

GSV CAPITAL CORP.

(NASDAQ: GSVC)

Current Share Price now Below NAV: Unique Opportunity for Exposure to Private, Emerging Growth Companies. Revising Price Target to \$17.75

Company & Market Data (May 22, 2012)

Price	\$	11.60
Price Target (12 Month)	\$	17.75
Previous Price Target	\$	20.25
NAV (As of March 31, 2012)	\$	13.47
52 - Week Range		\$9.75 - \$20.89
Mkt. Capitalization (M)	\$	224.1
Diluted Shares Outstanding (M)		19.3
Avg. Daily Trading Vol (000s)		830.7
Fiscal Year End		December

Estimates

	CY 2011	CY 2012
Revenues (000's)	\$ 162,328	NA
Q1 Decrease in Assets	\$ (0.06)	\$ (0.02) A
Q2 Decrease in Assets	\$ (0.27)	NA
Q3 Decrease in Assets	\$ (0.18)	NA
Q4 Decrease in Assets	\$ (0.31)	NA
Total	\$ (0.27)	NA
P/E	NM	NM

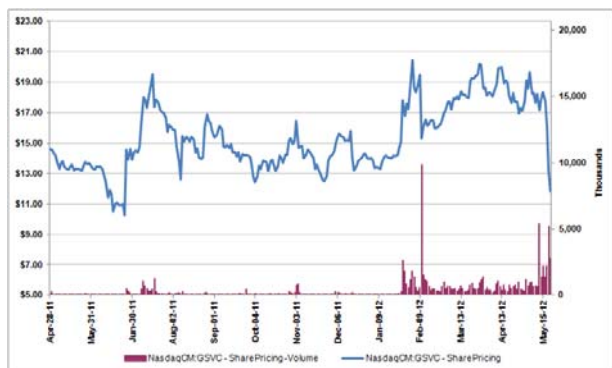


Chart Data: Capital IQ

Structured as a non-diversified closed-end management investment company, GSV Capital has elected to be treated as a business development company under the Investment Company Act of 1940. GSV will invest in emerging, high-growth private companies with the goal of providing growth oriented investors a vehicle to participate in value creation happening in the private sector. The company is focused on the high-growth sectors in the economy including Social Media, Mobile Computing, Cloud Computing, Green Technology, and Education Technology. In general, the asset management team will acquire the investment positions directly from employees and early VCs, as well as primary shares directly from the company and from the emerging private marketplaces. The company is headquartered in Woodside, California.

Investment Highlights

- The GSV Capital Model:** According to recent data from Dealogic, the number of IPOs completed in the prior decade (2001 through 2010) dropped 64% from the decade of the 1990s. At the same time, companies that are coming public are waiting longer and generally reaching the Street with much higher market valuations than in past decades. This trend continued in 2011 and early in 2012 with companies such as LinkedIn (LNKD, \$101.33, Not rated), (YELP, \$18.00, Not Rated) and most recently Facebook (FB, \$31.00, Not Rated) with an approximate valuation of more than \$100 billion. The GSV model offers traditional growth investors the opportunity to participate in the ongoing wealth creation happening with many of today's fastest growth, emerging companies while they are still private.
- Recent Capital Raise:** In February of 2012 GSV Capital was able to complete a secondary offering, raising \$96 million from the sales of 6.9 million new shares at a price of \$15.00 per share. On May 11, 2012 the company completed an additional offering of 6.9 million shares priced at \$16.25. The net proceeds from this equity raise totaled about \$105 million, bringing net assets to more than \$270 million. With the new cash infusion the NAV is approximately \$14.12, with roughly \$151 million (\$7.82 per share) in cash.
- Valuable Portfolio** – Though the company has only been operational just more than a year, the asset management team has successfully built a portfolio of 29 holdings (as of 5/4/2012) that includes many of today's leading emerging growth, private companies including Facebook, Twitter, Dropbox and Kno. Currently, Twitter is GSV's largest holding at 24% of portfolio. We point to this holding as a prime example of GSV's ability to offer participation in a private security that is extremely hard to purchase due to Twitter's strict internal policies concerning stock ownership.
- Our Outlook** – Given the anticipated revenue growth in the portfolio companies and investor sentiment reflected in the trend of prices on secondary auction markets (Sharespost/Second Market) among a number of the current holdings, we believe that the share price is not reflective of the current and (more importantly) future value of the portfolio. We suggest that based on success of the management team in building a high-growth portfolio of private companies and the potential for future liquidity events (IPOs) a more fair value, looking out twelve months, would be a premium above the adjusted NAV of \$14.12 as of 5/4/2012. Based on the potential revenue growth of the portfolio holdings as a group, we are adjusting our price target to \$17.75. As such, we are maintaining our Buy rating.

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Disclosures and Analyst Certifications can be found in Appendix A.

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Thoughts on the Quarter

In reporting its financial results for Q1 of 2012, GSV Capital filed a 10-Q on May 5th 2012, but did not hold a conference call due to an ongoing capital raise. In the N-2 filed with the offering of 6.9 million shares the company provided an update to the portfolio. The current portfolio (as of 5/4/2012) now has 29 holdings with a fair market value (determined by the Board of Directors) of \$121.2 million excluding the remaining cash balance. The management team at GSV Capital continues to populate the portfolio with high quality, high growth private companies including Twitter, Violin Memory, Top Hat, Dropbox, and the Glit Groupe. As there were no exits from the portfolio this period, income was minimal (consisting of interest income) and the company generated a loss for the period of \$82,200. The net loss was much smaller than prior periods due to the revaluation of the Facebook position to account for the impending IPO for the company.

At the quarter's end the portfolio consisted of 24 holdings with a total value of \$75.5 million. Excepting the holdings of Groupon (GRPN, \$12.39, Not Rated), Facebook and SharesPost, all the holdings were valued at cost. Including the available cash in the portfolio, the net asset value of the portfolio totaled \$167.3 million or \$13.47 per share (assuming 12.42 million shares outstanding). Key to the attractiveness of GSV as an investment is the portfolio's narrow focus on the most rapid growth industries in today's economy. These sectors include social media, cloud computing, clean tech and mobile computing platforms. These sectors all represent multi-billion dollar market opportunities and include some of the today's fastest growth companies. Currently, Twitter is GSV's largest holding at 24% of portfolio (as of 5/4/2012).

As a key measure of the management team's success in building the portfolio, we highlight the ongoing revenue growth in the underlying holdings. Currently the team at GSV Capital is estimating that the companies in the portfolio collectively generated revenues of roughly \$3.8 billion in 2010. This number is estimated to have reached \$9.7 billion in 2011 and is expected to grow to nearly \$24.1 billion in calendar 2012. This is an estimated compound annual growth rate of 154% - very impressive expected performance. As an example we note that Zynga's (ZNGA, \$7.09, Not Rated) reported revenues for 2011 of \$1.14 billion, up more than 100% from the year ago period.

As a result of the trading in Facebook shares post the IPO from last week, the shares of GSVC have declined dramatically, falling from price near \$18 May 17th 2012 to the current price of \$11.60. This 35% decline appears (in our opinion) to be a significant over reaction. The GSV portfolio holds 350,000 shares of Facebook, but given the net assets in the portfolio the Facebook position is now less than 5% of the portfolio. Given the anticipated revenue growth in the portfolio companies and investor sentiment reflected in the trend of prices on secondary auction markets (Sharespost/Second Market) among a number of the current holdings, we believe current share price is not reflective of portfolio's potential and feel a more "market" oriented asset value of the portfolio looking out nine to twelve months is of \$17.75.

The GSV Capital Portfolio¹

Through May 4 2012, (the filing date of the company's most recent N-2) the management of the GSV Capital portfolio had invested \$121.2 million dollars in 29 companies (3 holdings are now public companies). New to the portfolio since the end of December quarter report include Violin Memory, Top Hat and Global Education Learning. The current portfolio holdings are detailed in Table 1 on page 5 of this note.

¹ See Schedule of Investments Chart on Page 5 for further information. Portfolio holding information is accurate as of May 4, 2012. The current holdings of the portfolio could vary from the information provided in this report.

We note that when a holding in the portfolio comes public, creating a potential liquidity event for the portfolio, the holding is (in most cases) subject to a lock-up period of six months. This lock-up stipulation requires the management team to wait six months after the IPO before the shares are eligible for sale.

Financial Discussion

Incorporated as closed-end, investment Management Company, GSV Capital Corp's operating history began with the company's IPO in April 2011. The initial public offering of 3,335,000 shares at an offering price of \$15.00 per share resulted in net proceeds \$46.5 million. Shortly after the IPO the GSV asset management team completed its first asset purchase, a \$2,250,000 investment in Kno, Inc., in May 2011.

Early in 2012 the company has completed two additional equity offerings, raising approximately \$200 million in capital. Through the end of the first quarter of 2012, GSV had invested \$75.5 million in 24 separate companies and had a net asset value (at cost) of \$13.47 per share. The company's current operating expenses are running at about \$220,000 per month. The majority of these expenses are fixed and as the capital base grows the expense structure will remain relatively constant.

Valuation

Currently the share price of GSV Capital is trading near \$12.00 per share, well below the adjusted NAV (\$14.12) as of 5/4/2012 of the portfolio. We believe this current price is due in large part to the resulting price of Facebook after its much anticipated IPO and the GSV's ownership of 350,000 shares of Facebook. The fact that Facebook did not trade well above its IPO price and is now about 20% below the IPO pricing has lessened the immediate appeal of GSV's Facebook holding. We believe the result of the post IPO trading in Facebook is likely to dampen investor enthusiasm for future initial public offerings for a number of months. However, we believe that from a longer term perspective, the growth prospects of Facebook and the other holdings in the GSV Capital portfolio are impressive. Revenues for the portfolio companies collectively are anticipated to increase by more than 100% in 2012 to a level of \$24.1 billion. Given the very short investment period several of the positions in the GSV portfolio are already poised to deliver significant value above the portfolio's cost basis. Though it is difficult to obtain "market" valuations on these private companies, many of the issues do trade on secondary auction markets (SharesPost and Second Market) and values may be estimated from other recent transactions. To this point, below are valuation estimates on several of the current holdings.

- **Bloom Energy:** GSV was able to purchase its position in Bloom at roughly a \$1.8 billion valuation in June 2011. Kleiner Perkins recently invested in this company at a \$2.6 billion valuation. Though unrealized the return on this investment using the Kleiner Perkins valuation is 44.4%
- **Twitter:** Twitter is GSV's largest holding (a stock that is virtually unattainable by the public), with a cost basis of \$16.52 per share. Twitter is expected to complete an IPO in 2012. Recently on SharesPost the stock is being quoted near \$18.00
- **Gilt Groupe:** This company is continues to garner attention as a rapidly growing, high end online retailer. The shares are trading in secondary markets at prices above GSV's initial cost value.

Apart from these names, other positions such as the, Kno, TrueCar, and Serious Energy all have very attractive growth prospects amid large market opportunities. For example, Kno (which trades on SharesPost) is being quoted on this secondary market at \$4.20 roughly already 20% above GSV's cost basis.

We believe that GSV investment strategies are sound and are impressed with the company's success to date at obtaining the high number of high-growth private companies. Given the GSV's early success with its investment activities and the ongoing revenue growth in the portfolio holdings, we are inclined to believe that the current share price is not reflective of the underlying value being created in the GSV portfolio.

At the same time we recognize that the aftermath of the Facebook IPO has likely diminished the investor appetite for similar IPOs for the immediate future. However, given the rapid revenue growth of GSV's portfolio holdings, a more accurate value of the portfolio would be to use a modest multiple of the average of revenues for the portfolio holdings with an appropriate discount to account for the fact that underlying holdings are still primarily private companies. We have performed this calculation (see chart below)², but have removed Facebook, Zynga, (ZNGA, \$6.80, Not Rated) and Groupon (GRPN, \$11.95, Not Rated) from the calculation to eliminate the bias that may be created from the outsized revenues being generated by just these three holdings. Excluding these three companies, the average holding in the portfolio is estimated to generate roughly \$526 million in revenues for

Estimated 2012 Revenue for the GSV Portfolio Companies	\$ 24,100,000
Facebook estimated 2012 Revenues	\$ 6,500,000
Groupon estimated 2012 Revenues	\$ 2,400,000
Zynga estimated 2012 Revenues	\$ 1,500,000
Total Estimated Revenues (minus three holdings)	\$ 13,700,000
Average Revenue Per Remaining 26 Holdings	\$ 526,923.08
Value of the Portfolio at 1X Revenue (assuming 19.320 million shares)	\$ 27.27
35% Private Company Discount	\$ 17.73

calendar 2012. We believe that a portfolio generating this type of rapid revenue growth could trade a 1X estimated revenues, but we have applied a 35% discount to this number to account for the fact that the holdings are still largely private with little available financial information. Looking out twelve months we suggest that \$17.75 price target is quite reasonable an accounts for the ongoing growth inside the GSVC portfolio.

We believe this \$17.75 price target is appropriate as it provides a modest (25%) premium from the current adjusted NAV of approximately \$14.12. With the companies in the portfolio (as a whole) growing revenues at rate above 100% year-over-year, we believe that it is not unreasonable to anticipate a 25% increase in the value of the portfolio's holdings in the coming 9 to 12 months.

Investment Risks

In light of the fact that GSV Capital's operating history is just more than six months and the portfolio holdings are all less than six months old, there are numerous risks associated with this young investment management company. Though the asset management team is experienced and has been successful in past endeavors, their track record with this current vehicle with a focus on private companies remains unproven and as such we believe the company faces a number of risks, both operating and non-operating in nature. These potential risks to our investment thesis include, but are not limited to, the following:

- A disruption in the capital markets and the credit markets could negatively affect GSV's ability to affect the types of private equity transactions it is seeking. A significant downturn in the general economy would likely negatively impact market valuations for the portfolio holding and negatively impact potential shareholder returns.

² The revenue estimate for the combined holdings in the GSV portfolio is provided by GSV Capital management. The estimates for the Facebook, Groupon, and Zynga are from Yahoo Finance as of 5/22/2012

- The company is currently generating operating expenses of roughly \$230,000 per month. A portion of these expenses are related to the company's structure as publicly traded company.
- GSV's business model depends heavily upon the development and maintenance of strong referral relationships with private equity and venture capital funds and investment banking firms. If these relationships were to be interrupted the company's deal sourcing activities could be negatively impacted.
- There are significant potential investment risks relating to investing in securities traded on private secondary markets. The liquidity in these types of issues is generally very low and this could affect valuations.
- Because the investments in the GSV portfolio will generally not be in publicly traded securities, there will be a large degree of uncertainty regarding the value of the investments, which could adversely the perceived value of the portfolio.
- Additionally, there is no assurance that in the future the private companies in the GSV portfolio will be able to create a liquidation opportunity for the GSV shares such as an IPOs or outright sale for cash or shares of a public entity.
- The company's inability to raise additional investment capital and grow the portfolio will negatively impact the relative size of the investment management and operating fees.
- As a newly listed company on the NASDAQ, it is possible that in the future the company may fail to meet listing requirements of the NASDAQ Stock Market.

Table 1: GSV – Schedule of Investments³

GSV Capital Corp. Schedule of Investments / Data is as of May 4, 2012						
Portfolio Investments	Industry	Shares / Par Amount	Cost	Fair Value	Security	% of Net Assets
<u>AltEgo, LLC</u>	Online Games	500,000	\$ 510,473	\$ 500,000	Common Shares	0.41%
<u>AlwaysON Network, LLC</u>	Internet Media	250,000	\$ 250,000	\$ 250,000	Structured Note	0.21%
<u>Bloom Energy Corporation</u>	Fuel Cell Energy	141,389	\$ 2,705,118 \$ 1,143,800 \$ 3,848,918	\$ 3,770,135	Common Shares	0.00% 3.11%
<u>Chegg, Inc.</u>	Textbook Rental	774,193 500,000	\$ 6,003,694 \$ 4,007,749 \$ 10,011,443	\$ 9,999,996	Common Shares Preferred Shares	8.25%
<u>Control 4, Inc.</u>	Smart Home Services	666,667	\$ 1,034,827 \$ 3,997,000 \$ 5,031,827	\$ 4,997,000	Common Shares	4.12%
<u>CUX, Inc.</u>	Corporate Education	246,350	\$ 2,000,000	\$ 2,000,000	Preferred Shares	1.65%
<u>DreamBox Learning</u>	Education Technology	3,579,610	\$ 757,955	\$ 750,000	Common Shares	0.62%
<u>Dropbox Inc.</u>	Online Storage	552,486	\$ 5,015,333	\$ 4,999,998	Preferred Shares	4.13%
<u>Facebook, Inc.</u>	Social Networking	350,000	\$ 10,467,600	\$ 11,200,000	Common Shares, B	9.24%
<u>Fullbridge, Inc.</u>	Business Education		\$ 1,969,996	\$ 1,969,996	NA	1.63%
<u>GILT Groupe, Inc.</u>	e-Commerce Flash Sales	203,100	\$ 5,576,979	\$ 5,499,250	Common Shares	4.54%
<u>Global Education Learning</u>	Education Technology		\$ 2,999,998	\$ 2,999,998	NA	2.48%
<u>Grockit, Inc.</u>	Education Technology	2,728,252	\$ 2,005,945	\$ 2,000,000	Common Shares	1.65%
<u>Groupon</u>	Online Deals	80,000	\$ 2,127,577	\$ 1,367,472	Common Shares	1.13%
<u>Kno, Inc.</u>	Digital Textbooks	440,313 50,000	\$ 2,257,959 \$ 214,303 \$ 2,472,262	\$ 2,455,000	Preferred Shares, C Common Shares	2.03%
<u>Mavien Research, Inc</u>	Global Knowledge Marketplace	49,505	\$ 217,206	\$ 200,000	Preferred Shares, B	0.17%
<u>PJB Fund LLC (Zvnga)</u>	Social Gaming	4,000,000	\$ 4,028,914	\$ 4,000,000	Structured Note	3.30%
<u>Serious Energy, Inc.</u>	Green Materials	178,095	\$ 738,674	\$ 712,380	Common Shares	0.59%
<u>SharesPost, Inc.</u>	Online Marketplace	1,776,970 770,934	\$ 2,257,792 \$ 23,128 \$ 2,280,920	\$ 2,266,003	Preferred Shares, B Common Warrants	1.87%
<u>Silver Spring Networks, Inc.</u>	Smart Grid		\$ 4,955,271	\$ 4,901,430	NA	4.05%
<u>StormWind, LLC</u>	Electric Business Services	3,279,629	\$ 2,019,687	\$ 2,000,000	Preferred Shares, B	1.65%
<u>The Echo Systems Corp.</u>	Online Social Analytics	512,365	\$ 505,823 \$ 68,359 \$ 574,182	\$ 1,715,556	Preferred Shares, A Preferred Warrants	1.42%
<u>The rSmart Group, Inc.</u>	Education Technology	1,201,923	\$ 1,264,927	\$ 1,250,000	Preferred Shares, B	1.03%
<u>Top Hat, Inc.</u>	Online Jewelry Retailing		\$ 4,000,000	\$ 4,000,000	NA	3.30%
<u>TrueCar, Inc.</u>	Online Auto Services	377,358	\$ 2,001,782	\$ 1,999,997	Common Shares	1.65%
<u>Twitter, Inc.</u>	Social Communication		\$ 29,821,179	\$ 29,613,493	Common Shares	24.44%
<u>Violin Memory, Inc.</u>	Flash Memory		\$ 9,999,996	\$ 9,999,996	NA	8.25%
<u>ZocDoc Inc.</u> Preferred Shares	Online Medical Services	200,000	\$ 3,563,178	\$ 3,500,000	Preferred Shares, A	2.89%
<u>ZoomSystems</u>	Smart e-tail (Retail)	1,250,000	\$ 260,317	\$ 250,000	Preferred Shares, A	0.21%
Total Investments				\$ 121,167,700	(\$6.30 per share)	
Cash Position				\$ 151,700,000	(\$7.82 per share)	
Total NAV					\$ 14.12	

³ This information is taken from the company's SEC filings as of May 4, 2012. Current investments in the portfolio may differ from the information herein. Mention of specific companies not covered by Ladenburg Thalmann & Co. Inc. is not a recommendation to buy, hold or sell any of the securities mentioned.

Table 2: GSV – Quarterly Income Statement

QUARTERLY INCOME STATEMENT (All amounts are actual numbers)					
	CY 2011				CY 2012
	3/31/2011	6/30/2011	9/31/2011	12/30/2011	3/31/2012
<i>Interest income</i>	\$ -	\$ -	\$ 52,222	\$ 106,167	\$ 112,101
<i>Dividend income</i>	\$ -	\$ -	\$ 1,186	\$ 2,753	\$ 5,704
Total Revenues	\$ -	\$ -	\$ 53,408	\$ 108,920	\$ 117,805
Operating expenses:					
<i>Investment management fees</i>	-	150,943	233,961	233,961	621,926
<i>Costs associated with Administrative Agreement</i>	-	113,035	192,031	249,166	345,594
<i>Insurance, Directors and other Professional expenses</i>	16,050	193,191	242,608	228,128	221,014
<i>Investor Relations expenses</i>	-	750	52,000	36,250	14,250
<i>Organizational expenses</i>	94,640	97,855	6,336	-	-
<i>Other expenses</i>	118	9,531	6,310	39,078	9,023
Total Operating Expenses	\$ 110,808	\$ 565,305	\$ 733,246	\$ 786,583	\$ 1,211,807
Net Investment loss	\$ (110,808)	\$ (565,305)	\$ (679,838)	\$ (677,663)	\$ (1,094,002)
Net Realized Loss on Investments					\$ (256)
Net Change in Appreciation on Investments		\$ (59,634)	\$ (49,170)	\$ (1,025,996)	\$ 1,011,195
Net Decrease in Assets from Operations	\$ (110,808)	\$ (624,939)	\$ (630,668)	\$ (1,703,659)	\$ (82,807)
Weighted Average Shares	1,735,385	2,345,595	3,430,100	5,520,100	5,520,100
Net Decrease in Assets -- Per Share	\$ (0.06)	\$ (0.27)	\$ (0.18)	\$ (0.31)	\$ (0.02)
% of TOTAL REVENUE					
Operating expenses:	N/A	N/A	1372.9%	722.2%	1028.7%
<i>Investment management fees</i>	N/A	N/A	438.1%	214.8%	527.9%
<i>Costs associated with Administrative Agreement</i>	N/A	N/A	359.6%	228.8%	293.4%
<i>Insurance, Directors and other Professional expenses</i>	N/A	N/A	454.3%	209.4%	187.6%
Net Investment loss	N/A	N/A	1372.9%	722.2%	1028.7%
Net Decrease in Assets from Operations	N/A	N/A	-1180.8%	-1564.1%	-70.3%
% YEAR OVER YEAR INCREASE					
Total Revenues	N/A	N/A	N/A	N/A	N/A
Total Operating Expenses	N/A	N/A	N/A	N/A	N/A
Net Investment loss	N/A	N/A	N/A	N/A	N/A
% SEQUENTIAL INCREASE					
Total Revenues	N/A	N/A	N/A	N/A	N/A
Total Operating Expenses	N/A	N/A	29.7%	103.9%	8.2%
Net Investment loss	N/A	N/A	N/A	N/A	N/A

Source: Company Filings, and Ladenburg Estimates

Table 3: GSV – Annual Income Statement

ANNUAL INCOME STATEMENT (All amounts are actual numbers)	
	2011
<i>Interest income</i>	158,389
<i>Dividend income</i>	3,939
Total Revenues	\$ 162,328
Operating expenses:	
<i>Investment management fees</i>	618,865
<i>Costs associated with Administrative Agreement</i>	554,232
<i>Insurance, Directors and other Professional expenses</i>	679,977
<i>Investor Relations expenses</i>	89,000
<i>Organizational expenses</i>	198,831
<i>Other expenses</i>	55,037
Total Operating Expenses	\$ 2,195,942
Net Investment loss	\$ (2,033,614)
Net Change in Depreciation on Non-Control/ Affiliated Securities	1,579,800
	-
Net Decrease in Assets from Operations	\$ (3,613,414)
Weighted Average Shares	3,350,000
Net Decrease in Assets -- Per Share	\$ (1.08)
% of TOTAL REVENUE	
Operating expenses:	1352.8%
<i>Investment management fees</i>	341.4%
<i>Costs associated with Administrative Agreement</i>	418.9%
<i>Insurance, Directors and other Professional expenses</i>	1352.8%
Net Investment loss	-1252.8%
Net Decrease in Assets from Operations	-2226.0%
% YEAR OVER YEAR INCREASE	
Total Revenues	N/A
Total Operating Expenses	N/A
Net Investment loss	N/A

Source: Company Filings, Ladenburg Estimates

Table 4: GSV – Balance Sheet

BALANCE SHEET (All Amounts are actual numbers)				
	FY 2011			FY 2012
	6/30/2011	9/30/2011	12/31/2011	3/31/2012
ASSETS				
Investments in non-control securities	\$ 20,744,703	\$ 41,389,584	\$ 64,078,150	\$ 75,756,910
Cash and cash equivalents	24,214,777	32,098,207	27,386,039	91,391,344
Due from GSV Asset Management	46,236	809	13,470	14,220
Portfolio Company	26,217	30,000	9,249	70,145
Escrow Deposits	172,995	-	-	-
Prepaid expenses	228,384	138,692	92,750	18,212
Accrued Interest	-	52,222	158,389	258,739
Deferred Offering Costs	-	-	56,436	118,972
Dividend Receivable				2,786
Other Assets	26,148	6,456	3,759	59,417
Total current assets	\$ 45,459,460	\$ 73,715,970	\$ 91,798,242	\$ 167,690,745
LIABILITIES AND STOCKHOLDERS' EQUITY				
Due to GSV Asset Management	78,461	74	78,427	16,524
Due to other Affiliates	7,012	34,635	10,782	5,669
Payable for unsettled securities	-	-	19,999,128	-
Accounts Payable	7,055	388,812	206,357	316,880
Accrued Offering Costs	-	98,627	-	-
Accrued Expenses	101,510	5,793	300	2,564
Total Liabilities	\$ 194,038	\$ 527,941	\$ 20,294,994	\$ 341,637
Stockholders' Equity:				
Common stock	33,351	55,201	55,201	124,201
Additional paid-in capital	45,967,818	75,042,833	73,027,847	168,887,770
Accumulated Investment Loss	(676,113)	(1,356,201)	-	(1,094,002)
Accumulated net realized loss on investments				(256)
Accumulated depreciation on investments	(59,634)	(553,804)	(1,579,800)	(568,605)
Total stockholders' equity	\$ 45,265,422	\$ 73,188,029	\$ 71,503,248	\$ 167,349,108
Total Liabilities and Stockholders' Equity	\$ 45,459,460	\$ 73,715,970	\$ 91,798,242	\$ 167,690,745

Source: Company Filings, Ladenburg Estimates

APPENDIX A: IMPORTANT RESEARCH DISCLOSURES**ANALYST CERTIFICATION**

I, Jon R. Hickman, attest that the views expressed in this research report accurately reflect my personal views about the subject security and issuer. Furthermore, no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation or views expressed in this research report.

The research analyst(s) primarily responsible for the preparation of this research report have received compensation based upon various factors, including the firm's total revenues, a portion of which is generated by investment banking activities.

COMPANY BACKGROUND

Structured as a non-diversified closed-end management investment company, GSV Capital has elected to be treated as a business development company under the Investment Company Act of 1940. GSV will investment in emerging, high-growth private companies with the goal of providing growth oriented investors a vehicle to participate in value creation happening in the private sector. The company is focused on the high-growth sectors in the economy including Social Media, Mobile Computing, Cloud Computing, Green Technology, and Education Technology. In general, the asset management team will acquire the investment positions directly from employees and early VCs, as well as primary shares directly from the company and from the emerging private marketplaces. The company is headquarter is Woodside, California

VALUATION METHODOLOGY

Our price target is based on the belief that the company's investments are already demonstrating notable appreciation from cost and the expectation of future liquidity events (IPOs and corporate transactions) that will provide GSV with the opportunity to exit its investments at higher valuations. We estimate that the portfolio today is worth 25% more than the adjusted \$14.12 NAV.

RISKS

In light of the fact that GSV Capital's operating history is just more than six months and the portfolio holdings are all less than six months old, there are numerous risks associated with this young investment management company. Though the asset management team is experienced and has been successful in past endeavors, their track record with this current vehicle with a focus on private companies remains unproven. We believe that GSV investment strategies are sound and to date the investment selections appear to meet the stated criteria, but we also believe the company faces a number of risks, both operating and non-operating in nature. These potential risks to our investment thesis include, but are not limited to, the following:

- A disruption in the capital markets and the credit markets could negatively GSV's ability to affect the types of private equity transactions it is seeking. A significant downturn in the general economy would likely negatively impact market valuations for the portfolio holding and negatively impact potential shareholder returns.
- The company is currently generating operating expenses of roughly \$230,000 per month. A portion of these expenses are related to the company's structure as publicly traded company.
- GSV's business model depends heavily upon the development and maintenance of strong referral relationships with private equity and venture capital funds and investment banking firms. If these relationships were to be interrupted the company's deal sourcing activities could be negatively impacted.
- There are significant potential investment risks relating to investing in securities traded on private secondary markets. The liquidity in these types of issues is generally very low and this could affect valuations.
- Because the investments in the GSV portfolio will generally not be in publicly traded securities, there will be a large degree of uncertainty regarding the value of the investments, which could adversely the perceived value of the portfolio.
- Additionally, there is no assurance that in the future the private companies in the GSV portfolio will be able to create a liquidation opportunity for the GSV shares such as an IPOs or outright sale for cash or shares of a public entity.
- The company's inability to raise additional investment capital and grow the portfolio will negatively impact the relative size of the investment management and operating fees.
- As a newly listed company on the NASDAQ, it is possible that in the future the company may fail to meet listing requirements of the NASDAQ Stock Market.

STOCK RATING DEFINITIONS

Buy: The stock's return is expected to exceed 12.5% over the next twelve months.

Neutral: The stock's return is expected to be plus or minus 12.5% over the next twelve months.

Sell: The stock's return is expected to be negative 12.5% or more over the next twelve months.

Investment Ratings are determined by the ranges described above at the time of initiation of coverage, a change in risk, or a change in target price. At other times, the expected returns may fall outside of these ranges because of price movement and/or volatility. Such interim deviations from specified ranges will be permitted but will become subject to review.

RATINGS DISPERSION AND BANKING RELATIONSHIPS (AS OF 4/30/2012)

Buy: 75% (33% are banking clients)
Neutral: 24% (8% are banking clients)
Sell: 1% (0% are banking clients)

COMPANY SPECIFIC DISCLOSURES

Ladenburg Thalmann & Co. Inc. makes a market in the subject company. Ladenburg Thalmann & Co. Inc. had an investment banking relationship with the subject company in the last 12 months. Ladenburg Thalmann & Co. Inc. acted as Lead Manager in the Initial public offering of the subject company and acted as Co-Manager in secondary offerings for the subject company in the last 12 months. Ladenburg Thalmann & Co Inc. received investment banking related compensation related to those offerings in the last 12 months. Ladenburg Thalmann & Co. Inc. expects to receive investment banking related compensation from GSV in the next 3 months. Ladenburg Thalmann & Co. Inc. has a non-investment banking securities related relationship with members of the Board of Directors. Neither the Analyst, nor members of the Analyst's household, own any securities issued by GSV Capital Corp.

OTHER COMPANIES MENTIONED

Ladenburg Thalmann & Co. Inc. had an investment banking relationship (selling group member in initial public offering) with Facebook (FB) in the last 12 months and received investment banking related compensation related to that offering.

Neither the Analyst, nor members of the Analyst's household, own any securities issued by Facebook, Inc.

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