾	Scottsdale, AZ				
Preferred shares, Series C		2,779,134	\$ 4,000,787	\$ 4,338,830	1.52%
Preferred shares, Series B	Interactive Learning	3,279,629	2,019,687	4,347,608	1.52%
Preferred shares, Series A		366,666	110,000	391,592	0.14%
Preferred Unit Warrants \$1.76 Strike Price, Expiration Date 1/6/15		568,753	—	—	—%
Total			6,130,474	9,078,030	3.18%
Chegg, Inc. **	Santa Clara, CA				
Common shares	Textbook Rental	1,182,792	14,022,863	8,173,093	2.86%
Lytro, Inc.	Mountain View, CA				
Preferred Stock	Consumer Electronics	2,533,784	7,500,001	7,500,001	2.62%
General Assembly Space, Inc.	New York, NY				
Preferred shares, Series C	Online Education	126,552	2,999,978	3,125,467	1.09%
Common shares		133,213	2,999,983	2,999,957	1.05%
Total			5,999,961	6,125,424	2.14%
Spotify Technology S.A. **	Stockholm, Sweden				
Common shares	Music Streaming Service	3,658	3,598,472	5,676,873	1.99%
Learnist Inc. (f/k/a Grockit, Inc.) ⁽¹⁾	San Francisco, CA				
Preferred shares, Series D	Online Learning Platform	2,728,252	2,005,945	2,319,014	0.81%
Preferred shares, Series E		1,731,501	1,503,670	1,610,296	0.56%
Preferred shares, Series F		1,242,928	1,450,000	1,450,000	0.51%
Total			4,959,615	5,379,310	1.88%
Knewton, Inc.	New York, NY				
Preferred shares, Series E	Online Education	375,985	4,999,999	5,000,601	1.75%
Course Hero Inc.	Redwood City, CA				
Preferred shares, Series A	Online Education	2,145,509	5,000,001	5,000,001	1.75%
Lyft, Inc.	San Francisco, CA				
Preferred shares, Series D	Peer to Peer Ridesharing	493,490	5,003,634	4,999,054	1.75%
GSV Sustainability Partners ⁽²⁾	Woodside, CA				
Preferred shares, Class A	Clean Technology	9,700,000	4,851,256	4,850,000	1.70%
Common shares		100,000	10,000	10,000	0.00%
Total			4,861,256	4,860,000	1.70%
Fullbridge, Inc. ⁽¹⁾	Cambridge, MA				
Preferred shares, Series C	Business Education	1,728,724	3,193,444	1,625,001	0.57%
Preferred shares, Series D		1,655,167	2,956,022	3,111,714	1.09%
Common warrants, \$0.91 Strike Price, Expiration Date 3/22/2020		186,170	67,021	1,862	0.00%
Common warrants, \$0.91 Strike Price, Expiration Date 12/11/2018		82,418	9,799	824	0.00%
Common warrants, \$0.91 Strike Price, Expiration Date 12/11/2018		412,088	50,970	4,121	0.00%
Common warrants, \$0.91 Strike Price, Expiration Date 5/16/2019		192,308	23,244	1,923	0.00%
Common warrants, \$0.91 Strike Price, Expiration Date 3/22/2020		714,286	85,779	7,143	0.00%
Common warrants, \$0.91 Strike Price, Expiration Date 10/09/2018		82,418	9,901	824	0.00%
Total			6,396,180	4,753,412	1.66%

See notes to Consolidated Financial Statements

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
DECEMBER 31, 2014

Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
Whittle Schools, LLC ⁽¹⁾⁽⁴⁾	New York, NY				
Preferred shares, Series B	Globally-focused Private School	3,000,000	\$ 3,000,000	\$ 3,000,000	1.05%
Common shares		229	1,577,097	1,500,000	0.52%
Total			4,577,097	4,500,000	1.57%
CUX, Inc. (d/b/a CorpU) ⁽¹⁾	San Francisco, CA				
Convertible preferred shares, Series C	Corporate Education	615,763	2,006,077	2,292,582	0.80%
Senior Subordinated Convertible Promissory Note 8% Due 11/26/2018 ⁽¹²⁾		\$ 1,000,000	1,000,000	1,007,671	0.35%
Convertible preferred shares, Series D		169,033	778,607	716,066	0.25%
Preferred warrants, \$4.59 Strike Price, Expiration Date 02/25/2018		16,903	—	12,508	0.00%
Total			3,784,684	4,028,827	1.40%
Parchment, Inc.	Scottsdale, AZ				
Preferred shares, Series D	E-Transcript Exchange	3,200,512	4,000,982	4,000,640	1.40%
Global Education					
Learning (Holdings) Ltd. ^{(1)**}	Hong Kong				
Preferred shares, Series A	Education Technology	2,126,475	4,335,769	3,995,221	1.40%
Dataminr, Inc.	New York, NY				
Preferred shares, Series B	Social Media Analytics	904,977	2,063,356	2,869,320	1.00%
Preferred shares, Series C		301,369	1,100,909	1,075,425	0.38%
Total			3,164,265	3,944,745	1.38%
NestGSV, Inc. (d.b.a. GSV Labs, Inc.) ⁽²⁾	Redwood City, CA				
Preferred shares, Series C	Incubator	1,561,625	2,005,730	1,503,832	0.53%
Preferred shares, Series D		1,095,418	1,404,499	1,460,557	0.51%
Preferred shares, Series A		1,000,000	1,021,778	440,000	0.15%
Preferred shares, Series B		450,000	605,500	265,980	0.09%
Common shares		200,000	1,000	1,000	0.00%
Preferred Warrant Series D – \$1.33 Strike Price, Expiration Date 10/6/2019		500,000	—	65,000	0.02%
Preferred warrants, Series C – \$1.33 Strike Price, Expiration Date 4/9/2019		187,500	—	24,375	0.01%
Total			5,038,507	3,760,744	1.31%
Bloom Energy Corporation	Sunnyvale, CA				
Common shares	Fuel Cell Energy	201,589	3,855,601	3,357,969	1.17%
Gilt Groupe Holdings, Inc.	New York, NY				
Common shares	e-Commerce Flash Sales	248,600	6,594,433	3,168,108	1.11%
SharesPost, Inc. ⁽¹⁾⁽⁶⁾	San Bruno, CA				
Preferred shares, Series B	Online Marketplace Finance	1,771,653	2,259,716	2,249,999	0.79%
Common warrants, \$0.13 Strike Price, Expiration Date 6/15/2018		770,934	23,128	485,688	0.17%
Total			2,282,844	2,735,687	0.96%
DogVacay, Inc.	Santa Monica, CA				
Preferred shares, Series B-1	Dog Boarding	514,562	2,506,119	2,505,917	0.88%

See notes to Consolidated Financial Statements

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
DECEMBER 31, 2014

Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
DreamBox Learning, Inc.	Bellevue, WA				
Preferred shares, Series A-1	Education Technology	7,159,221	\$ 1,502,362	\$ 1,606,388	0.56%
Preferred shares, Series A		3,579,610	758,017	803,194	0.28%
Total			2,260,379	2,409,582	0.84%
Circle Media (f.k.a. S3 Digital Corp. (d/b/a S3j))⁽¹⁾	New York, NY				
Preferred shares, Series A	Sports Analytics	1,462,269	1,496,059	1,705,006	0.60%
Term Loan, 12%, 09/30/15***		\$ 272,500	283,901	288,114	0.10%
Preferred warrants, \$1.17 Strike Price, Expiration Date 08/29/2021		175,815	—	58,019	0.02%
Preferred warrants, \$1.17 Strike Price, Expiration Date 09/30/2020		160,806	—	64,322	0.02%
Preferred warrants, \$1.16 Strike Price, Expiration Date 6/26/2021		38,594	—	12,736	0.00%
Preferred warrants, \$1.00 Strike Price, Expiration Date 11/21/2017		500,000	31,354	165,000	0.06%
Total			1,811,314	2,293,197	0.80%
Maven Research, Inc.⁽¹⁾	San Francisco, CA				
Preferred shares, Series C	Knowledge Networks	318,979	2,000,447	1,999,998	0.70%
Preferred shares, Series B		49,505	217,206	249,691	0.09%
Total			2,217,653	2,249,689	0.79%
Clever, Inc.	San Francisco, CA				
Series B Preferred Stock	Education Software	1,799,047	2,000,001	2,000,001	0.70%
AlwaysOn, Inc.⁽²⁾	Woodside, CA				
Preferred shares, Series A-1	Social Media	4,465,925	876,023	491,252	0.17%
Preferred shares, Series A		1,066,626	1,027,391	629,309	0.22%
Preferred warrants Series A-1, \$0.19 strike price, expire 12/31/2014		1,313,508	—	—	0.00%
Preferred warrants Series A, \$1.00 strike price, expire 1/9/2017		109,375	—	—	0.00%
Total			1,903,414	1,120,561	0.39%
AliphCom, Inc. (d/b/a Jawbone)	San Francisco, CA				
Common shares	Smart Device Company	150,000	793,152	1,013,217	0.35%
Enjoy Technology, Inc.	Menlo Park, CA				
Series A Preferred Shares	Online Shopping	879,198	1,002,440	1,002,440	0.35%
Strategic Data Command, LLC⁽¹⁾⁽⁷⁾	Sunnyvale, CA				
Common shares	Software Development	800,000	1,001,650	1,000,000	0.35%
EdSurge, Inc.⁽¹⁾	Burlingame, CA				
Preferred shares, Series A	Education Media Platform	494,365	500,801	505,328	0.18%
Cricket Media (f/k/a ePals Inc.)^{**(1)(8)}	Hemdon, VA				
Common shares	Online Education	1,333,333	2,448,959	331,126	0.12%
Neuron Fuel, Inc.	San Jose, CA				
Preferred shares, Series AAI	Computer Software	250,000	262,530	246,160	0.09%
New Zoom, Inc.	San Francisco, CA				
Preferred shares, Series A	Retail Machines	1,250,000	260,476	230,469	0.08%

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GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
DECEMBER 31, 2014

Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
4C Insights (f.k.a The Echo Systems Corp.)	Chicago, IL				
Preferred shares, Series A	Social Data Platform	512,365	\$ 1,436,404	\$ 219,292	0.08%
Totus Solutions, Inc. (1)(10)	Carrollton, TX				
Preferred shares, Series B	LED Lighting	1,111,111	1,000,000	128,902	0.05%
Convertible Promissory Note 6%, Expiration Date, 4/01/2016		\$ 76,110	76,430	78,425	0.03%
Preferred shares, Series A		869,265	2,184,422	—	0.00%
Common Shares		1,130,735	2,840,591	—	0.00%
Total			6,101,443	207,327	0.08%
The rSmart Group, Inc. (1)	Scottsdale, AZ				
Preferred shares, Series B	Higher Education Learning Platform	1,201,923	1,267,240	192,586	0.07%
Odesk Corporation	Redwood City, CA				
Common Shares	Online Workplace Platform	30,000	183,269	156,196	0.05%
Earlyshares.com	Miami, FL				
Preferred shares, Series A	Equity Crowd Funding	165,715	260,878	125,115	0.04%
Dailybreak, Inc. (1)	Boston, MA				
Preferred shares, Series A-1	Social Advertising	1,878,129	2,430,950	—	0.00%
Preferred shares, Series A-2		347,666	426,254	—	0.00%
Total			2,857,204	—	0.00%
Total Portfolio Investments			301,111,689	370,984,317	129.76%
U.S. Treasury					
U.S. Treasury Bill, 0%, due 1/2/2015		\$ 100,000,000	\$ 100,001,692	\$ 100,000,056	34.98%
U.S. Treasury Strips (11)					
United States Treasury Strip Coupon, 0.00% due 08/15/2016		\$ 1,851,000	1,828,695	1,834,674	0.64%
United States Treasury Strip Coupon, 0.00% due 02/15/2016		\$ 1,834,000	1,822,943	1,826,664	0.64%
United States Treasury Strip Coupon, 0.00% due 08/15/2015		\$ 1,823,000	1,819,165	1,820,904	0.64%
United States Treasury Strip Coupon, 0.00% due 02/15/2015		\$ 1,816,000	1,815,529	1,815,800	0.63%
Total			7,286,332	7,298,042	2.55%
Total Investments			\$408,399,713	\$478,282,415	167.29%

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

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

***Investment is income producing.

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

See notes to Consolidated Financial Statements

GSV CAPITAL CORP. AND SUBSIDIARIES

**CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
DECEMBER 31, 2014**

- (2) Denotes a Control Investment. “Control Investments” are investments in those companies that are “Controlled Companies” of GSV Capital Corp., as defined in the Investment Company Act of 1940. A company is deemed to be a “Controlled Company” of GSV Capital Corp. if GSV Capital Corp. owns 25% or more of the voting securities of such company.
- (3) GSV Capital Corp.’s investment in Avenues Global Holdings, LLC is held through its wholly-owned subsidiary GSVC AV Holdings, Inc.
- (4) GSV Capital Corp.’s investment in Whittle Schools, LLC is held through its wholly-owned subsidiary GSVC WS Holdings, Inc. Whittle Schools, LLC is an investment whose economics are derived from the value of Avenues Global Holdings LLC.
- (5) GSV Capital Corp.’s investment in StormWind, LLC is held through its wholly-owned subsidiary GSVC SW Holdings, Inc.
- (6) GSV Capital Corp.’s investment in SharesPost, Inc. is held through its wholly-owned subsidiary SPNPM Holdings, LLC.
- (7) GSV Capital Corp.’s investment in Strategic Data Command, LLC is held through its wholly-owned subsidiary GSVC SVDS Holdings, Inc.
- (8) On October 22, 2013, Cricket Media (f/k/a ePals Inc.), priced its initial public offering, selling 40,267,333 shares at a price of CAD \$0.075 per share. GSV Capital Corp.’s shares in Cricket Media (f/k/a ePals Inc.), are subject to a lock-up agreement which expired on February 23, 2014. At December 31, 2014, GSV Capital Corp. valued Cricket Media (f/k/a ePals Inc.), based on its December 31, 2014 closing price less 17.5%. GSV Capital Corp.’s Chief Executive Officer, Michael Moe is a Board member of Cricket Media (f/k/a ePals Inc.), which subjects GSV Capital Corp. to insider trading restrictions under Canadian securities law. As such, the Company has applied a 17.5% discount to reflect the aforementioned trading restrictions.
- (9) On March 28, 2014, 2U, Inc. (f/k/a 2tor, Inc.) priced its initial public offering, selling 9,175,000 shares at a price of \$13 per share. GSV Capital Corp.’s shares in 2U, Inc. (f/k/a 2tor, Inc.) are subject to a lock-up agreement which expired on September 24, 2014. At December 31, 2014, GSV Capital Corp. valued 2U, Inc. (f/k/a 2tor, Inc.), based on its December 31, 2014 closing price less 10.0%. Michael Moe is a Board member of 2U, Inc. (f/k/a 2tor, Inc.), which subjects GSV Capital Corp. to insider trading restrictions under U.S. securities law. As such, the Company has applied a 10.0% discount to reflect the aforementioned trading restrictions.
- (10) On November 20, 2014, Totus Solutions, Inc., conducted a 10:1 stock split.
- (11) Refer to Note 9 — Long Term Liabilities. In accordance with the terms of the Company’s Convertible Senior Notes payable, the Company deposited \$10,867,500 in an escrow account with the Trustee. These funds were used to purchase U.S. Treasury Strips (“Government Securities”) with an original cost of \$10,845,236. At December 31, 2014, the remaining government securities are shown on the Consolidated Schedule of Investments and have an amortized cost of \$7,286,332.
- (12) Interest will accrue daily on the unpaid principal balance of the note. Accrued interest is not payable until the earlier of a) the closing of a subsequent equity offering by CUX, Inc., or b) the maturity of the note (November 26, 2018). Interest will compound annually beginning on November 26, 2015.

See notes to Consolidated Financial Statements

GSV CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
DECEMBER 31, 2013

Portfolio Investments*	Headquarters/Industry	Shares	Cost	Fair Value	% of Net Assets
Twitter, Inc. ^{(12)**}	San Francisco, CA				
Common shares	Social Communication	1,900,600	\$ 32,991,111	\$ 102,822,460	35.71%
Palantir Technologies, Inc.	Palo Alto, CA				
Common shares, Class A	Cyber Security	7,145,690	20,051,479	32,119,877	11.15%
Preferred shares, Series G		326,797	1,008,968	1,718,953	0.60%
Total			<u>21,060,447</u>	<u>33,838,830</u>	<u>11.75%</u>
Dropbox, Inc.	San Francisco, CA				
Common share	Online Storage	760,000	8,641,153	9,181,012	3.19%
Preferred shares, Series A-1		552,486	5,015,333	6,674,185	2.32%
Total			<u>13,656,486</u>	<u>15,855,197</u>	<u>5.51%</u>
Coursera, Inc.	Mountain View, CA				
Preferred shares, Series B	Online Education	2,961,399	14,519,443	14,519,443	5.04%
Control4 Corporation ^{(8)**}	Salt Lake City, UT				
Common shares	Home Automation	782,789	7,010,762	13,300,129	4.62%
2U, Inc. (f/k/a 2tor, Inc.)	Landover, MD				
Common shares	Online Education	1,151,802	8,758,193	9,875,206	3.43%
Preferred shares, Series A		167,431	1,273,125	1,435,503	0.50%
Total			<u>10,031,318</u>	<u>11,310,709</u>	<u>3.93%</u>
Solexel, Inc.	Milpitas, CA				
Preferred shares, Series C	Solar Power	5,034,324	11,017,561	11,286,628	3.92%
Avenues Global Holdings, LLC ⁽²⁾	New York, NY				
Preferred shares, Junior Preferred Stock	Globally Focused Private School	10,014,270	10,150,484	10,014,270	3.48%
Curious.com Inc. ⁽¹⁾	Menlo Park, CA				
Preferred shares, Series B	Online Education	2,839,861	10,000,003	10,000,003	3.47%
PayNearMe, Inc. ⁽¹⁾	Sunnyvale, CA				
Preferred shares, Series E	Cash Payment Network	3,914,535	10,000,001	10,000,000	3.47%
Facebook, Inc. ^{**}	Menlo Park, CA				
Common Shares, Class A	Social Networking	175,000	5,236,147	9,563,750	3.32%
SugarCRM, Inc.	Cupertino, CA				
Common shares	Customer Relationship Manager	1,899,799	6,799,272	7,219,236	2.51%
Preferred shares, Series E		373,134	1,500,522	2,160,437	0.75%
Total			<u>8,299,794</u>	<u>9,379,673</u>	<u>3.26%</u>
Chegg, Inc. ^{(12)**}	Santa Clara, CA				
Common shares	Textbook Rental	1,182,792	14,022,863	8,551,589	2.97%
ZocDoc Inc.	New York, NY				
Preferred shares, Series A	Online Medical Scheduling	200,000	3,563,178	3,926,702	1.36%
Common Stock		111,866	1,734,878	2,196,322	0.76%
Total			<u>5,298,056</u>	<u>6,123,024</u>	<u>2.12%</u>
Knewton, Inc.	New York, NY				
Preferred shares, Series E	Education Technology Company	375,985	4,999,999	4,999,999	1.74%

See notes to Consolidated Financial Statements

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
DECEMBER 31, 2013

Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
JAMF Holdings, Inc.	Minneapolis, MN				
Preferred shares, Series B	Mobile Device Management	36,720	\$ 4,999,964	\$ 4,999,964	1.74%
Whittle Schools, LLC ⁽¹⁾⁽³⁾	New York, NY				
Preferred shares, Series B	Globally-focused Private School	3,000,000	3,000,000	3,000,000	1.04%
Common shares		229	1,531,734	1,500,000	0.52%
Total			4,531,734	4,500,000	1.56%
Spotify Technology S.A. **	Stockholm, Sweden				
Common shares	Music Streaming Service	3,658	3,598,472	4,443,409	1.54%
Global Education					
Learning (Holdings) Ltd. ^{(1)**}	Hong Kong				
Preferred shares, Series A	Education Technology	2,126,475	4,335,671	4,338,009	1.51%
StormWind, LLC ⁽¹⁾⁽⁵⁾	Scottsdale, AZ				
Preferred shares, Series B	Interactive Learning Platform	3,279,629	2,019,687	4,205,142	1.46%
Violin Memory, Inc. ^{(9)**}	Mountain View, CA				
Common Shares	Memory Flash	1,247,498	14,819,618	4,204,068	1.46%
Dataminr, Inc.	New York, NY				
Preferred shares, Series B	Social Media Analytics	904,977	2,063,356	2,934,840	1.02%
Preferred shares, Series C		301,369	1,100,909	1,099,997	0.38%
Total			3,164,265	4,034,837	1.40%
Gilt Groupe Holdings, Inc.	New York, NY				
Common shares	e-Commerce				
Flash Sales		248,600	6,594,433	4,024,389	1.40%
Parchment, Inc.	Scottsdale, AZ				
Preferred shares, Series D	E-Transcript Exchange	3,200,512	4,000,862	4,000,640	1.39%
Ozy Media, Inc. ⁽¹⁾	Mountain View, CA				
Preferred shares, Series A	Daily News and Information Site	1,090,909	3,000,000	3,000,000	1.04%
Preferred shares, Series Seed		500,000	500,000	865,000	0.30%
Total			3,500,000	3,865,000	1.34%
Totus Solutions, Inc. ⁽¹⁾	Carrollton, TX				
Common shares	LED Lighting	11,307,348	2,840,391	576,675	0.20%
Preferred shares, Series A		8,692,652	2,183,582	2,173,163	0.75%
Preferred shares, Series B		11,111,110	1,000,000	1,001,001	0.35%
Total			6,023,973	3,750,839	1.30%
Fullbridge, Inc. ⁽¹⁾	Cambridge, MA				
Preferred shares, Series C	Business Education	1,728,724	3,193,444	3,114,120	1.08%
Term Loan, 10%, 3/31/14***		\$ 250,000	262,612	250,000	0.09%
Term Loan, 10%, 3/31/14***		\$ 250,000	241,239	250,000	0.09%
Common warrants, \$0.91 strike price, expire 3/22/2020		186,170	67,021	126,362	0.04%
Common warrants, \$0.91 strike price, expire 10/09/2018		82,418	9,901	—	—%

See notes to Consolidated Financial Statements

GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
DECEMBER 31, 2013

Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
Common warrants, \$0.91 strike price, expire 12/10/2018		82,418	\$ 9,799	\$ —	—%
Total			3,784,016	3,740,482	1.30%
Bloom Energy Corporation	Sunnyvale, CA				
Common shares	Fuel Cell Energy	201,589	3,855,601	3,731,264	1.30%
Learnist Inc. (f/k/a Grockit, Inc.)⁽¹⁾⁽¹¹⁾	San Francisco, CA				
Preferred shares, Series D	Online Learning Platform	2,728,252	2,005,945	2,073,472	0.72%
Preferred shares, Series E		1,731,501	1,503,670	1,499,999	0.52%
Total			3,509,615	3,573,471	1.24%
CUX, Inc. (d/b/a CorpU)⁽¹⁾	San Francisco, CA				
Common Stock	Corporate Education	615,763	2,006,077	2,229,678	0.77%
Convertible preferred shares, Series D		169,033	778,607	697,041	0.24%
Preferred warrants, \$4.59 strike price, expire 02/25/2018		16,903	—	—	—%
Total			2,784,684	2,926,719	1.01%
SharesPost, Inc.⁽⁶⁾	San Bruno, CA				
Preferred shares, Series B	Online Marketplace Finance	1,771,653	2,259,716	2,232,283	0.78%
Common warrants, \$0.13 strike price, expire 6/15/2018		770,934	23,128	115,640	0.04%
Total			2,282,844	2,347,923	0.82%
TrueCar, Inc.	Santa Monica, CA				
Common shares	Online Marketplace	377,358	2,014,863	2,299,997	0.80%
DreamBox Learning, Inc.	Bellevue, WA				
Preferred shares, Series A-1	Education Technology	7,159,221	1,502,362	1,503,436	0.52%
Preferred shares, Series A		3,579,610	758,017	751,718	0.26%
Total			2,260,379	2,255,154	0.78%
Maven Research, Inc.⁽¹⁾	San Francisco, CA				
Preferred shares, Series C	Knowledge Networks	318,979	2,000,447	1,999,998	0.69%
Preferred shares, Series B		49,505	217,206	249,505	0.09%
Total			2,217,653	2,249,503	0.78%
Silver Spring Networks, Inc.**	Redwood City, CA				
Common shares	Smart Grid	102,028	5,145,271	2,142,588	0.74%
NestGSV, Inc. (d.b.a. GSV Labs, Inc.)⁽¹⁾	Redwood City, CA				
Preferred shares, Series A	Incubator	1,000,000	1,021,778	1,188,137	0.41%
Preferred shares, Series B		450,000	605,500	594,068	0.21%
Total			1,627,278	1,782,205	0.62%
ePals Inc.**⁽¹⁾⁽¹⁰⁾	Herndon, VA				
Common shares	Online Education	33,333,333	2,444,759	1,666,667	0.58%
Common warrants, 0.075 CAD strike price, expire 4/30/2014		11,111,111	—	33,333	0.01%
Total			2,444,759	1,700,000	0.59%
Circle Media (f.k.a. S3 Digital Corp. (d/b/a S3j)⁽¹⁾	New York, NY				
Preferred shares, Class A1	Sports Analytics	1,033,452	989,058	1,168,847	0.41%
Preferred warrants, \$1.00 strike price, expire 11/21/2017		500,000	31,354	150,000	0.05%

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GSV CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
DECEMBER 31, 2013

Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
Term Loan, 12%, 09/30/15***		\$ 250,000	\$ 261,030	\$ 250,000	0.09%
Preferred warrants, \$1.166 strike price, expire 09/30/2020		160,806	—	64,322	0.02%
Total			1,281,442	1,633,169	0.57%
Dailybreak, Inc. ⁽¹⁾	Boston, MA				
Preferred shares, Series A-1	Social Advertising	1,878,129	2,430,950	1,211,393	0.42%
Strategic Data Command, LLC ⁽¹⁾⁽⁷⁾	Sunnyvale, CA				
Common shares	Software Development	800,000	1,001,650	1,046,830	0.36%
The rSmart Group, Inc. ⁽¹⁾	Scottsdale, AZ				
Preferred shares, Series B	Higher Education Learning Platform	1,201,923	1,267,240	857,302	0.30%
SinoLending Ltd. **	Shanghai, China				
Preferred shares, Class A	Chinese P2P Lending	6,414,368	503,235	577,293	0.20%
Preferred shares, Class B		2,333,108	250,491	247,163	0.09%
Total			753,726	824,456	0.29%
AlwaysOn, Inc. ⁽¹⁾	Woodside, CA				
Preferred shares, Series A-1	Social Media	3,152,417	624,783	600,000	0.21%
Preferred shares, Series A		1,066,626	1,027,391	203,011	0.07%
Total			1,652,174	803,011	0.28%
AliphCom, Inc. (d/b/a Jawbone)	San Francisco, CA				
Common Stock	Smart Device Company	150,000	793,152	782,189	0.27%
NestGSV Silicon Valley, LLC ⁽¹⁾⁽⁴⁾	Redwood City, CA				
Common membership interest	Incubator	\$ 500,000	500,000	557,084	0.19%
New Zoom, Inc.	San Francisco, CA				
Preferred shares, Series A	Retail Machines	1,250,000	260,476	308,660	0.11%
Neuron Fuel, Inc.	San Jose, CA				
Preferred shares, Series AA1	Computer Software	250,000	262,530	264,941	0.09%
4C Insights (f.k.a The Echo Systems Corp.)	Chicago, IL				
Preferred shares, Series A	Social Data Platform	512,365	1,436,404	229,234	0.08%
Preferred warrants, \$0.20 strike price, expire 11/14/2016		68,359	75,988	—	—%
Total			1,512,392	229,234	0.08%
Odesk Corporation	Redwood City, CA				
Common Shares	Online Workplace Platform	30,000	183,269	184,077	0.06%
Total Portfolio Investments			279,709,118	355,383,653	123.41%
United States Treasury Strip 02/15/2014		\$ 1,791,000	\$ 1,790,785	\$ 1,790,839	0.62%
United States Treasury Strip 02/15/2015		\$ 1,816,000	1,810,625	1,811,987	0.63%
United States Treasury Strip 02/15/2016		\$ 1,834,000	1,810,323	1,816,540	0.63%
United States Treasury Strip 08/15/2014		\$ 1,813,000	1,811,187	1,812,094	0.63%
United States Treasury Strip 08/15/2015		\$ 1,823,000	1,811,205	1,813,411	0.63%
United States Treasury Strip 08/15/2016		\$ 1,851,000	1,811,111	1,820,329	0.63%
Total			10,845,236	10,865,200	3.77%
Total Investments			\$290,554,354	\$366,248,853	127.18%

See notes to Consolidated Financial Statements

GSV CAPITAL CORP. AND SUBSIDIARIES

**CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
DECEMBER 31, 2013**

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- * All portfolio investments are non-control/non-affiliated and non-income producing, unless identified. Equity investments are subject to lock-up restrictions upon their initial public offering.
- ** Indicates assets that GSV Capital Corp. believes do not represent “qualifying assets” under Section 55(a) of the Investment Company Act of 1940, as amended.
- ***Investment is income producing.
- (1) Denotes an Affiliate Investment. “Affiliate Investments” are investments in those companies that are “Affiliated Companies” of GSV Capital Corp., as defined in the Investment Company Act of 1940. A company is deemed to be an “Affiliate” of GSV Capital Corp. if GSV Capital Corp. owns 5% or more of the voting securities of such company.
- (2) GSV Capital Corp.’s investment in Avenues Global Holdings, LLC is held through its wholly-owned subsidiary GSVC AV Holdings, Inc.
- (3) GSV Capital Corp.’s investment in Whittle Schools, LLC is held through its wholly-owned subsidiary GSVC WS Holdings, Inc. Whittle Schools, LLC is a derivative investment with economics linked to Avenues Global Holdings LLC.
- (4) GSV Capital Corp.’s investment in NestGSV Silicon Valley, LLC is held through its wholly-owned subsidiary GSVC NG Holdings, Inc.
- (5) GSV Capital Corp.’s investment in StormWind, LLC is held through its wholly-owned subsidiary GSVC SW Holdings, Inc.
- (6) GSV Capital Corp.’s investment in SharesPost, Inc. is held through its wholly-owned subsidiary SPNPM Holdings, LLC.
- (7) GSV Capital Corp.’s investment in Strategic Data Command, LLC is held through its wholly-owned subsidiary GSVC SVDS Holdings, Inc.
- (8) On August 2, 2013, Control4 Corporation priced its initial public offering, selling 4,000,000 shares at a price of \$16 per share. GSV Capital Corp.’s shares in Control4 are subject to a lock-up agreement which expired on January 29, 2014. At December 31, 2013, GSV Capital Corp. valued Control4 Corporation based on its December 31, 2013 closing price, adjusted for a discount due to lack of marketability of 4%.
- (9) On September 27, 2013, Violin Memory Inc. priced its initial public offering, selling 18,000,000 shares at a price of \$9 per share. GSV Capital Corp.’s shares in Violin Memory Inc. are subject to a lock-up agreement which expired on March 26, 2014. At December 31, 2013, GSV Capital Corp. valued Violin Memory Inc., based on its December 31, 2013 closing price, adjusted for a discount due to lack of marketability of 15%.
- (10) On October 22, 2013, ePals, Inc. priced its initial public offering, selling 40,267,333 shares at a price of CAD \$0.075 per share. GSV Capital Corp.’s shares in ePals, Inc. are subject to a lock-up agreement which expired on February 23, 2014. At December 31, 2013, GSV Capital Corp. valued ePals, Inc., based on its December 31, 2013 closing price, adjusted for a discount due to lack of marketability of 8%.
- (11) On November 6, 2013, Twitter, Inc. priced its initial public offering, selling 70,000,000 shares at a price of \$26 per share. GSV Capital Corp.’s shares in Twitter, Inc. are subject to a lock-up agreement which expired on May 5, 2014. At December 31, 2013, GSV Capital Corp. valued Twitter, Inc., based on its December 31, 2013 closing price, adjusted for a discount due to lack of marketability of 15%.
- (12) On November 12, 2013, Chegg, Inc. priced its initial public offering, selling 14,400,000 shares at a price of \$12.50 per share. GSV Capital Corp.’s shares in Chegg, Inc. are subject to a lock-up agreement which expired on May 11, 2014. At December 31, 2013, GSV Capital Corp. valued Chegg, Inc., based on its December 31, 2013 closing price, adjusted for a discount due to lack of marketability of 15%.
- (13) Refer to Note 9 — Long Term Liabilities. In accordance with the terms of its Convertible Senior Notes payable, the Company deposited \$10,867,500 in an escrow account with the trustee. These funds were used to purchase \$10,845,236 of government securities. The cost of the US Treasury Strips approximates their fair value at December 31, 2013.

See notes to Consolidated Financial Statements

GSV CAPITAL CORP. AND SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 1 — NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

GSV Capital Corp. (the “Company”, “we”, “our” or “GSV Capital”) was formed in September 2010 as a Maryland corporation structured as an externally managed, non-diversified closed-end management investment company. The Company has elected to be treated as a business development company under the Investment Company Act of 1940, as amended (the “1940 Act”). The Company is managed by GSV Asset Management, LLC (“GSV Asset Management”).

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

On April 13, 2012, the Company formed a wholly-owned subsidiary, GSV Capital Lending, LLC (“GCL”), a Delaware limited liability company, which was formed to originate portfolio loan investments within the state of California.

On November 28, 2012, the Company formed the following wholly-owned subsidiaries: GSVC AE Holdings, Inc. (“GAE”), GSVC AV Holdings, Inc. (“GAV”), GSVC NG Holdings, Inc. (“GNG”), GSVC SW Holdings, Inc. (“GSW”) and GSVC WS Holdings, Inc. (“GWS”). On July 12, 2013, the Company formed a wholly-owned subsidiary, SPNPM Holdings LLC (“SPNPM”). On August 13, 2013, the Company formed a wholly-owned subsidiary, GSVC SVDS Holdings, Inc. (“SVDS”). Collectively, these entities are known as the “GSVC Holdings”, all Delaware corporations, formed to hold portfolio investments.

The Company’s investment objective is to maximize our portfolio’s total return, principally by seeking capital gains on our equity investments. The Company invests principally in the equity securities of venture capital-backed and rapidly growing emerging companies. The Company may also invest on an opportunistic basis in select publicly-traded equity securities of rapidly growing companies that otherwise meet its investment criteria.

Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (“GAAP”) and pursuant to the requirements for reporting on Form 10-K and Regulation S-X. The accompanying consolidated financial statements include the accounts of the Company and its consolidated subsidiaries. The Company is an investment company following accounting and reporting guidance in Accounting Standards Codification (“ASC”) 946. The consolidated financial statements reflect all adjustments and reclassifications that, in the opinion of management, are necessary for the fair presentation of the results of the operations and financial condition as of and for the periods presented. All intercompany balances and transactions have been eliminated.

Basis of Consolidation

Under Article 6 of Regulation S-X and the American Institute of Certified Public Accountants’ Audit and Accounting Guide for Investment Companies, we are precluded from consolidating any entity other than another investment company, a controlled operating company which provides substantially all of its services and benefits to us and certain entities established for tax purposes where we hold a 100% interest. Accordingly, our consolidated financial statements include our accounts and the accounts of the GSVC Holdings and GCL, our wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. We began consolidating the GSVC Holdings during the quarter ended September 30, 2013.

GSV CAPITAL CORP. AND SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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

Rule 3.02A of regulation S-X notes “In deciding upon consolidation policy, the registrant must consider what financial presentation is most meaningful in the circumstances and should follow in the consolidated financial statements principles of inclusion or exclusion which will clearly exhibit the financial position and results of operations of the registrant. At December 31, 2014, the Company was the majority owner of GSV Sustainability, Inc., (“GSV SP”). The Company believes that not consolidating the financial statements of GSV SP, results in a more meaningful presentation of our financial position and results of operations. Further, we believe that it is more useful to readers of our financial statements, to account for GSV SP using the fair value approach, which is consistent with how we account for our other investments in portfolio companies.

Use of Estimates

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

Investments

The Company applies fair value accounting in accordance with GAAP. The Company generally values its assets on a quarterly basis, or more frequently if required under the 1940 Act. Securities for which market quotations are readily available on an exchange are valued at the closing price of such security on the valuation date; however, if they are subject to restrictions upon sale (such as to lock-up restrictions), they are discounted accordingly. The Company may also obtain quotes with respect to certain of its investments from pricing services or brokers or dealers in order to value assets. When doing so, the Company determines whether the quote obtained is sufficient according to GAAP to determine the fair value of the security. If determined adequate, the Company uses the quote obtained.

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

1. The quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals responsible for the portfolio investment;
2. Preliminary valuation conclusions are then documented and discussed with GSV Asset Management senior management;
3. An independent third-party valuation firm is engaged by, or on behalf of, the Valuation Committee to conduct independent appraisals and review management’s preliminary valuations and make their own independent assessment, for all material investments;
4. The Valuation Committee discusses valuations and recommends the fair value of each investment in the portfolio in good faith based on the input of GSV Asset Management and the independent third-party valuation firm; and,
5. The Board then discusses the valuations and determines in good faith the fair value of each investment in the portfolio based upon input of GSV Asset Management, estimates from the independent valuation firm and the recommendations of the Valuation Committee.

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

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

In making our good faith determination of the fair value of investments, we consider valuation methodologies consistent with industry practice. Valuation methods, among other measures and as applicable, may include comparisons to prices from secondary market transactions and recent venture capital financings, analysis of financial ratios and valuation metrics of the portfolio companies that issued such private equity securities to peer companies that are public, analysis of the portfolio companies' most recent financial statements and forecasts, and the markets in which the portfolio company does business, and other relevant factors. The Company assigns a weighting based upon the relevance of each factor to determine the fair value of each investment.

When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, the Company will consider the pricing indicated by the external event to corroborate the private equity valuation. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the investments may differ significantly from the values that would have been used had a readily available market value existed for such investments, and the differences could be material.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a framework for measuring fair value that includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1. Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Company has the ability to access (examples include active exchange-traded equity securities, exchange-traded derivatives, and most U.S. Government and agency securities).

Level 2. Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- a) Quoted prices for similar assets or liabilities in active markets;
- b) Quoted prices for identical or similar assets or liabilities in non-active markets (examples include corporate and municipal bonds, which trade infrequently);
- c) Pricing models whose inputs are observable for substantially the full term of the asset or liability (examples include most over-the-counter derivatives, including foreign exchange forward contracts); and,
- d) Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.

Level 3. Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability (examples include certain of our private equity investments).

When the inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement in its entirety. For example, a Level 3 fair value measurement may include inputs that are observable (Levels 1 and 2) and unobservable (Level 3). Therefore gains and losses for such assets and

GSV CAPITAL CORP. AND SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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

liabilities categorized within the Level 3 table set forth in Note 3 may include changes in fair value that are attributable to both observable inputs (Levels 1 and 2) and unobservable inputs (Level 3).

A review of fair value hierarchy classifications is conducted on a quarterly basis. Changes in the observability of valuation inputs may result in a reclassification for certain financial assets or liabilities. Reclassifications impacting Level 3 of the fair value hierarchy are reported as transfers in/out of the Level 3 category as of the beginning of the quarter in which the reclassifications occur.

An asset's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Equity Investments

Equity investments for which market quotations are readily available in an active market are generally valued at the most recently available closing market prices and are classified as Level 1 assets. However, equity investments for which market quotations are readily available, but which are subject to lockup provisions restricting the resale of such investments for a specified period of time, are valued at a discount to the most recently available closing market prices and, accordingly, are classified as Level 2 assets.

The fair values of the Company's equity investments for which market quotations are not readily available are determined based on various factors and are classified as Level 3 assets. To determine the fair value of a portfolio company for which market quotations are not readily available, the Company may analyze the portfolio company's most recently available historical and projected financial results, public market comparables, and other factors. The Company may also consider other events, including the transaction in which the Company acquired its securities, subsequent equity sales by the Portfolio Company, mergers or acquisitions affecting the portfolio company, or the completion of an initial public offering ("IPO") by the portfolio company. In addition, the Company may consider the trends of the portfolio company's basic financial metrics from the time of its original investment until the measurement date, with material improvement of these metrics indicating a possible increase in fair value, while material deterioration of these metrics may indicate a possible reduction in fair value. The fair values of the Company's portfolio company securities are generally discounted for lack of marketability or when the securities are illiquid, such as when there are restrictions on resale or the lack of an established trading market which will generally be the case for Pre-IPO companies, as well as during any lockup period to which the Company is subject with respect to public companies in its portfolio. See Note 3 — PORTFOLIO INVESTMENTS AND FAIR VALUE.

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

Debt Investments

Given the nature of the Company's current debt investments, principally convertible and promissory notes issued by venture capital-backed portfolio companies, these investments are Level 3 assets under ASC 820 because there is no known or accessible market or market indexes for these investment securities to be traded or exchanged. Since the Company invested in these convertible notes for the primary purpose of potential

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

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

conversion into equity at a future date, the fair value of the Company's convertible debt investments for which market quotations are not available is determined on an as-converted to equity basis using the same factors and methodologies the Company uses to value its equity investments, as discussed above.

Warrants

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

Valuation of Other Financial Instruments

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

Securities Transactions

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

Portfolio Company Investment Classification

We are a non-diversified company within the meaning of the 1940 Act. We classify our investments by level of control. As defined in the 1940 Act, control investments are those where there is the power to exercise a controlling influence over the management or policies of a company. Control is generally deemed to exist when a company or individual directly or indirectly owns beneficially more than 25% of the voting securities of an investee company. Affiliated investments and affiliated companies are defined by a lesser degree of influence and are deemed to exist when a company or individual directly or indirectly owns, controls or holds the power to vote 5% or more of the outstanding voting securities of another person. Refer to the Consolidated Schedules of Investments as of December 31, 2014 and 2013, respectively, for details regarding the nature and composition of the Company's portfolio.

Cash

The Company places its cash with U.S. Bank, N.A., First Republic Bank, N.A., and Silicon Valley Bank, and at times, cash held in these accounts may exceed the Federal Deposit Insurance Corporation insured limit. The Company may invest a portion of its cash in money market funds, within limitations of the 1940 Act.

Restricted Cash

As of December 31, 2014, and December 31, 2013, respectively, the Company had Restricted Cash of \$48,889 and \$22,264 which is included on the Consolidated Statements of Assets and Liabilities Restricted. Restricted Cash consists of excess funds remaining in escrow from the purchase of the government securities that will be used to make the scheduled interest payments on the Convertible Senior Notes. See Note 9 for further detail. As of December 31, 2014, restricted cash also includes a \$25,000 deposit for the Company's fidelity bond.

Revenue Recognition

The Company's revenue recognition policies are as follows:

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

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

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

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

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

Investment Transaction Costs and Escrow Deposits

Commissions and other costs associated with an investment transaction, including legal expenses not reimbursed by the issuer, are included in the cost basis of purchases and deducted from the proceeds of sales. The Company makes certain acquisitions on the secondary markets which may involve making deposits to escrow accounts until certain conditions are met including the underlying private company's right of first refusal. If the underlying private company does not exercise or assign its right of first refusal and all other conditions are met, then the funds in the escrow account are delivered to the seller and the account is closed. These transactions are reflected on the Statement of Assets and Liabilities as Escrow deposits. At December 31, 2014, and December 31, 2013, the Company had no Escrow deposits.

Unrealized Appreciation or Depreciation on Investments

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

U.S. Federal and State Income Taxes

The Company was taxed as a regular corporation (a "C corporation") under subchapter C of the Internal Revenue Code of 1986, as amended, for its 2012 taxable year. The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recorded for tax loss carryforwards and temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements, using statutory tax rates in effect for the year in which the temporary differences are expected to reverse. Certain tax attributes may be subject to limitations on timing and usage. A valuation allowance is provided against deferred tax assets when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

In September 2014 we filed our 2013 tax return as a regulated investment company "RIC" and are seeking to be granted RIC status for our 2013 taxable year, however, we will not be eligible to elect to be treated as a RIC for the 2013 taxable year unless we are certified by the SEC as "principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available" for the 2013 taxable year (such certification, an "SEC Certification"). Although we filed an application with the SEC for an SEC Certification for the 2013 taxable year, there can be no assurance that we will receive an SEC Certification. In the event that we do not receive such SEC Certification or we are otherwise unable to meet all of the qualifications to be treated as a RIC for 2013, we will be taxed as a C Corporation for the 2013 taxable year. Should we not qualify as a RIC for 2013, we intend to elect to be treated as a RIC for our 2014 taxable year, if management determines that it is in our best interests to do so. For example, it may not be in our best interests in the event that we experience large operating losses or have large loss carryforwards. If we opt not to do so or are unable to qualify, we will continue to be taxed as a C corporation under the Code for our 2014 taxable year. Refer to Note 8 for further details.

In order to qualify as a RIC, among other things, the Company is required to distribute to its stockholders on a timely basis at least 90% of investment company taxable income, as defined by the Code, for each year, and meet certain asset diversification requirements on a quarterly basis. So long as the Company qualifies and maintains its status as a RIC, it generally will not pay corporate-level U.S. federal and state income taxes on any ordinary income or capital gains that it distributes at least annually to its stockholders as dividends. Rather, any tax liability related to income earned by the RIC will represent

GSV CAPITAL CORP. AND SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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

obligations of the Company's investors and will not be reflected in the consolidated financial statements of the Company. Included in the Company's consolidated financial statements, the GSVC Holdings are taxable subsidiaries, regardless of whether the Company is a RIC. These taxable subsidiaries are not consolidated for income tax purposes and may generate income tax expenses as a result of their ownership of the portfolio companies. Such income tax expenses and deferred taxes, if any, will be reflected in the Company's consolidated financial statements. At the present time, the Company cannot assure you that it will be eligible to elect to be taxed as a RIC for its 2013 taxable year. If it is not treated as a RIC for 2013, the Company will be taxed as a C corporation under the Code for the 2013 taxable year. Until such time as it qualifies and elects to be taxed as a RIC, GSV will provide for income taxes, if any, as a C Corp. The Company intends to elect to be taxed as a RIC for its 2014 taxable year, if management determines that it is in the Company's best interests to do so.

The Company evaluates tax positions taken or expected to be taken in the course of preparing its consolidated financial statements to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. The Company recognizes the tax benefits of uncertain tax positions only where the position has met the "more-likely-than-not" threshold. The Company classifies penalties and interest associated with income taxes, if any, as income tax expense. Conclusions regarding tax positions are subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analyses of tax laws, regulations and interpretations thereof.

Deferred Credit Facility Fees

On December 31, 2013, the Company entered into a Loan and Security Agreement (the "Loan Agreement") with Silicon Valley Bank, pursuant to which Silicon Valley Bank agreed to provide the Company with a new \$18 million credit facility (the "Credit Facility"). The Company incurred \$288,249 of legal costs and other fees in connection with opening the Credit Facility. As of December 31, 2014, of the total costs of \$288,249 incurred, \$261,065 remains to be amortized and is included within deferred credit facility fees on the Consolidated Statements of Assets and Liabilities.

Per Share Information

Basic earnings (loss) per common share, is computed using the weighted average number of shares outstanding for the period presented. Diluted earnings per share is computed by dividing net income (loss) for the period by the weighted average number of common shares outstanding plus any potentially dilutive shares outstanding during the period. The Company used the if-converted method to determine the number of potentially dilutive shares outstanding. Refer to Note 5 for further detail.

Capital Accounts

Certain capital accounts including undistributed net investment income or loss, accumulated net realized gain or loss, net unrealized appreciation or depreciation, and paid-in capital in excess of par, are adjusted, at least annually, for permanent differences between book and tax. In addition, the character of income and gains to be distributed is determined in accordance with income tax regulations that may differ from GAAP. GAAP requires that certain components of net assets relating to permanent differences are to be reclassified between financial statement reporting and tax reporting. These reclassifications have no effect on the net assets or net asset value per share and are intended to enable the Company's stockholders to determine the amount of accumulated and undistributed earnings they potentially could receive in the future and on which they could be taxed.

GSV CAPITAL CORP. AND SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 2 — RELATED PARTY ARRANGEMENTS

Investment Advisory Agreement

The Company entered into an investment advisory agreement with GSV Asset Management (the “Advisory Agreement”) in connection with its initial public offering. Pursuant to the Advisory Agreement, GSV Asset Management will be paid a base annual fee of 2% of gross assets, and an annual incentive fee equal to the lesser of (i) 20% of the Company’s realized capital gains during each calendar year, if any, calculated on an investment-by-investment basis, subject to a non-compounded preferred return, or “hurdle,” and a “catch-up” feature, and (ii) 20% of the Company’s realized capital gains, if any, on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid incentive fees. GSV Asset Management earned \$7,562,488, \$5,426,485, and \$4,419,345 in base management fees and \$0 in incentive fees for the years ended December 31, 2014, 2013, and 2012, respectively. For the years ended December 31, 2014, 2013, and 2012, we accrued incentive fees of \$3,614,347, \$10,523,552, and \$0, respectively, in accordance with the AICPA’s TPA (TIS 6910.2) which considers the hypothetical liquidation value of our investment portfolio as of the measurement date.

As of December 31, 2014, we were owed \$204,825 from GSV Asset Management for reimbursement of expenses paid for by us that were the responsibility of GSV Asset Management. In addition as of December 31, 2014, we owed GSV Asset Management \$23,396 for reimbursement of other expenses.

As of December 31, 2013, we were owed \$3,039 from GSV Capital Service Company, LLC for reimbursement of expenses paid for by us that were the responsibility of GSV Asset Management. In addition as of December 31, 2013, we owed GSV Asset Management \$31,428, which relates to the reimbursement of expenses paid for by GSV Asset Management that were the responsibility of the Company.

Administration Agreement

The Company entered into an administration agreement with GSV Capital Service Company (the “Administration Agreement”) to provide administrative services, including furnishing the Company with office facilities, equipment, clerical, bookkeeping, record keeping services and other administrative services, in connection with its initial public offering and ongoing operations. The Company reimburses GSV Capital Service Company an allocable portion of overhead and other expenses in performing its obligations under the Administration Agreement. There were \$3,199,904, \$3,089,771, and \$2,384,764 in such costs incurred under the Administration Agreement for the years ended December 31, 2014, 2013, and 2012, respectively.

License Agreement

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

NOTE 3 — PORTFOLIO INVESTMENTS AND FAIR VALUE

The Company’s investments in portfolio companies consist primarily of equity securities (such as common stock, preferred stock and warrants to purchase common and preferred stock) and to a lesser extent, debt securities, issued by private and publicly traded companies. The Company may from time to time, invest in U.S. Treasury Securities. Non-portfolio investments represent investments in U.S. Treasury Securities. At December 31, 2014, the Company had 99 positions in 52 portfolio companies. At December 31, 2013, the Company had 78 positions in 49 portfolio companies. The following table summarizes the composition of the Company’s investment portfolio by security type at cost and fair value as of December 31, 2014 and December 31, 2013.

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 3 — PORTFOLIO INVESTMENTS AND FAIR VALUE – (continued)

	December 31, 2014		December 31, 2013	
	Cost	Fair Value	Cost	Fair Value
Private Portfolio Companies:				
Common Stock	\$ 55,085,728	\$ 85,598,467	\$ 70,404,617	\$ 81,410,161
Preferred Stock	190,308,932	193,847,045	126,151,898	129,925,500
Common Membership Interest	—	—	500,000	557,084
Term Loans	1,360,331	1,374,210	764,881	750,000
Warrants	301,196	904,345	217,191	489,657
Subtotal – Private Portfolio Companies	247,056,187	281,724,067	198,038,587	213,132,402
Publicly Traded Portfolio Companies:				
Common Stock	54,055,502	89,260,250	81,670,531	142,251,251
Total Private and Publicly Traded Portfolio Companies:	301,111,689	370,984,317	279,709,118	355,383,653
Non-Portfolio Investments	107,288,024	107,298,098	10,845,236	10,865,200
Total Investments	\$408,399,713	\$478,282,415	\$290,554,354	\$ 366,248,853

The fair values of our investments disaggregated into the three levels of the fair value hierarchy based upon the lowest level of significant input used in the valuation as of December 31, 2014 and December 31, 2013 are as follows:

	As of December 31, 2014			
	Quoted Prices in Active Markets for Identical Securities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Private Portfolio Companies:				
Common Stock	\$ —	\$ —	\$ 85,598,467	\$ 85,598,467
Preferred Stock	—	—	193,847,045	193,847,045
Term Loans	—	—	1,374,210	1,374,210
Warrants	—	—	904,345	904,345
Subtotal – Private Portfolio Companies	—	—	281,724,067	281,724,067
Publicly Traded Portfolio Companies:				
Common Stock	65,586,615	23,673,635	—	89,260,250
Total Private and Publicly Traded Portfolio Companies:	65,586,615	23,673,635	281,724,067	370,984,317
U.S. Treasury Bill	100,000,056	—	—	100,000,056
U.S. Treasury Strips	7,298,042	—	—	7,298,042
Total Assets at Fair Value	\$172,884,713	\$ 23,673,635	\$281,724,067	\$ 478,282,415
Liabilities:				
Embedded Derivative	—	—	1,000	1,000
Total Liabilities at Fair Value	\$ —	\$ —	\$ 1,000	\$ 1,000

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 3 — PORTFOLIO INVESTMENTS AND FAIR VALUE – (continued)

	As of December 31, 2013			
	Quoted Prices in Active Markets for Identical Securities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Private Portfolio Companies:				
Common Stock	\$ —	\$ —	\$ 81,410,161	\$ 81,410,161
Preferred Stock	—	—	129,925,500	129,925,500
Common Membership Interest	—	—	557,084	557,084
Term Loans	—	—	750,000	750,000
Warrants	—	—	489,657	489,657
Subtotal – Private Portfolio Companies	—	—	213,132,402	213,132,402
Publicly Traded Portfolio Companies:				
Common Stock	11,706,338	130,544,913	—	142,251,251
Total Private and Publicly Traded Portfolio Companies:	11,706,338	130,544,913	213,132,402	355,383,653
U.S. Treasury Strip	10,865,200	—	—	10,865,200
Total Assets at Fair Value	\$ 22,571,538	\$130,544,913	\$213,132,402	\$ 366,248,853
Liabilities:				
Embedded Derivative	—	—	799,000	799,000
Total Liabilities at Fair Value	\$ —	\$ —	\$ 799,000	\$ 799,000

Significant Unobservable Inputs for Level 3 Portfolio Company Securities

In accordance with ASC 820, the tables below provide quantitative information about the Company's fair value measurements of its Level 3 assets and liabilities as of December 31, 2014 and 2013, respectively. In addition to the techniques and inputs noted in the table below, according to the Company's valuation policy, the Company may also use other valuation techniques and methodologies when determining the Company's fair value measurements. The below table is not intended to be all-inclusive, but rather provides information on the significant Level 3 inputs as they relate to the Company's fair value measurements. To the extent an unobservable input is not reflected in the table below, such input is deemed insignificant or is not applicable with respect to the Company's Level 3 fair value measurements as of December 31, 2014 and 2013, respectively. Significant changes in the inputs in isolation would result in a significant change in the fair value measurement, depending on the input and the materiality of the investment.

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 3 — PORTFOLIO INVESTMENTS AND FAIR VALUE – (continued)

As of December 31, 2014

Asset (Liability)	Fair Value	Valuation Techniques	Unobservable inputs	Range (Average)	
Common stock in private companies	\$ 85,598,467	Market approach	Precedent transactions	N/A	
			Income approach	Revenue multiples	1.1x – 5.9 (3.0x)
					10.20x – 18.90x
				EBIT multiples	(16.70x)
				Discount rate	30% – 40% (37%)
Liquidation Value	Liquidation Value	N/A			
Preferred stock in private companies	193,847,045	Market approach	Precedent transactions	N/A	
			Income approach	Revenue multiples	1.5x – 5.3x (3.5x)
					10.0x – 25.0x
				EBIT multiples	(18.1x)
				Discount rate	35% – 45% (40%)
Term Loans	1,374,210	Market approach	Precedent transactions	N/A	
Warrants	904,345	Option pricing model	Term to expiration (Years)	2.00 – 3.00 (2.55)	
			Stock price	0.13 – 4.59 (1.24)	
			Volatility	30% – 50% (38%)	
Embedded Derivative	(1,000)	Binomial Lattice Model	Strike Price	16.26	
			Volatility	50%	
			Annual risk rate	12.5%	

As of December 31, 2013

Asset (Liability)	Fair Value	Valuation Techniques	Unobservable inputs	Range (Average)	
Common stock in private companies	\$ 81,410,161	Market approach	Precedent transactions	N/A	
			Income approach	Revenue multiples	2.2x – 6.4x (4.1x)
					10.0x – 19.0x
				EBIT multiples	(14.5x)
				Discount rate	35% – 40% (38%)
Preferred stock in private companies	129,925,500	Market approach	Precedent transactions	N/A	
			Income approach	Revenue multiples	1.0x – 6.4x (2.8x)
					6.0x – 30.0x
				EBIT multiples	(14.8x)
				Discount rate	35% – 50% (41%)
Common membership interest	557,084	Market approach	Precedent transactions	N/A	
			Income approach	Revenue multiples	2.3x – 2.6x (2.5x)
					8.0x – 8.7x (8.35x)
				Discount rate	45% (45%)
Structured Note	750,000	Market approach	Precedent transactions	N/A	
Warrants	489,657	Option pricing model	Term to expiration	0.33 Years – 3 Years (2.47 Years)	
			Stock price	0.07 – 1.17 (0.67)	
			Volatility	30% – 45% (39%)	
			Embedded Derivative	799,000	Binomial Lattice Model
			Volatility	45.00% (45.00%)	
			Annual risk rate	15.00% (15.00%)	

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 3 — PORTFOLIO INVESTMENTS AND FAIR VALUE – (continued)

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

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

The aggregate values of Level 3 portfolio investments and embedded derivative changed during the year ended December 31, 2014 and the year ended December 31, 2013 as follows:

	Year ended December 31, 2014						Total
	Common Stock	Preferred Stock	Common Membership Interest	Term Loan	Warrants	Embedded Derivative	
Assets:							
Fair value as of December 31, 2013	\$ 81,410,161	\$ 129,925,500	\$ 557,084	\$ 750,000	\$ 489,657	\$ —	\$ 213,132,402
Purchases of investments	1,793,470	64,529,582	—	4,677,602	159,993	—	71,160,647
Sales of investments	(10,616,170)	(9,286,230)	—	—	(75,988)	—	(19,978,388)
Realized Gain (Loss) included in earnings	5,009,818	4,969,326	—	—	—	—	9,979,144
Exercises, conversions and assignments – In ⁽¹⁾	1,273,125	6,578,563	—	—	—	—	7,851,688
Exercises, conversions and assignments – Out ⁽¹⁾	(2,006,077)	(1,273,125)	(500,000)	(4,072,486)	—	—	(7,851,688)
Change in unrealized appreciation (depreciation) included in earnings	26,657,896	(1,596,571)	(57,084)	19,094	330,683	—	25,354,018
Transfers Out of Level 3	(17,923,756)	—	—	—	—	—	(17,923,756)
Fair Value as of December 31, 2014	<u>\$ 85,598,467</u>	<u>\$ 193,847,045</u>	<u>\$ —</u>	<u>\$ 1,374,210</u>	<u>\$ 904,345</u>	<u>\$ —</u>	<u>\$ 281,724,067</u>
Change in unrealized appreciation (depreciation) on Level 3 investments still held as of December 31, 2014	<u>\$ 21,594,387</u>	<u>\$ 361,143</u>	<u>\$ —</u>	<u>\$ 24,909</u>	<u>\$ 373,338</u>	<u>\$ —</u>	<u>\$ 22,353,777</u>
Liabilities:							
Fair Value of December 31, 2013	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 799,000	\$ 799,000
Gain on fair value adjustment for embedded derivative	—	—	—	—	—	(798,000)	(798,000)
Fair Value as of December 31, 2014	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 3 — PORTFOLIO INVESTMENTS AND FAIR VALUE – (continued)

(1) During the year ended December 31, 2014, the Company's portfolio investments had the following corporate actions which are reflected above:

Portfolio Company	Transfer from		Transfer to			
NestGSV, Inc. (d.b.a. GSV Labs, Inc.)	Convertible Promissory Note		Preferred shares, Series D			
2U, Inc. (f/k/a 2tor, Inc.)	Preferred shares, Series A		Common Stock			
Fullbridge, Inc.	Term loan, 10%, 3/31/15		Preferred shares, Series D			
CUX, Inc. (d/b/a CorpU)	Common Stock		Convertible preferred shares, Series C			
NestGSV Silicon Valley, LLC	Common Membership Interest		Preferred shares, Series C			
NestGSV, Inc. (d.b.a. GSV Labs, Inc.)	Convertible Promissory Note, 12%, 6/30/14		Preferred shares, Series C			
NestGSV, Inc. (d.b.a. GSV Labs, Inc.)	Convertible Promissory Note, 12%, 6/30/14		Preferred shares, Series C			
Fullbridge, Inc.	Convertible Promissory Note, 10%, 2/16/15		Preferred shares, Series D			

	Year ended December 31, 2013						Total
	Common Stock	Preferred Stock	Common Membership Interest	Term Loans	Warrants	Embedded Derivative	
Assets:							
Fair value as of December 31, 2012	\$ 112,855,675	\$ 100,853,882	\$ 500,000	\$ —	\$ 223,062	\$ —	\$ 214,432,619
Purchases of investments	8,248,157	59,273,379	—	1,242,325	19,700	—	68,783,561
Exercises, conversions and assignments – In ⁽¹⁾	26,442,820	(26,509,841)	—	—	67,021	—	—
Sales and settlements	—	10,091,058	—	(459,799)	—	—	9,631,259
Realized loss included in earnings	(953,811)	(27,463,851)	—	(15,488)	—	—	(28,433,150)
Exercises, conversions and assignments – Out ⁽¹⁾	(2,000,000)	2,000,000	—	—	—	—	—
Change in unrealized appreciation (depreciation) included in earnings	62,256,476	19,839,371	57,084	(17,038)	179,874	—	82,315,767
Transfers Out of Level 3	(125,439,156)	(8,158,498)	—	—	—	—	(133,597,654)
Fair Value as of December 31, 2013	<u>\$ 81,410,161</u>	<u>\$ 129,925,500</u>	<u>\$ 557,084</u>	<u>\$ 750,000</u>	<u>\$ 489,657</u>	<u>\$ —</u>	<u>\$ 213,132,402</u>
Change in unrealized appreciation (depreciation) on Level 3 investments still held as of December 31, 2013	<u>\$ (75,011,491)</u>	<u>\$ (2,524,084)</u>	<u>\$ 57,084</u>	<u>\$ (3,371)</u>	<u>\$ (179,874)</u>	<u>\$ —</u>	<u>\$ (77,661,736)</u>
Liabilities:							
Fair Value of December 31, 2012	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Embedded derivative from issuance of convertible senior notes	—	—	—	—	—	700,000	700,000
Loss on fair value adjustment for embedded derivative	—	—	—	—	—	99,000	99,000
Fair Value as of December 31, 2013	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 799,000</u>	<u>\$ 799,000</u>

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 3 — PORTFOLIO INVESTMENTS AND FAIR VALUE – (continued)

(1) During the year ended December 31, 2013, the Company’s portfolio investments had the following corporate actions which are reflected above:

Portfolio Company	Transfer from	Transfer to
CUX, Inc. (d/b/a CorpU)	Convertible preferred shares, Series D	Common Shares
Chegg, Inc.,	Preferred shares, Series F	Common Shares
Twitter, Inc.	Preferred shares, Series A	Common Shares
Violin Memory, Inc.	Preferred shares, Series B	Common Shares
Violin Memory, Inc.	Preferred shares, Series D	Common Shares
Totus Solutions Inc.	Preferred shares, Series A	Common Shares
Totus Solutions Inc.	Preferred shares, Series B	Common Shares

The portfolio companies in which the Company invests periodically offer their shares in initial public offerings, (“IPO’s”). The Company’s shares in the portfolio companies are typically subject to lock-up agreements for 180 days following the IPO. Upon the IPO date, the Company transfers its investment from level 3 to level 2 due to the presence of an active market, limited by the lock-up agreement. The Company prices the investment at the closing price on a public exchange as of the measurement date subject to a discount for a lack of marketability, (“DLOM”). The DLOM for each portfolio company investment is based upon the market value of publicly traded put options with similar terms as the lock-up. Once the lock-up expires, the Company typically transfers the investment from level 2 to level 1 and prices the investment based on the closing price on a public exchange as of the measurement date. In situations where the lock-up has expired, but other factors (such as trading restrictions) restrict the sale of the investment, the Company will continue to classify the investment as level 2 and apply a DLOM appropriate to reflect the restrictions upon sale. Refer to Note 1 “Summary of Significant Accounting Policies” for further detail.

During the year ended December 31, 2014, the following transfers between levels occurred as a result of the IPO’s of several portfolio companies, as well as the expiration of lock-up agreements described in the table below.

Portfolio Company	Corporate Action	IPO/ Lock-up Expiration Date	Transfer from	December 31, 2014 Valuation Method
TrueCar, Inc.	Lock-up Expiration	11/11/2014	Level 2 to Level 1	Not applicable ⁽¹⁾
Twitter, Inc.	Lock-up Expiration	5/5/2014	Level 2 to Level 1	Exchange Traded Price, 0% DLOM
Chegg, Inc.	Lock-up Expiration	5/11/2014	Level 2 to Level 1	Exchange Traded Price, 0% DLOM
TrueCar, Inc.	IPO	5/15/2014	Level 3 to Level 2	Exchange Traded Price, 10.0% DLOM
Control4 Corporation	Lock-up Expiration	1/29/2014	Level 2 to Level 1	Exchange Traded Price, 0% DLOM
Violin Memory, Inc.	Lock-up Expiration	3/26/2014	Level 2 to Level 1	Exchange Traded Price, 0% DLOM
2U, Inc. (f/k/a 2tor, Inc.)	IPO	3/28/2014	Level 3 to Level 2	Exchange Traded Price, 17.5% DLOM

(1) The Company fully liquidated its position in TrueCar, Inc. prior to December 31, 2014.

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 3 — PORTFOLIO INVESTMENTS AND FAIR VALUE – (continued)

During the year ended December 31, 2013, the following transfers between levels occurred as a result of the IPO's of several portfolio companies, as well as the expiration of lock-up agreements described in the table below.

<u>Portfolio Company</u>	<u>Corporate Action</u>	<u>IPO/ Lock-up Expiration Date</u>	<u>Transfer from</u>	<u>December 31, 2013 Valuation Method</u>
Silver Spring Networks, Inc.	IPO	3/12/2013	Level 3 to Level 2	Exchange Traded Price, 7% DLOM
Silver Spring Networks, Inc.	Lock-up Expiration	9/8/2013	Level 2 to Level 1	Exchange Traded Price, 0% DLOM
Control4 Corporation	IPO	8/2/2013	Level 3 to Level 2	Exchange Traded Price, 4% DLOM
Violin Memory, Inc.	IPO	9/27/2013	Level 3 to Level 2	Exchange Traded Price, 15% DLOM
Twitter, Inc.	IPO	11/6/2013	Level 3 to Level 2	Exchange Traded Price, 15% DLOM
Chegg, Inc.	IPO	12/12/2013	Level 3 to Level 2	Exchange Traded Price, 15% DLOM

During the year ended December 31, 2013, the Company wrote-off its investments in Top Hat 430, Inc., Serious Energy, Inc., AltEgo, LLC, and Starfish Holdings, Inc. and recorded realized losses.

NOTE 4 — EQUITY OFFERINGS AND RELATED EXPENSES

No new shares of our common stock were issued during the years ended December 31, 2014 or 2013. The table below details the equity offerings and related expenses incurred by the Company since inception. The proceeds raised, the related underwriting fees, the offering expenses and the prices at which these shares were issued are as follows:

<u>Issuances of Common Stock</u>	<u>Number of Shares</u>	<u>Gross Proceeds Raised</u>	<u>Underwriting Fees</u>	<u>Offering Expenses</u>	<u>Offering Price</u>
February 28, 2011	100	\$ 1,500	\$ —	\$ —	\$ 15.00
April 28, 2011	3,335,000	50,025,000	3,501,750	527,166 ⁽¹⁾	15.00
September 27, 2011	2,185,000	30,917,750	1,267,300	531,122 ⁽²⁾	14.15
February 10, 2012	6,900,000	103,500,000	7,245,000	326,077	15.00
May 11, 2012	6,900,000	112,125,000	6,727,500	412,620 ⁽³⁾	16.25

(1) Includes \$3,585 of offering expenses that were accrued as of September 30, 2011.

(2) Amount was reduced by \$18,878 after actual expenses for the offering were determined as of December 31, 2011.

(3) Includes \$960 of offering expenses that were accrued as of September 30, 2012.

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 5 — NET INCREASE (DECREASE) IN NET ASSETS PER COMMON SHARE – BASIC AND DILUTED

The following information sets forth the computation of net increase (decrease) in net assets resulting from operations per common share for the years ended December 31, 2014, 2013 and 2012.

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Earnings per common share – basic:			
Net increase (decrease) in net assets resulting from operations	\$ (2,062,771)	\$35,383,643	\$(19,834,250)
Weighted average common shares outstanding – basic ⁽¹⁾	19,320,100	19,320,100	16,096,330
Earnings per common share – basic:	\$ (0.11)	\$ 1.83	\$ (1.23)
Earnings per common share – diluted:			
Net increase (decrease) in net assets resulting from operations, before adjustments	\$ (2,062,771)	\$35,383,643	\$(19,834,250)
Adjustments for interest on convertible senior notes and deferred debt issuance costs	—	1,269,217	—
Net increase (decrease) in net assets resulting from operations, as adjusted	\$ (2,062,771)	\$36,652,860	\$(19,834,250)
Weighted average common shares outstanding – basic	19,320,100	19,320,100	16,096,330
Adjustments for dilutive effect of convertible senior notes	—	1,220,914	—
Weighted average common shares outstanding – diluted	19,320,100	20,541,014	16,096,330
Earnings per common share – diluted:	\$ (0.11)	\$ 1.78	\$ (1.23)

NOTE 6 — COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company may enter into investment agreements under which it commits to make an investment in a portfolio company at some future date or over a specified period of time. At December 31, 2014, the Company had not entered into any investment agreements which required it to make a future investment in a portfolio company.

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

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 7 — FINANCIAL HIGHLIGHTS

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Per Share Data:			
Net asset value at beginning of year	\$ 14.91	\$ 13.07	\$ 12.95
Issuance of common shares	—	—	1.91 ⁽³⁾
Underwriters' discount	—	—	(0.72) ⁽²⁾
Offering costs	—	—	(0.04) ⁽²⁾
Net investment loss	(0.66) ⁽¹⁾	(0.46) ⁽¹⁾	(0.51) ⁽¹⁾
Realized gain (loss)	1.24 ⁽¹⁾	(1.12) ⁽¹⁾	(0.09) ⁽¹⁾
(Provision)/Benefit for taxes on net realized capital gains/losses	(0.51) ⁽¹⁾	0.49 ⁽¹⁾	— ⁽¹⁾
Change in unrealized appreciation (depreciation)	(0.30) ⁽¹⁾	4.53 ⁽¹⁾	(0.43) ⁽⁴⁾
(Provision)/Benefit for taxes on unrealized appreciation/depreciation of investments	0.12 ⁽¹⁾	(1.60) ⁽¹⁾	— ⁽¹⁾
Net asset value at end of year	<u>\$ 14.80</u>	<u>\$ 14.91</u>	<u>\$ 13.07</u>
Per share market value at end of year	<u>\$ 8.63</u>	<u>\$ 12.09</u>	<u>\$ 8.43</u>
Total return based on market value	(28.62)% ⁽⁵⁾	43.42% ⁽⁵⁾	(39.57)% ⁽⁵⁾
Total return based on net asset value	(0.74)% ⁽⁵⁾	14.08% ⁽⁵⁾	0.93% ⁽⁵⁾
Shares outstanding at end of year	19,320,100	19,320,100	19,320,100
Ratio/Supplemental Data:			
Net assets at end of year	\$285,903,673	\$287,966,444	\$252,582,801
Average net assets	\$284,953,811	\$250,121,052	\$208,050,344
Annualized ratio of gross operating expenses to average net assets ⁽⁶⁾	7.64%	8.83%	4.10%
Annualized ratio of net income tax provisions to average net assets ⁽⁶⁾	(0.50)%	(3.33)%	—
Annualized ratio of net operating expenses to average net assets ⁽⁶⁾	7.14%	5.50%	4.10%
Annualized ratio of net investment loss to average net assets ⁽⁶⁾	(4.48)%	(3.55)%	(3.98)%

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

(2) Based on shares outstanding at end of period.

(3) Issuance of common shares for the year ended December 31, 2012 is based on the change in net asset value from the secondary offerings on February 10, 2012 and May 11, 2012.

(4) Includes the impact of the different share amounts as a result of calculating certain per share data based on the weighted average basic shares outstanding during the period and certain per share data based on the shares outstanding as of a period end or transaction date.

(5) Total return based on market value is based on the change in market price per share between the opening and ending market values per share in the period. Total return based on net asset value is based upon the change in net asset value per share between the opening and ending net asset values per share and the issuance of common shares in the period. The percentage returns noted above are based on the increase in our net asset value attributable to issuances of our common stock at a premium to our net asset value per share, rather than investment returns. Such issuances of our common stock at a premium to net asset value per share are not typical, and may not occur in the future. The total returns are not annualized.

GSV CAPITAL CORP. AND SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 7 — FINANCIAL HIGHLIGHTS – (continued)

(6) Financial Highlights for periods of less than one year are annualized and the ratios of operating expenses to average net assets and net investment loss to average net assets are adjusted accordingly. Non-recurring expenses were not annualized. For the years ended December 31, 2014, December 31, 2013, December 31, 2012, the Company did not incur any non-recurring expenses. Because the ratios are calculated for the Company's common stock taken as a whole, an individual investor's ratios may vary from these ratios.

NOTE 8 — INCOME TAX

The Company and its wholly-owned subsidiaries are currently taxable as C Corporations and subject to federal and state corporate income taxes. These subsidiaries hold certain pass-through companies in connection with the Company's proposed qualification as a RIC. As of December 31, 2014, \$134,733 was included in Current Taxes Payable on the Consolidated Statements of Assets and Liabilities relating to the gain realized on the disposition of an asset held by one of its wholly-owned subsidiaries. The reason why it has this current tax liability is because the Company does not file a consolidated income tax return with its wholly-owned subsidiaries. As of December 31, 2013, there were no income taxes receivable or payable.

The Company and its wholly-owned subsidiaries recorded deferred income tax benefits and expenses during the year ended December 31, 2014, which consisted primarily of temporary difference related to certain expenses, net operating losses, capital losses and temporary differences arising from differences between the tax basis and financial reporting basis in underlying investments.

The components of deferred tax assets and liabilities as of December 31, 2014 and December 31, 2013 were as follows:

	<u>2014</u>	<u>2013</u>
Deferred tax assets:		
Net operating loss carryforwards	15,854,064	9,108,833
Net capital loss carryforwards	—	9,426,234
Incentive fees and other timing differences	5,772,504	4,337,188
Basis differences in investments	—	—
Total gross deferred tax assets	<u>21,626,568</u>	<u>22,872,255</u>
Less: valuation allowance	—	(286,753)
Net deferred tax assets	<u>21,626,568</u>	<u>22,585,502</u>
Deferred tax liabilities:		
Basis differences in investments	<u>28,534,235</u>	<u>30,906,063</u>
Net deferred tax liabilities	<u>28,534,235</u>	<u>30,906,063</u>

During 2014 the Company has reevaluated the need of a valuation allowance for its wholly-owned subsidiary, GSVC AE Holdings, Inc. and decided it is no longer necessary as the Company is currently taxed as a C corporation and tax planning to utilize the loss is available.

For federal and state purposes, a portion of the Company's net operating loss carryforwards and basis differences may be subject to limitations on annual utilization in case of a change in ownership, as defined by federal and state law. The amount of such limitations, if any, has not been determined. Accordingly, the amount of such tax attributes available to offset future profits may be significantly less than the actual amounts of the tax attributes. The federal and state net operating losses will expire in 2031 – 2035.

GSV CAPITAL CORP. AND SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 8 — INCOME TAX – (continued)

The difference between the tax provision (benefit) at the statutory federal income tax rate and the tax provision (benefit) was as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
U.S. federal income tax at statutory rate	35.00%	35.00%	34.00%
State taxes, net of federal benefit	5.83%	5.75%	5.83%
Change in valuation allowance	8.25%	(21.71)%	(39.83)%
Prior period true-up	(5.83)%	—	—
Permanent differences	(2.60)%	—	—
Effective tax rate	40.65%	19.04%	—

During 2014, the Company reevaluated applicable rate to measure deferred taxes based on projection of future taxable income, resulting in a reduction in effective rate as a prior period true-up.

In September 2014, the Company filed its 2013 tax return as a regulated investment company “RIC” and is seeking to be granted RIC status for the 2013 taxable year. However, it will not be eligible to elect to be treated as a RIC for the 2013 taxable year unless it is certified by the SEC as “principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available” for the 2013 taxable year (such certification, an “SEC Certification”). Although it filed an application with the SEC for an SEC Certification for the 2013 taxable year, there can be no assurance that it will receive an SEC Certification. In the event that it does not receive such SEC Certification or it is otherwise unable to meet all of the qualifications to be treated as a RIC for 2013, it will be taxed as a C Corporation for the 2013 taxable year. Should it not qualify as a RIC for 2013, it intends to elect to be treated as a RIC for the 2014 taxable year, if management determines that it is in its best interests to do so. For example, it may not be in our best interests in the event that we experience large operating losses or have large loss carryforwards. If it opts not to do so or it is unable to qualify, it will continue to be taxed as a C corporation under the Code for the 2014 taxable year.

As a RIC, the Company generally will not pay corporate-level U.S. federal income taxes on any net ordinary income or capital gains that the Company distributes to its stockholders as dividends and claims dividends paid deductions to compute taxable income. A RIC will not be eligible to utilize net operating losses. However, the net operating losses may become available should the Company disqualify as a RIC and become a C corporation in the future. In the event that the Company qualifies as a RIC, the Company itself will no longer be required to recognize deferred tax assets or liabilities, other than those that may be associated with its taxable subsidiaries, the GSVC Holdings.

Upon converting from a C corporation to a RIC, the Company may be required to pay a corporate-level tax on the net amount of the net built-in gains, if any, in its assets (i.e., the amount by which the net fair market value of the Company’s assets exceeds the net adjusted basis in its assets) as of the date of conversion (i.e, the beginning of the first taxable year that the Company qualifies as a RIC) to the extent that such gains are recognized by the Company during the applicable recognition period, which is the ten-year period (or shorter applicable period) beginning on the date of conversion. Alternatively, the Company may make a special election to cause the gain to be recognized at the time of the conversion. In that event, the Company would be required to recognize such built-in gain as if its assets were sold at the time of the conversion. The Company does not anticipate making this election at this time. Any corporate-level built-in gain tax is payable at the time the built-in gains are recognized (which generally will be the years in which the built-in gain assets are sold in a taxable transaction). The amount of this tax will vary depending on the assets that are actually sold by the Company in this 10-year period, the actual amount of net built-in gain or loss present in those assets as of the date of conversion, and the effective tax rates at such times. The payment of any such

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 8 — INCOME TAX – (continued)

corporate-level tax on built-in gain will be a company expense that will reduce the amount available for distribution to stockholders. The built-in gains tax is calculated by determining the RIC's net unrealized built-in gain, if any, by which the fair market value of the assets of the RIC at the beginning of its first RIC year exceeds the aggregate adjusted basis of such assets at that time. As of January 1, 2013, the Company did not have net unrealized built-in gain. Accordingly, the built-in gains tax will not apply should the Company elect to be treated as a RIC for the 2013 tax year. Should the Company not obtain SEC Certification for the 2013 tax year and it elects to be a RIC for the 2014 tax year, then it is expected that it should not incur built-in gains tax for the 2014 tax year due to the fact that there are sufficient net capital loss carryforwards alone to completely offset recognized built-in gains as well as available net operating losses.

In addition to meeting other requirements, the Company must generally distribute at least 90% of its investment company taxable income to qualify for the special treatment accorded to a RIC and maintain its RIC status. As part of maintaining RIC status, undistributed taxable income (subject to a 4% excise tax) pertaining to a given fiscal year may be distributed up to 12 months subsequent to the end of that fiscal year, provided such dividends are declared prior to the later of (1) the fifteenth day of the ninth month following the close of that fiscal year or (2) the extended due date for filing the federal income tax return for that fiscal year.

The Company believes that its status as a RIC remains uncertain. For purposes of the financial statements, it has not recognized any tax benefits as a RIC and continued to provide tax liabilities as though it were a C Corporation through the reporting period including liabilities associated with the uncertain tax position, which arise from taxable temporary differences. As a result of the 2013 tax return filing as a RIC, the Company increased gross unrecognized tax benefits to \$5,101,553, \$4,751,287, of which, if recognized, would affect its effective tax rate by reducing net deferred tax liability.

	2014	2013	2012
Unrecognized tax benefits – January 1	\$ —	\$ —	\$ —
Gross increases – tax positions in prior period	—	—	—
Gross decreases – tax positions in prior period	—	—	—
Gross increases – tax positions in current period	5,101,553	—	—
Settlement	—	—	—
Lapse of statute of limitations	—	—	—
Unrecognized tax benefits – December 31	\$ 5,101,553	\$ —	\$ —

The Company identified its major tax jurisdictions as U.S. federal and California and may be subject to the taxing authorities examination for the tax years 2011~2014 and 2010 ~2014, respectively.

As of December 31, 2014, there were no interest or penalties incurred related to uncertain tax positions.

NOTE 9 — LONG TERM LIABILITIES

Convertible senior notes payable

On September 17, 2013, the Company issued \$69,000,000 aggregate principal amount of the Convertible Senior Notes (the "Convertible Senior Notes") (including \$9,000,000 aggregate principal amount issued pursuant to the exercise of the initial purchasers' option to purchase additional Convertible Senior Notes). The Convertible Senior Notes bear interest at a fixed rate of 5.25% per year, payable semi-annually in arrears on March 15 and September 15 of each year, commencing on March 15, 2014. The Convertible Senior Notes are convertible into shares of our common stock based on an initial conversion rate of 61.5091 shares of the Company's common stock per \$1,000 principal amount of Convertible Senior Notes, which is equivalent to an initial conversion price of approximately \$16.26 per share of common stock. The Convertible Senior Notes

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 9 — LONG TERM LIABILITIES – (continued)

mature on September 15, 2018, unless previously purchased or converted in accordance with their terms. The Company does not have the right to redeem the Convertible Senior Notes prior to maturity.

The terms of the offering require the Company to place a portion of the proceeds of the offering in an escrow account (the “Interest Escrow”) with U.S. Bank National Association (the “Trustee”) under the indenture pursuant to which the notes are issued. Funds in the escrow account will be invested in government securities and will be used to make the first six scheduled interest payments on the notes, unless the Company elects to make the interest payments from the Company’s available funds. The interest payments on the Convertible Senior Notes will be secured by a pledge of the Company’s interest in the escrow account. In accordance with the Interest Escrow, the Company deposited \$10,867,500 in an escrow account with the Trustee. These funds were used to purchase U.S. Treasury Strips (“Government Securities”) with an original cost of \$10,845,236. At December 31, 2014, the remaining government securities are shown on the Consolidated Schedule of Investments and have an amortized cost of \$7,286,332. The excess funds of \$23,889 held in escrow will be used to secure the payment of the notes and is included on the Consolidated Statements of Assets and Liabilities as “Restricted Cash”. Proceeds from the issuance of the Convertible Senior Notes were offset by offering costs of approximately \$3,585,929 that are being amortized over the term of the notes in accordance with ASC 470 *Debt*. As of December 31, 2014, of the total offering costs of \$3,585,929 incurred, \$2,667,069 remains to be amortized and is included within deferred debt issuance costs on the Consolidated Statements of Assets and Liabilities.

As of December 31, 2014, the principal amount of the Convertible Senior Notes exceeded the value of the underlying shares multiplied by the per share closing price of the Company’s common stock.

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

Embedded Derivative

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

The Company used a binomial lattice model to estimate the fair value of the embedded derivative in the Convertible Senior Notes. A binomial lattice model generates potential outcomes at various points in time, starting from the date of valuation until the expiration date of the embedded derivative. The estimated fair value of the embedded derivative as of December 31, 2014 is \$1,000 as shown on the Consolidated Statement of Assets and Liabilities. The \$798,000 decrease in the estimated fair value of the embedded derivative between December 31, 2013 and December 31, 2014 represents a gain from change in the fair value of embedded derivative as shown on the Consolidated Statement of Operations and Consolidated Statement of Cash Flows.

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 9 — LONG TERM LIABILITIES – (continued)

Credit Facility

The Company entered into the Loan Agreement, effective December 31, 2013, with Silicon Valley Bank to provide the Company with a new \$18 million Credit Facility. Under the Credit Facility, the Company is permitted to borrow an amount equal to the lesser of \$18 million or 20% of our then-current net asset value.

The Credit Facility, among other things, matures on December 31, 2016, and bears interest at a per annum rate equal to the greater of (i) the prime rate plus 4.75% and (ii) 8.0%. In addition, a fee of \$180,000 per annum (1.0% of the \$18 million revolving line of credit) is charged under the Loan Agreement. Under the terms of the Credit Facility, the Company must repay all outstanding borrowings so that there is at least a 30-day period every twelve months during which the Company has no balance outstanding. Under the terms of the Credit Facility, we must repay all outstanding borrowings so that there is at least a 30-day period every twelve months during which we have no balance outstanding. Under the Loan Agreement, the Company has made certain customary representations and warranties and is required to comply with various covenants, reporting requirements, and other customary requirements for similar credit facilities. The Loan Agreement includes usual and customary events of default for credit facilities of this nature, including, without limitation, nonpayment, misrepresentation of representations and warranties in a material respect, breach of covenant, cross-default to certain other indebtedness, bankruptcy, change of control, and the occurrence of a material adverse effect.

The Credit Facility is secured by all of the Company's property and assets, except for the Company's assets pledged to secure certain obligations in connection with the Company's issuance, in September 2013, of the Convertible Senior Notes and, as provided for in the Loan Agreement, as may be pledged in connection with any future issuance by the Company of convertible senior notes on substantially similar terms.

Borrowing under the Credit Facility is subject to the leverage restrictions contained in the Investment Company Act of 1940, as amended. In addition, under the Loan Agreement, and as provided for therein, we have agreed not to incur certain additional permitted indebtedness in an aggregate amount exceeding 50% of our then-applicable net asset value.

NOTE 10 — SUBSEQUENT EVENTS

From December 31, 2014 through March 16, 2015, the Company closed on investments of \$4,518,788 plus transaction costs as shown in following table:

Portfolio Company	Industry	Transaction Date	Gross Payments
NestGSV, Inc. (d.b.a. GSV Labs, Inc.)	Incubator	2-Jan-2015	\$ 994,760
Fullbridge, Inc.	Business Education	3-Feb-2015	330,000
Fullbridge, Inc.	Business Education	18-Feb-2015	330,000
Fullbridge, Inc.	Business Education	4-March-2015	364,043
Lyft, Inc.	Peer to Peer Ridesharing	11-March-2015	2,499,985
Total Gross Payments			<u>\$ 4,518,788</u>

From December 31, 2014 through March 16, 2015, the Company sold investments of \$9,401,877 net of transaction costs as shown in following table:

Portfolio Company	Transaction Date	Shares Sold	Average Net Share Price ⁽¹⁾	Net Proceeds
Twitter Inc.	12-March-2015	200,000	\$ 47.01	\$ 9,401,877

(1) The average net share price is the net share price realized after deducting all commissions and fees on the sale(s).

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 10 — SUBSEQUENT EVENTS – (continued)

The Company is presently in the final stages of negotiations with respect to a handful of private company investments that it anticipates entering into within the next 30 to 60 days, subject to satisfaction of applicable closing conditions. In the case of secondary market transactions, such closing conditions may include approval of the issuer, waiver or failure to exercise rights of first refusal by the issuer and/or its stockholders and termination rights by the seller or the Company. Equity investments made through the secondary market may involve making deposits in escrow accounts until the applicable closing conditions are satisfied, at which time the escrow accounts will close and such equity investments will be effectuated. From December 31, 2014 through March 16, 2015, the Company has not made any such escrow deposits.

On February 2, 2015, Gilt Groupe Holdings, Inc., completed an equity financing consisting of the issuance and sale of Series AA Convertible Preferred Stock. In connection with the financing, the following actions were approved: a) an Amended and Restated Certificate of Incorporation to effect a recapitalization; b) an increase in the total number of shares of Common Stock issued or reserved for issuance under the 2007 Stock Incentive Plan. A notice of written consent was provided to GSV Capital and other stockholders on February 24, 2015. As a result of the recapitalization, the value of our common stock would change to approximately \$4.00 to \$6.50 per share.

NOTE 11 — SELECTED QUARTERLY FINANCIAL DATA (Unaudited)

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

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

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

<u>Year Ended December 31, 2013</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
Total Investment Income	\$ 4,535	\$ 15,723	\$ 2,644	\$ 26,049
Net Investment Loss	(2,567,725)	(2,386,911)	(3,013,789)	(907,231)
Net Realized and Unrealized Gains (Losses)	(4,923,530)	5,902,614	8,729,535	56,030,509
Net Increase (Decrease) in Net Assets from Operations	(7,491,255)	3,515,703	5,715,746	33,643,449
Net Investment Loss per common share – basic	(0.13)	(0.12)	(0.16)	(0.05)
Net Investment Loss per common share – diluted	(0.13)	(0.12)	(0.16)	(0.05)
Net Realized and Unrealized Gains (Losses) per common share – basic	(0.25)	0.31	0.45	2.90
Net Realized and Unrealized Gains (Losses) per common share – diluted	(0.25)	0.31	0.45	2.38
Net Increase (Decrease) in Net Assets from Operations per common share – basic	(0.38)	0.18	0.30	1.74
Net Increase (Decrease) in Net Assets from Operations per common share – diluted	(0.38)	0.18	0.30	1.47
Weighted Average Common Shares Outstanding – Basic	19,320,100	19,320,100	19,320,100	19,320,100
Weighted Average Common Shares Outstanding – Diluted	19,320,100	19,320,100	19,320,100	23,564,228
<u>Year Ended December 31, 2012</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
Total Investment Income	\$ 117,805	\$ 110,354	\$ 13,928	\$ 5,990
Net Investment Loss	(1,094,002)	(2,080,119)	(2,334,568)	(2,774,192)
Net Realized and Unrealized Gains (Losses)	1,010,939	(3,394,775)	(4,665,272)	(4,502,261)
Net Increase (Decrease) in Net Assets from Operations	(83,063)	(5,474,894)	(6,999,840)	(7,276,453)
Net Investment Loss per common share – basic & diluted	(0.12)	(0.13)	(0.12)	(0.14)
Net Realized and Unrealized Gains (Losses) per common share – basic & diluted	0.11	(0.21)	(0.24)	(0.23)
Net Increase (Decrease) in Net Assets from Operations per common share – basic & diluted	(0.01)	(0.34)	(0.36)	(0.38)
Weighted Average Common Shares Outstanding – Basic & diluted	9,387,133	16,287,133	19,320,100	19,320,100

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 12 — SUPPLEMENTAL FINANCIAL DATA

Summarized Financial Information of Unconsolidated Subsidiaries

In accordance with the SEC's Regulation S-X and GAAP, we are not permitted to consolidate any subsidiary or other entity that is not an investment company, including portfolio investments in which we have a controlling interest. We own certain investments which are considered significant unconsolidated subsidiaries which for the year ended December 31, 2014, met at least one of the significant conditions of the SEC's Regulation S-X. Accordingly, pursuant to Rule 4-08(g) of Regulation S-X, aggregated summarized, comparative financial information is presented below for our unconsolidated significant subsidiaries as of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012.

Balance Sheet Data as of:	December 31, 2014	December 31, 2013	
Current assets	\$ 5,868,770	\$ 2,489,326	
Noncurrent assets	1,458,402	1,206,393	
Current liabilities	(2,951,251)	(2,128,445)	
Noncurrent liabilities	(1,925,000)	(2,145,000)	
Non-controlling interest	—	—	

Income Statement Data For the years ended:	December 31, 2014	December 31, 2013	December 31, 2012
Revenue	\$ 13,263,877	\$ 9,426,573	\$ 5,926,094
Gross Profit	11,169,530	7,631,945	4,612,047
Income (loss) from operations	(3,460,381)	(2,736,398)	(1,388,376)
Total Net income (Loss) including net income (loss) attributable to Non-controlling interest	(3,723,409)	(2,979,103)	(1,659,353)
Net Income (Loss) attributable to Non-controlling interest	—	—	(159,920)

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 12 — SUPPLEMENTAL FINANCIAL DATA – (continued)

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

Not applicable.

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of December 31, 2014, we, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e)) under the Securities Exchange Act of 1934, as amended. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.

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

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934 and for the assessment of the effectiveness of internal control over financial reporting. Management's Report on Internal Control Over Financial Reporting, which appears on page 66 of this Form 10-K, is incorporated by reference herein.

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

Grant Thornton LLP, the Company's independent registered public accounting firm, has issued an attestation report on the effectiveness of the Company's internal control over financial reporting, which appears on page [112](#) of this Form 10-K.

(d) Changes in Internal Controls Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) that occurred during the fiscal quarter and year ended December 31, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Not applicable.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
GSV Capital Corp.

We have audited the internal control over financial reporting of GSV Capital Corp. and subsidiaries (the “Company”) as of December 31, 2014, based on criteria established in the 2013 *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit.

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

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

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in the 2013 *Internal Control — Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of the Company as of and for the year ended December 31, 2014, and our report dated March 16, 2015 expressed an unqualified opinion on those financial statements.

/s/ GRANT THORNTON LLP

San Francisco, California
March 16, 2015

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by Item 10 is hereby incorporated by reference from the Company's definitive Proxy Statement relating to the Company's 2015 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of the Company's fiscal year.

Item 11. Executive Compensation

The information required by Item 11 is hereby incorporated by reference from the Company's definitive Proxy Statement relating to the Company's 2015 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of the Company's fiscal year.

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

The information required by Item 12 is hereby incorporated by reference from the Company's definitive Proxy Statement relating to the Company's 2015 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of the Company's fiscal year.

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

The information required by Item 13 is hereby incorporated by reference from the Company's definitive Proxy Statement relating to the Company's 2015 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of the Company's fiscal year.

Item 14. Principal Accountant Fees and Services

The information required by Item 14 is hereby incorporated by reference from the Company's definitive Proxy Statement relating to the Company's 2015 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of the Company's fiscal year.

PART IV

Item 15. Exhibits and Financial Statement Schedules

a. Documents Filed as Part of this Report

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

	<u>Page</u>
Report of Independent Registered Public Accounting Firm	68
Consolidated Statements of Assets and Liabilities as of December 31, 2014 and December 31, 2013	69
Consolidated Statements of Operations for the years ended December 31, 2014, 2013 and 2012	70
Consolidated Statements of Changes in Net Assets for the years ended December 31, 2014, 2013 and 2012	71
Consolidated Statements of Cash Flows for the years ended December 31, 2014, 2013 and 2012	72
Consolidated Schedule of Investments as of December 31, 2014	75
Consolidated Schedule of Investments as of December 31, 2013	81
Notes to the Consolidated Financial Statements	86

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

	<u>Page</u>
Schedule 12-14	
Schedule of Investments in and Advances to Affiliates as of December 31, 2014	116
Schedule 12-14	
Schedule of Investments In and Advances to Affiliates as of December 31, 2013	119

b. Exhibits

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

- 3.1 Articles of Amendment and Restatement⁽¹⁾
- 3.2 Articles of Amendment⁽²⁾
- 3.3 Bylaws⁽¹⁾
- 4.1 Form of Common Stock Certificate⁽⁶⁾
- 4.2 Indenture, dated September 17, 2013, relating to the 5.25% Convertible Senior Notes due 2018, by and between the Company and the U.S. Bank National Association, as trustee⁽⁴⁾
- 10.1 Dividend Reinvestment Plan⁽¹⁾
- 10.2 Amended and Restated Investment Advisory Agreement by and between the Company and GSV Asset Management, LLC⁽³⁾
- 10.3 Amended and Restated Administration Agreement by and between the Company and GSV Capital Service Company, LLC⁽³⁾
- 10.4 Form of Indemnification Agreement by and between the Company and each of its directors⁽¹⁾
- 10.5 Custody Agreement by and between the Company and U.S. Bank National Association⁽⁷⁾
- 10.6 Form of Trademark License Agreement by and between the Company and GSV Asset Management, LLC⁽²⁾

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10.7	Loan and Security Agreement between the Company and Silicon Valley Bank, dated as of December 31, 2013 ⁽⁵⁾
11.1	Computation of Per Share Earnings*
14.1	Code of Ethics ⁽¹⁾
21.1	List of Subsidiaries*
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended*
32.1	Certification of Chief Executive Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002*
32.2	Certification of Chief Financial Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002*

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- (1) Previously filed in connection with Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form N-2 (File No. 333-171578) filed on March 30, 2011, and incorporated by reference herein.
- (2) Previously filed in connection with Current Report on Form 8-K (File No. 814-00852) filed on June 1, 2011, and incorporated by reference herein.
- (3) Previously filed in connection with Annual Report on Form 10-K (File No. 814-00852) filed on March 14, 2013, and incorporated by reference herein.
- (4) Previously filed in connection with the Registrant's Current Report on Form 8-K (File No. 814-00852), filed on September 18, 2013, and incorporated by reference herein.
- (5) Previously filed in connection with Current Report on Form 8-K (File No. 814-00852) filed on January 7, 2014, and incorporated by reference herein.
- (6) Previously filed in connection with Pre-Effective Amendment No. 3 to the Registrant's Registration Statement on Form N-2 (File No. 333-175655) filed on September 20, 2011, and incorporated by reference herein.
- (7) Previously filed in connection with Pre-Effective Amendment No. 3 to the Registrant's Registration Statement on Form N-2 (File No. 333-171578), filed on April 15, 2011, and incorporated by reference herein.

* Filed herewith.

GSV CAPITAL CORP. AND SUBSIDIARIES
DECEMBER 31, 2014

Schedule 12-14
Schedule of Investments in and Advances to Affiliates

Portfolio Company/Type of Investment	Amount of Interest, Fees or Dividends Credited in Income	Fair Value at December 31, 2013	Purchases	Sales	Realized and Unrealized Gains/Losses	Fair Value at December 31, 2014
Control Investments						
AlwaysOn, Inc.⁽²⁾						
Preferred shares, Series A-1	\$ —	\$ 600,000	\$ 251,240	\$ —	\$ (359,988)	\$ 491,252
Preferred shares, Series A	—	203,011	—	—	426,298	629,309
Preferred warrants Series A-1, \$0.19 strike price, expire 12/31/2014	—	—	—	—	—	—
Preferred warrants Series A, \$1.00 strike price, expire 1/9/2017	—	—	—	—	—	—
StormWind, LLC⁽²⁾⁽⁵⁾						
Preferred shares, Series C	—	—	4,000,787	—	338,043	4,338,830
Preferred shares, Series B	—	4,205,142	—	—	142,466	4,347,608
Preferred shares, Series A	—	—	110,000	—	281,592	391,592
Preferred Unit Warrants \$1.76 Strike Price, Expiration Date 1/6/15	—	—	—	—	—	—
NestGSV, Inc. (d.b.a. GSV Labs, Inc.)⁽²⁾						
Preferred shares, Series A	—	1,188,137	—	—	(748,137)	440,000
Preferred shares, Series B	—	594,068	—	—	(328,088)	265,980
Preferred shares, Series C	—	—	2,005,730	—	(501,898)	1,503,832
Preferred shares, Series D	—	—	1,404,499	—	56,058	1,460,557
Common shares	—	—	1,000	—	—	1,000
Convertible Promissory Note	10,233	—	500,000	500,000	—	—
Preferred warrants, Series C – \$1.33 Strike Price, Expiration Date 4/9/2019	—	—	—	—	24,375	24,375
Preferred Warrant Series D – \$1.33 Strike Price, Expiration Date 10/6/2019	—	—	—	—	65,000	65,000
GSV Sustainability Partners⁽²⁾						
Preferred shares, Class A	—	—	4,851,256	—	(1,256)	4,850,000
Common shares	—	—	10,000	—	—	10,000
Total Control Investments	\$ 10,233					\$ 18,819,335
Affiliate Investments						
Whittle Schools, LLC⁽¹⁾⁽⁴⁾						
Preferred shares, Series B	—	3,000,000	—	—	—	3,000,000
Common shares	—	1,500,000	45,363	—	(45,363)	1,500,000
Circle Media (f.k.a. S3 Digital Corp.) (d/b/a S3j)⁽¹⁾						
Preferred shares, Series A	—	1,168,847	507,001	—	29,158	1,705,006
Term Loan, 12%, 09/30/15***	31,423	250,000	22,871	—	15,243	288,114
Preferred warrants, \$1.17 Strike Price, Expiration Date 08/29/2021	—	—	—	—	58,019	58,019
Preferred warrants, \$1.17 Strike Price, Expiration Date 09/30/2020	—	64,322	—	—	—	64,322
Preferred warrants, \$1.16 Strike Price, Expiration Date 6/26/2021	—	—	—	—	12,736	12,736
Preferred warrants, \$1.00 Strike Price, Expiration Date 11/21/2017	—	150,000	—	—	15,000	165,000

GSV CAPITAL CORP. AND SUBSIDIARIES
DECEMBER 31, 2014

Schedule of Investments in and Advances to Affiliates – (continued)

Portfolio Company/Type of Investment	Amount of Interest, Fees or Dividends Credited in Income	Fair Value at December 31, 2013	Purchases	Sales	Realized and Unrealized Gains/Losses	Fair Value at December 31, 2014
CUX, Inc. (d/b/a CorpU)⁽¹⁾						
Convertible preferred shares, Series C	\$ —	\$ —	\$ 2,006,077	\$ —	\$ 286,505	\$ 2,292,582
Senior Subordinated Convertible Promissory						
Note 8% Due 11/26/2018 ⁽¹²⁾	7,890	—	1,000,000	—	7,671	1,007,671
Convertible preferred shares, Series D	—	697,041	—	—	19,025	716,066
Preferred warrants, \$4.59 Strike Price, Expiration Date 02/25/2018	—	—	—	—	12,508	12,508
Cricknet Media (f/k/a ePals Inc.)^{*(1)(8)}						
Common shares	—	1,700,000	4,199	—	(1,373,073)	331,126
Curious.com Inc.⁽¹⁾						
Preferred shares, Series B	—	10,000,003	—	—	(3,692)	9,996,311
Dailybreak, Inc.⁽¹⁾						
Preferred shares, Series A-1	—	1,211,393	—	—	(1,211,393)	—
Preferred shares, Series A-2	—	—	426,254	—	(426,254)	—
Declara, Inc.⁽¹⁾						
Preferred shares, Series A	—	—	9,999,999	—	19,826	10,019,825
EdSurge, Inc.⁽¹⁾						
Preferred shares, Series A	—	—	500,801	—	4,527	505,328
Fullbridge, Inc.⁽¹⁾						
Preferred shares, Series C	—	3,114,120	—	—	(1,489,119)	1,625,001
Preferred shares, Series D	—	—	2,956,022	—	155,692	3,111,714
Common warrants, \$0.91 Strike Price, Expiration Date 3/22/2020	—	126,362	—	—	(124,500)	1,862
Common warrants, \$0.91 Strike Price, Expiration Date 12/11/2018	—	—	—	—	824	824
Common warrants, \$0.91 Strike Price, Expiration Date 12/11/2018	—	—	50,970	—	(46,849)	4,121
Common warrants, \$0.91 Strike Price, Expiration Date 5/16/2019	—	—	23,244	—	(21,321)	1,923
Common warrants, \$0.91 Strike Price, Expiration Date 3/22/2020	—	—	85,779	—	(78,636)	7,143
Common warrants, \$0.91 Strike Price, Expiration Date 10/09/2018	—	—	—	—	824	824
Convertible Promissory Note, 10% Interest rate, February 16, 2015	80,620	—	1,813,904	1,813,904	—	—
Term Loan, 10%, 3/31/14 ^{***}	3,336	—	250,000	(250,000)	—	—
Term Loan, 10%, 3/31/14 ^{***}	3,346	—	250,000	(250,000)	—	—
Global Education Learning (Holdings) Ltd.^{(1)**}						
Preferred shares, Series A	—	4,338,009	98	—	(342,886)	3,995,221
Learnist Inc. (f/k/a Grockit, Inc.)⁽¹⁾						
Preferred shares, Series D	—	2,073,472	—	—	245,542	2,319,014
Preferred shares, Series E	—	1,499,999	—	—	110,297	1,610,296
Preferred shares, Series F	—	—	1,450,000	—	—	1,450,000

GSV CAPITAL CORP. AND SUBSIDIARIES
DECEMBER 31, 2014

Schedule of Investments in and Advances to Affiliates – (continued)

Portfolio Company/Type of Investment	Amount of Interest, Fees or Dividends Credited in Income	Fair Value at December 31, 2013	Purchases	Sales	Realized and Unrealized Gains/Losses	Fair Value at December 31, 2014
Maven Research, Inc. ⁽¹⁾						
Preferred shares, Series C	\$ —	\$ 1,999,998	\$ —	\$ —	\$ —	\$ 1,999,998
Preferred shares, Series B	—	249,505	—	—	186	249,691
Ozy Media, Inc. ⁽¹⁾						
Preferred shares, Series B	—	—	4,999,999	—	—	4,999,999
Preferred shares, Series A	—	3,000,000	200	—	1,164,891	4,165,091
Preferred shares, Series Seed	—	865,000	—	—	708,000	1,573,000
PayNearMe, Inc. ⁽¹⁾						
Preferred shares, Series E	—	10,000,000	400	—	(18,336)	9,982,064
The rSmart Group, Inc. ⁽¹⁾						
Preferred shares, Series B	—	857,302	—	—	(664,716)	192,586
Strategic Data Command, LLC ⁽¹⁾⁽⁷⁾						
Common shares	—	1,046,830	—	—	(46,830)	1,000,000
Totus Solutions, Inc. ⁽¹⁾						
Preferred shares, Series B	—	1,001,001	—	—	(872,099)	128,902
Convertible Promissory Note 6%, Expiration Date, 4/01/2016	3,406	—	76,430	—	1,995	78,425
Preferred shares, Series A	—	2,173,163	840	—	(2,174,003)	—
Common Shares	—	576,675	200	—	(576,875)	—
Total Affiliate Investments	130,021					70,172,313

GSV CAPITAL CORP. AND SUBSIDIARIES
DECEMBER 31, 2013

Schedule of Investments in and Advances to Affiliates

Portfolio Company/Type of Investment	Amount of Interest, Fees or Dividends Credited in Income	Fair Value at December 31, 2012	Purchases	Sales	Realized and Unrealized Gains/Losses	Fair Value at December 31, 2013
Affiliate Investments						
AlwaysOn, Inc. ⁽²⁾						
Preferred shares, Series A-1	\$ —	\$ —	\$ 624,783	\$ —	\$ (24,783)	\$ 600,000
Preferred shares, Series A	—	298,655	—	—	(95,644)	203,011
StormWind, LLC ⁽²⁾⁽⁵⁾						
Preferred shares, Series B	—	2,545,812	—	—	1,659,330	4,205,142
GSV Labs, Inc. (f/k/a/ NestGSV, Inc.) ⁽²⁾						
Common membership interest	—	500,000	—	—	57,084	557,084
NestGSV, Inc. ⁽²⁾						
Preferred shares, Series A	—	1,000,000	—	—	188,137	1,188,137
Preferred shares, Series B	—	—	605,500	—	(11,432)	594,068
Whittle Schools, LLC ⁽¹⁾⁽⁴⁾						
Preferred shares, Series B	—	3,000,000	—	—	—	3,000,000
Common shares	—	—	1,531,734	—	(31,734)	1,500,000
Curious.com Inc. ⁽¹⁾						
Preferred shares, Series B	—	—	10,000,003	—	0	10,000,003
Dailybreak, Inc. ⁽¹⁾						
Preferred shares, Series A-1	—	1,993,283	430,950	—	(1,212,840)	1,211,393
Circle Media (f.k.a. S3 Digital Corp. (d/b/a S3j)) ⁽¹⁾						
Preferred shares, Series A	7,562	1,033,452	—	—	135,395	1,168,847
Term Loan, 12%, 09/30/15***	—	—	261,030	—	(11,030)	250,000
Preferred warrants, \$1.17 Strike Price, Expiration Date 09/30/2020	—	—	106,806	—	(42,484)	64,322
Preferred warrants, \$1.00 Strike Price, Expiration Date 11/21/2017	—	31,354	—	—	118,646	150,000
Cricket Media (f/k/a ePals Inc.) ^{*(1)(8)}						
Common shares	—	—	2,444,759	—	(778,092)	1,666,667
Common warrants, 0.075 CAD strike price, expire 4/30/2014	—	—	—	—	33,333	33,333
CUX, Inc. (d/b/a CorpU) ⁽¹⁾						
Convertible preferred shares, Series C	13,008	1,999,997	—	—	229,681	2,229,678
Convertible preferred shares, Series D	—	—	778,607	—	(81,566)	697,041
Preferred warrants, \$4.59 Strike Price, Expiration Date 02/25/2018	—	—	—	—	—	—
Ozy Media, Inc. ⁽¹⁾						
Preferred shares, Series A	—	—	3,000,000	—	0	3,000,000
Preferred shares, Series Seed	—	500,000	—	—	365,000	865,000

GSV CAPITAL CORP. AND SUBSIDIARIES
DECEMBER 31, 2013

Schedule of Investments in and Advances to Affiliates – (continued)

Portfolio Company/Type of Investment	Amount of Interest, Fees or Dividends Credited in Income	Fair Value at December 31, 2012	Purchases	Sales	Realized and Unrealized Gains/Losses	Fair Value at December 31, 2013
Fullbridge, Inc.⁽¹⁾						
Preferred shares, Series C	\$ —	\$ 2,250,001	\$ 943,443	\$ —	\$ (79,324)	\$ 3,114,120
Term Loan, 10% 3/31/14	12,813	—	262,612	—	(12,612)	250,000
Term Loan, 10% 3/31/14	3,240	—	241,239	—	8,761	250,000
Common warrants, \$0.91 Strike Price, Expiration Date 3/22/2020	—	—	67,021	—	59,341	126,362
Common warrants, \$0.91 Strike Price, Expiration Date 12/11/2018	—	—	9,799	—	(9,799)	—
Common warrants, \$0.91 Strike Price, Expiration Date 10/09/2018	—	—	9,901	—	(9,901)	—
Global Education Learning (Holdings)						
Ltd.^{(1)**}						
Preferred shares, Series A	—	3,003,237	1,335,673	—	(901)	4,338,009
Learnist Inc. (f/k/a Grockit, Inc.)⁽¹⁾						
Preferred shares, Series D	—	2,373,579	—	—	(300,107)	2,073,472
Preferred shares, Series E	—	1,506,406	—	—	(6,407)	1,499,999
Maven Research, Inc.⁽¹⁾						
Preferred shares, Series C	—	1,999,998	—	—	—	1,999,998
Preferred shares, Series B	—	310,396	—	—	(60,891)	249,505
PayNearMe, Inc.⁽¹⁾						
Preferred shares, Series E	—	—	10,000,001	—	(1)	10,000,000
The rSmart Group, Inc.⁽¹⁾						
Preferred shares, Series B	—	1,250,000	—	—	(392,698)	857,302
Strategic Data Command, LLC⁽¹⁾⁽⁷⁾						
Common shares	—	—	1,001,650	—	45,180	1,046,830
Totus Solutions, Inc.⁽¹⁾						
Preferred shares, Series B	—	—	1,000,000	—	1,001	1,001,001
Preferred shares, Series A	—	—	2,183,582	—	(10,419)	2,173,163
Common Shares	—	5,000,000	225	(2,183,582)	(2,239,968)	576,675
Total Affiliate Investments	\$ 36,623					\$ 62,740,162

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GSV CAPITAL CORP.

Date: March 16, 2015

By: /s/ Michael T. Moe
Michael T. Moe
Chief Executive Officer
and Chairman of the Board of Directors
(Principal Executive Officer)

Date: March 16, 2015

By: /s/ William Tanona
William Tanona
Chief Financial Officer,
Treasurer and Secretary
(Principal Financial and Accounting Officer)

STATEMENT REGARDING COMPUTATION OF PER SHARE EARNINGS

The following information sets forth the computation of basic and diluted net increase in net assets per share resulting from operations for the year ended December 31, 2014:

Numerator for decrease in net assets per share – basic:	(2,062,771)
Denominator for basic weighted average shares:	19,320,100
<u>Loss per share – basic:</u>	(0.11)
Numerator for decrease in net assets per share – diluted:	(2,062,771)
Denominator for basic weighted average shares:	19,320,100
<u>Loss per share – diluted:</u>	(0.11)

List of Subsidiaries

<u>Subsidiary</u>	<u>Jurisdiction of incorporation/organization</u>
GSVC AV Holdings, Inc.	Delaware, United States
GSVC WS Holdings, Inc.	Delaware, United States
GSVC SW Holdings, Inc.	Delaware, United States
SPNPM Holdings, LLC	Delaware, United States
GSVC SVDS Holdings, Inc.	Delaware, United States
GSV Capital Lending, LLC	Delaware, United States
GSVC AE Holdings, Inc.	Delaware, United States
GSVC NG Holdings, Inc.	Delaware, United States

Certification of Chief Executive Officer

I, Michael T. Moe, certify that:

1. I have reviewed this annual report on Form 10-K of GSV Capital Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 16th day of March 2015.

By: /s/ Michael T. Moe

Michael T. Moe
Chief Executive Officer

Certification of Chief Financial Officer

I, William Tanona, certify that:

1. I have reviewed this annual report on Form 10-K of GSV Capital Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 16th day of March 2015.

By: /s/ William Tanona

William Tanona
Chief Financial Officer

**Certification of Chief Executive Officer
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)**

In connection with the Annual Report on Form 10-K for the year ended December 31, 2014 (the "Report") of GSV Capital Corp. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Michael T. Moe, the Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Michael T. Moe

Name: Michael T. Moe

Date: March 16, 2015

**Certification of Chief Financial Officer
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)**

In connection with the Annual Report on Form 10-K for the year ended December 31, 2014 (the "Report") of GSV Capital Corp. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, William Tanona, the Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ William Tanona

Name: William Tanona

Date: March 16, 2015
