Hercules Capital, Inc.
Form 497
November 09, 2018
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Filed Pursuant to Rule 497
Registration No. 333-224281

PROSPECTUS SUPPLEMENT

(To prospectus dated June 5, 2018)

Up to 12,000,000 Shares

Common Stock

We have entered into an equity distribution agreement, dated September 8, 2017, or the Equity Distribution Agreement, with JMP Securities LLC, or JMP Securities, relating to the shares of common stock offered by this prospectus supplement and the accompanying prospectus. Our common stock is listed on the New York Stock Exchange, or NYSE, under the trading symbol HTGC. The last reported sale price on the NYSE on November 6, 2018 was $12.65 per share. The net asset value per share of our common stock at September 30, 2018 (the last date prior to the date of this prospectus supplement on which we determined net asset value) was $10.38.

We are an internally managed, non-diversified, closed-end investment company that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended, or the 1940 Act. Our investment objective is to maximize our portfolio total return by generating current income from our debt investments and capital appreciation from our warrant and equity-related investments.

The Equity Distribution Agreement provides that we may offer and sell up to 12,000,000 shares of our common stock from time to time through JMP Securities, as our sales agent. Sales of our common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be at the market, as defined in Rule 415 under the Securities Act of 1933, as amended, or the Securities Act, including sales made directly on the NYSE or similar securities exchange or sales made to or through a market maker other than on an exchange, at prices related to the prevailing market prices or at negotiated prices. As of the date of this prospectus supplement, we have sold approximately 6.6 million shares of our common stock under the Equity Distribution Agreement.

JMP Securities will receive a commission from us to be negotiated from time to time, but in no event in excess of 2.0% of the gross sales price of any shares of our common stock sold through JMP Securities under the Equity Distribution Agreement. JMP Securities is not required to sell any specific number or dollar amount of common stock, but will use its commercially reasonable efforts consistent with its sales and trading practices to sell the shares of our common stock offered by this prospectus supplement and the accompanying prospectus. See Plan of Distribution beginning on page S-25 of this prospectus supplement. The sales price per share of our common stock offered by this prospectus supplement and the accompanying prospectus, less JMP Securities commission, will not be less than the net asset value per share of our common stock at the time of such sale.

Please read this prospectus supplement, and the accompanying prospectus, before investing, and keep it for future reference. The prospectus supplement and the accompanying prospectus contain important information about us that a prospective investor should know before investing in our common stock. We file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission, or the SEC. This information is available free of charge by contacting us at 400 Hamilton Avenue, Suite 310, Palo Alto, California 94301, or by telephone by calling collect at (650) 289-3060 or on our website at www.htgc.com. The information on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus. The SEC also maintains a website at www.sec.gov that contains such information.

An investment in our common stock involves risks, including the risk of a total loss of investment. In addition, the companies in which we invest are subject to special risks. See the Supplementary Risk Factors section beginning on page S-15 of this prospectus supplement and the Risk Factors section beginning on page 14 of the accompanying prospectus to read about risks that you should consider before investing in our common stock, including the risk of leverage.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

JMP Securities

The date of this prospectus supplement is November 9, 2018.

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You should rely only on the information contained in this prospectus supplement and the accompanying prospectus. We have not, and JMP Securities has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and JMP Securities is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the date on the front cover of this prospectus supplement and the accompanying prospectus, as applicable. Our business, financial condition, results of operations and prospects may have changed since that date.

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering and also adds to and updates information contained in the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information and disclosure. To the extent the information contained in this prospectus supplement differs from the information contained in the accompanying prospectus, the information in this prospectus supplement shall control. You should read this prospectus supplement and the accompanying prospectus together with the additional information described under the heading, Available Information before investing in our common stock.

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FEES AND EXPENSES

The following table is intended to assist you in understanding the various costs and expenses that an investor in our common stock will bear directly or indirectly. However, we caution you that some of the percentages indicated in the table below are estimates and may vary. The footnotes to the fee table state which items are estimates. Except where the context suggests otherwise, whenever this prospectus contains a reference to fees or expenses paid by you or us or that we will pay fees or expenses, stockholders will indirectly bear such fees or expenses as investors in Hercules Capital, Inc.

Stockholder Transaction Expenses (as a percentage of the public offering price):	
Sales load (as a percentage of offering price)(1)	2.00%
Offering expenses	0.87%(2)
Dividend reinvestment plan fees	(3)
Total stockholder transaction expenses (as a percentage of the public offering price)	2.87%
Annual Expenses (as a percentage of net assets attributable to common stock):(4)	
Operating expenses	5.65%(5)(6)
Interest and fees paid in connection with borrowed funds	5.17%(7)
Total annual expenses	10.82%(8)

(1) Represents the estimated commission with respect to the shares of common stock being sold in this offering. JMP Securities will be entitled to compensation up to 2.00% of the gross proceeds of the sale of any shares of our common stock under the Equity Distribution Agreement, with the exact amount of such compensation to be mutually agreed upon by the Company and JMP Securities from time to time. There is no guarantee that there will be any sales of our common stock pursuant to this prospectus supplement and the accompanying prospectus.

(2) The percentage reflects estimated offering expenses of approximately $1.3 million, assuming all shares are offered under this prospectus supplement.

(3) The expenses associated with the administration of our dividend reinvestment plan are included in Operating expenses. We pay all brokerage commissions incurred with respect to open market purchases, if any, made by the administrator under the plan. For more details about the plan, see Dividend Reinvestment Plan in the accompanying prospectus.

(4) Net assets attributable to common stock equals the weighted average net assets for the nine-months ended September 30, 2018, which is approximately $896.5 million.

(5) Operating expenses represents our estimated operating expenses by annualizing our actual operating expenses incurred for the nine-months ended September 30, 2018, including all fees and expenses of our consolidated subsidiaries and excluding interests and fees on indebtedness. See Management s Discussion and Analysis of Financial Condition and Results of Operations in this prospectus supplement and Management and Executive Compensation in the accompanying prospectus.

(6) We do not have an investment adviser and are internally managed by our executive officers under the supervision of our Board of Directors. As a result, we do not pay investment advisory fees, but instead we pay the operating

costs associated with employing investment management professionals.

(7) Interest and fees paid in connection with borrowed funds represents our estimated interest, fees and credit facility expenses by annualizing our actual interest, fees, and credit facility expenses incurred for the nine-months ended September 30, 2018, including our $75.0 million revolving senior secured credit facility with Wells Fargo Capital Finance, LLC (the Wells Facility), $100.0 million revolving senior secured credit facility with MUFG Union Bank, N.A. (the Union Bank Facility, and, together with the Wells Facility, the Credit Facilities), 4.625% notes due 2022 (the 2022 Notes), 6.25% notes due 2024 (the 2024 Notes), 5.25% notes due 2025 (the 2025 Notes), 6.25% notes due 2033 (the 2033 Notes), 4.375% convertible notes due 2022 (the 2022 Convertible Notes), fixed rate asset-backed notes due 2021 (the 2021 Asset-Backed Notes), and the Small Business Administration (SBA) debentures.

(8) Total annual expenses is the sum of operating expenses, and interest and fees paid in connection with borrowed funds. Total annual expenses is presented as a percentage of weighted average net assets attributable to common stockholders because the holders of shares of our common stock (and not the holders of our debt securities or preferred stock, if any) bear all of our fees and expenses, including the fees and expenses of our wholly-owned consolidated subsidiaries, all of which are included in this fee table presentation.

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Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock. These amounts are based upon our payment of annual operating expenses at the levels set forth in the table above and assume no additional leverage.

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 common stock investment, assuming a 5% annual return	$ 131	$ 318	$ 485	$ 825

The example and the expenses in the tables above should not be considered a representation of our future expenses, and actual expenses may be greater or lesser than those shown. Moreover, while the example assumes, as required by the applicable rules of the SEC, a 5% annual return, our performance will vary and may result in a return greater or lesser than 5%. In addition, while the example assumes reinvestment of all distributions at net asset value (NAV), participants in our dividend reinvestment plan may receive shares valued at the market price in effect at that time. This price may be at, above or below NAV. See Dividend Reinvestment Plan in the accompanying prospectus for additional information regarding our dividend reinvestment plan.

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FORWARD-LOOKING STATEMENTS

The matters discussed in this prospectus supplement and the accompanying prospectus, as well as in future oral and written statements by management of Hercules Capital, Inc., that are forward-looking statements are based on current management expectations that involve substantial risks and uncertainties which could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. Forward-looking statements relate to future events or our future financial performance. We generally identify forward-looking statements by terminology such as may, will, should, expects, plans, anticipates, could, intends, target, projects, believes, estimates, predicts, potential or continue or the negative of these terms or other similar expressions. Important assumptions include our ability to originate new investments, achieve certain margins and levels of profitability, the availability of additional capital, and the ability to maintain certain debt to asset ratios. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this prospectus supplement and the accompanying prospectus should not be regarded as a representation by us that our plans or objectives will be achieved. The forward-looking statements contained in this prospectus supplement and the accompanying prospectus include statements as to:

- our current and future management structure;
- our future operating results;
- our business prospects and the prospects of our prospective portfolio companies;
- the impact of investments that we expect to make;
- our informal relationships with third parties including in the venture capital industry;
- the expected market for venture capital investments and our addressable market;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- our ability to access debt markets and equity markets;
- the ability of our portfolio companies to achieve their objectives;

- our expected financings and investments;
- our regulatory structure and tax status;
- our ability to operate as a business development company, a small business investment company, or SBIC, and a regulated investment company, or RIC;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the timing, form and amount of any distributions;
- the impact of fluctuations in interest rates on our business;
- the valuation of any investments in portfolio companies, particularly those having no liquid trading market; and
- our ability to recover unrealized losses.

For a discussion of factors that could cause our actual results to differ from forward-looking statements contained in this prospectus supplement and the accompanying prospectus, please see the discussion under Supplementary Risk Factors beginning on page S-15 of this prospectus supplement and Risk Factors beginning on page 14 of the accompanying prospectus. You should not place undue reliance on these forward-looking statements. The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statement to reflect events or circumstances occurring after the date of this prospectus.

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INDUSTRY AND MARKET DATA

We have compiled certain industry estimates presented in this prospectus supplement and the accompanying prospectus from internally generated information and data. While we believe our estimates are reliable, they have not been verified by any independent sources. The estimates are based on a number of assumptions, including increasing investment in venture capital and private equity-backed companies. Actual results may differ from projections and estimates, and this market may not grow at the rates projected, or at all. If this market fails to grow at projected rates, our business and the market price of our securities, including our common stock, could be materially adversely affected.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights some of the information in this prospectus supplement and may not contain all of the information that is important to you. For a more complete understanding of this offering, we encourage you to read this entire prospectus supplement and the accompanying prospectus and the documents that are referenced in this prospectus supplement and the accompanying prospectus, together with any accompanying supplements. In this prospectus supplement and the accompanying prospectus, unless the context otherwise requires, the Company, Hercules, HTGC, we, us and our refer to Hercules Capital, Inc. and its wholly-owned subsidiaries and its affiliated securitization trusts.

Our Company

We are a specialty finance company focused on providing senior secured loans to high-growth, innovative venture capital-backed companies in a variety of technology, life sciences, and sustainable and renewable technology industries. Our investment objective is to maximize our portfolio s total return by generating current income from our debt investments and capital appreciation from our warrant and equity-related investments. We are an internally-managed, non-diversified, closed-end investment company that has elected to be regulated as a business development company under the 1940 Act. Effective January 1, 2006, we elected to be treated for tax purposes as a RIC under the Internal Revenue Code of 1986, as amended, or the Code.

As of September 30, 2018, our total assets were approximately \$1.8 billion, of which our investments comprised \$1.8 billion at fair value and \$1.8 billion at cost. Since inception through September 30, 2018, we have made debt and equity commitments of more than \$8.2 billion to our portfolio companies.

We also make investments in qualifying small businesses through Hercules Technology III, L.P., or HT III, which is our wholly owned SBIC. HT III holds approximately \$300.6 million in assets which accounted for approximately 13.6% of our total assets, prior to consolidation at September 30, 2018. At September 30, 2018, we have issued \$149.0 million in SBA-guaranteed debentures in our SBIC subsidiary. See Regulation Small Business Administration Regulations in the accompanying prospectus for additional information regarding our SBIC subsidiary.

As of September 30, 2018, our investment professionals, including Manuel A. Henriquez, our co-founder, Chairman, President and Chief Executive Officer, are currently comprised of 37 professionals who have, on average, more than 10 years of experience in venture capital, structured finance, commercial lending or acquisition finance with the types of technology-related companies that we are targeting. We believe that we can leverage the experience and relationships of our management team to successfully identify attractive investment opportunities, underwrite prospective portfolio companies and structure customized financing solutions.

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Organizational Chart

The following chart summarizes our organizational structure as of November 6, 2018. This chart is provided for illustrative purposes only.

Our Market Opportunity

We believe that technology-related companies compete in one of the largest and most rapidly growing sectors of the U.S. economy and that continued growth is supported by ongoing innovation and performance improvements in technology products as well as the adoption of technology across virtually all industries in response to competitive pressures. We believe that an attractive market opportunity exists for a specialty finance company focused primarily on investments in structured debt with warrants in technology-related companies for the following reasons:

- technology-related companies have generally been underserved by traditional lending sources;

- unfulfilled demand exists for structured debt financing to technology-related companies due to the complexity of evaluating risk in these investments; and

- structured debt with warrants products are less dilutive and complement equity financing from venture capital and private equity funds.

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Technology-Related Companies are Underserved by Traditional Lenders. We believe many viable technology-related companies backed by financial sponsors have been unable to obtain sufficient growth financing from traditional lenders, including financial services companies such as commercial banks and finance companies because traditional lenders have continued to consolidate and have adopted a more risk-averse approach to lending. More importantly, we believe traditional lenders are typically unable to underwrite the risk associated with these companies effectively.

The unique cash flow characteristics of many technology-related companies typically include significant research and development expenditures and high projected revenue growth thus often making such companies difficult to evaluate from a credit perspective. In addition, the balance sheets of these companies often include a disproportionately large amount of intellectual property assets, which can be difficult to value. Finally, the speed of innovation in technology and rapid shifts in consumer demand and market share add to the difficulty in evaluating technology-related companies.

Due to the difficulties described above, we believe traditional lenders generally refrain from entering the structured debt financing marketplace, instead preferring the risk-reward profile of asset-based lending. Traditional lenders generally do not have flexible product offerings that meet the needs of technology-related companies. The financing products offered by traditional lenders typically impose on borrowers many restrictive covenants and conditions, including limiting cash outflows and requiring a significant depository relationship to facilitate rapid liquidation.

Unfulfilled Demand for Structured Debt Financing to Technology-Related Companies. Private debt capital in the form of structured debt financing from specialty finance companies continues to be an important source of funding for technology-related companies. We believe that the level of demand for structured debt financing is a function of the level of annual venture equity investment activity.

We believe that demand for structured debt financing is currently underserved. The venture capital market for the technology-related companies in which we invest has been active. Therefore, to the extent we have capital available, we believe this is an opportune time to be active in the structured lending market for technology-related companies.

Structured Debt with Warrants Products Complement Equity Financing From Venture Capital and Private Equity Funds. We believe that technology-related companies and their financial sponsors will continue to view structured debt securities as an attractive source of capital because it augments the capital provided by venture capital and private equity funds. We believe that our structured debt with warrants products provide access to growth capital that otherwise may only be available through incremental investments by existing equity investors. As such, we provide portfolio companies and their financial sponsors with an opportunity to diversify their capital sources. Generally, we believe many technology-related companies at all stages of development target a portion of their capital to be debt in an attempt to achieve a higher valuation through internal growth. In addition, because financial sponsor-backed companies have reached a more mature stage prior to reaching a liquidity event, we believe our investments could provide the debt capital needed to grow or recapitalize during the extended period sometimes required prior to liquidity events.

Our Business Strategy

Our strategy to achieve our investment objective includes the following key elements:

Leverage the Experience and Industry Relationships of Our Management Team and Investment Professionals. We have assembled a team of experienced investment professionals with extensive experience as venture capitalists, commercial lenders, and originators of structured debt and equity investments in technology-related companies.

Mitigate Risk of Principal Loss and Build a Portfolio of Equity-Related Securities. We expect that our investments have the potential to produce attractive risk-adjusted returns through current income, in the form of

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interest and fee income, as well as capital appreciation from warrant and equity-related securities. We believe that we can mitigate the risk of loss on our debt investments through the combination of loan principal amortization, cash interest payments, relatively short maturities (typically between 24 48 months), security interests in the assets of our portfolio companies, and on select investment covenants requiring prospective portfolio companies to have certain amounts of available cash at the time of our investment and the continued support from a venture capital or private equity firm at the time we make our investment.

Provide Customized Financing Complementary to Financial Sponsors Capital. We offer a broad range of investment structures and possess expertise and experience to effectively structure and price investments in technology-related companies.

Invest at Various Stages of Development. We provide growth capital to technology-related companies at all stages of development, including select publicly listed companies and select special opportunity lower middle market companies that require additional capital to fund acquisitions, recapitalizations and refinancings and established-stage companies.

Benefit from Our Efficient Organizational Structure. We believe that the perpetual nature of our corporate structure enables us to be a long-term partner for our portfolio companies in contrast to traditional investment funds, which typically have a limited life. In addition, because of our access to the equity markets, we believe that we may benefit from a lower cost of capital than that available to private investment funds.

Deal Sourcing Through Our Proprietary Database. We have developed a proprietary and comprehensive structured query language-based database system to track various aspects of our investment process including sourcing, originations, transaction monitoring and post-investment performance.

Recent Developments

Distribution Declaration

On October 24, 2018, our Board of Directors declared a cash distribution of $0.31 per share to be paid on November 19, 2018 to stockholders of record as of November 12, 2018. This distribution represents our fifty-third consecutive distribution since our initial public offering, bringing the total cumulative distribution to date to $14.95 per share.

In addition to the cash distribution, on October 24, 2018, our Board of Directors declared a supplemental distribution of $0.02 per share to be paid on November 19, 2018 to stockholders of record as of November 12, 2018. The total cumulative distribution to date, including the supplemental distribution, is $14.97 per share.

Closed and Pending Commitments

As of November 6, 2018, we have:

- Closed debt and equity commitments of approximately $68.0 million to new and existing portfolio companies and funded approximately $100.0 million subsequent to September 30, 2018.

Pending commitments (signed non-binding term sheets) of approximately $95.0 million.

The table below summarizes our year-to-date closed and pending commitments as follows:

Closed Commitments and Pending Commitments (in millions)	
January 1 September 30, 2018 Closed Commitments	$ 963.8
October 1 November 6, 2018 Closed Commitments[a]	$ 68.0
Pending Commitments (as of November 6, 2018)[b]	$ 95.0
Closed and Pending Commitments as of November 6, 2018	$ 1,126.8

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a. Closed Commitments may include renewals of existing credit facilities. Not all Closed Commitments result in future cash requirements. Commitments generally fund over the two succeeding quarters from close.
b. Not all pending commitments (signed non-binding term sheets) are expected to close and they do not necessarily represent any future cash requirements.

ATM Equity Program Issuances

We did not sell any shares subsequent to September 30, 2018 and as of November 6, 2018, under the Equity Distribution Agreement. As of November 6, 2018, approximately 5.4 million shares remain available for issuance and sale under the Equity Distribution Agreement.

2021 Asset-Backed Notes Repayment

In July 2018, changes in the payment schedule of obligors in the 2021 Asset-Backed Notes collateral pool triggered a rapid amortization event in accordance with the sale and servicing agreement for the 2021 Asset-Backed Notes. Due to this event, the 2021 Asset-Backed Notes were fully repaid as of October 16, 2018.

2027 Asset-Backed Notes

On November 1, 2018, we completed a term debt securitization in connection with which an affiliate of ours made an offering of $200,000,000 in aggregate principal amount of fixed-rate asset-backed notes due 2027 (the 2027 Asset-Backed Notes). The 2027 Asset-Backed Notes were rated A(sf) by KBRA.

The 2027 Asset-Backed Notes were issued by Hercules Capital Funding Trust 2018-1 pursuant to a note purchase agreement, dated as of October 25, 2018, by and among us, Hercules Capital Funding 2018-1 LLC, as Trust Depositor (the 2018 Trust Depositor), Hercules Capital Funding Trust 2018-1, as Issuer (the 2018 Securitization Issuer), and Guggenheim Securities, LLC, as Initial Purchaser, and are backed by a pool of senior loans made to certain portfolio companies of ours and secured by certain assets of those portfolio companies and are to be serviced by us. The outstanding principal balance of the pool of loans as of September 30, 2018 was approximately $284,761,977. Interest on the 2027 Asset-Backed Notes will be paid, to the extent of funds available, at a fixed rate of 4.605% per annum. The 2027 Asset-Backed Notes have a stated maturity of November 22, 2027.

Portfolio Company Developments

As of November 6, 2018, we held warrants or equity positions in two companies that have filed registration statements in contemplation of potential initial public offerings, including:

Stealth Bio Therapeutics filed a public registration with the Hong Kong Exchange (HKEX) in contemplation of a potential public offering.

One portfolio company filed confidentially under the Jumpstart Our Business Startups Act of 2012 (the JOBS Act).

There can be no assurance that companies that have yet to complete their initial public offerings will do so in a timely manner or at all. Subsequent to September 30, 2018 and as of November 6, 2018, there were no companies that announced or completed liquidity events.

General Information

Our principal executive offices are located at 400 Hamilton Avenue, Suite 310, Palo Alto, California 94301, and our telephone number is (650) 289-3060. We also have offices in Boston, MA, New York, NY, Washington,

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DC, Hartford, CT, Westport, CT, Chicago, IL, and San Diego, CA. We maintain a website on the Internet at www.htgc.com. We make available, free of charge, on our website our proxy statement, annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider that information to be part of this prospectus supplement or the accompanying prospectus.

We file annual, quarterly and current periodic reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934, as amended, or the Exchange Act. This information is available at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information about the operation of the SEC s public reference room by calling the SEC at (202) 551-8090. In addition, the SEC maintains an Internet website, at www.sec.gov, that contains reports, proxy and information statements, and other information regarding issuers, including us, who file documents electronically with the SEC.

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THE OFFERING

Common stock offered by us	Up to 12,000,000 shares of our common stock. As of the date of this prospectus supplement, approximately 5.4 million shares of common stock remain available for sale under the Equity Distribution Agreement.
Common stock outstanding prior to this offering	96,731,791 shares
Manner of offering	At the market offering that may be made from time to time through JMP Securities, as sales agent, using commercially reasonable efforts. See Plan of Distribution in this prospectus supplement.
Use of proceeds	We expect to use the net proceeds from this offering to fund investments in debt and equity securities in accordance with our investment objectives, to make acquisitions, to retire certain debt obligations and for other general corporate purposes.
	Pending such uses and investments, we will invest a portion of the net proceeds of this offering primarily in cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment. Our ability to achieve our investment objectives may be limited to the extent that the net proceeds of this offering, pending full investment, are held in lower yielding short-term instruments. See Use of Proceeds in this prospectus supplement.
Distribution	To the extent that we have income available, we intend to distribute quarterly distributions to our stockholders. The amount of our distributions, if any, will be determined by our Board of Directors. Any distributions to our stockholders will be declared out of assets legally available for distribution. See Price Range of Common Stock in this prospectus supplement.
Taxation	We have elected to be treated for federal income tax purposes as a RIC under Subchapter M of the Code. As a RIC, we generally do not have to pay corporate-level federal income taxes on any ordinary income or capital gains that we distribute to our stockholders as distributions. To

	maintain our RIC tax status, we must meet specified source-of-income and asset diversification requirements and distribute annually 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. See Price Range of Common Stock in this prospectus supplement and Certain United States Federal Income Tax Considerations in the accompanying prospectus.
New York Stock Exchange symbol	HTGC

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Risk factors	An investment in our common stock is subject to risks and involves a heightened risk of total loss of investment. In addition, the companies in which we invest are subject to special risks. See Supplementary Risk Factors beginning on page S-15 of this prospectus supplement and Risk Factors beginning on page 14 of the accompanying prospectus to read about factors you should consider, including the risk of leverage, before investing in our common stock.

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SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated financial data should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, Senior Securities and the consolidated financial statements and related notes included elsewhere herein. The selected balance sheet data as of the end of fiscal year 2017, 2016, 2015, 2014, and 2013 and the financial statement of operations data for fiscal years 2017, 2016, 2015, 2014, and 2013 has been derived from our audited financial statements, which have been audited by PricewaterhouseCoopers LLP, our independent registered public accounting firm, but not all of which are presented in this prospectus supplement. The historical data are not necessarily indicative of results to be expected for any future period. The selected financial and other data for the nine-months ended September 30, 2018 and other quarterly financial information is derived from our unaudited financial statements, but in the opinion of management, reflects all adjustments (consisting only of normal recurring adjustments) that are necessary to present fairly the results of such interim periods. Interim results as of and for the nine-months ended September 30, 2018 are not necessarily indicative of the results that may be expected for the year ending December 31, 2018.

	For the Nine-Months Ended September 30, (unaudited)		For the Year Ended December 31,				
(in thousands, except per share amounts)	**2018**	**2017**	**2017**	**2016**	**2015**	**2014**	**2013**
Investment income:							
Interest	$ 137,949	$ 125,802	$ 172,196	$ 158,727	$ 140,266	$ 126,618	$ 123,671
Fees	12,915	14,880	18,684	16,324	16,866	17,047	16,042
Total investment income	150,864	140,682	190,880	175,051	157,132	143,665	139,713
Operating expenses:							
Interest	28,715	28,046	37,857	32,016	30,834	28,041	30,334
Loan fees	6,039	5,500	8,728	5,042	6,055	5,919	4,807
General and administrative:							
Legal expenses	1,889	3,792	4,572	4,823	3,079	1,366	1,440
Other expenses	9,515	8,570	11,533	11,283	13,579	8,843	7,914
Total general and administrative	11,404	12,362	16,105	16,106	16,658	10,209	9,354
Employee Compensation:							
Compensation and benefits	18,069	17,276	24,555	22,500	20,713	16,604	16,179
Stock-based compensation	8,498	5,573	7,191	7,043	9,370	9,561	5,974
Total employee compensation	26,567	22,849	31,746	29,543	30,083	26,165	22,153
Total operating expenses	72,725	68,757	94,436	82,707	83,630	70,334	66,648
Other income (loss)				8,000	(1)	(1,581)	
Net investment income	78,139	71,925	96,444	100,344	73,501	71,750	73,065
Net realized gain (loss) on investments	(10,481)	(26,929)	(26,711)	4,576	5,147	20,112	14,836

Net change in unrealized appreciation (depreciation) on investments	25,976	15,637	9,265	(36,217)	(35,732)	(20,674)	11,545
Total net realized and unrealized gain (loss)	15,495	(11,292)	(17,446)	(31,641)	(30,585)	(562)	26,381
Net increase in net assets resulting from operations	$ 93,634	$ 60,633	$ 78,998	$ 68,703	$ 42,916	$ 71,188	$ 99,446
Change in net assets per common share (basic)	$ 1.04	$ 0.73	$ 0.95	$ 0.91	$ 0.60	$ 1.12	$ 1.67
Distributions declared per common share:	$ 0.93	$ 0.93	$ 1.24	$ 1.24	$ 1.24	$ 1.24	$ 1.11

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n thousands, cept per share amounts)	For the Nine-Months Ended September 30, (unaudited) 2018	2017	For the Year Ended December 31, 2017	2016	2015	2014	2013
alance sheet data:							
vestments, at value	$ 1,760,516	$ 1,417,114	$ 1,542,214	$ 1,423,942	$ 1,200,638	$ 1,020,737	$ 910,295
ash and cash equivalents	43,212	140,568	91,309	13,044	95,196	227,116	268,368
otal assets	1,823,054	1,582,997	1,654,715	1,464,204	1,334,761	1,299,223	1,221,715
otal liabilities	818,874	746,713	813,748	676,260	617,627	640,359	571,708
otal net assets	1,004,180	836,284	840,967	787,944	717,134	658,864	650,007
ther Data:							
otal return(3)	7.59%	(2.31%)	1.47%	26.87%	(9.70%)	(1.75%)	58.49
otal debt investments, at lue	1,603,275	1,300,068	1,415,984	1,328,803	1,110,209	923,906	821,988
otal warrant investments, value	29,843	32,729	36,869	27,485	22,987	25,098	35,637
otal equity investments, at lue	127,398	84,317	89,361	67,654	67,442	71,733	52,670
nfunded Commitments(2)	171,961	46,302	73,604	59,683	75,402	147,689	69,091
et asset value per share(1)	$ 10.38	$ 10.00	$ 9.96	$ 9.90	$ 9.94	$ 10.18	$ 10.51

(1) Based on common shares outstanding at period end.
(2) Amount represents unfunded commitments, including undrawn revolving facilities, which are available at the request of the portfolio company. Amount excludes unfunded commitments which are unavailable due to the borrower having not met certain milestones.
(3) The total return equals the change in the ending market value over the beginning of the period price per share plus distributions paid per share during the period, divided by the beginning price assuming the distribution is reinvested on the date of the issuance. The total return does not reflect any sales load that must be paid by investors.

The following tables set forth certain quarterly financial information for each of the eight quarters up to and ending December 31, 2017 and the quarters ending March 31, 2018, June 30, 2018, and September 30, 2018. This information was derived from our unaudited consolidated financial statements. Results for any quarter are not necessarily indicative of results for the full year or for any future quarter.

(in thousands, except per share data)	Quarter Ended March 31, 2018	June 30, 2018	September 30, 2018
Total investment income	$ 48,700	$ 49,562	$ 52,602
Net investment income	26,063	22,774	29,302
Net increase (decrease) in net assets resulting from operations	5,946	52,060	35,629
Change in net assets resulting from operations per common share (basic)	$ 0.07	$ 0.59	$ 0.37

(in thousands, except per share data)	Quarter Ended March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Total investment income	$ 46,365	$ 48,452	$ 45,865	$ 50,198
Net investment income	22,678	25,275	23,973	24,518
Net increase (decrease) in net assets resulting from operations	(5,588)	33,149	33,072	18,365
Change in net assets resulting from operations per common share (basic)	$ (0.07)	$ 0.40	$ 0.40	$ 0.22

	Quarter Ended March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
Total investment income	$ 38,939	$ 43,538	$ 45,102	$ 47,472
Net investment income	20,097	23,354	23,776	33,117
Net increase in net assets resulting from operations	14,295	9,475	30,812	14,121
Change in net assets resulting from operations per common share (basic)	$ 0.20	$ 0.13	$ 0.41	$ 0.18

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SUPPLEMENTARY RISK FACTORS

Investing in our securities may be speculative and involves a high degree of risk. You should consider carefully the risks described below and all other information contained in this prospectus supplement. The risks set forth below are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us may also impair our operations and performance. If any of the following risks occur, our business, financial condition and results of operations could be materially adversely affected. In such case, our NAV and the trading price of our securities could decline, and you may lose all or part of your investment.

Risks Related to our Business Structure

Because we have substantial indebtedness, there could be increased risk in investing in our company.

Lenders have fixed dollar claims on our assets that are superior to the claims of stockholders, and we have granted, and may in the future grant, lenders a security interest in our assets in connection with borrowings. In the case of a liquidation event, those lenders would receive proceeds before our stockholders. In addition, 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. Leverage is generally considered a speculative investment technique. If the value of our assets increases, then leverage would cause the NAV attributable to our common stock to increase more than it otherwise would have had we not leveraged. Conversely, if the value of our assets decreases, leverage would cause the NAV attributable to our common stock to decline more than it otherwise would have had we not used leverage. Similarly, any increase in our revenue in excess of interest expense on our borrowed funds would cause our net income to increase more than it would without the leverage. Any decrease in our revenue would cause our net income to decline more than it would have had we not borrowed funds and could negatively affect our ability to make distributions on common stock. Our ability to service any debt that we incur will depend largely on our financial performance and will be subject to prevailing economic conditions and competitive pressures. We and, indirectly, our stockholders will bear the cost associated with our leverage activity. If we are not able to service our substantial indebtedness, our business could be harmed materially.

Our Credit Facilities, our 2022 Notes, our 2024 Notes, our 2025 Notes, our 2033 Notes, our 2027 Asset-Backed Notes, and our 2022 Convertible Notes contain financial and operating covenants that could restrict our business activities, including our ability to declare dividend distributions if we default under certain provisions.

As of September 30, 2018, we had $38.5 million of borrowings outstanding on the Wells Facility and $42.4 million of borrowings outstanding on the Union Bank Facility. In addition, as of September 30, 2018, we had approximately $149.0 million of SBA debentures, approximately $150.0 million in aggregate principal amount of 2022 Notes, approximately $83.5 million in aggregate principal amount of 2024 Notes, approximately $75.0 million in aggregate principal amount of 2025 Notes, approximately $40.0 million in aggregate principal amount of 2033 Notes, approximately $3.5 million in aggregate principal amount of 2021 Asset-Backed Notes, and approximately $230.0 million in aggregate principal amount of 2022 Convertible Notes. Additionally, subsequent to September 30, 2018, we repaid the 2021 Asset-Backed Notes in full, and we had approximately $200.0 million in aggregate principal amount of 2027 Asset-Backed Notes.

There can be no assurance that we will be successful in obtaining any additional debt capital on terms acceptable to us or at all. If we are unable to obtain debt capital, then our equity investors will not benefit from the potential for increased returns on equity resulting from leverage to the extent that our investment strategy is successful and we may be limited in our ability to make new commitments or fundings to our portfolio companies.

As a business development company, under the 1940 Act, generally, we are not permitted to incur indebtedness unless immediately after such borrowing we have an asset coverage for total borrowings of at least 200% (i.e., the amount of debt may not exceed 50% of the value of our assets). In addition, we may not be

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permitted to declare any cash distribution on our outstanding common shares, or purchase any such shares, unless, at the time of such declaration or purchase, we have asset coverage of at least 200% after deducting the amount of such distribution or purchase price. If this ratio declines below 200%, we may not be able to incur additional debt and may need to sell a portion of our investments to repay some debt when it is disadvantageous to do so, and we may not be able to make distributions. The Small Business Credit Availability Act, or the SBCAA, which was signed into law in March 2018, modifies this section of the 1940 Act and decreases this percentage from 200% to 150% (subject to either stockholder approval or approval of both a majority of the board of directors and a majority of directors who are not interested persons).

On September 4, 2018, our Board of Directors, including a required majority (as such term is defined in Section 57(o) of the 1940 Act), approved the application to us of the 150% minimum asset coverage ratio set forth in Section 61(a)(2) of the 1940 Act. As a result, the minimum asset coverage ratio applicable to us will be reduced from 200% to 150%, effective as of September 4, 2019, unless approved earlier by a vote of our stockholders, in which case the 150% minimum asset coverage ratio will be effective on the day after such approval. Our Board of Directors also authorized the submission of a proposal for stockholders to accelerate the application of the 150% minimum asset coverage ratio to us at a special meeting of stockholders scheduled to be held on December 6, 2018. As a result of our Board of Director s approval, effective as of September 4, 2019 (or earlier if our stockholders approve the proposal to accelerate the application of the reduced asset coverage requirements to us), we will be able to incur additional indebtedness and, therefore, your risk of an investment in us may increase. Rating agencies have reviewed, and may continue to review, our credit ratings and those of other business development companies in light of this new law as well as any corresponding changes to asset coverage ratios and, in certain cases, downgrade such ratings. Such a downgrade in our credit ratings may adversely affect our securities.

As of September 30, 2018, our asset coverage ratio under our regulatory requirements as a business development company was 251.0% excluding our SBA debentures as a result of our exemptive order from the SEC that allows us to exclude all SBA leverage from our asset coverage ratio and was 223.3% when including all SBA leverage.

Based on assumed leverage equal to 80.9% of our net assets as of September 30, 2018, our investment portfolio would have been required to experience an annual return of at least 2.6% to cover annual interest payments on our additional indebtedness.

Illustration. The following table illustrates the effect of leverage on returns from an investment in our common stock assuming that we employ (1) our actual asset coverage ratio as of September 30, 2018 (excluding our SBA debentures as permitted by our exemptive relief), (2) a hypothetical asset coverage ratio of 200% (excluding our SBA debentures as permitted by our exemptive relief), and (3) a hypothetical asset coverage ratio of 150% (excluding our SBA debentures as permitted by our exemptive relief), each at various annual returns on our portfolio as of September 30, 2018, 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.

	Annual Return on Our Portfolio (Net of Expenses)				
	-10%	**-5%**	**0%**	**5%**	**10%**

Corresponding return to common stockholder assuming actual asset coverage as of September 30, 2018 (251.0%)(1)	(22.83%)	(13.75%)	(4.67%)	4.40%	13.48%
Corresponding return to common stockholder assuming 200% asset coverage(2)	(28.19%)	(17.41%)	(6.64%)	4.14%	14.91%
Corresponding return to common stockholder assuming 150% asset coverage(3)	(43.96%)	(28.19%)	(12.41%)	3.36%	19.13%

(1) Assumes $1.8 billion in total assets, $811.9 million in debt outstanding, $1.0 billion in stockholders equity, and an average cost of funds of 5.8%, which is the approximate average cost of borrowed funds, including our SBA debentures, 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, 2021 Asset Backed Notes, 2022 Convertible Notes, and Credit Facilities for the period ended September 30, 2018. Actual interest payments may be different.

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(2) Assumes $2.2 billion in total assets including debt issuance costs on a pro forma basis, $1.2 billion in debt outstanding, $1.0 billion in stockholders equity, and an average cost of funds of 5.8%, which is the approximate average cost of borrowed funds, including our SBA debentures, 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, 2021 Asset-Backed Notes, 2022 Convertible Notes, and Credit Facilities for the period ended September 30, 2018, along with the hypothetical estimated incremental cost of debt that would be incurred on offering the maximum permissible debt under the 200% asset coverage. Actual interest payments may be different.

(3) Assumes $3.2 billion in total assets including debt issuance costs on a pro forma basis, $2.2 billion in debt outstanding, $1.0 billion in stockholders equity, and an average cost of funds of 5.8%, which is the approximate average cost of borrowed funds, including our SBA debentures, 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, 2021 Asset-Backed Notes, 2022 Convertible Notes, and Credit Facilities for the period ended September 30, 2018, along with the hypothetical estimated incremental cost of debt that would be incurred on offering the maximum permissible debt under the 150% asset coverage. Actual interest payments may be different.

In addition to regulatory requirements that restrict our ability to raise capital, our 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, 2022 Convertible Notes, and Credit Facilities contain various covenants which, if not complied with, could require accelerated repayment under the facility or require us to repurchase the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, or 2022 Convertible Notes thereby materially and adversely affecting our liquidity, financial condition, results of operations and ability to pay distributions

The credit agreements governing our 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, 2022 Convertible Notes, and Credit Facilities 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 our Credit Facilities and could accelerate repayment under the facilities or the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, or 2022 Convertible Notes and thereby have a material adverse impact on our liquidity, financial condition, results of operations and ability to pay a sufficient amount of distributions and maintain our ability to be subject to tax as a RIC. We may not have enough available cash or be able to obtain financing at the time we are required to make repurchases. See Note 4 Borrowings .

Risks Related to our Securities

Terms relating to redemption may materially adversely affect your return on any debt securities that we may issue.

If you are holding debt securities issued by the Company and such securities are redeemable at our option, we may choose to redeem your debt securities at times when prevailing interest rates are lower than the interest rate paid on your debt securities. In addition, if you are holding debt securities issued by the Company and such securities are subject to mandatory redemption, we may be required to redeem your debt securities at times when prevailing interest rates are lower than the interest rate paid on your debt securities. In this circumstance, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as your debt securities being redeemed.

On October 24, 2017, our Board of Directors approved a redemption of $75.0 million of the outstanding aggregate principal amount of the 2024 Notes, which were redeemed on November 23, 2017. Further, on February 9, 2018, our Board of Directors approved a redemption of $100.0 million of the remaining outstanding aggregate principal amount of the 2024 Notes, which were redeemed on April 2, 2018. We may redeem the remaining 2024 Notes at any time prior to maturity, the 2022 Notes after September 23, 2022, the 2025 Notes after April 30, 2021, and the 2033 Notes after October 30, 2033 at a redemption price of 100% of the outstanding principal amount thereof plus accrued and unpaid interest payments. If we choose to redeem the 2022 Notes, 2024 Notes, 2025 Notes, or 2033 Notes when the fair market value of the 2022 Notes, 2024 Notes, 2025 Notes, or 2033 Notes is above par value, you would experience a loss of any potential premium.

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The 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes are unsecured and therefore are effectively subordinated to any secured indebtedness we have currently incurred or may incur in the future.

The 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes are not secured by any of our assets or any of the assets of our subsidiaries. As a result, while the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes remain senior in priority to our equity securities, they are effectively subordinated to any secured indebtedness we or our subsidiaries have currently incurred and may incur in the future (or any indebtedness that is initially unsecured to which we subsequently grant security) to the extent of the value of the assets securing such indebtedness. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness and the secured indebtedness of our subsidiaries may assert rights against the assets pledged to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors, including the holders of the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes.

The 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes are structurally subordinated to the indebtedness and other liabilities of our subsidiaries.

The 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes are obligations exclusively of Hercules Capital, Inc. and not of any of our subsidiaries. None of our subsidiaries are or act as guarantors of the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes and the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes are not required to be guaranteed by any subsidiaries we may acquire or create in the future. Our secured indebtedness with respect to the SBA debentures is held through our SBIC subsidiary. The assets of any such subsidiary are not directly available to satisfy the claims of our creditors, including holders of the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes.

Except to the extent we are a creditor with recognized claims against our subsidiaries, all claims of creditors (including holders of preferred stock, if any, of our subsidiaries) will have priority over our equity interests in such subsidiaries (and therefore the claims of our creditors, including holders of the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes) with respect to the assets of such subsidiaries. Even if we are recognized as a creditor of one or more of our subsidiaries, our claims would still be subordinated to any security interests in the assets of any such subsidiary and to any indebtedness or other liabilities of any such subsidiary senior to our claims. As a result of not having a direct claim against any of our subsidiaries, the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries and any subsidiaries that we may in the future acquire or establish as financing vehicles or otherwise. In addition, our subsidiaries may incur substantial additional indebtedness in the future, all of which would be structurally senior to the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes.

The respective indentures under which the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes were issued contain limited protections for the holders of the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes.

The indenture under which 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes were issued offers limited protections to the holders of the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes. The terms of the respective indentures and the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes do not restrict our or any of our subsidiaries ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have an adverse impact on an investment in the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, or 2022 Convertible Notes. In particular, the terms of the respective indentures and the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes do not place any restrictions on our or our subsidiaries ability to:

issue securities or otherwise incur additional indebtedness or other obligations, including (1) any indebtedness or other obligations that would be equal in right of payment to the 2022 Notes, 2024

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Notes, 2025 Notes, 2033 Notes, or 2022 Convertible Notes, (2) any indebtedness or other obligations that would be secured and therefore rank effectively senior in right of payment to the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, or 2022 Convertible Notes to the extent of the values of the assets securing such debt, (3) indebtedness of ours that is guaranteed by one or more of our subsidiaries and which therefore would rank structurally senior to the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, or 2022 Convertible Notes and (4) securities, indebtedness or other obligations issued or incurred by our subsidiaries that would be senior in right of payment to our equity interests in our subsidiaries and therefore would rank structurally senior in right of payment to the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, or 2022 Convertible Notes with respect to the assets of our subsidiaries, in each case other than an incurrence of indebtedness or other obligation that would cause a violation of Section 18(a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, but giving effect to any exemptive relief granted to us by the SEC (currently, these provisions generally prohibit us from making additional borrowings, including through the issuance of additional debt or the sale of additional debt securities, unless our asset coverage, as defined in the 1940 Act, equals at least 200% through September 4, 2019 and 150% thereafter (or earlier if our stockholders approve the proposal to accelerate the application of the reduced asset coverage requirements to us) after such borrowings);

pay distributions on, or purchase or redeem or make any payments in respect of, capital stock or other securities ranking junior in right of payment to the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, or 2022 Convertible Notes, in each case other than distributions, purchases, redemptions or payments that would cause a violation of Section 18(a)(1)(B) as modified by Section 61(a)(1) of the 1940 Act or any successor provisions, giving effect to (i) any exemptive relief granted to us by the SEC and (ii) no-action relief granted by the SEC to another business development company (or to us if we determine to seek such similar no-action or other relief) permitting the business development company to declare any cash distribution notwithstanding the prohibition contained in Section 18(a)(1)(B) as modified by Section 61(a)(1) of the 1940 Act in order to maintain the business development company s status as a regulated investment company under Subchapter M of the Code (currently, these provisions generally prohibit us from declaring any cash dividend or distribution upon any class of our capital stock, or purchasing any such capital stock if our asset coverage, as defined in the 1940 Act, is below 200% through September 4, 2019 and 150% thereafter (or earlier if our stockholders approve the proposal to accelerate the application of the reduced asset coverage requirements to us) at the time of the declaration of the dividend or distribution or the purchase and after deducting the amount of such dividend, distribution or purchase);

sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets);

enter into transactions with affiliates;

create liens (including liens on the shares of our subsidiaries) or enter into sale and leaseback transactions;

make investments; or

create restrictions on the payment of distributions or other amounts to us from our subsidiaries.

In addition, the indenture and the 2024 Notes, 2025 Notes, and 2033 Notes do not require us to purchase the 2024 Notes, 2025 Notes, or 2033 Notes in connection with a change of control or any other event.

Furthermore, the terms of the respective indentures and the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes do not protect their respective holders in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, as they do not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow or liquidity, except as required under the 1940 Act.

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Our ability to recapitalize, incur additional debt and take a number of other actions that are not limited by the terms of the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes may have important consequences for their holders, including making it more difficult for us to satisfy our obligations with respect to the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes or negatively affecting their trading value.

Certain of our current debt instruments include more protections for their respective holders than the indenture and 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes. See Risks Related to our Business Structure In addition to regulatory requirements that restrict our ability to raise capital, our 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, 2022 Convertible Notes, and Credit Facilities contain various covenants which, if not complied with, could require accelerated repayment under the facility or require us to repurchase the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, or 2022 Convertible Notes thereby materially and adversely affecting our liquidity, financial condition, results of operations and ability to pay distributions. In addition, other debt we issue or incur in the future could contain more protections for its holders than the respective indentures and the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes, including additional covenants and events of default. The issuance or incurrence of any such debt with incremental protections could affect the market for and trading levels and prices of the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, and 2022 Convertible Notes.

An active trading market for the 2024 Notes, 2025 Notes, or 2033 Notes may not develop or be sustained, which could limit the market price of the 2024 Notes, 2025 Notes, or 2033 Notes or your ability to sell them.

Although the 2024 Notes, 2025 Notes, and 2033 Notes are listed on the NYSE under the symbols HTGX, HCXZ, and HCXY, respectively, we cannot provide any assurances that an active trading market will develop or be sustained for the 2024 Notes, 2025 Notes, or 2033 Notes or that the 2024 Notes, 2025 Notes, or 2033 Notes will be able to be sold. At various times, the 2024 Notes, 2025 Notes, or 2033 Notes may trade at a discount from their initial offering price depending on prevailing interest rates, the market for similar securities, our credit ratings, general economic conditions, our financial condition, performance and prospects and other factors. To the extent an active trading market is not sustained, the liquidity and trading price for the 2024 Notes, 2025 Notes, or 2033 Notes may be harmed.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, or 2022 Convertible Notes.

Any default under the agreements governing our indebtedness, including a default under the Wells Facility, the Union Bank Facility, 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, 2022 Convertible Notes, 2027 Asset-Backed Notes or other indebtedness to which we may be a party, that is not waived by the required lenders or holders, and the remedies sought by the holders of such indebtedness, could make us unable to pay principal, premium, if any, and interest on any of our indebtedness, including the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, 2022 Convertible Notes or 2027 Asset-Backed Notes and substantially decrease the market value of the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, 2022 Convertible Notes and 2027 Asset-Backed Notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness, we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under the Wells Facility and the Union Bank Facility or other debt we may incur in the future could elect to terminate their commitments, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to seek to obtain waivers from the required lenders under the Wells Facility or Union Bank Facility or the required holders of our 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, 2022 Convertible Notes, or 2027 Asset-Backed Notes or other debt that we may incur in the future to avoid being in default. If we breach our covenants under the Wells Facility, Union Bank Facility, 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, 2022 Convertible Notes, 2027 Asset-Backed Notes or other debt and seek a waiver, we may not be able to obtain a waiver from the required lenders or holders. If this occurs, we would be in default under the Wells Facility, Union Bank Facility, 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, 2022 Convertible Notes, 2027 Asset-Backed Notes or other debt, the lenders or holders could exercise their rights as described above, and we could be forced into bankruptcy or liquidation. If we are unable to repay debt, lenders having secured obligations, including the lenders under the Wells Facility and the Union Bank Facility, could proceed against the collateral securing the debt. Because the Wells Facility and the Union Bank Facility have, and any future credit facilities will likely have, customary cross-default provisions, if the indebtedness under the 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, 2022 Convertible Notes, Wells Facility, Union Bank Facility or under any future credit facility is accelerated, we may be unable to repay or finance the amounts due.

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USE OF PROCEEDS

Overview

Sales of our common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be at the market as defined in Rule 415 under the Securities Act, including sales made directly on the NYSE or sales made to or through a market maker other than on an exchange. There is no guarantee that there will be any sales of our common stock pursuant to this prospectus supplement and the accompanying prospectus. Actual sales, if any, of our common stock under this prospectus supplement and the accompanying prospectus may be less than as set forth in this paragraph depending on, among other things, the market price of our common stock at the time of any such sale. As a result, the actual net proceeds we receive may be more or less than the amount of net proceeds estimated in this prospectus supplement. Assuming the sale of the remaining 5,374,833 shares of common stock offered under this prospectus supplement and the accompanying prospectus, at the last reported sale price of $12.65 per share for our common stock on the NYSE as of November 6, 2018, we estimate that the net proceeds of this offering will be approximately $66.4 million after deducting the estimated sales commission payable to JMP Securities and our estimated offering expenses.

We intend to use the net proceeds from this offering to fund investments in debt and equity securities in accordance with our investment objectives, to make acquisitions, to retire certain debt obligations and for other general corporate purposes.

We intend to seek to invest the net proceeds received in this offering as promptly as practicable after receipt thereof consistent with our investment objective. We anticipate that substantially all of the net proceeds from any offering of our securities will be used as described above within three to six months, depending on market conditions. We anticipate that the remainder will be used for working capital and general corporate purposes, including potential payments or distributions to shareholders. Pending such uses and investments, we will invest a portion of the net proceeds of this offering primarily in cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment. Our ability to achieve our investment objectives may be limited to the extent that the net proceeds of this offering, pending full investment, are held in lower yielding short-term instruments.

Status of the Offering

On September 8, 2017, we established an at-the-market, or ATM, program to which this prospectus supplement relates and through which we may sell, from time to time and at our sole discretion up to 12,000,000 shares of our common stock. During the period from September 8, 2017 through the date of this prospectus supplement, approximately 6.6 million shares of common stock have been issued and sold pursuant to the Equity Distribution Agreement and approximately 5.4 million shares of common stock remain available for sale. Gross proceeds raised through the date of this prospectus were approximately $84.2 million based on an average sale price of $12.70 per share, offset by related underwriting fees and offering expenses of approximately $1.8 million for net proceeds of approximately $82.4 million.

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PRICE RANGE OF COMMON STOCK

Our common stock is traded on the NYSE under the symbol HTGC.

The following table sets forth the range of high and low sales prices of our common stock, the sales price as a percentage of NAV and the distributions declared by us for each fiscal quarter. The stock quotations are interdealer quotations and do not include markups, markdowns or commissions.

		Price Range		Premium/ Discount of High Sales Price to NAV	Premium/ Discount of Low Sales Price to NAV	Cash Distribution per Share
	NAV(1)	High	Low			
2016						
First quarter	$ 9.81	$ 12.39	$ 10.03	26.3%	2.2%	$ 0.310
Second quarter	$ 9.66	$ 12.43	$ 11.74	28.7%	21.6%	$ 0.310
Third quarter	$ 9.86	$ 14.00	$ 12.42	41.9%	25.9%	$ 0.310
Fourth quarter	$ 9.90	$ 14.25	$ 12.90	43.9%	30.2%	$ 0.310
2017						
First quarter	$ 9.76	$ 15.43	$ 14.12	58.1%	44.7%	$ 0.310
Second quarter	$ 9.87	$ 15.56	$ 12.66	57.6%	28.3%	$ 0.310
Third quarter	$ 10.00	$ 13.50	$ 12.04	35.0%	20.4%	$ 0.310
Fourth quarter	$ 9.96	$ 13.94	$ 12.44	39.9%	24.9%	$ 0.310
2018						
First quarter	$ 9.72	$ 13.25	$ 11.89	36.3%	22.3%	$ 0.310
Second quarter	$ 10.22	$ 12.97	$ 11.99	26.9%	17.3%	$ 0.310
Third quarter	$ 10.38	$ 13.64	$ 12.71	31.4%	22.4%	$ 0.330(2)
Fourth quarter (through November 6, 2018)	*	$ 13.28	$ 12.34	*	*	**

(1) NAV per share is generally 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 NAVs shown are based on outstanding shares at the end of each period.
(2) Includes a supplemental distribution of $0.02 per share.
* NAV has not yet been calculated for this period.
** Cash distribution per share has not yet been determined for this period.

The last reported price for our common stock on November 6, 2018 was $12.65 per share.

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 a discount from NAV or at premiums that are unsustainable over the long term are separate and distinct from the risk that our NAV will decrease. At times, our shares of common stock have traded at a premium to NAV and at times our shares of common stock have traded at a discount to the net assets attributable to those shares. It is not possible to predict whether the shares offered hereby will trade at, above, or below NAV.

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CAPITALIZATION

The Equity Distribution Agreement provides that we may offer and sell up to 12,000,000 shares of our common stock from time to time through JMP Securities, as our sales agent for the offer and sale of such common stock. The table below assumes that we will sell the remaining 5,374,833 shares at a price of $12.65 per share (the last reported sale price per share of our common stock on the NYSE on November 6, 2018), but there is no guarantee that there will be any sales of our common stock pursuant to this prospectus supplement and the accompanying prospectus. Actual sales, if any, of our common stock under this prospectus supplement and the accompanying prospectus may be less than as set forth in the table below. In addition, the price per share of any such sale may be greater or less than $12.65 depending on the market price of our common stock at the time of any such sale. The following table sets forth our capitalization as of September 30, 2018:

on an actual basis; and

on an as adjusted basis giving effect to the transactions noted above, no additional sale of shares of common stock subsequent to September 30, 2018 and as of November 6, 2018, and the assumed sale of 5,374,833 shares of our common stock at a price of $12.65 per share (the last reported sale price per share of our common stock on the NYSE on November 6, 2018) less commissions and expenses.

This table should be read in conjunction with Use of Proceeds, Management s Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and notes thereto included in this prospectus supplement. The adjusted information is illustrative only.

	As of September 30, 2018	
	Actual	As Adjusted
	(in thousands)	
Investments at fair value	$ 1,760,516	$ 1,760,516
Cash and cash equivalents	$ 43,212	$ 109,646
Debt:		
Accounts payable and accrued liabilities	$ 21,473	$ 21,473
Long-term SBA debentures	147,527	147,527
2022 Convertible Notes	224,660	224,660
2021 Asset-Backed Notes	3,423	3,423
2022 Notes	147,859	147,859
2024 Notes	81,791	81,791
2025 Notes	72,495	72,495
2033 Notes	38,752	38,752
Credit Facilities	80,894	80,894
Total debt	$ 818,874	$ 818,874

Stockholders equity:		
Common stock, par value $0.001 per share; 200,000,000 shares authorized; 96,750,576 shares issued and outstanding, actual, 102,125,409 shares issued and outstanding, as adjusted, respectively	$ 96	$ 101
Capital in excess of par value	1,060,875	1,127,304
Unrealized depreciation on investments	(53,784)	(53,784)
Accumulated realized gains (losses) on investments	(30,855)	(30,855)
Undistributed net investment income	27,848	27,848
Total stockholders equity	$ 1,004,180	$ 1,070,614
Total capitalization	$ 1,823,054	$ 1,889,488

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PLAN OF DISTRIBUTION

JMP Securities LLC is acting as our sales agent in connection with the offer and sale of shares of our common stock pursuant to this prospectus supplement and the accompanying prospectus. Upon written instructions from us, JMP Securities LLC will use its commercially reasonable efforts consistent with its sales and trading practices to sell, as our sales agent, our common stock under the terms and subject to the conditions set forth in the Equity Distribution Agreement. We will instruct JMP Securities LLC as to the amount of common stock to be sold by it. We may instruct JMP Securities LLC not to sell common stock if the sales cannot be effected at or above the price designated by us in any instruction. The sales price per share of our common stock offered by this prospectus supplement and the accompanying prospectus, less JMP Securities LLC s commission, will not be less than the NAV per share of our common stock at the time of such sale. We or JMP Securities LLC may suspend the offering of shares of common stock upon proper notice and subject to other conditions.

Sales of our common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be at the market, as defined in Rule 415 under the Securities Act, including sales made directly on the NYSE or similar securities exchange or sales made to or through a market maker other than on an exchange at prices related to the prevailing market prices or at negotiated prices.

JMP Securities LLC will provide written confirmation of a sale to us no later than the opening of the trading day on the NYSE following each trading day in which shares of our common stock are sold under the Equity Distribution Agreement. Each confirmation will include the number of shares of common stock sold on the preceding day, the net proceeds to us and the compensation payable by us to JMP Securities LLC in connection with the sales.

JMP Securities LLC will receive a commission from us to be negotiated from time to time but in no event in excess of 2.0% of the gross sales price of any shares of our common stock sold through JMP Securities LLC under the Equity Distribution Agreement. We estimate that the total expenses for the offering, excluding compensation payable to JMP Securities LLC under the terms of the Equity Distribution Agreement, will be approximately $1.3 million assuming all shares are offered under this prospectus supplement (including up to $10,000 in reimbursement of the underwriters counsel fees in connection with the review of the terms of the offering by the Financial Industry Regulatory Authority, Inc.).

Settlement for sales of shares of common stock will occur on the second trading day following the date on which such sales are made, or on some other date that is agreed upon by us and JMP Securities LLC in connection with a particular transaction, in return for payment of the net proceeds to us. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

We will report at least quarterly the number of shares of our common stock sold through JMP Securities LLC under the Equity Distribution Agreement and the net proceeds to us.

In connection with the sale of the common stock on our behalf, JMP Securities LLC may be deemed to be an underwriter within the meaning of the Securities Act, and the compensation of JMP Securities LLC may be deemed to be underwriting commissions or discounts. We have agreed to provide indemnification and contribution to JMP Securities LLC against certain civil liabilities, including liabilities under the Securities Act.

The offering of our shares of common stock pursuant to the Equity Distribution Agreement will terminate upon the earlier of (i) the sale of all common stock subject to the Equity Distribution Agreement or (ii) the termination of the

Equity Distribution Agreement. The Equity Distribution Agreement may be terminated by us in our sole discretion under the circumstances specified in the Equity Distribution Agreement by giving notice to JMP Securities LLC. In addition, JMP Securities LLC may terminate the Equity Distribution Agreement under the circumstances specified in the Equity Distribution Agreement by giving notice to us.

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Potential Conflicts of Interest

JMP Securities LLC and its affiliates have provided, or may in the future provide, various investment banking, commercial banking, financial advisory, brokerage and other services to us and our affiliates for which services they have received, and may in the future receive, customary fees and expense reimbursement. JMP Securities LLC and its affiliates may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In the ordinary course of their various business activities, JMP Securities LLC and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and such investment and securities activities may involve securities and/or instruments of our company.

The principal business address of JMP Securities LLC is 600 Montgomery Street, San Francisco, CA 94111.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our consolidated financial statements and related notes and other financial information appearing elsewhere in this prospectus supplement and the accompanying prospectus. In addition to historical information, the following discussion and other parts of this prospectus supplement and the accompanying prospectus contain forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated by such forward-looking information due to the factors discussed under Forward-Looking Statements in this prospectus supplement and Risk Factors in the accompanying prospectus. Capitalized terms used and not otherwise defined herein have the meaning given in the accompanying prospectus.

Overview

We are a specialty finance company focused on providing senior secured loans to high-growth, innovative venture capital-backed companies in a variety of technology, life sciences, and sustainable and renewable technology industries. We source our investments through our principal office located in Palo Alto, CA, as well as through our additional offices in Boston, MA, New York, NY, Washington, DC, Hartford, CT, Westport, CT, Chicago, IL, and San Diego, CA.

Our goal is to be the leading structured debt financing provider for venture capital-backed companies in technology-related industries requiring sophisticated and customized financing solutions. Our strategy is to evaluate and invest in a broad range of technology-related industries including technology, drug discovery and development, biotechnology, life sciences, healthcare, and sustainable and renewable technology and to offer a full suite of growth capital products. We invest primarily in structured debt with warrants and, to a lesser extent, in senior debt and equity investments. We invest primarily in private companies but also have investments in public companies.

We use the term structured debt with warrants to refer to any debt investment, such as a senior or subordinated secured loan, that is coupled with an equity component, including warrants, options or other rights to purchase common or preferred stock. Our structured debt with warrants investments typically are secured by some or all of the assets of the portfolio company. We also provide unitranche loans, which are loans that combine both senior and mezzanine debt, generally in a first lien position.

Our investment objective is to maximize our portfolio total return by generating current income from our debt investments and capital appreciation from our warrant and equity-related investments. Our primary business objectives are to increase our net income, net operating income and NAV by investing in structured debt with warrants and equity of venture capital-backed companies in technology-related industries with attractive current yields and the potential for equity appreciation and realized gains. Our equity ownership in our portfolio companies may exceed 25% of the voting securities of such companies, which represents a controlling interest under the 1940 Act. In some cases, we receive the right to make additional equity investments in our portfolio companies in connection with future equity financing rounds. Capital that we provide directly to venture capital-backed companies in technology-related industries is generally used for growth and general working capital purposes as well as in select cases for acquisitions or recapitalizations.

We also make investments in qualifying small businesses through HT III, which is our wholly owned SBIC. HT III holds approximately $300.6 million in assets which accounted for approximately 13.6% of our total assets, prior to consolidation at September 30, 2018. At September 30, 2018, with our net investment of $74.5 million, HT III has the capacity to issue $149.0 million of SBA-guaranteed debentures which is subject to SBA approval. At September 30, 2018, we have issued $149.0 million in SBA-guaranteed debentures in our SBIC subsidiary.

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We have qualified as and have elected to be treated for tax purposes as a RIC under Subchapter M of the Code. Pursuant to this election, we generally will not be subject to corporate-level taxes on any income and gains that we distribute as dividends for federal income tax purposes to our stockholders. However, our qualification and election to be treated as a RIC requires that we comply with provisions contained in Subchapter M of the Code. For example, as a RIC we must earn 90% or more of our gross income during each taxable year from qualified sources, typically referred to as good income, as well as satisfy certain quarterly asset diversification and annual income distribution requirements.

We are an internally managed, non-diversified, closed-end investment company that has elected to be regulated as a business development company under the 1940 Act. As a business development company, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in qualifying assets, which includes securities of private U.S. companies, cash, cash equivalents and high-quality debt investments that mature in one year or less.

Our portfolio is comprised of, and we anticipate that our portfolio will continue to be comprised of, investments primarily in technology related companies at various stages of their development. Consistent with requirements under the 1940 Act, we invest primarily in United-States based companies and to a lesser extent in foreign companies.

We regularly engage in discussions with third parties with respect to various potential transactions. We may acquire an investment or a portfolio of investments or an entire company or sell a portion of our portfolio on an opportunistic basis. We, our subsidiaries or our affiliates may also agree to manage certain other funds that invest in debt, equity or provide other financing or services to companies in a variety of industries for which we may earn management or other fees for our services. We may also invest in the equity of these funds, along with other third parties, from which we would seek to earn a return and/or future incentive allocations. Some of these transactions could be material to our business. Consummation of any such transaction will be subject to completion of due diligence, finalization of key business and financial terms (including price) and negotiation of final definitive documentation as well as a number of other factors and conditions including, without limitation, the approval of our Board of Directors and required regulatory or third party consents and, in certain cases, the approval of our stockholders. Accordingly, there can be no assurance that any such transaction would be consummated. Any of these transactions or funds may require significant management resources either during the transaction phase or on an ongoing basis depending on the terms of the transaction.

Reduced Asset Coverage Requirements

The SBCAA, which was signed into law in March 2018, decreased the minimum asset coverage ratio in Section 61(a) of the 1940 Act for business development companies from 200% to 150% (subject to either stockholder approval or approval of both a majority of the board of directors and a majority of directors who are not interested persons). On September 4, 2018, our Board of Directors, including a required majority (as such term is defined in Section 57(o) of the 1940 Act), approved the application to us of the 150% minimum asset coverage ratio set forth in Section 61(a)(2) of the 1940 Act. As a result, the minimum asset coverage ratio applicable to us will be reduced from 200% to 150%, effective as of September 4, 2019, unless approved earlier by a vote of our stockholders, in which case the 150% minimum asset coverage ratio will be effective on the day after such approval. Our Board of Directors also authorized the submission of a proposal for stockholders to accelerate the application of the 150% minimum asset coverage ratio to us at a special meeting of stockholders scheduled to be held on December 6, 2018. As a result of our Board of Director s approval, effective as of September 4, 2019 (or earlier if our stockholders approve the proposal to accelerate the application of the reduced asset coverage requirements to us), we will be able to incur additional indebtedness and, therefore, your risk of an investment in us may increase.

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Portfolio and Investment Activity

The total fair value of our investment portfolio was approximately $1.8 billion at September 30, 2018 and $1.5 billion at December 31, 2017. The fair value of our debt investment portfolio at September 30, 2018 was approximately $1.6 billion, compared to a fair value of approximately $1.4 billion December 31, 2017. The fair value of the equity portfolio at September 30, 2018 was approximately $127.4 million, compared to a fair value of approximately $89.4 million at December 31, 2017. The fair value of the warrant portfolio at September 30, 2018 was approximately $29.8 million, compared to a fair value of approximately $36.8 million at December 31, 2017.

Portfolio Activity

Our investments in portfolio companies take a variety of forms, including unfunded contractual commitments and funded investments. From time to time, unfunded contractual commitments depend upon a portfolio company reaching certain milestones before the debt commitment is available to the portfolio company, which is expected to affect our funding levels. These commitments are subject to the same underwriting and ongoing portfolio maintenance as the on-balance sheet financial instruments that we hold. Debt commitments generally fund over the two succeeding quarters from close. Not all debt commitments represent future cash requirements. Similarly, unfunded contractual commitments may expire without being drawn and thus do not represent future cash requirements.

Prior to entering into a contractual commitment, we generally issue a non-binding term sheet to a prospective portfolio company. Non-binding term sheets are subject to completion of our due diligence and final investment committee approval process, as well as the negotiation of definitive documentation with the prospective portfolio companies. These non-binding term sheets generally convert to contractual commitments in approximately 90 days from signing. Not all non-binding term sheets are expected to close and do not necessarily represent future cash requirements.

Our portfolio activity for the nine months ended September 30, 2018 and the year ended December 31, 2017 was comprised of the following:

(in millions)	**September 30, 2018**		**December 31, 2017**	
Debt Commitments[1]				
New portfolio company	$	823.7	$	773.2
Existing portfolio company		103.0		98.8
Total	$	926.7	$	872.0
Funded and Restructured Debt Investments[2]				
New portfolio company	$	559.7	$	578.9
Existing portfolio company		108.8		175.9
Total	$	668.5	$	754.8
Funded Equity Investments				
New portfolio company	$	32.9		7.1
Existing portfolio company		4.8		2.9

Total	$	37.7	$	10.0
Unfunded Contractual Commitments[3]				
Total	$	172.0	$	73.6
Non-Binding Term Sheets				
New portfolio company	$	42.0	$	122.0
Existing portfolio company				
Total	$	42.0	$	122.0

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(1) Includes restructured loans and renewals in addition to new commitments.
(2) Funded amounts include borrowings on revolving facilities.
(3) Amount represents unfunded commitments, including undrawn revolving facilities, which are available at the request of the portfolio company. Amount excludes unfunded commitments which are unavailable due to the borrower having not met certain milestones.

We receive principal payments on our debt investment portfolio based on scheduled amortization of the outstanding balances. In addition, we receive principal repayments for some of our loans prior to their scheduled maturity date. The frequency or volume of these early principal repayments may fluctuate significantly from period to period. During the nine months ended September 30, 2018, we received approximately $489.7 million in aggregate principal repayments. Of the approximately $489.7 million of aggregate principal repayments, approximately $67.0 million were scheduled principal payments and approximately $422.7 million were early principal repayments related to 31 portfolio companies. Of the approximately $422.7 million early principal repayments, approximately $58.9 million were early repayments due to merger and acquisition transactions for four portfolio companies.

Total portfolio investment activity (inclusive of unearned income and excluding activity related to taxes payable, and escrow receivables) as of and for the nine months ended September 30, 2018 and the year ended December 31, 2017 was as follows:

(in millions)	**September 30, 2018**	**December 31, 2017**
Beginning portfolio	$ 1,542.2	$ 1,423.9
New fundings and restructures	706.1	764.8
Warrants not related to current period fundings	0.1	0.6
Principal payments received on investments	(67.0)	(119.5)
Early payoffs	(422.6)	(505.6)
Accretion of loan discounts and paid-in-kind principal	25.7	36.5
Net acceleration of loan discounts and loan fees due to early payoff or restructure	(11.8)	(8.1)
New loan fees	(9.2)	(9.8)
Sale of investments	(4.8)	(11.0)
Loss on investments due to write offs	(23.2)	(39.6)
Net change in unrealized appreciation (depreciation)	25.0	10.0
Ending portfolio	$ 1,760.5	$ 1,542.2

As of September 30, 2018, we held warrants or equity positions in two companies that have filed registration statements on Form S-1 with the SEC in contemplation of potential initial public offerings. Both companies filed confidentially under the JOBS Act. There can be no assurance that companies that have yet to complete their initial public offerings will do so in a timely manner or at all.

Changes in Portfolio

We generate revenue in the form of interest income, primarily from our investments in debt securities, and commitment and facility fees. Interest income is recognized in accordance with the contractual terms of the loan agreement to the extent that such amounts are expected to be collected. Fees generated in connection with our debt investments are recognized over the life of the loan or, in some cases, recognized as earned. In addition, we generate revenue in the form of capital gains, if any, on warrants or other equity-related securities that we acquire from our portfolio companies. Our investments generally range from $12.0 million to $40.0 million, although we may make investments in amounts above or below that range. As of September 30, 2018, our debt investments have a term of between two and seven years and typically bear interest at a rate ranging from 6.0% to 15.7%. In addition to the cash yields received on our debt investments, in some instances, our debt investments may also include any of the following: exit fees, balloon payment fees, commitment fees, success fees, payment-in-kind, or PIK, provisions or prepayment fees which may be required to be included in income prior to receipt.

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Interest on debt securities is generally payable monthly, with amortization of principal typically occurring over the term of the investment. In addition, our loans may include an interest-only period ranging from three to eighteen months or longer. In limited instances in which we choose to defer amortization of the loan for a period of time from the date of the initial investment, the principal amount of the debt securities and any accrued but unpaid interest become due at the maturity date.

Loan origination and commitment fees received in full at the inception of a loan are deferred and amortized into fee income as an enhancement to the related loan s yield over the contractual life of the loan. We recognize nonrecurring fees amortized over the remaining term of the loan commencing in the quarter relating to specific loan modifications. We had approximately $34.4 million of unamortized fees at September 30, 2018, of which approximately $28.3 million was included as an offset to the cost basis of our current debt investments and approximately $6.1 million was deferred contingent upon the occurrence of a funding or milestone. At December 31, 2017, we had approximately $33.3 million of unamortized fees, of which approximately $29.3 million was included as an offset to the cost basis of our current debt investments and approximately $4.0 million was deferred contingent upon the occurrence of a funding or milestone.

Loan exit fees to be paid at the termination of the loan are accreted into interest income over the contractual life of the loan. At September 30, 2018, we had approximately $23.3 million in exit fees receivable, of which approximately $21.6 million was included as a component of the cost basis of our current debt investments and approximately $1.7 million was a deferred receivable related to expired commitments. At December 31, 2017, we had approximately $27.5 million in exit fees receivable, of which approximately $23.9 million was included as a component of the cost basis of our current debt investments and approximately $3.6 million was a deferred receivable related to expired commitments.

We have debt investments in our portfolio that contain a PIK provision. The PIK interest, computed at the contractual rate specified in each loan agreement, is recorded as interest income and added to the principal balance of the loan on specified capitalization dates. To maintain our ability to be subject to tax as a RIC, this non-cash source of income must be distributed to stockholders with other sources of income in the form of dividend distributions even though we have not yet collected the cash. Amounts necessary to pay these distributions may come from available cash or the liquidation of certain investments. We recorded approximately $2.4 million and $2.5 million in PIK income during the three months ended September 30, 2018 and 2017, respectively. We recorded approximately $7.0 million and $7.2 million in PIK income during the nine months ended September 30, 2018 and 2017, respectively.

The core yield on our debt investments, which excludes the effects of fee and income accelerations attributed to early payoffs, restructuring, loan modifications and other one-time events and includes income from expired commitments, was 12.7% and 12.6% during the three months ended September 30, 2018 and 2017, respectively. The effective yield on our debt investments, which includes the effects of fee and income accelerations attributed to early payoffs, restructuring, loan modifications and other one-time events, was 13.5% and 14.1% for the three months ended September 30, 2018 and 2017, respectively. The effective yield is derived by dividing total investment income by the weighted average earning investment portfolio assets outstanding during the quarter, excluding non-interest earning assets such as warrants and equity investments. Both the core yield and effective yield may be higher than what our common stockholders may realize as the core yield and effective yield do not reflect our expenses and any sales load paid by our common stockholders. The total yield on our investment portfolio was 12.3% and 13.0% during the three months ended September 30, 2018 and 2017, respectively. The total yield is derived by dividing total investment income by the weighted average investment portfolio assets outstanding during the quarter, including non-interest earning assets such as warrants and equity investments at amortized cost.

The total return for our investors was approximately 7.6% and -2.3% during the nine months ended September 30, 2018 and 2017, respectively. The total return equals the change in the ending market value over the beginning of the period price per share plus dividend distributions paid per share during the period, divided by the beginning price assuming the distribution is reinvested on the date of the distribution. The total return does not reflect any sales load that must be paid by investors. See Note 9 Financial Highlights included in the notes to our consolidated financial statements appearing elsewhere in this prospectus supplement.

Portfolio Composition

Our portfolio companies are primarily privately held companies and public companies which are active in the software, drug discovery & development, internet consumer & business services, sustainable and renewable technology, drug delivery, healthcare services, medical devices & equipment, media/content/info, diversified financial services, information services, electronics & computer hardware, consumer & business products, surgical devices, communications & networking, biotechnology tools, semiconductors, diagnostic and specialty pharmaceuticals industry sectors. These sectors are characterized by high margins, high growth rates, consolidation and product and market extension opportunities. Value for companies in these sectors is often vested in intangible assets and intellectual property.

As of September 30, 2018, approximately 83.9% of the fair value of our portfolio was composed of investments in five industries: 28.0% investments in the software industry, 26.4% investments in the drug discovery & development industry, 16.1% investments in the internet consumer & business services industry, 6.7% investments in the sustainable and renewable technology industry, and 6.7% investments in the Medical Devices & Equipment industry.

Industry and sector concentrations vary as new loans are recorded and loans pay off. Loan revenue, consisting of interest, fees, and recognition of gains on equity and warrants or other equity-related interests, can fluctuate materially when a loan is paid off or a warrant or equity interest is sold. Revenue recognition in any given year can be highly concentrated in several portfolio companies.

For the nine months ended September 30, 2018 and the year ended December 31, 2017, our ten largest portfolio companies represented approximately 27.9% and 34.6% of the total fair value of our investments in portfolio companies, respectively. At September 30, 2018 and December 31, 2017, we had five and seven investments, respectively, that represented 5% or more of our net assets. At September 30, 2018, we had seven equity investments representing approximately 66.5% of the total fair value of our equity investments, and each represented 5% or more of the total fair value of our equity investments. At December 31, 2017, we had nine equity investments which represented approximately 67.1% of the total fair value of our equity investments, and each represented 5% or more of the total fair value of our equity investments.

As of September 30, 2018, approximately 97.0% of the debt investment portfolio was priced at floating interest rates or floating interest rates with a Prime or LIBOR-based interest rate floor. As a result, we believe we are well positioned to benefit should market interest rates continue to rise.

In the majority of cases, we collateralize our investments by obtaining a first priority security interest in a portfolio company s assets, which may include its intellectual property. In other cases, we may obtain a negative pledge covering a company s intellectual property. As of September 30, 2018, approximately 84.4% of our debt investments were in a senior secured first lien position, with 46.6% secured by a first priority security in all of the assets of the portfolio company, including its intellectual property, 30.0% secured by a first priority security in all of the assets of the portfolio company and the portfolio company was prohibited from pledging or encumbering its intellectual property, 1.3% of our debt investments were senior secured by the equipment of the portfolio company, and 6.5% were in a first lien last-out senior secured position with security interest in all of the assets of the portfolio company, whereby the last-out loans will be subordinated to the first-out portion of the unitranche loan in a liquidation, sale or other disposition. Another 14.7% of our debt investments were secured by a second priority security interest in all of the portfolio company s assets, and 0.9% were unsecured.

Our investments in senior secured debt with warrants have detachable equity enhancement features, typically in the form of warrants or other equity-related securities designed to provide us with an opportunity for

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capital appreciation. These features are treated as original issue discount and are accreted into interest income over the term of the loan as a yield enhancement. Our warrant coverage generally ranges from 3% to 20% of the principal amount invested in a portfolio company, with a strike price generally equal to the most recent equity financing round. As of September 30, 2018, we held warrants in 130 portfolio companies, with a fair value of approximately $29.8 million. The fair value of our warrant portfolio decreased by approximately $7.0 million, as compared to a fair value of $36.8 million at December 31, 2017 primarily related to the slight decrease in portfolio companies and valuation of the portfolio.

Our existing warrant holdings would require us to invest approximately $79.2 million to exercise such warrants as of September 30, 2018. Warrants may appreciate or depreciate in value depending largely upon the underlying portfolio company s performance and overall market conditions. Of the warrants that we have monetized since inception, we have realized multiples in the range of approximately 1.02x to 29.06x based on the historical rate of return on our investments. However, our warrants may not appreciate in value and, in fact, may decline in value. Accordingly, we may experience losses from our warrant portfolio.

Portfolio Grading

We use an investment grading system, which grades each debt investment on a scale of 1 to 5 to characterize and monitor our expected level of risk on the debt investments in our portfolio with 1 being the highest quality. The following table shows the distribution of our outstanding debt investments on the 1 to 5 investment grading scale at fair value as of September 30, 2018 and December 31, 2017, respectively:

(in thousands)	**September 30, 2018**			**December 31, 2017**		
Investment Grading	**Number of Companies**	**Debt Investments at Fair Value**	**Percentage of Total Portfolio**	**Number of Companies**	**Debt Investments at Fair Value**	**Percentage of Total Portfolio**
1	7	$ 150,185	9.4%	12	$ 345,191	24.4%
2	51	987,494	61.6%	32	583,017	41.2%
3	24	420,240	26.2%	32	443,775	31.3%
4	5	44,483	2.7%	4	41,744	2.9%
5	2	873	0.1%	5	2,257	0.2%
	89	$ 1,603,275	100.0%	85	$ 1,415,984	100.0%

As of September 30, 2018, our debt investments had a weighted average investment grading of 2.23 on a cost basis, as compared to 2.17 at December 31, 2017. Our policy is to lower the grading on our portfolio companies as they approach the point in time when they will require additional equity capital. Additionally, we may downgrade our portfolio companies if they are not meeting our financing criteria or are underperforming relative to their respective business plans. Various companies in our portfolio will require additional funding in the near term or have not met their business plans and therefore have been downgraded until their funding is complete or their operations improve. The decline in weighted average investment grading at September 30, 2018 from December 31, 2017 is primarily due to the payoff of five positions with a credit rating 1.

At September 30, 2018, we had two debt investments on non-accrual with a cumulative investment cost and fair value of approximately $2.8 million and $65,000, respectively. At December 31, 2017, we had five debt investments on non-accrual with cumulative investment cost and fair value of approximately $14.8 million and $340,000, respectively. The decrease in the cumulative cost of debt investments on non-accrual between September 30, 2018 and December 31, 2017 is the result of the liquidation of three debt investments that were on non-accrual at December 31, 2017, which resulted in a realized loss of approximately $10.3 million, slightly offset by a loan repayment in full from one debt investment.

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Results of Operations

Comparison of the three and nine months ended September 30, 2018 and 2017

Investment Income

Interest Income

Total investment income for the three months ended September 30, 2018 was approximately $52.6 million as compared to approximately $45.9 million for the three months ended September 30, 2017. Total investment income for the nine months ended September 30, 2018 was approximately $150.9 million as compared to approximately $140.7 million for the nine months ended September 30, 2017.

Interest income for the three months ended September 30, 2018 totaled approximately $49.1 million as compared to approximately $42.4 million for the three months ended September 30, 2017. Interest income for the nine months ended September 30, 2018 totaled approximately $137.9 million as compared to approximately $125.8 million for the nine months ended September 30, 2017. The increase in interest income for the three and nine months ended September 30, 2018 as compared to the same periods ended September 30, 2017, is primarily attributable to an increase in recurring interest income and an increase in the weighted average principal outstanding of loans.

Of the $49.1 million in interest income for the three months ended September 30, 2018, approximately $47.7 million represents recurring income from the contractual servicing of our loan portfolio and approximately $1.4 million represents income related to the acceleration of income due to early loan repayments and other one-time events during the period. Income from recurring interest and the acceleration of interest income due to early loan repayments represented $39.7 million and $2.7 million, respectively, of the $42.4 million interest income for the three months ended September 30, 2017.

Of the $137.9 million in interest income for the nine months ended September 30, 2018, approximately $131.9 million represents recurring income from the contractual servicing of our loan portfolio and approximately $6.0 million represents income related to the acceleration of income due to early loan repayments and other one-time events during the period. Income from recurring interest and the acceleration of interest income due to early loan repayments represented $117.6 million and $8.2 million, respectively, of the $125.8 million interest income for the nine months ended September 30, 2017.

The following table shows the PIK-related activity for the nine months ended September 30, 2018 and 2017, at cost:

	Nine Months Ended September 30,	
(in thousands)	**2018**	**2017**
Beginning PIK interest receivable balance	$ 15,487	$ 9,930
PIK interest income during the period	6,992	7,172
PIK accrued (capitalized) to principal	(1,472)	
Payments received from PIK loans	(9,473)	(2,349)
Realized gain (loss)		(2,183)

Ending PIK interest receivable balance	$ 11,534	$ 12,570

The slight decrease in PIK interest income during the nine months ended September 30, 2018 as compared to the nine months ended September 30, 2017 is due to a decrease in the weighted average principal outstanding of loans which bear PIK interest.

Fee Income

Fee income from commitment, facility and loan related fees for the three months ended September 30, 2018 totaled approximately $3.5 million as compared to approximately $3.4 million for the three months ended

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September 30, 2017. Fee income from commitment, facility and loan related fees for the nine months ended September 30, 2018 totaled approximately $12.9 million as compared to approximately $14.9 million for the nine months ended September 30, 2017. The increase in fee income for three months ended September 30, 2018 is primarily due to an increase in one-time fees due to early repayments. The decrease in fee income for nine months ended September 30, 2018 is primarily due to a decrease in the acceleration of unamortized fees and one-time fees due to early repayments.

Of the $3.5 million in fee income for the three months ended September 30, 2018, approximately $1.6 million represents income from recurring fee amortization and approximately $1.9 million represents income related to the acceleration of unamortized fees due to early repayments, including one-time fees of $1.6 million for the period. Income from recurring fee amortization and the acceleration of unamortized fees due to early loan repayments represented $1.3 million and $2.1 million, respectively, of the $3.4 million in income for the three months ended September 30, 2017.

Of the $12.9 million in fee income for the nine months ended September 30, 2018, approximately $4.7 million represents income from recurring fee amortization and approximately $8.2 million represents income related to the acceleration of unamortized fees due to early repayments, including one-time fees of $6.4 million for the period. Income from recurring fee amortization and the acceleration of unamortized fees due to early loan repayments represented $4.9 million and $10.0 million, respectively, of the $14.9 million in income for the nine months ended September 30, 2017.

In certain investment transactions, we may earn income from advisory services; however, we had no income from advisory services in the three and nine months ended September 30, 2018 or 2017.

Operating Expenses

Our operating expenses are comprised of interest and fees on our borrowings, general and administrative expenses and employee compensation and benefits. Our operating expenses totaled approximately $23.3 million and $21.9 million during the three months ended September 30, 2018 and 2017, respectively. Our operating expenses totaled approximately $72.7 million and $68.8 million during the nine months ended September 30, 2018 and 2017, respectively.

Interest and Fees on our Borrowings

Interest and fees on our borrowings totaled approximately $11.0 million and $10.5 million for the three months ended September 30, 2018 and 2017, respectively, and approximately $34.8 million and $33.5 million during the nine months ended September 30, 2018 and 2017, respectively. Interest and fee expense during the three and nine months ended September 30, 2018, as compared to the same periods ended September 30, 2017, increased due to the issuance of our 2033 Notes in September 2018, 2025 Notes in April 2018 and 2022 Notes issued in October 2017 as well as interest related to our credit facilities, offset by the partial redemptions of our 2024 Notes and amortization of our 2021 Asset-Backed Notes.

We had a weighted average cost of debt, comprised of interest and fees, of approximately 5.6% for the three months ended September 30, 2018 and 2017, respectively, and a weighted average cost of debt of approximately 5.8% for the nine months ended September 30, 2018 and 2017, respectively.

General and Administrative Expenses

General and administrative expenses include legal fees, consulting fees, accounting fees, printer fees, insurance premiums, rent, expenses associated with the workout of underperforming investments and various other expenses. Our general and administrative expenses increased to $3.7 million from $3.5 million for the three months ended September 30, 2018 and 2017, respectively. Our general and administrative expenses decreased to

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$11.4 million from $12.4 million for the nine months ended September 30, 2018 and 2017. The increase in general and administrative expenses for three months ended September 30, 2018 is primarily due to an increase in workout related costs and outside services for contract labor. The decrease in general and administrative expenses for nine months ended September 30, 2018 is primarily due to a decrease in corporate legal and other expenses.

Employee Compensation

Employee compensation and benefits totaled $5.3 million for the three months ended September 30, 2018 as compared to $6.0 million for the three months ended September 30, 2017, and $18.1 million for the nine months ended September 30, 2018 as compared to $17.3 million for the nine months ended September 30, 2017. The decrease between the three months ended September 30, 2018 and 2017 was primarily due to reduced payroll related expenses and the increase between the nine months ended September 30, 2018 and 2017 was primarily due to changes in variable compensation expenses due to company performance objectives.

Employee stock-based compensation totaled $3.3 million for the three months ended September 30, 2018 as compared to $1.8 million for the three months ended September 30, 2017, and $8.5 million for the nine months ended September 30, 2018 as compared to $5.6 million for the nine months ended September 30, 2017. The increase for the comparative periods was primarily related to restricted stock award vesting and retention rewards.

Net Investment Realized Gains and Losses and Net Unrealized Appreciation and Depreciation

Realized gains or losses are measured by the difference between the net proceeds from the repayment or sale and the cost basis of an investment without regard to unrealized appreciation or depreciation previously recognized, and includes investments written off during the period, net of recoveries. Net change in unrealized appreciation or depreciation primarily reflects the change in portfolio investment values during the reporting period, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

A summary of realized gains and losses for the three and nine months ended September 30, 2018 and 2017 is as follows:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
(in thousands)	**2018**	**2017**	**2018**	**2017**
Realized gains	$ 4,618	$ 1,345	$ 12,607	$ 12,898
Realized losses	(1,268)	(25,799)	(23,088)	(39,827)
Net realized gains (losses)	$ 3,350	$ (24,454)	$ (10,481)	$ (26,929)

During the three and nine months ended September 30, 2018, we recognized net realized gains of $3.3 million and net realized losses of $10.5 million, respectively. During the three months ended September 30, 2018, we recorded gross realized gains of $4.6 million primarily from the sale or acquisition of our holdings. These gains were partially offset by gross realized losses of $1.3 million primarily from the liquidation or write-off of our warrant and equity investments in seven portfolio companies.

During the nine months ended September 30, 2018, we recorded gross realized gains of $12.6 million primarily from the sale or acquisition of our holdings. These gains were offset by gross realized losses of $23.1 million primarily from the liquidation or write-off of our warrant and equity investments in twenty portfolio companies and our debt investments in three portfolio companies.

During the three and nine months ended September 30, 2017, we recognized net realized losses of $24.5 million and $26.9 million respectively. During the three months ended September 30, 2017, we recorded

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gross realized gains of $1.3 million primarily from the sale of our holdings in three portfolio companies. These gains were offset by gross realized losses of $25.8 million primarily from the liquidation or write-off of our warrant and equity investments in seven portfolio companies and our debt investment in three portfolio companies.

During the nine months ended September 30, 2017, we recorded gross realized gains of $12.9 million primarily from the sale of our holdings in four portfolio companies. These gains were offset by gross realized losses of $39.8 million primarily from the liquidation or write-off of our warrant and equity investments in nineteen portfolio companies and our debt investment in four portfolio companies.

The following table summarizes the change in net unrealized appreciation or depreciation of investments for the three and nine months ended September 30, 2018 and 2017:

(in thousands)	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Gross unrealized appreciation on portfolio investments	$ 14,366	$ 26,421	$ 53,133	$ 114,287
Gross unrealized depreciation on portfolio investments	(9,317)	(15,764)	(53,684)	(125,327)
Reversal of prior period net unrealized appreciation (depreciation) upon a realization event	(2,018)	23,116	25,573	26,727
Net unrealized appreciation (depreciation) on debt, equity, and warrant investments	3,031	33,773	25,022	15,687
Other net unrealized appreciation (depreciation)	(54)	(220)	954	(50)
Total net unrealized appreciation (depreciation) on investments	$ 2,977	$ 33,553	$ 25,976	$ 15,637

During the three months ended September 30, 2018, we recorded $3.0 million of net unrealized appreciation which was mainly from our debt, equity and warrant investments. We recorded $3.5 million of net unrealized appreciation on our debt investments which was attributable to $4.2 million of unrealized appreciation on the debt portfolio, including $0.3 million of unrealized appreciation on collateral-based impairments on four portfolio companies, along with $0.7 million of unrealized depreciation primarily due to the reversal of unrealized appreciation upon pay-off of three portfolio companies.

We recorded $1.5 million of net unrealized appreciation on our equity investments and $1.9 million of net unrealized depreciation on our warrant investments during the three months ended September 30, 2018. This net unrealized depreciation of $0.4 million was primarily attributable to $1.3 million of unrealized depreciation due to the reversal of unrealized appreciation upon acquisition or liquidation of our equity and warrant investments. This is partially offset by $0.9 million of unrealized appreciation on the equity and warrant portfolio investments.

During the nine months ended September 30, 2018, we recorded $26.0 million of net unrealized appreciation, of which $25.0 million was net unrealized appreciation from our debt, equity and warrant investments. We recorded $19.3 million of net unrealized appreciation on our debt investments which was primarily related to $24.7 million of unrealized appreciation primarily due to the reversal of unrealized depreciation upon write-off of three portfolio companies and loan repayments from six portfolio companies. This unrealized appreciation was partially offset by $5.3 million of unrealized depreciation on the debt portfolio, including $8.0 million of unrealized depreciation on collateral-based impairments on eight portfolio companies.

We recorded $5.6 million of net unrealized appreciation on our equity investments and $0.1 million of net unrealized appreciation on our warrant investments during the nine months ended September 30, 2018. This net unrealized appreciation of $5.7 million was due to $4.8 million of unrealized appreciation on the equity and warrant portfolio and $0.9 million of unrealized appreciation primarily due to the reversal of unrealized depreciation upon being realized as a gain or loss due to the acquisition or liquidation of our equity and warrant investments.

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During the three months ended September 30, 2017, we recorded $33.6 million of net unrealized appreciation, of which $33.7 million was net unrealized appreciation from our debt, equity and warrant investments. We recorded $22.2 million of net unrealized appreciation on our debt investments, which was primarily was attributed to the reversal of $25.9 million unrealized depreciation upon payoff or liquidation of our debt investments in three portfolio companies.

We recorded $8.8 million of net unrealized appreciation on our equity investments primarily due to the collateral-based impairment on one portfolio company, and $5.7 million of unrealized appreciation on our public equity portfolio related to portfolio company performance. We also recorded $2.7 million of net unrealized appreciation on our warrant investments during the three months ended September 30, 2017.

During the nine months ended September 30, 2017, we recorded $15.6 million of net unrealized appreciation, of which $15.7 million was net unrealized appreciation from our debt, equity and warrant investments. We recorded $41.9 million of net unrealized appreciation on our debt investments, which was primarily related to $41.6 million of unrealized depreciation for collateral-based impairments on eight portfolio companies offset by the reversal of $52.0 million unrealized depreciation for the prior period collateral-based impairments on eight portfolio companies.

We recorded $36.9 million of net unrealized depreciation on our equity investments primarily due to $50.4 million of collateral based impairment on three portfolio companies, and partially offset by $11.6 million of unrealized appreciation on our equity portfolio. We also recorded $10.7 million of net unrealized appreciation on our warrant investments during nine months ended September 30, 2017.

Income and Excise Taxes

We account for income taxes in accordance with the provisions of Topic 740 of the Financial Accounting Standards Board s (FASB) Accounting Standards Codification, as amended (ASC), Income Taxes , under which income taxes ar provided for amounts currently payable and for amounts deferred based upon the estimated future tax effects of differences between the financial statements and tax basis of assets and liabilities given the provisions of the enacted tax law. Valuation allowances may be used to reduce deferred tax assets to the amount likely to be realized. Based upon our previous election and anticipated continued qualification to be subject to taxation as a RIC, we are typically not subject to a material level of federal income taxes. We distributed 100% of our spillover earnings from ordinary income for our taxable year ended December 31, 2017 to our stockholders during the three months ended September 30, 2018.

Net Change in Net Assets Resulting from Operations and Earnings Per Share

For the three months ended September 30, 2018, we had a net increase in net assets resulting from operations of approximately $35.6 million and for the three months ended September 30, 2017, we had a net increase in net assets resulting from operations of approximately $33.1 million. For the nine months ended September 30, 2018, we had a net increase in net assets resulting from operations of approximately $93.6 million and for the nine months ended September 30, 2017, we had a net increase in net assets resulting from operations of approximately $60.6 million.

Both the basic and fully diluted net change in net assets per common share were $0.37 per share for the three months ended September 30, 2018 and $1.04 per share for the nine months ended September 30, 2018. Both the basic and fully diluted net change in net assets per common share were $0.40 per share and $0.73 per share for the three and nine months ended September 30, 2017, respectively.

For the purpose of calculating diluted earnings per share for three and nine months ended September 30, 2018 and 2017, the effect of the 2022 Convertible Notes, outstanding options, and restricted stock units under the treasury stock method was considered. The effect of the 2022 Convertible Notes was excluded from these calculations for the three and nine months ended September 30, 2018 and 2017 as our share price was less than the conversion price in effect which results in anti-dilution.

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Financial Condition, Liquidity, and Capital Resources

Our liquidity and capital resources are derived from our SBA debentures, 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, 2021 Asset-Backed Notes, 2022 Convertible Notes, Credit Facilities and cash flows from operations, including investment sales and repayments, and income earned. Our primary use of funds from operations includes investments in portfolio companies and payments of fees and other operating expenses we incur. We have used, and expect to continue to use, our borrowings and the proceeds from the turnover of our portfolio and from public and private offerings of securities to finance our investment objectives. We may also raise additional equity or debt capital through registered offerings off a shelf registration, ATM and private offerings of securities, by securitizing a portion of our investments, or by borrowing from the SBA through our SBIC subsidiary.

On August 16, 2013, we entered into an ATM equity distribution agreement with JMP Securities (the Prior Equity Distribution Agreement). On March 7, 2016, we renewed the Prior Equity Distribution Agreement and on December 21, 2016, we further amended the agreement to increase the total shares available under the program. The Prior Equity Distribution Agreement, as amended, provided that we may offer and sell up to 12.0 million shares of our common stock from time to time through JMP Securities, as our sales agent.

On September 7, 2017, we terminated the Prior Equity Distribution Agreement and entered into the Equity Distribution Agreement. As a result, the remaining shares that were available under the Prior Equity Distribution agreement are no longer available for issuance. The Equity Distribution Agreement provides that the Company may offer and sell up to 12.0 million shares of its common stock from time to time through JMP Securities, as its sales agent. Sales of the Company s common stock, if any, may be made in negotiated transactions or transactions that are deemed to be at the market, as defined in Rule 415 under the Securities Act, including sales made directly on the NYSE or similar securities exchange or sales made to or through a market maker other than on an exchange, at prices related to the prevailing market prices or at negotiated prices.

During the nine months ended September 30, 2018, we sold 5.0 million shares of common stock, which were issued under the Equity Distribution Agreement, for a total accumulated net proceeds of approximately $62.3 million, including $1.4 million of offering expenses. As of September 30, 2018, approximately 5.4 million shares remain available for issuance and sale under the Equity Distribution Agreement. See Subsequent Events .

Our 6.00% convertible notes due 2016 (the 2016 Convertible Notes) were fully settled on or before their contractual maturity date of April 15, 2016. Throughout the life of the 2016 Convertible Notes, holders of approximately $74.8 million of our 2016 Convertible Notes exercised their conversion rights. These 2016 Convertible Notes were settled with a combination of cash equal to the outstanding principal amount of the converted notes and approximately 1.6 million shares of our common stock, or $24.3 million.

On May 2, 2016, we closed an underwritten public offering of an additional $72.9 million in aggregate principal amount of our 2024 Notes. The $72.9 million in aggregate principal amount includes $65.4 million from the initial offering on April 21, 2016 and $7.5 million as a result of underwriters exercising a portion of their option to purchase up to an additional $9.8 million in aggregate principal to cover overallotments on April 29, 2016. On June 27, 2016, we closed an underwritten public offering of an additional $60.0 million in aggregate principal amount of the 2024 Notes. On June 30, 2016, the underwriters exercised their option to purchase up to an additional $9.0 million in aggregate principal to cover overallotments, resulting in total aggregate principal of $69.0 million from the offering. The 2024 Notes rank equally in right of payment and form a single series of notes.

On May 5, 2016, we, through a special purpose wholly-owned subsidiary, Hercules Funding III, LLC, as borrower, entered the Union Bank Facility. The Union Bank Facility replaced our credit facility (the Prior Union Bank Facility) entered into on August 14, 2014 (as amended and restated from time to time) with MUFG

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Union Bank, N.A., as the arranger and administrative agent, and the lenders party to the Prior Union Bank Facility from time to time. Any references to amounts related to the Union Bank Facility prior to May 5, 2016 were incurred and relate to the Prior Union Bank Facility.

On October 11, 2016, we entered into a debt distribution agreement, pursuant to which we may offer for sale, from time to time, up to $150.0 million in aggregate principal amount of 2024 Notes through FBR Capital Markets & Co. acting as our sales agent. Sales of the 2024 Notes, if any, may be made in negotiated transactions or transactions that are deemed to be at the market offerings as defined in Rule 415 under the Securities Act, including sales made directly on the NYSE, or similar securities exchange or sales made through a market maker other than on an exchange at prices related to prevailing market prices or at negotiated prices.

We did not sell any notes under the program during the nine months ended September 30, 2018. During the year ended December 31, 2017, we sold 225,457 notes for approximately $5.6 million in aggregate principal amount. As of September 30, 2018, approximately $136.4 million in aggregate principal amount remains available for issuance and sale under the debt distribution agreement.

On January 25, 2017, we issued $230.0 million in aggregate principal amount of 2022 Convertible Notes, which amount includes the additional $30.0 million aggregate principal amount issued pursuant to the initial purchaser s exercise in full of its overallotment option. The sale generated net proceeds of approximately $225.5 million, including $4.5 million of debt issuance costs. Aggregate issuances costs include the initial purchaser s discount of approximately $5.2 million, offset by the reimbursement of $1.2 million by the initial purchaser.

On February 24, 2017, we redeemed the $110.4 million remaining outstanding balance of our 2019 Notes in full.

On October 23, 2017, we issued $150.0 million in aggregate principal amount of the 2022 Notes pursuant to the Fourth Supplemental Indenture to the Base Indenture, dated October 23, 2017, between the Company and U.S. Bank, National Association, as trustee. The sale of the 2022 Notes generated net proceeds of approximately $147.4 million, including a public offering discount of $826,500. Aggregate estimated offering expenses in connection with the transaction, including the underwriter s discount and commissions of approximately $975,000, were approximately $1.8 million.

On November 23, 2017, we redeemed $75.0 million of the $258.5 million issued and outstanding aggregate principal amount of our 2024 Notes. On April 2, 2018, we redeemed an additional $100.0 million of the remaining outstanding aggregate principal amount of the 2024 Notes.

On April 26, 2018, we issued $75.0 million in aggregate principal amount of the 2025 Notes pursuant to the Fifth Supplemental Indenture to the Base Indenture, dated April 26, 2018, between the Company and U.S. Bank, National Association, as trustee. The sale of the 2025 Notes generated net proceeds of approximately $72.4 million. Aggregate estimated offering expenses in connection with the transaction, including the underwriter s discount and commissions were approximately $2.6 million.

On May 25, 2018, we entered into the Second Amendment to the Union Bank Facility. The Second Amendment amends certain provisions of the Union Bank Facility to increase the commitments thereunder from $75.0 million to $100.0 million.

On June 14, 2018, we closed an underwritten public offering of 6.9 million shares of common stock, including an over-allotment option to purchase an additional 900,000 shares of common stock. The offering generated net proceeds, before expenses, of $81.3 million, including the underwriting discount and commissions of $2.6 million.

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On July 31, 2018, we entered into a further amendment to the Wells Facility to extend the maturity date and fully repay the pro-rata portion of outstanding balances of Alostar Bank of Commerce and Everbank Commercial Finance Inc., thereby resigning both as lenders and terminating their commitments thereunder.

On September 20, 2018, we issued $40.0 million in aggregate principal amount of the 2033 Notes pursuant to the Sixth Supplemental Indenture to the Base Indenture, dated September 24, 2018, between the Company and U.S. Bank, National Association, as trustee. The sale of the 2033 Notes generated net proceeds of approximately $38.8 million. Aggregate estimated offering expenses in connection with the transaction, including the underwriter s discount and commissions were approximately $1.2 million.

At September 30, 2018, we had $149.0 million of SBA debentures, $150.0 million of 2022 Notes, $83.5 million of 2024 Notes, $75.0 million of 2025 Notes, $40.0 million of 2033 Notes, $3.5 million of 2021 Asset-Backed Notes, and $230.0 million of 2022 Convertible Notes payable along with $38.5 million of borrowings outstanding on the Wells Facility and $42.4 million of borrowings outstanding on the Union Bank Facility.

At September 30, 2018, we had $137.3 million in available liquidity, including $43.2 million in cash and cash equivalents. We had available borrowing capacity of $36.5 million under the Wells Facility and $57.6 million under the Union Bank Facility, both subject to existing terms and advance rates and regulatory requirements. We primarily invest cash on hand in interest bearing deposit accounts.

At September 30, 2018, we had $74.5 million of capital outstanding in restricted accounts related to our SBIC that we may use to fund new investments in the SBIC. With our net investment of $74.5 million in HT III, we have the capacity to issue a total of $149.0 million of SBA guaranteed debentures, subject to SBA approval. At September 30, 2018, we have issued $149.0 million in SBA guaranteed debentures in our SBIC subsidiary. On July 13, 2018, we completed repayment of the remaining outstanding Hercules Technology II, L.P., or HT II, debentures and subsequently surrendered the SBA license with respect to HT II.

At September 30, 2018, we had approximately $2.4 million of restricted cash, which consists of collections of interest and principal payments on assets that are securitized. In accordance with the terms of the related securitized 2021 Asset-Backed Notes, based on current characteristics of the securitized debt investment portfolios, the restricted funds may be used to pay monthly interest and principal on the securitized debt and are not distributed to us or available for our general operations.

During the nine months ended September 30, 2018, we principally funded our operations from (i) cash receipts from interest, dividend and fee income from our investment portfolio and (ii) cash proceeds from the realization of portfolio investments through the repayments of debt investments and the sale of debt and equity investments.

During the nine months ended September 30, 2018, our operating activities used $115.4 million of cash and cash equivalents, compared to $76.6 million provided during the nine months ended September 30, 2017. This $192.0 million increase in cash used in operating activities is primarily related to an increase in investment purchases of $218.8 million, partially offset by an increase in investment repayments of $17.0 million.

During the nine months ended September 30, 2018, our investing activities used approximately $325,000 of cash, compared to $127,000 used during the nine months ended September 30, 2017. The $198,000 increase in cash used in investing activities was due to an increase in purchase of capital equipment.

During the nine months ended September 30, 2018, our financing activities provided $66.3 million of cash, compared to $50.5 million provided during the nine months ended September 30, 2017. $15.8 million increase in cash provided by financing activities was primarily due to the issuance of $75.0 million of our 2025 Notes in April 2018, issuance of $40.0 million of our 2033 Notes in September 2018, increase in credit facilities

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borrowings of $208.0 million, and issuance of our common stock of $87.2 million, partially offset by the repayment of $100.0 million of our 2024 Notes in April 2018, increase in repayment of our credit facility borrowings of $121.7 million, and amortization of our 2021 Asset-Backed Notes.

As of September 30, 2018, net assets totaled $1.0 billion, with a NAV per share of $10.38. We intend to continue to operate in order to generate cash flows from operations, including income earned from investments in our portfolio companies. Our primary use of funds will be investments in portfolio companies and cash distributions to holders of our common stock.

As required by the 1940 Act, our asset coverage must be at least 200% through September 4, 2019 and 150% thereafter (or earlier if our stockholders approve the proposal to accelerate the application of the reduced asset coverage requirements to us) after each issuance of senior securities. As of September 30, 2018 our asset coverage ratio under our regulatory requirements as a business development company was 251.0% excluding our SBA debentures as a result of our exemptive order from the SEC that allows us to exclude all SBA leverage from our asset coverage ratio. As a result of the SEC exemptive order, our ratio of total assets on a consolidated basis to outstanding indebtedness may be less than 200% through September 4, 2019 and 150% thereafter (or earlier if our stockholders approve the proposal to accelerate the application of the reduced asset coverage requirements to us), which while providing increased investment flexibility, also may increase our exposure to risks associated with leverage. Total asset coverage ratio when including our SBA debentures was 223.3% at September 30, 2018.

Outstanding Borrowings

At September 30, 2018 and December 31, 2017, we had the following available borrowings and outstanding amounts:

	September 30, 2018			**December 31, 2017**		
(in thousands)	**Total Available**	**Principal**	**Carrying Value(1)**	**Total Available**	**Principal**	**Carrying Value(1)**
SBA Debentures(2)	$ 149,000	$ 149,000	$ 147,527	$ 190,200	$ 190,200	$ 188,141
2022 Notes	150,000	150,000	147,859	150,000	150,000	147,572
2024 Notes	83,510	83,510	81,791	183,510	183,510	179,001
2025 Notes	75,000	75,000	72,495			
2033 Notes	40,000	40,000	38,752			
2021 Asset-Backed Notes	3,515	3,515	3,423	49,153	49,153	48,650
2022 Convertible Notes	230,000	230,000	224,660	230,000	230,000	223,488
Wells Facility(3)	75,000	38,512	38,512	120,000		
Union Bank Facility(3)	100,000	42,382	42,382	75,000		
Total	$ 906,025	$ 811,919	$ 797,401	$ 997,863	$ 802,863	$ 786,852

(1) Except for the Wells Facility and Union Bank Facility, all carrying values represent the principal amount outstanding less the remaining unamortized debt issuance costs and unaccreted discount, if any, associated with the loan as of the balance sheet date. See below for the amount of debt issuance cost associated with each

borrowing.

(2) At September 30, 2018, the total available borrowings under the SBA debentures were $149.0 million which were available in HT III. On July 13, 2018, we completed repayment of the remaining outstanding HT II debentures and subsequently surrendered the SBA license with respect to HT II. At December 31, 2017, the total available borrowings under the SBA debentures were $190.2 million, of which $41.2 million was available in HT II and $149.0 million was available in HT III.

(3) Availability subject to us meeting the borrowing base requirements. On July 31, 2018, the Wells Facility was reduced to $75.0 million as we fully repaid the pro-rata portion of outstanding balances of Alostar Bank of Commerce and Everbank Commercial Finance Inc. See Note 4 Borrowings .

Debt issuance costs are fees and other direct incremental costs we incur in obtaining debt financing and are recognized as prepaid expenses and amortized over the life of the related debt instrument using the effective

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yield method or the straight line method, which closely approximates the effective yield method. In accordance with ASC Subtopic 835-30 (Interest Imputation of Interest), debt issuance costs are presented as a reduction to the associated liability balance on the Consolidated Statement of Assets and Liabilities, except for debt issuance costs associated with line-of-credit arrangements. Debt issuance costs, net of accumulated amortization, as of September 30, 2018 and December 31, 2017 were as follows:

(in thousands)	September 30, 2018	December 31, 2017
SBA Debentures	$ 1,473	$ 2,059
2022 Notes	1,469	1,633
2024 Notes	1,761	4,591
2025 Notes	2,505	
2033 Notes	1,248	
2021 Asset-Backed Notes	93	503
2022 Convertible Notes	3,046	3,715
Wells Facility(1)	144	227
Union Bank Facility(1)	235	379
Total	$ 11,974	$ 13,107

(1) As the Wells Facility and Union Bank Facility are line-of-credit arrangements, the debt issuance costs associated with these instruments are presented separately as an asset on the Consolidated Statement of Assets and Liabilities in accordance with ASC Subtopic 835-30.

Refer to Note 4 Borrowings included in the notes to our consolidated financial statements appearing elsewhere in this prospectus supplement for a discussion of the contract terms, interest expense, and fees associated with each outstanding borrowing as of and for the three and nine months ended September 30, 2018.

Commitments

In the normal course of business, we are party to financial instruments with off-balance sheet risk. These consist primarily of unfunded contractual commitments to extend credit, in the form of loans, to our portfolio companies. Unfunded contractual commitments to provide funds to portfolio companies are not reflected on our balance sheet. Our unfunded contractual commitments may be significant from time to time. A portion of these unfunded contractual commitments are dependent upon the portfolio company reaching certain milestones before the debt commitment becomes available. Furthermore, our credit agreements contain customary lending provisions which allow us relief from funding obligations for previously made commitments in instances where the underlying company experiences materially adverse events that affect the financial condition or business outlook for the company. These commitments will be subject to the same underwriting and ongoing portfolio maintenance as are the on-balance sheet financial instruments that we hold. Since these commitments may expire without being drawn upon, the total commitment amount does not necessarily represent future cash requirements. As such, our disclosure of unfunded contractual commitments includes only those which are available at the request of the portfolio company and unencumbered by milestones.

At September 30, 2018, we had approximately $172.0 million of unfunded commitments, including undrawn revolving facilities, which were available at the request of the portfolio company and unencumbered by milestones. We intend to use cash flow from normal and early principal repayments, and proceeds from borrowings and notes to fund these commitments.

We also had approximately $42.0 million of non-binding term sheets outstanding to three new and no existing companies, which generally convert to contractual commitments within approximately 90 days of signing. Non-binding outstanding term sheets are subject to completion of our due diligence and final investment committee approval process, as well as the negotiation of definitive documentation with the prospective portfolio companies. Not all non-binding term sheets are expected to close and do not necessarily represent future cash requirements.

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The fair value of our unfunded commitments is considered to be immaterial as the yield determined at the time of underwriting is expected to be materially consistent with the yield upon funding, given that interest rates are generally pegged to market indices and given the existence of milestones, conditions and/or obligations imbedded in the borrowing agreements.

As of September 30, 2018, our unfunded contractual commitments available at the request of the portfolio company, including undrawn revolving facilities, and unencumbered by milestones are as follows:

(in thousands)

Portfolio Company	**Unfunded Commitments**[(1)]
ThumbTack, Inc.	$ 25,000
Tricida, Inc.	25,000
Couchbase, Inc.	20,000
Impossible Foods, Inc.	20,000
Contentful, Inc.	15,000
Postmates Inc.	15,000
Chemocentryx, Inc.	10,000
Xometry, Inc.	8,000
Evernote Corporation	7,500
Businessolver.com, Inc.	6,375
Achronix Semiconductor Corporation	5,000
Lithium Technologies, Inc.	3,623
Intent Media, Inc.	3,000
Emma, Inc.	2,963
Credible Behavioral Health, Inc.	2,500
First Insight, Inc.	1,500
Greenphire, Inc.	500
Insurance Technologies Corporation	500
Salsa Labs, Inc.	500
Total	$ 171,961

(1) Amount represents unfunded commitments, including undrawn revolving facilities, which are available at the request of the portfolio company. Amount excludes unfunded commitments which are unavailable due to the borrower having not met certain milestones.

Contractual Obligations

The following table shows our contractual obligations as of September 30, 2018:

	Payments due by period (in thousands)				
Contractual Obligations[1]	**Total**	**Less than 1 year**	**1 - 3 years**	**3 - 5 years**	**After 5 years**
Borrowings[2][3]	$ 811,919	$ 42,027	$ 106,132	$ 465,250	$ 198,510
Operating Lease Obligations[4]	16,008	2,766	5,723	5,853	1,666
Total	$ 827,927	$ 44,793	$ 111,855	$ 471,103	$ 200,176

(1) Excludes commitments to extend credit to our portfolio companies.

(2) Includes $149.0 million in principal outstanding under the SBA debentures, $150.0 million of the 2022 Notes, $83.5 million of the 2024 Notes, $75.0 million of the 2025 Notes, $40.0 million of the 2033 Notes, $3.5 million of the 2021 Asset-Backed Notes, $230.0 million of the 2022 Convertible Notes, $38.5 million under the Wells Facility, and $42.4 million under the Union Bank Facility as of September 30, 2018.

(3) Amounts represent future principal repayments and not the carrying value of each liability. See Note 4 to our consolidated financial statements appearing elsewhere in this prospectus supplement.

(4) Facility leases and licenses.

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Certain premises are leased or licensed under agreements which expire at various dates through June 2027. Total rent expense amounted to approximately $522,000 and $1.5 million during the three and nine months ended September 30, 2018. Total rent expense amounted to approximately $443,000 and $1.3 million during the three and nine months ended September 30, 2017.

Indemnification Agreements

We have entered into indemnification agreements with our directors and executive officers. The indemnification agreements are intended to provide our directors and executive officers the maximum indemnification permitted under Maryland law and the 1940 Act. Each indemnification agreement provides that we shall indemnify the director or executive officer who is a party to the agreement, or an Indemnitee, including the advancement of legal expenses, if, by reason of his or her corporate status, the Indemnitee is, or is threatened to be, made a party to or a witness in any threatened, pending, or completed proceeding, to the maximum extent permitted by Maryland law and the 1940 Act.

We and our executives and directors are covered by Directors and Officers Insurance, with the directors and officers being indemnified by us to the maximum extent permitted by Maryland law subject to the restrictions in the 1940 Act.

Distributions

The following table summarizes our distributions declared and paid, to be paid, or reinvested on all shares, including restricted stock, to date:

Date Declared	Record Date	Payment Date	Amount Per Share
Cumulative distributions declared and paid prior to January 1, 2016			$ 11.23
February 17, 2016	March 7, 2016	March 14, 2016	0.31
April 27, 2016	May 16, 2016	May 23, 2016	0.31
July 27, 2016	August 15, 2016	August 22, 2016	0.31
October 26, 2016	November 14, 2016	November 21, 2016	0.31
February 16, 2017	March 6, 2017	March 13, 2017	0.31
April 26, 2017	May 15, 2017	May 22, 2017	0.31
July 26, 2017	August 14, 2017	August 21, 2017	0.31
October 25, 2017	November 13, 2017	November 20, 2017	0.31
February 14, 2018	March 5, 2018	March 12, 2018	0.31
April 25, 2018	May 14, 2018	May 21, 2018	0.31
July 25, 2018	August 13, 2018	August 20, 2018	0.31
October 24, 2018	November 12, 2018	November 19, 2018	0.31
October 24, 2018	November 12, 2018	November 19, 2018	0.02*
			$ 14.97

* Supplemental Distribution

On October 24, 2018, the Board of Directors declared a cash distribution of $0.31 per share to be paid on November 19, 2018 to stockholders of record as of November 12, 2018. This distribution represents our fifty-third consecutive distribution since our initial public offering. In addition to the cash distribution, on October 24, 2018, the Board of Directors declared a supplemental distribution of $0.02 per share to be paid on November 19, 2018 to stockholders of record as of November 12, 2018. The total cumulative distribution to date, including the supplemental distribution, is $14.97 per share.

Our Board of Directors maintains a variable distribution policy with the objective of distributing four quarterly distributions in an amount that approximates 90 100% of our taxable quarterly income or potential

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annual income for a particular taxable year. In addition, at the end of our taxable year, our Board of Directors may choose to pay an additional special distribution, or fifth distribution, so that we may distribute approximately all of our annual taxable income in the taxable year in which it was earned, or may elect to maintain the option to spill over our excess taxable income into the following taxable year as part of any future distribution payments.

Distributions from our taxable income (including gains) to a stockholder generally will be treated as a dividend for U.S. federal income tax purposes to the extent of such stockholder s allocable share of our current or accumulated earnings and profits. Distributions in excess of our current and accumulated earnings and profits would generally be treated first as a return of capital to the extent of a stockholder s tax basis in our shares, and any remaining distributions would be treated as a capital gain. The determination of the tax attributes of our distributions is made annually as of the end of our taxable year based upon our taxable income for the full taxable year and distributions paid for the full taxable year. As a result, any determination of the tax attributes of our distributions made on a quarterly basis may not be representative of the actual tax attributes of the Company s distributions for a full taxable year. Of the distributions declared during the year ended December 31, 2017, 100% were distributions derived from our current and accumulated earnings and profits.

During the three months ended September 30, 2018, we declared a distribution of $0.31 per share. If we had determined the tax attributes of our distributions year-to-date as of September 30, 2018, 100% would be from our current and accumulated earnings and profits. However, there can be no certainty to stockholders that this determination is representative of what the tax attributes of our 2018 distributions to stockholders will actually be.

We maintain an opt out dividend reinvestment plan that provides for reinvestment of our distribution on behalf of our stockholders, unless a stockholder elects to receive cash. As a result, if our Board of Directors authorizes, and we declare a cash distribution, then our stockholders who have not opted out of our dividend reinvestment plan will have their cash distribution automatically reinvested in additional shares of our common stock, rather than receiving the cash distributions.

Shortly after the close of each calendar year information identifying the source of the distribution (i.e., paid from ordinary income, paid from net capital gains on the sale of securities, and/or a return of paid-in-capital surplus which is a nontaxable distribution, if any) will be provided to our stockholders subject to information reporting. To the extent our taxable earnings fall below the total amount of our distributions for any taxable year, a portion of those distributions may be deemed a tax return of capital to our stockholders.

We expect to qualify to be subject to tax as a RIC under Subchapter M of the Code. In order to be subject to tax as a RIC, we are required to satisfy certain annual gross income and quarterly asset composition tests, as well as make distributions to our stockholders each taxable year treated as dividends for federal income tax purposes of an amount at least equal to 90% of the sum of our investment company taxable income, determined without regard to any deduction for dividends paid, plus our net tax-exempt income, if any. Upon being eligible to be subject to tax as a RIC, we would be entitled to deduct such distributions we pay to our stockholders in determining the overall components of our taxable income. Components of our taxable income include our taxable interest, dividend and fee income, reduced by certain deductions, as well as taxable net realized securities gains. Taxable income generally differs from net income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses and generally excludes net unrealized appreciation or depreciation as such gains or losses are not included in taxable income until they are realized. In connection with maintaining our ability to be subject to tax as a RIC, among other things, we have made and intend to continue to make the requisite distributions to our stockholders each taxable year, which generally should relieve us from corporate-level U.S. federal income taxes.

As a RIC, we will be subject to a 4% nondeductible U.S. federal excise tax on certain undistributed income and gains unless we make distributions treated as dividends for U.S. federal income tax purposes in a timely

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manner to our stockholders in respect of each calendar year of an amount at least equal to the sum of (1) 98% of our ordinary income (taking into account certain deferrals and elections) for each calendar year, (2) 98.2% of our capital gain net income (adjusted for certain ordinary losses) for the 1-year period ending October 31 of each such calendar year and (3) any ordinary income and capital gain net income realized, but not distributed, in preceding calendar years. We will not be subject to this excise tax on any amount on which we incurred U.S. federal corporate income tax (such as the tax imposed on a RIC s retained net capital gains).

Depending on the level of taxable income earned in a taxable year, we may choose to carry over taxable income in excess of current taxable year distributions treated as dividends for U.S. federal income tax purposes from such taxable income into the next taxable year and incur a 4% excise tax on such taxable income, as required. The maximum amount of excess taxable income that may be carried over for distribution in the next taxable year under the Code is the total amount of distributions treated as dividends for U.S. federal income tax purposes paid in the following taxable year, subject to certain declaration and payment guidelines. To the extent we choose to carry over taxable income into the next taxable year, distributions declared and paid by us in a taxable year may differ from our taxable income for that taxable year as such distributions may include the distribution of current taxable year taxable income, the distribution of prior taxable year taxable income carried over into and distributed in the current taxable year, or returns of capital.

We can offer no assurance that we will achieve results that will permit the payment of any cash distributions and, if 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 ability to make distributions will be limited by the asset coverage requirements under the 1940 Act.

We distributed 100% of our spillover earnings, which consists of ordinary income, from the year ended December 31, 2017 to our stockholders during the three months ended September 30, 2018.

Critical Accounting Policies

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and revenues and expenses during the period reported. On an ongoing basis, our management evaluates its estimates and assumptions, which are based on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ from those estimates. Changes in our estimates and assumptions could materially impact our results of operations and financial condition.

Revision of Previously Issued Financial Statements

It was determined that there was a misclassification in the previously issued quarterly consolidated financial statements of $14.9 million in the distributions for the nine months ended September 30, 2017. The amount had been categorized as distributions of net investment income rather than distributions of realized gains and the components of net assets have been revised in the period to reflect the correct classification. In addition, the financial highlights in Note 9 have been updated to reclassify $0.18 per share from distributions of net investment income to distributions of realized gains for the nine months ended September 30, 2017. The amounts reclassified are not material individually, or in the aggregate, and there no impact on previously reported net assets, total distributions, and earnings per share for the nine months ended September 30, 2017.

Valuation of Investments

The most significant estimate inherent in the preparation of our consolidated financial statements is the valuation of investments and the related amounts of unrealized appreciation and depreciation of investments recorded.

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At September 30, 2018, approximately 96.6% of our total assets represented investments in portfolio companies whose fair value is determined in good faith by the Board of Directors. Value, as defined in Section 2(a)(41) of the 1940 Act, is (i) the market price for those securities for which a market quotation is readily available and (ii) for all other securities and assets, fair value is as determined in good faith by the Board of Directors. Our investments are carried at fair value in accordance with the 1940 Act and ASC Topic 946 and measured in accordance with ASC Topic 820. Our debt securities are primarily invested in venture capital-backed companies in technology-related industries including technology, drug discovery and development, biotechnology, life sciences, healthcare and sustainable and renewable technology at all stages of development. Given the nature of lending to these types of businesses, substantially all of our investments in these portfolio companies are considered Level 3 assets under ASC Topic 820 because there is no known or accessible market or market indexes for these investment securities to be traded or exchanged. As such, we value substantially all of our investments at fair value as determined in good faith pursuant to a consistent valuation policy by our Board of Directors in accordance with the provisions of ASC Topic 820 and the 1940 Act. Due to the inherent uncertainty in determining the fair value of investments that do not have a readily available market value, the fair value of our investments determined in good faith by our Board of Directors may differ significantly from the value that would have been used had a readily available market existed for such investments, and the differences could be material.

We may from time to time engage an independent valuation firm to provide us with valuation assistance with respect to certain of our portfolio investments. We engage independent valuation firms on a discretionary basis. Specifically, on a quarterly basis, we will identify portfolio investments with respect to which an independent valuation firm will assist in valuing. We select these portfolio investments based on a number of factors, including, but not limited to, the potential for material fluctuations in valuation results, credit quality and the time lapse since the last valuation of the portfolio investment by an independent valuation firm.

We intend to continue to engage an independent valuation firm to provide us with assistance regarding our determination of the fair value of selected portfolio investments each quarter unless directed by the Board of Directors to cancel such valuation services. The scope of the services rendered by an independent valuation firm is at the discretion of the Board of Directors. Our Board of Directors is ultimately, and solely, responsible for determining the fair value of our investments in good faith.

Refer to Note 2 Summary of Significant Accounting Policies included in the notes to our consolidated financial statements appearing elsewhere in this prospectus supplement for a discussion of our valuation policies for the three and nine months ended September 30, 2018.

Income Recognition

See Changes in Portfolio for a discussion of our income recognition policies and results during the three and nine months ended September 30, 2018. See Results of Operations for a comparison of investment income for the three and nine months ended September 30, 2018 and 2017.

Stock Based Compensation

We have issued and may, from time to time, issue stock options and restricted stock to employees under the Hercules Capital, Inc. Amended and Restated 2018 Equity Incentive Plan and the Hercules Capital, Inc. 2018 Non-employee Director Plan. We follow the guidelines set forth under ASC Topic 718, (Compensation Stock Compensation) to account for stock options granted. Under ASC Topic 718, compensation expense associated with stock-based compensation is measured at the grant date based on the fair value of the award and is recognized over the vesting period. Determining the appropriate fair value model and calculating the fair value of stock-based awards at the grant date requires judgment, including estimating stock price volatility, forfeiture rate and expected option life.

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Recent Accounting Pronouncements

In January 2016, the FASB issued Accounting Standards Update (ASU) 2016-01, Financial Instruments Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities, which, among other things, requires that (i) all equity investments, other than equity-method investments, in unconsolidated entities generally be measured at fair value through earnings and (ii) an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. Additionally, the ASU changes the disclosure requirements for financial instruments. ASU 2016-01 is effective for annual reporting periods, and the interim periods within those periods, beginning after December 15, 2017. We have adopted this standard, which did not have a material impact, on our consolidated financial statements and related disclosures for the periods presented.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which, among other things, requires recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous U.S. GAAP. Additionally, the ASU requires the classification of all cash payments on leases within operating activities in the Consolidated Statement of Cash Flows. ASU 2016-02 is effective for annual reporting periods, and the interim periods within those periods, beginning after December 15, 2018. Early adoption is permitted. We anticipate an increase in the recognition of right-of-use assets and lease liabilities, however, we do not believe that ASU 2016-02 will have a material impact on our consolidated financial statements and disclosures.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments, which addresses eight specific cash flow issues including, among other things, the classification of debt prepayment or debt extinguishment costs. ASU 2016-15 is effective for annual reporting periods, and the interim periods within those periods, beginning after December 15, 2017. We have adopted this standard, which did not have a material impact, on our consolidated financial statements and related disclosures for the periods presented.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230), which requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The new guidance is effective for interim and annual periods beginning after December 15, 2017. We have adopted this standard, which did not have a material impact, on our consolidated financial statements and related disclosures for the periods presented.

In June 2018, the FASB issued ASU 2018-07, Compensation Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting . This amendment expands the scope of Topic 718, Compensation Stock Compensation (which currently only includes share-based payments to employees) to include share-based payments issued to nonemployees for goods or services. Consequently, the accounting for share-based payments to nonemployees and employees will be substantially aligned. ASU 2018-07 supersedes Subtopic 505-50, Equity Equity-Based Payments to Non-Employees and is effective for annual reporting periods, and the interim periods within those periods, beginning after December 15, 2018. We do not believe that ASU 2018-07 will have a material impact on our consolidated financial statements and disclosures.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework Changes to Disclosure Requirements for Fair Value Measurement , which is intended to improve the effectiveness of fair value measurement disclosures. The amendment, among other things, affects certain disclosure requirements related to transfers between level 1 and level 2 of the fair value hierarchy, and level 3

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fair value measurements as they relate to valuation process, unrealized gains and losses, measurement uncertainty, and significant unobservable inputs. The new guidance is effective for interim and annual periods beginning after December 15, 2019. Early adoption is permitted for any interim or annual period. We do not believe that ASU 2018-13 will have a material impact on our consolidated financial statements and disclosures.

In August 2018, the SEC issued Final Rule Release No. 33-10532 Disclosure Update and Simplification. This rule amends various SEC disclosure requirements that have been determined to be redundant, duplicative, overlapping, outdated, or superseded. The changes are generally expected to reduce or eliminate certain disclosures; however, the amendments did expand interim period disclosure requirements related to changes in stockholders equity. This final rule is effective on November 5, 2018. We do not believe that the adoption of this standard will have a material impact on our consolidated financial statements and disclosures.

Subsequent Events

Distribution Declaration

On October 24, 2018, our Board of Directors declared a cash distribution of $0.31 per share to be paid on November 19, 2018 to stockholders of record as of November 12, 2018. This distribution represents our fifty-third consecutive distribution since our initial public offering, bringing the total cumulative distribution to date to $14.95 per share.

In addition to the cash distribution, on October 24, 2018, our Board of Directors declared a supplemental distribution of $0.02 per share to be paid on November 19, 2018 to stockholders of record as of November 12, 2018. The total cumulative distribution to date, including the supplemental distribution, is $14.97 per share.

ATM Equity Program Issuances

We did not sell any shares subsequent to September 30, 2018 and as of November 6, 2018, under the Equity Distribution Agreement. As of November 6, 2018, approximately 5.4 million shares remain available for issuance and sale under the Equity Distribution Agreement.

2021 Asset-Backed Notes Repayment

In July 2018, changes in the payment schedule of obligors in the 2021 Asset-Backed Notes collateral pool triggered a rapid amortization event in accordance with the sale and servicing agreement for the 2021 Asset-Backed Notes. Due to this event, the 2021 Asset-Backed Notes were fully repaid as of October 16, 2018.

2027 Asset-Backed Notes

On November 1, 2018, we completed a term debt securitization in connection with which an affiliate of ours made an offering of $200,000,000 in aggregate principal amount of 2027 Asset-Backed Notes. The 2027 Asset-Backed Notes were rated A(sf) by KBRA.

The 2027 Asset-Backed Notes were issued by Hercules Capital Funding Trust 2018-1 pursuant to a note purchase agreement, dated as of October 25, 2018, by and among us, the 2018 Trust Depositor, the 2018 Securitization Issuer, and Guggenheim Securities, LLC, as Initial Purchaser, and are backed by a pool of senior loans made to certain portfolio companies of ours and secured by certain assets of those portfolio companies and are to be serviced by us. The outstanding principal balance of the pool of loans as of September 30, 2018 was approximately $284,761,977. Interest on the 2027 Asset-Backed Notes will be paid, to the extent of funds available, at a fixed rate of 4.605% per annum. The 2027 Asset-Backed Notes have a stated maturity of November 22, 2027.

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Portfolio Company Developments

As of November 6, 2018, we held warrants or equity positions in two companies that have filed registration statements in contemplation of potential initial public offerings, including:

- Stealth Bio Therapeutics filed a public registration with the Hong Kong Exchange (HKEX) in contemplation of a potential public offering.

- One portfolio company filed confidentially under the JOBS Act.

There can be no assurance that companies that have yet to complete their initial public offerings will do so in a timely manner or at all. Subsequent to September 30, 2018 and as of November 6, 2018, there were no companies that announced or completed liquidity events.

Quantitative and Qualitative Disclosures about Market Risk

We are subject to financial market risks, including changes in interest rates. Interest rate risk is defined as the sensitivity of our current and future earnings to interest rate volatility, variability of spread relationships, the difference in re-pricing intervals between our assets and liabilities and the effect that interest rates may have on our cash flows. Changes in interest rates may affect both our cost of funding and our interest income from portfolio investments, cash and cash equivalents and idle fund investments. Our investment income will be affected by changes in various interest rates, including LIBOR and Prime rates, to the extent our debt investments include variable interest rates. As of September 30, 2018, approximately 97.0% of the loans in our portfolio had variable rates based on floating Prime or LIBOR rates with a floor. Our borrowings under the Credit Facilities bear interest at a floating rate and the borrowings under our SBA debentures, 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, 2021 Asset-Backed Notes, and 2022 Convertible Notes bear interest at a fixed rate. Changes in interest rates can also affect, among other things, our ability to acquire and originate loans and securities and the value of our investment portfolio.

Based on our Consolidated Statement of Assets and Liabilities as of September 30, 2018, the following table shows the approximate annualized increase (decrease) in components of net assets resulting from operations of hypothetical base rate changes in interest rates, assuming no changes in our investments and borrowings.

(in thousands) Basis Point Change	Interest Income	Interest Expense	Net Income	EPS[1]
25	$ 4,303	$ 46	$ 4,257	$ 0.04
50	$ 7,921	$ 93	$ 7,828	$ 0.08
75	$ 11,720	$ 139	$ 11,581	$ 0.12
100	$ 15,518	$ 186	$ 15,332	$ 0.16
200	$ 31,188	$ 372	$ 30,816	$ 0.32
300	$ 45,681	$ 558	$ 45,123	$ 0.47

(1) Earnings per share impact calculated based on basic weighted average shares outstanding of 95,460.
We do not currently engage in any hedging activities. However, we may, in the future, hedge against interest rate fluctuations (and foreign currency) by using standard hedging instruments such as futures, options, and forward contracts. While hedging activities may insulate us against changes in interest rates (and foreign currency), they may also limit our ability to participate in the benefits of lower interest rates with respect to our borrowed funds and higher interest rates with respect to our portfolio of investments. During the nine months ended September 30, 2018, we did not engage in interest rate (or foreign currency) hedging activities.

Although we believe that the foregoing analysis is indicative of our sensitivity to interest rate changes, it does not adjust for potential changes in the credit market, credit quality, size and composition of the assets in our portfolio. It also does not adjust for other business developments, including borrowings under our SBA debentures, 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, 2021 Asset-Backed Notes, 2022 Convertible Notes and Credit Facilities that could affect the net increase in net assets resulting from operations, or net

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income. It also does not assume any repayments from borrowers. Accordingly, no assurances can be given that actual results would not differ materially from the statement above.

Because we currently borrow, and plan to borrow in the future, money to make investments, our net investment income is dependent upon the difference between the rate at which we borrow funds and the rate at which we invest the funds borrowed. Accordingly, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. In periods of rising interest rates, our cost of funds would increase, which could reduce our net investment income if there is not a corresponding increase in interest income generated by variable rate assets in our investment portfolio.

For additional information regarding the interest rate associated with each of our SBA debentures, 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, 2021 Asset-Backed Notes, 2022 Convertible Notes, and Credit Facilities, please refer to Management s Discussion and Analysis of Financial Condition and Results of Operations Financial Condition, Liquidity and Capital Resources Outstanding Borrowings and Note 4 Borrowings included in the notes to our consolidated financial statements appearing elsewhere in this prospectus supplement.

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SENIOR SECURITIES

Information about our senior securities is shown in the following table for the periods as of December 31, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, and 2008. The information as of December 31, 2017, 2016, 2015, 2014, 2013, 2012, 2011 and 2010 has been derived from our audited financial statements for these periods, which have been audited by PricewaterhouseCoopers LLP, our independent registered public accounting firm. The report of PricewaterhouseCoopers LLP on the senior securities table as of December 31, 2017 is attached as an exhibit to the registration statement of which this prospectus is a part. The N/A indicates information that the SEC expressly does not require to be disclosed for certain types of senior securities.

Class and Year	Total Amount Outstanding Exclusive of Treasury Securities[1]	Asset Coverage per Unit[2]	Average Market Value per Unit[3]
Securitized Credit Facility with Wells Fargo Capital Finance			
December 31, 2008	$ 89,582,000	$ 6,689	N/A
December 31, 2009[6]			N/A
December 31, 2010[6]			N/A
December 31, 2011	$ 10,186,830	$ 73,369	N/A
December 31, 2012[6]			N/A
December 31, 2013[6]			N/A
December 31, 2014[6]			N/A
December 31, 2015	$ 50,000,000	$ 26,352	N/A
December 31, 2016	$ 5,015,620	$ 290,234	N/A
December 31, 2017[6]			N/A
December 31, 2018 (as of September 30, 2018, unaudited)	$ 38,511,640	$ 47,081	N/A
Securitized Credit Facility with Union Bank, NA			
December 31, 2009[6]			N/A
December 31, 2010[6]			N/A
December 31, 2011[6]			N/A
December 31, 2012[6]			N/A
December 31, 2013[6]			N/A
December 31, 2014[6]			N/A
December 31, 2015[6]			N/A
December 31, 2016[6]			N/A
December 31, 2017[6]			N/A
December 31, 2018 (as of September 30, 2018, unaudited)	$ 42,381,906	$ 42,782	N/A
Small Business Administration Debentures (HT II)[4]			
December 31, 2008	$ 127,200,000	$ 4,711	N/A
December 31, 2009	$ 130,600,000	$ 3,806	N/A
December 31, 2010	$ 150,000,000	$ 3,942	N/A
December 31, 2011	$ 125,000,000	$ 5,979	N/A
December 31, 2012	$ 76,000,000	$ 14,786	N/A
December 31, 2013	$ 76,000,000	$ 16,075	N/A

December 31, 2014	$	41,200,000	$	31,535	N/A
December 31, 2015	$	41,200,000	$	31,981	N/A
December 31, 2016	$	41,200,000	$	35,333	N/A
December 31, 2017	$	41,200,000	$	39,814	N/A
December 31, 2018 (as of September 30, 2018, unaudited)					N/A
Small Business Administration Debentures (HT III)[5]					
December 31, 2010	$	20,000,000	$	29,564	N/A
December 31, 2011	$	100,000,000	$	7,474	N/A
December 31, 2012	$	149,000,000	$	7,542	N/A
December 31, 2013	$	149,000,000	$	8,199	N/A
December 31, 2014	$	149,000,000	$	8,720	N/A
December 31, 2015	$	149,000,000	$	8,843	N/A
December 31, 2016	$	149,000,000	$	9,770	N/A
December 31, 2017	$	149,000,000	$	11,009	N/A
December 31, 2018 (as of September 30, 2018, unaudited)	$	149,000,000	$	12,169	N/A

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Class and Year	Total Amount Outstanding Exclusive of Treasury Securities[(1)]	Asset Coverage per Unit[(2)]	Average Market Value per Unit[(3)]
2016 Convertible Notes			
December 31, 2011	$ 75,000,000	$ 10,623	$ 885
December 31, 2012	$ 75,000,000	$ 15,731	$ 1,038
December 31, 2013	$ 75,000,000	$ 16,847	$ 1,403
December 31, 2014	$ 17,674,000	$ 74,905	$ 1,290
December 31, 2015	$ 17,604,000	$ 74,847	$ 1,110
December 31, 2016			
April 2019 Notes			
December 31, 2012	$ 84,489,500	$ 13,300	$ 986
December 31, 2013	$ 84,489,500	$ 14,460	$ 1,021
December 31, 2014	$ 84,489,500	$ 15,377	$ 1,023
December 31, 2015	$ 64,489,500	$ 20,431	$ 1,017
December 31, 2016	$ 64,489,500	$ 22,573	$ 1,022
December 31, 2017			
September 2019 Notes			
December 31, 2012	$ 85,875,000	$ 13,086	$ 1,003
December 31, 2013	$ 85,875,000	$ 14,227	$ 1,016
December 31, 2014	$ 85,875,000	$ 15,129	$ 1,026
December 31, 2015	$ 45,875,000	$ 28,722	$ 1,009
December 31, 2016	$ 45,875,000	$ 31,732	$ 1,023
December 31, 2017			
2024 Notes			
December 31, 2014	$ 103,000,000	$ 12,614	$ 1,010
December 31, 2015	$ 103,000,000	$ 12,792	$ 1,014
December 31, 2016	$ 252,873,175	$ 5,757	$ 1,016
December 31, 2017	$ 183,509,600	$ 8,939	$ 1,025
December 31, 2018 (as of September 30, 2018, unaudited)	$ 83,509,600	$ 21,712	$ 1,011
2025 Notes			
December 31, 2018 (as of September 30, 2018, unaudited)	$ 75,000,000	$ 24,176	$ 968
2033 Notes			
December 31, 2018 (as of September 30, 2018, unaudited)	$ 40,000,000	$ 45,329	$ 964
2017 Asset-Backed Notes			
December 31, 2012	$ 129,300,000	$ 8,691	$ 1,000
December 31, 2013	$ 89,556,972	$ 13,642	$ 1,004
December 31, 2014	$ 16,049,144	$ 80,953	$ 1,375
December 31, 2015			
2021 Asset-Backed Notes			
December 31, 2014	$ 129,300,000	$ 10,048	$ 1,000
December 31, 2015	$ 129,300,000	$ 10,190	$ 996

December 31, 2016	$	109,205,263	$	13,330	$	1,002
December 31, 2017	$	49,152,504	$	33,372	$	1,001
December 31, 2018 (as of September 30, 2018, unaudited)	$	3,515,411	$	515,779	$	1,000
2022 Convertible Notes						
December 31, 2017	$	230,000,000	$	7,132	$	1,028
December 31, 2018 (as of September 30, 2018, unaudited)	$	230,000,000	$	7,883	$	969
2022 Notes						
December 31, 2017	$	150,000,000	$	10,935	$	1,014
December 31, 2018 (as of September 30, 2018, unaudited)	$	150,000,000	$	12,088	$	962
Total Senior Securities(7)						
December 31, 2008	$	216,782,000	$	2,764		N/A
December 31, 2009	$	130,600,000	$	3,806		N/A
December 31, 2010	$	170,000,000	$	3,478		N/A
December 31, 2011	$	310,186,830	$	2,409		N/A
December 31, 2012	$	599,664,500	$	1,874		N/A
December 31, 2013	$	559,921,472	$	2,182		N/A
December 31, 2014	$	626,587,644	$	2,073		N/A
December 31, 2015	$	600,468,500	$	2,194		N/A
December 31, 2016	$	667,658,558	$	2,180		N/A
December 31, 2017	$	802,862,104	$	2,043		N/A
December 31, 2018 (as of September 30, 2018, unaudited)	$	811,918,557	$	2,233		N/A

(1) Total amount of each class of senior securities outstanding at the end of the period presented.

(2) The asset coverage ratio for a class of senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, including senior securities not subject to asset coverage requirements

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under the 1940 Act due to exemptive relief from the SEC, divided by senior securities representing indebtedness. This asset coverage ratio is multiplied by $1,000 to determine the Asset Coverage per Unit.

(3) Not applicable because senior securities are not registered for public trading.

(4) Issued by HT II, one of our prior SBIC subsidiaries, to the SBA. On July 13, 2018, we completed repayment of the remaining outstanding HT II debentures and subsequently surrendered the SBA license with respect to HT II. These categories of senior securities were not subject to the asset coverage requirements of the 1940 Act as a result of exemptive relief granted to us by the SEC.

(5) Issued by HT III, our SBIC subsidiary, to the SBA. These categories of senior securities were not subject to the asset coverage requirements of the 1940 Act as a result of exemptive relief granted to us by the SEC.

(6) The Company s Wells Facility and Union Bank Facility had no borrowings outstanding during the periods noted above.

(7) The total senior securities and Asset Coverage per Unit shown for those securities do not represent the asset coverage ratio requirement under the 1940 Act because the presentation includes senior securities not subject to the asset coverage requirements of the 1940 Act as a result of exemptive relief granted to us by the SEC. As of September 30, 2018, our asset coverage ratio under our regulatory requirements as a business development company was 251.0% excluding our SBA debentures as a result of our exemptive order from the SEC which allows us to exclude all SBA leverage from our asset coverage ratio.

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MANAGEMENT

On August 16, 2018, Gerard R. Waldt, Jr., Controller and Interim Chief Accounting Officer, tendered his resignation from the Company. Mr. Waldt s resignation was not a result of any disagreement with the Company on any matter relating to the Company s operations, policies or practices. David Lund, the Company s current Interim Chief Financial Officer, assumed the duties of Interim Chief Accounting Officer effective as of August 23, 2018. The resignation of Mr. Waldt was effective on September 7, 2018.

LEGAL MATTERS

Certain legal matters in connection with the securities offered hereby will be passed upon for us by Dechert LLP, New York, NY. Certain legal matters in connection with the securities offered hereby will be passed upon for JMP Securities by Skadden, Arps, Slate, Meagher & Flom LLP.

EXPERTS

The consolidated financial statements as of December 31, 2017 and 2016 and for each of the three years in the period ended December 31, 2017 and management s assessment of the effectiveness of internal control over financial reporting (which is included in Management s Annual Report on Internal Control over Financial Reporting) as of December 31, 2017 included in the accompanying prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

AVAILABLE INFORMATION

We have filed with the SEC a registration statement on Form N-2, together with all amendments and related exhibits, under the Securities Act, with respect to our securities offered by this prospectus supplement and the accompanying prospectus. The registration statement contains additional information about us and our securities being offered by this prospectus supplement and the accompanying prospectus.

We file annual, quarterly and current periodic reports, proxy statements and other information with the SEC under the Exchange Act. You may inspect and copy these reports, proxy statements and other information, as well as the registration statement of which this prospectus supplement and accompanying prospectus form a part and the related exhibits and schedules, at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549-0102. You may obtain information on the operation of the Public Reference Room by calling the SEC at 202-551-8090. The SEC maintains an Internet website that contains reports, proxy and information statements and other information filed electronically by us with the SEC which are available on the SEC s Internet website at http://www.sec.gov. Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following E-mail address: publicinfo@sec.gov, or by writing the SEC s Public Reference Section, Washington, D.C. 20549-0102.

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HERCULES CAPITAL, INC.

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(unaudited)

(dollars in thousands, except per share data)

	September 30, 2018	December 31, 2017
Assets		
Investments:		
Non-control/Non-affiliate investments (cost of $1,663,658 and $1,506,454, respectively)	$ 1,670,034	$ 1,491,458
Control investments (cost of $64,630 and $25,419, respectively)	62,387	19,461
Affiliate investments (cost of $84,821 and $87,956, respectively)	28,095	31,295
Total investments in securities, at value (cost of $1,813,109 and $1,619,829, respectively)	1,760,516	1,542,214
Cash and cash equivalents	43,212	91,309
Restricted cash	2,429	3,686
Interest receivable	15,722	12,262
Other assets	1,175	5,244
Total assets	$ 1,823,054	$ 1,654,715
Liabilities		
Accounts payable and accrued liabilities	$ 21,473	$ 26,896
SBA Debentures, net (principal of $149,000 and $190,200, respectively)(1)	147,527	188,141
2022 Notes, net (principal of $150,000 and $150,000, respectively)(1)	147,859	147,572
2024 Notes, net (principal of $83,510 and $183,510, respectively)(1)	81,791	179,001
2025 Notes, net (principal of $75,000 and $0, respectively)(1)	72,495	
2033 Notes, net (principal of $40,000 and $0, respectively)(1)	38,752	
2021 Asset-Backed Notes, net (principal of $3,515 and $49,153, respectively)(1)	3,423	48,650
2022 Convertible Notes, net (principal of $230,000 and $230,000, respectively)(1)	224,660	223,488
Credit Facilities	80,894	
Total liabilities	$ 818,874	$ 813,748
Net assets consist of:		

Common stock, par value		96		85
Capital in excess of par value		1,060,875		908,501
Unrealized appreciation (depreciation) on investments[2]		(53,784)		(79,760)
Accumulated undistributed realized gains (losses) on investments		(30,855)		(20,374)
Undistributed net investment income		27,848		32,515
Total net assets	$	1,004,180	$	840,967
Total liabilities and net assets	$	1,823,054	$	1,654,715
Shares of common stock outstanding ($0.001 par value, 200,000,000 authorized)		96,751		84,424
Net asset value per share	$	10.38	$	9.96

(1) The Company s SBA Debentures, 2022 Notes, 2024 Notes, 2025 Notes, 2033 Notes, 2021 Asset-Backed Notes and 2022 Convertible Notes, as each term is defined herein, are presented net of the associated debt issuance costs for each instrument. See Note 4 Borrowings .

(2) Amounts include $1.2 million and $2.1 million in net unrealized depreciation on other assets and accrued liabilities, including escrow receivables, and estimated taxes payable as of September 30, 2018 and December 31, 2017, respectively.

See notes to consolidated financial statements.

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

(Dollars in thousands)	September 30, 2018		December 31, 2017	
Assets				
Restricted Cash	$	2,429	$	3,686
Total investments in securities, at value (cost of $86,070 and $146,208, respectively)		85,965		144,513
Total assets	$	88,394	$	148,199
Liabilities				
2021 Asset-Backed Notes, net (principal of $3,515 and $49,153, respectively)(1)	$	3,423	$	48,650
Total liabilities	$	3,423	$	48,650

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

See notes to consolidated financial statements.

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HERCULES CAPITAL, INC.

CONSOLIDATED STATEMENT OF OPERATIONS

(unaudited)

(in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	**2017**	**2018**	**2017**
Investment income:				
Interest income				
Non-control/Non-affiliate investments	$ 47,662	$ 41,725	$ 134,031	$ 124,049
Control investments	921	464	2,348	1,505
Affiliate investments	509	246	1,570	248
Total interest income	49,092	42,435	137,949	125,802
Fee income				
Commitment, facility and loan fee income:				
Non-control/Non-affiliate investments	1,858	2,239	6,228	7,613
Control investments	1	1	1	11
Affiliate investments	71	2	263	2
Total commitment, facility and loan fee income	1,930	2,242	6,492	7,626
One-time fee income:				
Non-control/Non-affiliate investments	1,580	1,188	6,423	7,254
Total one-time fee income	1,580	1,188	6,423	7,254
Total fee income	3,510	3,430	12,915	14,880
Total investment income	52,602	45,865	150,864	140,682
Operating expenses:				
Interest	9,451	9,185	28,715	28,046
Loan fees	1,502	1,314	6,039	5,500
General and administrative				
Legal Expenses	677	925	1,889	3,792
Other Expenses	3,044	2,623	9,515	8,570
Total general and administrative	3,721	3,548	11,404	12,362

Employee compensation:				
Compensation and benefits	5,294	6,014	18,069	17,276
Stock-based compensation	3,332	1,831	8,498	5,573
Total employee compensation	8,626	7,845	26,567	22,849
Total operating expenses	23,300	21,892	72,725	68,757
Net investment income	29,302	23,973	78,139	71,925
Net realized gain (loss) on investments				
Non-control/Non-affiliate investments	3,350	(8,911)	(4,115)	(10,940)
Control investments		(15,543)	(4,308)	(15,989)
Affiliate investments			(2,058)	
Total net realized gain (loss) on investments	3,350	(24,454)	(10,481)	(26,929)
Net change in unrealized appreciation (depreciation) on investments				
Non-control/Non-affiliate investments	3,967	11,320	22,327	45,420
Control investments	378	17,624	3,715	17,703
Affiliate investments	(1,368)	4,609	(66)	(47,486)
Total net unrealized appreciation (depreciation) on investments	2,977	33,553	25,976	15,637
Total net realized and unrealized gain (loss)	6,327	9,099	15,495	(11,292)
Net increase (decrease) in net assets resulting from operations	$ 35,629	$ 33,072	$ 93,634	$ 60,633
Net investment income before investment gains and losses per common share:				
Basic	$ 0.31	$ 0.29	$ 0.87	$ 0.87
Change in net assets resulting from operations per common share:				
Basic	$ 0.37	$ 0.40	$ 1.04	$ 0.73
Diluted	$ 0.37	$ 0.40	$ 1.04	$ 0.73
Weighted average shares outstanding				
Basic	95,460	82,496	89,100	82,073
Diluted	95,671	82,607	89,212	82,173
Distributions declared per common share:				
Basic	$ 0.31	$ 0.31	$ 0.93	$ 0.93

See notes to consolidated financial statements.

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HERCULES CAPITAL, INC.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(unaudited)

(dollars and shares in thousands)

	Common Stock Shares	Common Stock Par Value	Capital in excess of par value	Unrealized Appreciation (Depreciation) on Investments	Accumulated Undistributed Realized Gains (Losses) on Investments	Undistributed Net Investment Income	Net Assets
Balance at December 31, 2016	79,555	$ 80	$ 839,657	$ (89,025)	$ 14,314	$ 22,918	$ 787,944
Net increase (decrease) in net assets resulting from operations				15,637	(26,929)	71,925	60,633
Public offering, net of offering expenses	4,077	4	56,330				56,334
Issuance of common stock due to stock option exercises	46		213				213
Retired shares from net issuance	(18)		(172)				(172)
Issuance of common stock under restricted stock plan	10						
Retired shares for restricted stock vesting	(187)		(2,483)				(2,483)
Distributions reinvested in common stock	132		1,780				1,780
Issuance of Convertible Notes			3,413				3,413
Distributions					(14,893)	(62,104)	(76,997)
Stock-based compensation[(1)]			5,619				5,619
Balance at September 30, 2017	83,615	$ 84	$ 904,357	$ (73,388)	$ (27,508)	$ 32,739	$ 836,284
Balance at December 31, 2017	84,424	$ 85	$ 908,501	$ (79,760)	$ (20,374)	$ 32,515	$ 840,967

Net increase (decrease) in net assets resulting from operations				25,976	(10,481)	78,139	93,634
Public offering, net of offering expenses	11,953	11	143,787				143,798
Issuance of common stock due to stock option exercises	63		704				704
Retired shares from net issuance	(57)		(718)				(718)
Issuance of common stock under restricted stock plan	336						
Retired shares for restricted stock vesting	(76)		(937)				(937)
Distributions reinvested in common stock	108		1,372				1,372
Distributions						(82,806)	(82,806)
Stock-based compensation[1]			8,166				8,166
Balance at September 30, 2018	96,751	$ 96	$ 1,060,875	$ (53,784)	$ (30,855)	$ 27,848	$ 1,004,180

(1) Stock-based compensation includes $33 and $46 of restricted stock and option expense related to director compensation for the nine months ended September 30, 2018 and 2017, respectively.

See notes to consolidated financial statements.

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HERCULES CAPITAL, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

(dollars in thousands)

	For the Nine Months Ended September 30,	
	2018	2017
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations	$ 93,634	$ 60,633
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Purchase of investments	(706,113)	(487,321)
Principal and fee payments received on investments	503,971	486,985
Proceeds from the sale of investments	17,521	21,945
Net unrealized depreciation (appreciation) on investments	(25,976)	(15,637)
Net realized loss (gain) on investments	10,481	26,929
Accretion of paid-in-kind principal	(7,040)	(7,078)
Accretion of loan discounts	(2,961)	(5,242)
Accretion of loan discount on Convertible Notes	504	448
Accretion of loan exit fees	(12,482)	(14,413)
Change in deferred loan origination revenue	3,472	1,083
Unearned fees related to unfunded commitments	1,908	441
Amortization of debt fees and issuance costs	5,197	4,534
Depreciation	147	153
Stock-based compensation and amortization of restricted stock grants(1)	8,166	5,619
Change in operating assets and liabilities:		
Interest and fees receivable	(3,460)	1,107
Prepaid expenses and other assets	2,141	(1,100)
Accounts payable	(187)	
Accrued liabilities	(4,282)	(2,457)
Net cash provided by (used in) operating activities	(115,359)	76,629
Cash flows from investing activities:		
Purchases of capital equipment	(325)	(127)
Net cash provided by (used in) investing activities	(325)	(127)
Cash flows from financing activities:		
Issuance of common stock, net	143,498	56,334
Retirement of employee shares	(651)	(2,442)
Distributions paid	(81,434)	(75,217)

Issuance of 2022 Convertible Notes		230,000
Issuance of 2024 Notes		5,637
Issuance of 2025 Notes	75,000	
Issuance of 2033 Notes	40,000	
Repayments of 2019 Notes		(110,364)
Repayments of 2024 Notes	(100,000)	
Repayments of 2021 Asset-Backed Notes	(45,637)	(43,729)
Repayments of Long-Term SBA Debentures	(41,200)	
Borrowings of credit facilities	216,109	8,497
Repayments of credit facilities	(135,216)	(13,513)
Cash paid for debt issuance costs	(3,978)	(4,662)
Fees paid for credit facilities and debentures	(161)	(28)
Net cash provided by (used in) financing activities	66,330	50,513
Net increase (decrease) in cash, cash equivalents and restricted cash	(49,354)	127,015
Cash, cash equivalents and restricted cash at beginning of period	94,995	21,366
Cash, cash equivalents and restricted cash at end of period	$ 45,641	$ 148,381
Supplemental non-cash investing and financing activities:		
Distributions reinvested	1,372	1,780

(1) Stock-based compensation includes $33 and $46 of restricted stock and option expense related to director compensation for the nine months ended September 30, 2018 and 2017, respectively.

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The following table presents a reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Statement of Assets and Liabilities that sum to the total of the same such amounts in the Consolidated Statement of Cash Flows:

(Dollars in thousands)	For the Nine Months Ended September 30, 2018	2017
Cash and cash equivalents	$ 43,212	$ 140,568
Restricted cash	2,429	7,813
Total cash, cash equivalents and restricted cash presented in the Consolidated Statements of Cash Flows	$ 45,641	$ 148,381

See Note 2 Summary of Significant Accounting Policies and Note 11- Recent Accounting Pronouncements for a description of restricted cash and cash equivalents.

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Portfolio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor[2]	Principal Amount	Cost[3]	Value[4]
Debt Investments							
Biotechnology Tools							
Under 1 Year Maturity							
Exicure, Inc.[12]	Biotechnology Tools	Senior Secured	September 2019	Interest rate PRIME + 6.45% or Floor rate of 9.95%, 3.85% Exit Fee	$ 4,999	$ 5,171	$ 5,171
Subtotal: Under 1 Year Maturity						5,171	5,171
Subtotal: Biotechnology Tools (0.51%)*						5,171	5,171
Consumer & Business Products							
1-5 Years Maturity							
WHOOP, INC.[12]	Consumer & Business Products	Senior Secured	July 2021	Interest rate PRIME + 3.75% or Floor rate of 8.50%, 6.95% Exit Fee	$ 6,000	5,970	5,970
Subtotal: 1-5 Years Maturity						5,970	5,970
Subtotal: Consumer & Business Products (0.59%)*						5,970	5,970
Diversified Financial Services							
1-5 Years Maturity							
Gibraltar Business Capital, LLC[7]	Diversified Financial Services	Unsecured	March 2023	Interest rate FIXED 14.50%	$ 15,000	14,718	14,865

Subtotal: 1-5 Years Maturity						14,718	14,865
Subtotal: Diversified Financial Services (1.48%)*						14,718	14,865
Drug Delivery							
Under 1 Year Maturity							
Agile Therapeutics, Inc.(11)	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 4.75% or Floor rate of 9.00%, 3.70% Exit Fee	$ 5,939	6,523	6,523
Subtotal: Under 1 Year Maturity						6,523	6,523
1-5 Years Maturity							
AcelRx Pharmaceuticals, Inc.(11)	Drug Delivery	Senior Secured	March 2020	Interest rate PRIME + 6.05% or Floor rate of 9.55%, 11.69% Exit Fee	$ 12,943	13,786	13,733
Antares Pharma Inc.(10)(15)	Drug Delivery	Senior Secured	July 2022	Interest rate PRIME + 4.50% or Floor rate of 9.25%, 4.25% Exit Fee	$ 25,000	25,233	25,304
Subtotal: 1-5 Years Maturity						39,019	39,037
Subtotal: Drug Delivery (4.54%)*						45,542	45,560
Drug Discovery & Development							
Under 1 Year Maturity							
Auris Medical Holding, AG(5)(10)	Drug Discovery & Development	Senior Secured	February 2019	Interest rate PRIME + 6.05% or Floor rate of 9.55%, 5.75% Exit Fee	$ 1,527	2,209	2,209
Brickell Biotech, Inc.(12)	Drug Discovery & Development	Senior Secured	September 2019	Interest rate PRIME + 5.70% or Floor rate of 9.20%, 7.82% Exit Fee	$ 5,581	5,996	5,996
Epirus Biopharmaceuticals, Inc.(8)	Drug Discovery & Development	Senior Secured	December 2018	Interest rate PRIME + 4.70% or Floor rate of 7.95%, 3.00% Exit Fee	$ 2,277	2,561	65
Subtotal: Under 1 Year Maturity						10,766	8,270

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Portfolio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor[2]	Principal Amount	Cost[3]	Value[4]
1-5 Years Maturity							
Acacia Pharma Inc.[10]	Drug Discovery & Development	Senior Secured	January 2022	Interest rate PRIME + 4.50% or Floor rate of 9.25%, 3.95% Exit Fee	$ 10,000	$ 9,815	$ 9,815
Aveo Pharmaceuticals, Inc.[10][13]	Drug Discovery & Development	Senior Secured	July 2021	Interest rate PRIME + 4.70% or Floor rate of 9.45%, 5.40% Exit Fee	$ 10,000	10,053	9,954
	Drug Discovery & Development	Senior Secured	July 2021	Interest rate PRIME + 4.70% or Floor rate of 9.45%, 3.00% Exit Fee	$ 10,000	10,144	10,123
Total Aveo Pharmaceuticals, Inc.					$ 20,000	20,197	20,077
Axovant Sciences Ltd.[5][10][16]	Drug Discovery & Development	Senior Secured	March 2021	Interest rate PRIME + 6.80% or Floor rate of 10.55%	$ 55,000	54,107	54,262
BridgeBio Pharma LLC[13]	Drug Discovery & Development	Senior Secured	January 2022	Interest rate PRIME + 4.35% or Floor rate of 9.35%, 6.35% Exit Fee	$ 35,000	34,850	34,850
Chemocentryx, Inc.[10][15][17]	Drug Discovery & Development	Senior Secured	December 2021	Interest rate PRIME + 3.30% or Floor rate of 8.05%, 6.25% Exit Fee	$ 15,000	14,976	14,990

Genocea Biosciences, Inc.(11)	Drug Discovery & Development	Senior Secured	May 2021	Interest rate PRIME + 2.75% or Floor rate of 7.75%, 10.12% Exit Fee	$ 14,000	14,762	14,767
Merrimack Pharmaceuticals, Inc.(12)	Drug Discovery & Development	Senior Secured	August 2021	Interest rate PRIME + 4.00% or Floor rate of 9.25%, 5.55% Exit Fee	$ 15,000	14,928	14,928
Mesoblast(5)(10)	Drug Discovery & Development	Senior Secured	March 2022	Interest rate PRIME + 4.95% or Floor rate of 9.45%, 6.95% Exit Fee	$ 35,000	35,116	35,519
Metuchen Pharmaceuticals LLC(14)	Drug Discovery & Development	Senior Secured	October 2020	Interest rate PRIME + 7.25% or Floor rate of 10.75%, PIK Interest 1.35%, 2.25% Exit Fee	$ 19,902	20,508	20,480
Motif BioSciences Inc.(5)(10)(15)	Drug Discovery & Development	Senior Secured	September 2021	Interest rate PRIME + 5.50% or Floor rate of 10.00%, 2.15% Exit Fee	$ 15,000	14,839	14,787
Myovant Sciences, Ltd.(5)(10)(13)	Drug Discovery & Development	Senior Secured	November 2021	Interest rate PRIME + 4.00% or Floor rate of 8.25%, 6.55% Exit Fee	$ 40,000	40,050	39,638
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.)(10)(15)(16)	Drug Discovery & Development	Senior Secured	September 2020	Interest rate PRIME + 2.75% or Floor rate of 8.50%, 4.50% Exit Fee	$ 40,000	40,776	40,383
	Drug Discovery & Development	Senior Secured	September 2020	Interest rate PRIME + 2.75% or Floor rate of 8.50%, 4.50% Exit Fee	$ 10,000	10,210	10,096
	Drug Discovery & Development	Senior Secured	September 2020	Interest rate PRIME + 2.75% or Floor rate of 8.50%, 2.25% Exit Fee	$ 10,000	10,064	9,980
	Drug Discovery & Development	Senior Secured	August 2022	Interest rate PRIME + 2.10%	$ 10,000	9,959	9,959

				or Floor rate of 7.85%, 6.95% Exit Fee			
Total Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.)					$ 70,000	71,009	70,418
Stealth Bio Therapeutics Corp.(5)(10)(12)	Drug Discovery & Development	Senior Secured	January 2021	Interest rate PRIME + 5.50%			
				or Floor rate of 9.50%, 6.00% Exit Fee	$ 20,000	20,253	20,059
Tricida, Inc.(15)(17)	Drug Discovery & Development	Senior Secured	March 2022	Interest rate PRIME + 3.35%			
				or Floor rate of 8.35%, 11.14% Exit Fee	$ 25,000	25,132	25,096

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Portfolio Company	Sub-Industry	Type of Investment(1)	Maturity Date	Interest Rate and Floor(2)	Principal Amount	Cost(3)	Value(4)
uniQure B.V.(5)(10)(11)	Drug Discovery & Development	Senior Secured	May 2020	Interest rate PRIME + 3.00% or Floor rate of 8.25%, 5.48% Exit Fee	$ 20,000	$ 20,608	$ 20,551
Verastem, Inc.(12)	Drug Discovery & Development	Senior Secured	December 2020	Interest rate PRIME + 6.00% or Floor rate of 10.50%, 4.50% Exit Fee	$ 5,000	5,031	5,026
	Drug Discovery & Development	Senior Secured	December 2020	Interest rate PRIME + 6.00% or Floor rate of 10.50%, 4.50% Exit Fee	$ 5,000	5,059	5,054
	Drug Discovery & Development	Senior Secured	December 2020	Interest rate PRIME + 6.00% or Floor rate of 10.50%, 4.50% Exit Fee	$ 5,000	5,030	5,023
	Drug Discovery & Development	Senior Secured	December 2020	Interest rate PRIME + 6.00% or Floor rate of 10.50%, 4.50% Exit Fee	$ 10,000	9,967	9,888
Total Verastem, Inc.					$ 25,000	25,087	24,991
Subtotal: 1-5 Years Maturity						436,237	435,228
Subtotal: Drug Discovery & Development (44.17%)*						447,003	443,498

Electronics & Computer Hardware							
1-5 Years Maturity							
908 DEVICES INC.[15]	Electronics & Computer Hardware	Senior Secured	September 2020	Interest rate PRIME + 4.00% or Floor rate of 8.25%, 4.25% Exit Fee	$ 10,000	10,080	10,099
Glo AB[5][10][13][14]	Electronics & Computer Hardware	Senior Secured	February 2021	Interest rate PRIME + 6.20% or Floor rate of 10.45%, PIK Interest 1.75%, 2.95% Exit Fee	$ 12,138	12,153	12,214
Subtotal: 1-5 Years Maturity						22,233	22,313
Subtotal: Electronics & Computer Hardware (2.22%)*						22,233	22,313
Healthcare Services, Other							
1-5 Years Maturity							
Medsphere Systems Corporation[14][15]	Healthcare Services, Other	Senior Secured	February 2021	Interest rate PRIME + 4.75% or Floor rate of 9.00%, PIK Interest 1.75%	$ 20,346	20,211	20,116
	Healthcare Services, Other	Senior Secured	February 2021	Interest rate PRIME + 4.75% or Floor rate of 9.00%, PIK Interest 1.75%	$ 5,076	5,047	5,020
Total Medsphere Systems Corporation					$ 25,422	25,258	25,136
Oak Street Health[12]	Healthcare Services, Other	Senior Secured	September 2021	Interest rate PRIME + 5.00% or Floor rate of 9.75%, 5.95% Exit Fee	$ 30,000	30,320	30,127
PH Group Holdings[13]	Healthcare Services, Other	Senior Secured	September 2020	Interest rate PRIME + 7.45% or Floor rate of 10.95%	$ 20,000	19,929	19,946
	Healthcare Services, Other	Senior Secured	September 2020	Interest rate PRIME + 7.45% or Floor rate of 10.95%	$ 10,000	9,955	9,931
Total PH Group Holdings					$ 30,000	29,884	29,877

Subtotal: 1-5 Years Maturity						85,462	85,140
Subtotal: Healthcare Services, Other (8.48%)*						85,462	85,140
Information Services							
1-5 Years Maturity							
MDX Medical, Inc.(14)(15)(19)	Information Services	Senior Secured	December 2020	Interest rate PRIME + 4.00% or Floor rate of 8.25%, PIK Interest 1.70%	$ 15,223	14,921	14,864
Subtotal: 1-5 Years Maturity						14,921	14,864
Subtotal: Information Services (1.48%)*						14,921	14,864

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Internet Consumer & Business Services							
Under 1 Year Maturity							
The Faction Group LLC	Internet Consumer & Business Services	Senior Secured	January 2019	Interest rate PRIME + 4.75% or Floor rate of 8.25%	$ 2,000	$ 2,000	$ 2,000
Subtotal: Under 1 Year Maturity						2,000	2,000
1-5 Years Maturity							
AppDirect, Inc.[13][19]	Internet Consumer & Business Services	Senior Secured	January 2022	Interest rate PRIME + 5.70% or Floor rate of 9.95%, 3.45% Exit Fee	$ 20,000	19,932	19,953
Art.com, Inc.[12][14][15]	Internet Consumer & Business Services	Senior Secured	April 2021	Interest rate PRIME + 5.40% or Floor rate of 10.15%, PIK Interest 1.70%, 1.50% Exit Fee	$ 10,074	9,946	9,926
Cloudpay, Inc.[5][10]	Internet Consumer & Business Services	Senior Secured	April 2022	Interest rate PRIME + 4.05% or Floor rate of 8.55%, 6.95% Exit Fee	$ 11,000	10,949	10,949
EverFi, Inc.[14][16]	Internet Consumer & Business Services	Senior Secured	May 2022	Interest rate PRIME + 3.90% or Floor rate of 8.65%,	$ 50,410	50,365	50,365

				PIK Interest 2.30%			
First Insight, Inc.(15)(17)	Internet Consumer & Business Services	Senior Secured	November 2021	Interest rate PRIME + 6.25% or Floor rate of 11.25%	$ 6,000	5,887	5,887
Greenphire, Inc.(17)	Internet Consumer & Business Services	Senior Secured	January 2021	Interest rate 3-month LIBOR + 8.00% or Floor rate of 9.00%	$ 3,125	3,125	3,129
	Internet Consumer & Business Services	Senior Secured	January 2021	Interest rate PRIME + 3.75% or Floor rate of 7.00%	$ 1,500	1,500	1,500
Total Greenphire, Inc.					$ 4,625	4,625	4,629
Intent Media, Inc.(12)(17)	Internet Consumer & Business Services	Senior Secured	September 2021	Interest rate PRIME + 5.13% or Floor rate of 10.125%, 2.00% Exit Fee	$ 9,200	9,210	9,286
Interactions Corporation(19)	Internet Consumer & Business Services	Senior Secured	March 2021	Interest rate 3-month LIBOR + 8.60% or Floor rate of 9.85%, 1.75% Exit Fee	$ 25,000	25,073	25,205
LogicSource	Internet Consumer & Business Services	Senior Secured	October 2019	Interest rate PRIME + 6.25% or Floor rate of 9.75%, 5.00% Exit Fee	$ 3,972	4,331	4,334
Postmates, Inc.(17)(19)	Internet Consumer & Business Services	Senior Secured	September 2022	Interest rate PRIME + 3.85% or Floor rate of 8.85%, 8.05% Exit Fee	$ 20,000	19,516	19,516
RumbleON, Inc.	Internet Consumer & Business Services	Senior Secured	May 2021	Interest rate PRIME + 5.75% or Floor rate of 10.25%, 4.55% Exit Fee	$ 5,000	4,984	4,984
Snagajob.com, Inc.(13)(14)	Internet Consumer & Business Services	Senior Secured	July 2020	Interest rate PRIME + 5.15% or Floor rate of 9.15%, PIK Interest 1.95%, 2.55% Exit Fee	$ 41,635	41,773	41,890
	Internet Consumer & Business Services	Senior Secured	July 2020	Interest rate PRIME + 5.65% or Floor rate of 10.65%,	$ 5,008	4,778	4,778

	PIK Interest 1.95%, 2.55% Exit Fee			
Total Snagajob.com, Inc.		$ 46,643	46,551	46,668

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Portfolio Company	Sub-Industry	Type of Investment(1)	Maturity Date	Interest Rate and Floor(2)	Principal Amount	Cost(3)	Value(4)
Tectura Corporation(7)(8)(9)(14)	Internet Consumer & Business Services	Senior Secured	June 2021	Interest rate FIXED 6.00%, PIK Interest 3.00%	$ 20,766	$ 20,766	$ 19,672
	Internet Consumer & Business Services	Senior Secured	June 2021	PIK Interest 8.00%	$ 10,680	240	
Total Tectura Corporation					$ 31,446	21,006	19,672
The Faction Group LLC	Internet Consumer & Business Services	Senior Secured	January 2021	Interest rate 3-month LIBOR + 9.25% or Floor rate of 10.25%	$ 7,467	7,467	7,482
Wheels Up Partners LLC	Internet Consumer & Business Services	Senior Secured	July 2022	Interest rate 3-month LIBOR + 8.55% or Floor rate of 9.55%	$ 20,980	20,799	20,805
Xometry, Inc.(17)(19)	Internet Consumer & Business Services	Senior Secured	November 2021	Interest rate PRIME + 3.95% or Floor rate of 8.45%, 7.45% Exit Fee	$ 7,000	6,996	6,996
Subtotal: 1-5 Years Maturity						267,637	266,657
Subtotal: Internet Consumer & Business Services (26.75%)*						269,637	268,657
Media/Content/Info							
1-5 Years Maturity							
Bustle(14)(15)	Media/Content/Info	Senior Secured	June 2021	Interest rate PRIME + 4.10% or Floor rate of 8.35%,	$ 15,240	15,234	15,364

				PIK Interest 1.95%, 1.95% Exit Fee			
Subtotal: 1-5 Years Maturity						15,234	15,364
Subtotal: Media/Content/Info (1.53%)*						15,234	15,364
Medical Devices & Equipment							
Under 1 Year Maturity							
Aspire Bariatrics, Inc.(15)	Medical Devices & Equipment	Senior Secured	December 2018	Interest rate PRIME + 4.00% or Floor rate of 9.25%, 6.85% Exit Fee	$ 1,793	2,273	808
Micell Technologies, Inc.(12)	Medical Devices & Equipment	Senior Secured	August 2019	Interest rate PRIME + 7.25% or Floor rate of 10.50%, 5.00% Exit Fee	$ 3,146	3,524	3,524
Subtotal: Under 1 Year Maturity						5,797	4,332
1-5 Years Maturity							
Flowonix Medical, Inc.	Medical Devices & Equipment	Senior Secured	October 2021	Interest rate PRIME + 4.00% or Floor rate of 9.00%, 7.95% Exit Fee	$ 15,000	14,480	14,480
Intuity Medical, Inc.(15)	Medical Devices & Equipment	Senior Secured	June 2021	Interest rate PRIME + 5.00% or Floor rate of 9.25%, 4.95% Exit Fee	$ 17,500	17,375	17,402
Quanta Fluid Solutions(5)(10)(11)	Medical Devices & Equipment	Senior Secured	April 2020	Interest rate PRIME + 8.05% or Floor rate of 11.55%, 5.00% Exit Fee	$ 6,853	7,327	7,266
Quanterix Corporation(11)	Medical Devices & Equipment	Senior Secured	March 2020	Interest rate PRIME + 2.75% or Floor rate of 8.00%, 0.58% Exit Fee	$ 7,688	7,635	7,635
Rapid Micro Biosystems, Inc.(13)(15)	Medical Devices & Equipment	Senior Secured	April 2022	Interest rate PRIME + 5.15% or Floor rate of 9.65%, 7.25% Exit Fee	$ 18,000	18,034	18,034
Sebacia, Inc.(15)			January 2021		$ 11,000	11,061	11,003

	Medical Devices & Equipment	Senior Secured	Interest rate PRIME + 4.35% or Floor rate of 8.85%, 6.05% Exit Fee

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Portfolio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor[2]	Principal Amount	Cost[3]	Value[4]
Transenterix, Inc.[10][13]	Medical Devices & Equipment	Senior Secured	June 2022	Interest rate PRIME + 4.55% or Floor rate of 9.55%, 6.95% Exit Fee	$ 20,000	$ 19,930	$ 19,930
Subtotal: 1-5 Years Maturity						95,842	95,750
Subtotal: Medical Devices & Equipment (9.97%)*						101,639	100,082
Software							
Under 1 Year Maturity							
Pollen, Inc.[15]	Software	Senior Secured	April 2019	Interest rate PRIME + 4.25% or Floor rate of 8.50%, 4.00% Exit Fee	$ 7,000	7,148	7,148
Subtotal: Under 1 Year Maturity						7,148	7,148
1-5 Years Maturity							
Banker s Toolbox, Inc.[13][18]	Software	Senior Secured	March 2023	Interest rate 3-month LIBOR + 7.88% or Floor rate of 7.88%	$ 39,900	39,129	39,227
Businessolver.com, Inc.[16][17]	Software	Senior Secured	May 2023	Interest rate 3-month LIBOR + 7.50%	$ 52,275	51,290	51,292
Clarabridge, Inc.[12][14]	Software	Senior Secured	April 2021	Interest rate PRIME + 4.80% or Floor rate of 8.55%,	$ 41,916	41,898	42,356

				PIK Interest 3.25%			
Couchbase, Inc.(15)(17)(19)	Software	Senior Secured	September 2021	Interest rate PRIME + 5.25% or Floor rate of 10.75%	$ 15,000	14,915	14,915
Credible Behavioral Health, Inc.(14)(17)	Software	Senior Secured	September 2021	Interest rate PRIME + 3.20% or Floor rate of 7.95%, PIK Interest 3.30%	$ 7,510	7,421	7,421
Dashlane, Inc.(14)(19)	Software	Senior Secured	April 2022	Interest rate PRIME + 4.05% or Floor rate of 8.55%, PIK Interest 1.10%, 9.25% Exit Fee	$ 10,039	10,018	10,018
Emma, Inc.(17)(18)	Software	Senior Secured	September 2022	Interest rate 3-month LIBOR + 8.39%	$ 37,037	35,793	36,062
Evernote Corporation(14)(17)(19)	Software	Senior Secured	October 2020	Interest rate PRIME + 5.45% or Floor rate of 8.95%	$ 6,000	5,984	6,067
	Software	Senior Secured	July 2021	Interest rate PRIME + 6.00% or Floor rate of 9.50%, PIK Interest 1.25%	$ 4,061	4,043	4,062
	Software	Senior Secured	July 2022	Interest rate PRIME + 6.00% or Floor rate of 9.50%, PIK Interest 1.25%	$ 2,507	2,491	2,491
Total Evernote Corporation					$ 12,568	12,518	12,620
Fuze, Inc.(13)(14)(15)(16)(19)	Software	Senior Secured	July 2021	Interest rate PRIME + 3.70% or Floor rate of 7.95%, PIK Interest 1.55%, 3.55% Exit Fee	$ 50,929	51,423	51,714
Impact Radius Holdings, Inc.(12)(14)	Software	Senior Secured	December 2020	Interest rate PRIME + 4.25% or Floor rate of 8.75%,	$ 10,152	10,214	10,171

				PIK Interest 1.55%, 1.75% Exit Fee			
	Software	Senior Secured	December 2020	Interest rate PRIME + 4.25% or Floor rate of 8.75%, PIK Interest 1.55%	$ 2,006	2,006	1,996
Total Impact Radius Holdings, Inc.					$ 12,158	12,220	12,167
Insurance Technologies Corporation(17)	Software	Senior Secured	March 2023	Interest rate 3-month LIBOR + 7.75% or Floor rate of 8.75%	$ 12,500	12,271	12,383

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Lightbend, Inc.[14][15]	Software	Senior Secured	August 2021	Interest rate PRIME + 4.25% or Floor rate of 8.50%, PIK Interest 2.00%	$ 11,122	$ 10,963	$ 10,965
Lithium Technologies, Inc.[17]	Software	Senior Secured	October 2022	Interest rate 3-month LIBOR + 8.00% or Floor rate of 9.00%	$ 12,000	11,774	11,774
Microsystems Holding Company, LLC[13][19]	Software	Senior Secured	July 2022	Interest rate 3-month LIBOR + 8.25% or Floor rate of 9.25%	$ 12,000	11,846	11,931
OneLogin, Inc.[14][15]	Software	Senior Secured	July 2021	Interest rate PRIME + 5.95% or Floor rate of 10.70%, PIK Interest 2.00%	$ 26,272	25,961	26,239
Quid, Inc.[14][15]	Software	Senior Secured	February 2021	Interest rate PRIME + 4.75% or Floor rate of 8.25%, PIK Interest 2.25%, 3.00% Exit Fee	$ 8,446	8,609	8,627
RapidMiner, Inc.[12][14]	Software	Senior Secured	December 2020	Interest rate PRIME + 5.50% or Floor rate of 9.75%, PIK Interest 1.65%	$ 7,089	7,070	7,038
Regent Education[14]	Software		January 2021		$ 3,162	3,185	1,987

		Senior Secured		Interest rate FIXED 10.00%, PIK Interest 2.00%, 6.35% Exit Fee			
Salsa Labs, Inc.(17)	Software	Senior Secured	April 2023	Interest rate 3-month LIBOR + 8.15% or Floor rate of 9.15%	$ 6,000	5,889	5,889
Signpost, Inc.(14)	Software	Senior Secured	February 2020	Interest rate PRIME + 4.15% or Floor rate of 8.15%, PIK Interest 1.75%, 3.75% Exit Fee	$ 15,718	16,111	16,110
ThreatConnect, Inc.(14)(15)(19)	Software	Senior Secured	October 2022	Interest rate PRIME + 4.95% or Floor rate of 9.95%, PIK Interest 1.05%, 2.20% Exit Fee	$ 7,500	7,405	7,405
Vela Trading Technologies(18)	Software	Senior Secured	July 2022	Interest rate 3-month LIBOR + 10.50% or Floor rate of 10.50%	$ 19,875	19,443	19,642
Wrike, Inc.(13)(14)(19)	Software	Senior Secured	February 2021	Interest rate PRIME + 6.00% or Floor rate of 9.50%, PIK Interest 2.00%, 3.00% Exit Fee	$ 10,320	10,161	10,437
YouEarnedIt(18)	Software	Senior Secured	July 2023	Interest rate 1-month LIBOR + 8.66%	$ 9,000	8,746	8,746
ZocDoc(19)	Software	Senior Secured	August 2021	Interest rate 3-month PRIME + 6.20% or Floor rate of 10.95%, 2.00% Exit Fee	$ 30,000	29,953	30,093
Subtotal: 1-5 Years Maturity						466,012	467,058
Subtotal: Software (47.22%)*						473,160	474,206
Surgical Devices							
Under 1 Year Maturity							
Gynesonics, Inc.(9)(14)(15)	Surgical Devices	Unsecured Convertible Debt	May 2019	PIK Interest 8.00%	$ 144	144	181

Subtotal: Under 1 Year Maturity	144	181
Subtotal: Surgical Devices (0.02%)*	144	181

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Sustainable and Renewable Technology							
Under 1 Year Maturity							
Solar Spectrum Holdings LLC (p.k.a. Sungevity, Inc.)[6][14][19]	Sustainable and Renewable Technology	Senior Secured	August 2019	Interest rate PRIME + 8.70% or Floor rate of 12.95%, 5.00% Exit Fee	$ 10,000	$ 9,999	$ 9,999
	Sustainable and Renewable Technology	Senior Secured	November 2018	PIK Interest 10.00%	$ 634	634	634
	Sustainable and Renewable Technology	Senior Secured	November 2018	Interest rate PRIME + 10.70% or Floor rate of 15.70%, PIK Interest 2.00%	$ 600	593	593
Total Solar Spectrum LLC					$ 11,234	11,226	11,226
Subtotal: Under 1 Year Maturity						11,226	11,226
1-5 Years Maturity							
FuelCell Energy, Inc.[12]	Sustainable and Renewable Technology	Senior Secured	April 2020	Interest rate PRIME + 5.40% or Floor rate of 9.90%, 6.68% Exit Fee	$ 13,091	13,176	13,213
	Sustainable and Renewable Technology	Senior Secured	April 2020	Interest rate PRIME + 5.40%	$ 11,909	13,607	13,615

				or Floor rate of 9.90%, 8.50% Exit Fee			
Total FuelCell Energy, Inc.					$ 25,000	26,783	26,828
Impossible Foods, Inc.(17)	Sustainable and Renewable Technology	Senior Secured	July 2021	Interest rate PRIME + 3.95% or Floor rate of 8.95%, 10.00% Exit Fee	$ 30,000	29,692	29,692
Metalysis Limited(5)(10)	Sustainable and Renewable Technology	Senior Secured	March 2021	Interest rate PRIME + 5.00% or Floor rate of 9.25%, 6.95% Exit Fee	$ 7,500	7,569	7,592
Proterra, Inc.(11)(14)	Sustainable and Renewable Technology	Senior Secured	November 2020	Interest rate PRIME + 3.70% or Floor rate of 7.95%, PIK Interest 1.75%, 5.95% Exit Fee	$ 25,372	26,581	26,723
	Sustainable and Renewable Technology	Senior Secured	November 2020	Interest rate PRIME + 3.70% or Floor rate of 7.95%, PIK Interest 1.75%, 7.00% Exit Fee	$ 5,074	5,329	5,343
Total Proterra, Inc.					$ 30,446	31,910	32,066
Subtotal: 1-5 Years Maturity						95,954	96,178
Subtotal: Sustainable and Renewable Technology (10.70%)*						107,180	107,404
Total: Debt Investments (159.66%)*						**$ 1,608,014**	**$ 1,603,275**

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Equity Investments						
Communications & Networking						
GlowPoint, Inc.[4]	Communications & Networking	Equity	Common Stock	114,192	$ 102	$ 19
Peerless Network Holdings, Inc.	Communications & Networking	Equity	Preferred Series A	1,135,000	1,229	6,395
Subtotal: Communications & Networking (0.64%)*					1,331	6,414
Diagnostic						
Singulex, Inc.	Diagnostic	Equity	Common Stock	937,998	750	488
Subtotal: Diagnostic (0.05%)*					750	488
Diversified Financial Services						
Gibraltar Business Capital, LLC[7]	Diversified Financial Services	Equity	Common Stock	830,000	1,884	1,874
	Diversified Financial Services	Equity	Preferred Series A	10,602,752	26,122	25,976
Total Gibraltar Business Capital, LLC				11,432,752	28,006	27,850
Subtotal: Diversified Financial Services (2.77%)*					28,006	27,850
Drug Delivery						
AcelRx Pharmaceuticals, Inc.[4][10]	Drug Delivery	Equity	Common Stock	54,240	108	209
BioQ Pharma Incorporated[15]	Drug Delivery	Equity	Preferred Series D	165,000	500	688

Edge Therapeutics, Inc.[4]	Drug Delivery	Equity	Common Stock	49,965	309	41
Neos Therapeutics, Inc.[4][15]	Drug Delivery	Equity	Common Stock	125,000	1,500	606
Subtotal: Drug Delivery (0.15%)*					2,417	1,544
Drug Discovery & Development						
Aveo Pharmaceuticals, Inc.[4][10][15]	Drug Discovery & Development	Equity	Common Stock	1,901,791	1,715	6,774
Axovant Sciences Ltd.[4][5][10][16]	Drug Discovery & Development	Equity	Common Stock	129,827	1,269	314
Cerecor, Inc.[4]	Drug Discovery & Development	Equity	Common Stock	119,087	1,000	556
Dare Biosciences, Inc. (p.k.a. Cerulean Pharma, Inc.)[4]	Drug Discovery & Development	Equity	Common Stock	13,550	1,000	13
Dicerna Pharmaceuticals, Inc.[4]	Drug Discovery & Development	Equity	Common Stock	142,858	1,000	2,180
Dynavax Technologies[4][10]	Drug Discovery & Development	Equity	Common Stock	20,000	550	248
Eidos Therapeutics, Inc.[4][10]	Drug Discovery & Development	Equity	Common Stock	15,000	255	150
Genocea Biosciences, Inc.[4]	Drug Discovery & Development	Equity	Common Stock	223,463	2,000	174
Insmed, Incorporated[4]	Drug Discovery & Development	Equity	Common Stock	70,771	1,000	1,284
Melinta Therapeutics[4]	Drug Discovery & Development	Equity	Common Stock	51,821	2,000	204
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.)[4][10][16]	Drug Discovery & Development	Equity	Common Stock	76,362	2,744	741
Rocket Pharmaceuticals, Ltd (p.k.a. Inotek Pharmaceuticals Corporation)[4]	Drug Discovery & Development	Equity	Common Stock	944	1,500	23
Tricida, Inc.[4]	Drug Discovery & Development	Equity	Common Stock	105,260	2,000	3,217
Subtotal: Drug Discovery & Development (1.58%)*					18,033	15,878

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Electronics & Computer Hardware						
Identiv, Inc.[(4)]	Electronics & Computer Hardware	Equity	Common Stock	6,700	$ 34	$ 40
Subtotal: Electronics & Computer Hardware (0.00%)*					34	40
Information Services						
DocuSign, Inc.[(4)]	Information Services	Equity	Common Stock	385,000	6,081	20,239
Subtotal: Information Services (2.02%)*					6,081	20,239
Internet Consumer & Business Services						
Blurb, Inc.	Internet Consumer & Business Services	Equity	Preferred Series B	220,653	175	71
Brigade Group, Inc. (p.k.a. Philotic, Inc.)	Internet Consumer & Business Services	Equity	Common Stock	9,023	93	
Lightspeed POS, Inc.[(5)(10)]	Internet Consumer & Business Services	Equity	Preferred Series C	230,030	250	354
	Internet Consumer & Business Services	Equity	Preferred Series D	198,677	250	318
Total Lightspeed POS, Inc.				428,707	500	672
Nextdoor.com, Inc.	Internet Consumer & Business Services	Equity	Common Stock	328,190	4,854	4,854
OfferUp, Inc.	Internet Consumer & Business Services	Equity	Preferred Series A	286,080	1,663	1,916
	Internet Consumer & Business Services	Equity	Preferred Series A-1	108,710	632	728

Total OfferUp, Inc.				394,790	2,295	2,644
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Equity	Preferred Series G	218,351	250	294
	Internet Consumer & Business Services	Equity	Preferred Series H	87,802	250	243
Total Oportun (p.k.a. Progress Financial)				306,153	500	537
RazorGator Interactive Group, Inc.	Internet Consumer & Business Services	Equity	Preferred Series AA	34,783	15	
Tectura Corporation(7)	Internet Consumer & Business Services	Equity	Common Stock	414,994,863	900	
	Internet Consumer & Business Services	Equity	Preferred Series BB	1,000,000		
Total Tectura Corporation				415,994,863	900	
Subtotal: Internet Consumer & Business Services (0.87%)*					9,332	8,778
Media/Content/Info						
Pinterest, Inc.	Media/Content/Info	Equity	Preferred Series Seed	620,000	4,085	4,815
Subtotal: Media/Content/Info (0.48%)*					4,085	4,815
Medical Devices & Equipment						
AtriCure, Inc.(4)(15)	Medical Devices & Equipment	Equity	Common Stock	10,119	266	354
Flowonix Medical Incorporated	Medical Devices & Equipment	Equity	Preferred Series AA	221,893	1,500	27
Gelesis, Inc.	Medical Devices & Equipment	Equity	Common Stock	198,202		744
	Medical Devices & Equipment	Equity	Preferred Series A-1	191,210	425	793
	Medical Devices & Equipment	Equity	Preferred Series A-2	191,626	500	756
Total Gelesis, Inc.				581,038	925	2,293

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Medrobotics Corporation[15]	Medical Devices & Equipment	Equity	Preferred Series E	136,798	$ 250	$ 31
	Medical Devices & Equipment	Equity	Preferred Series F	73,971	155	29
	Medical Devices & Equipment	Equity	Preferred Series G	163,934	500	90
Total Medrobotics Corporation				374,703	905	150
Optiscan Biomedical, Corp.[6]	Medical Devices & Equipment	Equity	Preferred Series B	61,855	3,000	474
	Medical Devices & Equipment	Equity	Preferred Series C	19,273	655	137
	Medical Devices & Equipment	Equity	Preferred Series D	551,038	5,257	4,203
	Medical Devices & Equipment	Equity	Preferred Series E	311,989	2,609	3,061
Total Optiscan Biomedical, Corp.				944,155	11,521	7,875
Outset Medical, Inc. (p.k.a. Home Dialysis Plus, Inc.)	Medical Devices & Equipment	Equity	Preferred Series B	232,061	527	608
Quanterix Corporation[4]	Medical Devices & Equipment	Equity	Common Stock	84,778	1,000	1,817
Subtotal: Medical Devices & Equipment (1.31%)*					16,644	13,124
Software						
CapLinked, Inc.	Software	Equity	Preferred Series A-3	53,614	51	91
Druva, Inc.	Software	Equity	Preferred Series 2	458,841	1,000	1,573
	Software	Equity		93,620	300	367

			Preferred Series 3			
Total Druva, Inc.				552,461	1,300	1,940
HighRoads, Inc.	Software	Equity	Common Stock	190	307	
NewVoiceMedia Limited(5)(10)	Software	Equity	Preferred Series E	669,173	963	1,459
Palantir Technologies	Software	Equity	Preferred Series E	727,696	5,431	4,714
	Software	Equity	Preferred Series G	326,797	2,211	2,117
Total Palantir Technologies				1,054,493	7,642	6,831
Sprinklr, Inc.	Software	Equity	Common Stock	700,000	3,749	4,023
WildTangent, Inc.	Software	Equity	Preferred Series 3	100,000	402	181
Subtotal: Software (1.45%)*					14,414	14,525
Surgical Devices						
Gynesonics, Inc.(15)	Surgical Devices	Equity	Preferred Series B	219,298	250	79
	Surgical Devices	Equity	Preferred Series C	656,538	282	123
	Surgical Devices	Equity	Preferred Series D	1,991,157	712	912
	Surgical Devices	Equity	Preferred Series E	2,786,367	429	684
Total Gynesonics, Inc.				5,653,360	1,673	1,798
Transmedics, Inc.	Surgical Devices	Equity	Preferred Series B	88,961	1,100	407
	Surgical Devices	Equity	Preferred Series C	119,999	300	548
	Surgical Devices	Equity	Preferred Series D	260,000	650	1,189
	Surgical Devices	Equity	Preferred Series F	100,200	500	458
Total Transmedics, Inc.				569,160	2,550	2,602
Subtotal: Surgical Devices (0.44%)*					4,223	4,400
Sustainable and Renewable Technology						
Flywheel Building Intelligence, Inc. (p.k.a. SCIEnergy, Inc.)	Sustainable and Renewable Technology	Equity	Common Stock	192	761	
Modumetal, Inc.		Equity		3,107,520	500	105

	Sustainable and Renewable Technology		Preferred Series C			
Proterra, Inc.	Sustainable and Renewable Technology	Equity	Preferred Series 5	99,280	500	494

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Solar Spectrum Holdings LLC (p.k.a. Sungevity, Inc.)[6]	Sustainable and Renewable Technology	Equity	Common Stock	288	$ 61,502	$ 8,704
Subtotal: Sustainable and Renewable Technology (0.93%)*					63,263	9,303
Total: Equity Investments (12.69%)*					**168,613**	**127,398**
Warrant Investments						
Biotechnology Tools						
Labcyte, Inc.	Biotechnology Tools	Warrant	Preferred Series C	1,127,624	323	558
Subtotal: Biotechnology Tools (0.06%)*					323	558
Communications & Networking						
Peerless Network Holdings, Inc.	Communications & Networking	Warrant	Common Stock	3,328		15
Spring Mobile Solutions, Inc.	Communications & Networking	Warrant	Common Stock	2,834,375	418	
Subtotal: Communications & Networking (0.00%)*					418	15
Consumer & Business Products						
Gadget Guard (p.k.a Antenna79)[15]	Consumer & Business Products	Warrant	Common Stock	1,662,441	228	
Intelligent Beauty, Inc.	Consumer & Business Products	Warrant	Preferred Series B	190,234	230	224
The Neat Company		Warrant		540,540	365	

	Consumer & Business Products		Preferred Series C-1			
WHOOP, INC.	Consumer & Business Products	Warrant	Preferred Series C	68,627	18	16
Subtotal: Consumer & Business Products (0.02%)*					841	240
Drug Delivery						
AcelRx Pharmaceuticals, Inc.(4)	Drug Delivery	Warrant	Common Stock	176,730	786	222
Agile Therapeutics, Inc.(4)	Drug Delivery	Warrant	Common Stock	180,274	730	2
BioQ Pharma Incorporated	Drug Delivery	Warrant	Common Stock	459,183	1	798
Celsion Corporation(4)	Drug Delivery	Warrant	Common Stock	13,927	428	
Dance Biopharm, Inc.(15)	Drug Delivery	Warrant	Common Stock	110,882	74	
Edge Therapeutics, Inc.(4)	Drug Delivery	Warrant	Common Stock	78,595	390	14
Kaleo, Inc. (p.k.a. Intelliject, Inc.)	Drug Delivery	Warrant	Preferred Series B	82,500	594	1,794
Neos Therapeutics, Inc.(4)(15)	Drug Delivery	Warrant	Common Stock	70,833	285	9
Pulmatrix Inc.(4)	Drug Delivery	Warrant	Common Stock	25,150	116	
ZP Opco, Inc. (p.k.a. Zosano Pharma)(4)	Drug Delivery	Warrant	Common Stock	3,618	266	
Subtotal: Drug Delivery (0.28%)*					3,670	2,839
Drug Discovery & Development						
Acacia Pharma Inc.(4)(10)	Drug Discovery & Development	Warrant	Common Stock	201,330	304	379
ADMA Biologics, Inc.(4)	Drug Discovery & Development	Warrant	Common Stock	89,750	295	72
Auris Medical Holding, AG(4)(5)(10)	Drug Discovery & Development	Warrant	Common Stock	15,672	249	
Brickell Biotech, Inc.	Drug Discovery & Development	Warrant	Preferred Series C	26,086	119	83
Cerecor, Inc.(4)	Drug Discovery & Development	Warrant	Common Stock	22,328	70	28
Chroma Therapeutics, Ltd.(5)(10)	Drug Discovery & Development	Warrant	Preferred Series D	325,261	490	
Concert Pharmaceuticals, Inc.(4)(10)(15)	Drug Discovery & Development	Warrant	Common Stock	132,069	545	442
		Warrant	Common Stock	29,239	165	

CTI BioPharma Corp. (p.k.a. Cell Therapeutics, Inc.)(4)	Drug Discovery & Development

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CytRx Corporation[4][15]	Drug Discovery & Development	Warrant	Common Stock	105,694	$ 160	$ 6
Dare Biosciences, Inc. (p.k.a. Cerulean Pharma, Inc.)[4]	Drug Discovery & Development	Warrant	Common Stock	17,190	369	
Dicerna Pharmaceuticals, Inc.[4]	Drug Discovery & Development	Warrant	Common Stock	200	28	
Evofem Biosciences, Inc. (p.k.a Neothetics, Inc.)[4][15]	Drug Discovery & Development	Warrant	Common Stock	7,806	266	13
Fortress Biotech, Inc. (p.k.a. Coronado Biosciences, Inc.)[4]	Drug Discovery & Development	Warrant	Common Stock	73,009	142	1
Genocea Biosciences, Inc.[4]	Drug Discovery & Development	Warrant	Common Stock	403,136	431	143
Immune Pharmaceuticals[4]	Drug Discovery & Development	Warrant	Common Stock	10,742	164	
Melinta Therapeutics[4]	Drug Discovery & Development	Warrant	Common Stock	40,545	626	
Motif BioSciences Inc.[4][5][10][15]	Drug Discovery & Development	Warrant	Common Stock	73,452	282	190
Myovant Sciences, Ltd.[4][5][10]	Drug Discovery & Development	Warrant	Common Stock	73,710	460	1,085
Neuralstem, Inc.[4][15]	Drug Discovery & Development	Warrant	Common Stock	5,783	77	
Ology Bioservices, Inc. (p.k.a. Nanotherapeutics, Inc.)[15]	Drug Discovery & Development	Warrant	Common Stock	171,389	838	
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.)[4][10][15][16]	Drug Discovery & Development	Warrant	Common Stock	94,841	204	79
		Warrant		32,467	203	121

Savara Inc. (p.k.a. Mast Therapeutics, Inc.)(4)(15)	Drug Discovery & Development		Common Stock			
Sorrento Therapeutics, Inc.(4)(10)	Drug Discovery & Development	Warrant	Common Stock	306,748	889	530
Stealth Bio Therapeutics Corp.(5)(10)	Drug Discovery & Development	Warrant	Preferred Series A	650,000	158	177
Tricida, Inc.(4)(15)	Drug Discovery & Development	Warrant	Common Stock	53,458	222	937
uniQure B.V.(4)(5)(10)	Drug Discovery & Development	Warrant	Common Stock	37,174	218	665
XOMA Corporation(4)(10)(15)	Drug Discovery & Development	Warrant	Common Stock	9,063	279	6
Subtotal: Drug Discovery & Development (0.49%)*					8,253	4,957
Electronics & Computer Hardware						
908 DEVICES INC.(15)	Electronics & Computer Hardware	Warrant	Preferred Series D	79,856	100	75
Subtotal: Electronics & Computer Hardware (0.01%)*					100	75
Healthcare Services, Other						
Chromadex Corporation(4)	Healthcare Services, Other	Warrant	Common Stock	139,673	157	174
Subtotal: Healthcare Services, Other (0.02%)*					157	174
Information Services						
INMOBI Inc.(5)(10)	Information Services	Warrant	Common Stock	65,587	82	
MDX Medical, Inc.(15)	Information Services	Warrant	Common Stock	2,812,500	283	275
Netbase Solutions, Inc.	Information Services	Warrant	Preferred Series 1	60,000	356	407
RichRelevance, Inc.	Information Services	Warrant	Preferred Series E	112,612	98	
Subtotal: Information Services (0.07%)*					819	682

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Internet Consumer & Business Services						
Aria Systems, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series G	231,535	$ 73	$
Art.com, Inc.[15]	Internet Consumer & Business Services	Warrant	Preferred Series B	311,005	66	14
Blurb, Inc.[15]	Internet Consumer & Business Services	Warrant	Preferred Series C	234,280	636	26
ClearObject, Inc. (p.k.a. CloudOne, Inc.)	Internet Consumer & Business Services	Warrant	Preferred Series E	968,992	19	183
Cloudpay, Inc.[5][10]	Internet Consumer & Business Services	Warrant	Preferred Series B	4,960	45	37
Contentful, Inc.[5][10]	Internet Consumer & Business Services	Warrant	Preferred Series C	82,185	1	1
First Insight, Inc.[15]	Internet Consumer & Business Services	Warrant	Preferred Series B	45,551	56	53
Intent Media, Inc.	Internet Consumer & Business Services	Warrant	Common Stock	140,077	168	246
Interactions Corporation	Internet Consumer & Business Services	Warrant	Preferred Series G-3	68,187	204	420
Just Fabulous, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	206,184	1,101	3,070
Lightspeed POS, Inc.[5][10]		Warrant		245,610	20	166

	Internet Consumer & Business Services		Preferred Series C			
LogicSource	Internet Consumer & Business Services	Warrant	Preferred Series C	79,625	30	40
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Warrant	Preferred Series G	174,562	78	61
Postmates, Inc.	Internet Consumer & Business Services	Warrant	Common Stock	189,865	317	381
RumbleON, Inc.[4]	Internet Consumer & Business Services	Warrant	Common Stock	81,818	72	350
ShareThis, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series C	493,502	547	
Snagajob.com, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series A	1,800,000	782	69
	Internet Consumer & Business Services	Warrant	Preferred Series B	173,076	8	4
Total Snagajob.com, Inc.				1,973,076	790	73
Tapjoy, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series D	748,670	316	35
The Faction Group LLC	Internet Consumer & Business Services	Warrant	Preferred Series A	8,703	234	431
Thumbtack, Inc.	Internet Consumer & Business Services	Warrant	Common Stock	102,821	124	133
Xometry, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	87,784	47	141
Subtotal: Internet Consumer & Business Services (0.58%)*					4,944	5,861
Media/Content/Info						
Machine Zone, Inc.	Media/Content/Info	Warrant	Common Stock	1,552,710	1,960	2,402
Napster (p.k.a. Rhapsody International, Inc.)	Media/Content/Info	Warrant	Common Stock	715,755	383	87
WP Technology, Inc. (Wattpad, Inc.)[5][10]	Media/Content/Info	Warrant	Common Stock	255,818	4	12
Zoom Media Group, Inc.	Media/Content/Info	Warrant	Preferred Series A	1,204	348	29

Subtotal: Media/Content/Info (0.25%)*	2,695	2,530

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Portfolio Company	Sub-Industry	Type of Investment[1]	Series	Shares	Cost[3]	Value[4]
Medical Devices & Equipment						
Amedica Corporation[4][15]	Medical Devices & Equipment	Warrant	Common Stock	8,603	$ 459	$
Aspire Bariatrics, Inc.[15]	Medical Devices & Equipment	Warrant	Preferred Series B-1	112,858	455	
Avedro, Inc.[15]	Medical Devices & Equipment	Warrant	Preferred Series AA	300,000	401	449
Flowonix Medical Incorporated	Medical Devices & Equipment	Warrant	Preferred Series AA	155,325	362	1
	Medical Devices & Equipment	Warrant	Preferred Series BB	725,806	351	352
Total Flowonix Medical Incorporated				881,131	713	353
Gelesis, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A-1	74,784	78	182
InspireMD, Inc.[4][5][10]	Medical Devices & Equipment	Warrant	Common Stock	1,124	242	
Intuity Medical, Inc.[15]	Medical Devices & Equipment	Warrant	Preferred Series 4	1,819,078	294	613
Medrobotics Corporation[15]	Medical Devices & Equipment	Warrant	Preferred Series E	455,539	370	38
Micell Technologies, Inc.	Medical Devices & Equipment	Warrant	Preferred Series D-2	84,955	262	205

NetBio, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A	7,841	408	
NinePoint Medical, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A-1	587,840	170	155
Optiscan Biomedical, Corp.(6)	Medical Devices & Equipment	Warrant	Preferred Series E	74,424	573	290
Outset Medical, Inc. (p.k.a. Home Dialysis Plus, Inc.)	Medical Devices & Equipment	Warrant	Preferred Series A	500,000	402	535
Quanterix Corporation(4)	Medical Devices & Equipment	Warrant	Common Stock	66,039	204	539
Sebacia, Inc.	Medical Devices & Equipment	Warrant	Preferred Series D	778,301	133	192
SonaCare Medical, LLC (p.k.a. US HIFU, LLC)	Medical Devices & Equipment	Warrant	Preferred Series A	6,464	188	
Tela Bio, Inc.	Medical Devices & Equipment	Warrant	Preferred Series B	387,930	61	215
ViewRay, Inc.(4)(15)	Medical Devices & Equipment	Warrant	Common Stock	128,231	333	419
Subtotal: Medical Devices & Equipment (0.42%)*					5,746	4,185
Semiconductors						
Achronix Semiconductor Corporation	Semiconductors	Warrant	Preferred Series C	360,000	160	515
	Semiconductors	Warrant	Preferred Series D-2	750,000	99	771
Total Achronix Semiconductor Corporation				1,110,000	259	1,286
Aquantia Corp.(4)	Semiconductors	Warrant	Common Stock	19,683	4	17
Subtotal: Semiconductors (0.13%)*					263	1,303
Software						
Actifio, Inc.	Software	Warrant	Common Stock	73,584	249	113
	Software	Warrant	Preferred Series F	31,673	343	114
Total Actifio, Inc.				105,257	592	227
CareCloud Corporation(15)	Software	Warrant	Preferred Series B	413,433	258	23

Clickfox, Inc.(15)	Software	Warrant	Preferred Series B	539,818	167	19
	Software	Warrant	Preferred Series C	592,019	730	30
	Software	Warrant	Preferred Series C-A	2,218,214	231	314
Total Clickfox, Inc.				3,350,051	1,128	363

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DNAnexus, Inc.	Software	Warrant	Preferred Series C	909,091	$ 97	$ 84
Evernote Corporation	Software	Warrant	Common Stock	62,500	106	200
Fuze, Inc.[15][16]	Software	Warrant	Preferred Series F	256,158	89	
Lightbend, Inc.[15]	Software	Warrant	Preferred Series C-1	391,778	79	71
Message Systems, Inc.[15]	Software	Warrant	Preferred Series C	503,718	334	502
Neos, Inc.	Software	Warrant	Common Stock	221,150	22	
NewVoiceMedia Limited[5][10]	Software	Warrant	Preferred Series E	225,586	33	225
OneLogin, Inc.[15]	Software	Warrant	Common Stock	381,620	305	386
Poplicus, Inc.	Software	Warrant	Common Stock	132,168		
Quid, Inc.[15]	Software	Warrant	Preferred Series D	71,576	1	5
RapidMiner, Inc.	Software	Warrant	Preferred Series C-1	4,982	24	27
RedSeal Inc.[15]	Software	Warrant	Preferred Series C-Prime	640,603	66	39
Signpost, Inc.	Software	Warrant	Preferred Series C	324,005	314	157
ThreatConnect, Inc.[15]	Software	Warrant	Preferred Series B	134,086	26	30
Wrike, Inc.	Software	Warrant	Common Stock	698,760	461	2,162
Subtotal: Software (0.45%)*					3,935	4,501

Specialty Pharmaceuticals						
Alimera Sciences, Inc.(4)	Specialty Pharmaceuticals	Warrant	Common Stock	1,717,709	861	103
Subtotal: Specialty Pharmaceuticals (0.01%)*					861	103
Surgical Devices						
Gynesonics, Inc.(15)	Surgical Devices	Warrant	Preferred Series C	180,480	74	30
	Surgical Devices	Warrant	Preferred Series D	1,575,965	321	411
Total Gynesonics, Inc.				1,756,445	395	441
Transmedics, Inc.	Surgical Devices	Warrant	Preferred Series D	175,000	100	363
	Surgical Devices	Warrant	Preferred Series F	50,544	38	
Total Transmedics, Inc.				225,544	138	363
Subtotal: Surgical Devices (0.08%)*					533	804
Sustainable and Renewable Technology						
Agrivida, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series D	471,327	120	
American Superconductor Corporation(4)	Sustainable and Renewable Technology	Warrant	Common Stock	58,823	39	66
Calera, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series C	44,529	512	
Fluidic, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series D	61,804	102	
Flywheel Building Intelligence, Inc. (p.k.a. SCIEnergy, Inc.)	Sustainable and Renewable Technology	Warrant	Common Stock	5,310	181	
	Sustainable and Renewable Technology	Warrant	Preferred Series 2-A	63	50	
Total Flywheel Building Intelligence, Inc. (p.k.a. SCIEnergy, Inc.)				5,373	231	
Fulcrum Bioenergy, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series C-1	280,897	274	434
GreatPoint Energy, Inc.(15)	Sustainable and Renewable Technology	Warrant	Preferred Series D-1	393,212	548	
Kinestral Technologies, Inc.		Warrant		325,000	155	97

	Sustainable and Renewable Technology		Preferred Series A			
	Sustainable and Renewable Technology	Warrant	Preferred Series B	131,883	63	29
Total Kinestral Technologies, Inc.				456,883	218	126
Polyera Corporation[15]	Sustainable and Renewable Technology	Warrant	Preferred Series C	311,609	338	

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Proterra, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series 4	477,517	$ 41	$ 378
Rive Technology, Inc.[15]	Sustainable and Renewable Technology	Warrant	Preferred Series E	234,477	13	12
Solar Spectrum Holdings LLC (p.k.a. Sungevity, Inc.)[6]	Sustainable and Renewable Technology	Warrant	Class A Units	0.69		
TAS Energy, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series AA	428,571	299	
Tendril Networks	Sustainable and Renewable Technology	Warrant	Preferred Series 3-A	1,019,793	189	
Subtotal: Sustainable and Renewable Technology (0.10%)*					2,924	1,016
Total: Warrant Investments (2.97%)*					**36,482**	**29,843**
Total Investments in Securities (175.32%)*					**$ 1,813,109**	**$ 1,760,516**

* Value as a percent of net assets

(1) Preferred and common stock, warrants, and equity interests are generally non-income producing.

(2) Interest rate PRIME represents 5.25% at September 30, 2018. Daily LIBOR, 1-month LIBOR, 3-month LIBOR and 12-month LIBOR represent 2.17%, 2.26%, 2.40% and 2.92%, respectively, at September 30, 2018.

(3) Gross unrealized appreciation, gross unrealized depreciation, and net unrealized depreciation for federal income tax purposes totaled $42.0 million, $102.4 million and $60.4 million respectively. The tax cost of investments is $1.8 billion.

(4) Except for warrants in 39 publicly traded companies and common stock in 21 publicly traded companies, all investments are restricted at September 30, 2018 and were valued at fair value using Level 3 significant

unobservable inputs as determined in good faith by the Board of Directors. No unrestricted securities of the same issuer are outstanding. The Company uses the Standard Industrial Code for classifying the industry grouping of its portfolio companies.

(5) Non-U.S. company or the company s principal place of business is outside the United States.

(6) Affiliate investment as defined under the Investment Company Act of 1940, as amended, (the 1940 Act) in which Hercules owns at least 5% but generally less than 25% of the company s voting securities.

(7) Control investment as defined under the 1940 Act in which Hercules owns at least 25% of the company s voting securities or has greater than 50% representation on its board.

(8) Debt is on non-accrual status at September 30, 2018, and is therefore considered non-income producing. Note that at September 30, 2018, only the $10.7 million PIK, or payment-in-kind, loan is on non-accrual for the Company s debt investment in Tectura Corporation.

(9) Denotes that all or a portion of the debt investment is convertible debt.

(10) Indicates assets that the Company deems not qualifying assets under section 55(a) of 1940 Act. Qualifying assets must represent at least 70% of the Company s total assets at the time of acquisition of any additional non-qualifying assets.

(11) Denotes that all or a portion of the debt investment secures the notes offered in the Debt Securitization (as defined in Note 4).

(12) Denotes that all or a portion of the debt investment is pledged as collateral under the Wells Facility (as defined in Note 4).

(13) Denotes that all or a portion of the debt investment is pledged as collateral under the Union Bank Facility (as defined in Note 4).

(14) Denotes that all or a portion of the debt investment principal includes accumulated PIK interest and is net of repayments.

(15) Denotes that all or a portion of the investment in this portfolio company is held by Hercules Technology III, L.P., or HT III, the Company s wholly owned small business investment company, or SBIC, subsidiary. On July 13, 2018, the Company completed repayment of the remaining outstanding Hercules Technology II, L.P., or HT II, debentures and subsequently surrendered the SBA license with respect to HT II.

(16) Denotes that the fair value of the Company s total investments in this portfolio company represent greater than 5% of the Company s total assets at September 30, 2018.

(17) Denotes that there is an unfunded contractual commitment available at the request of this portfolio company at September 30, 2018. Refer to Note 10.

(18) Denotes unitranche debt with first lien last-out senior secured position and security interest in all assets of the portfolio company whereby the last-out portion will be subordinated to the first-out portion in a liquidation, sale or other disposition.

(19) Denotes second lien senior secured debt.

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Portfolio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor[2]	Principal Amount	Cost[3]	Value[4]
Debt Investments							
Biotechnology Tools							
1-5 Years Maturity							
Exicure, Inc.[12]	Biotechnology Tools	Senior Secured	September 2019	Interest rate PRIME + 6.45%			
				or Floor rate of 9.95%, 3.85% Exit Fee	$ 4,999	$ 5,115	$ 5,146
Subtotal: 1-5 Years Maturity						5,115	5,146
Subtotal: Biotechnology Tools (0.61%)*						5,115	5,146
Communications & Networking							
Under 1 Year Maturity							
OpenPeak, Inc.[8]	Communications & Networking	Senior Secured	April 2018	Interest rate PRIME + 8.75%			
				or Floor rate of 12.00%	$ 11,464	8,228	
Subtotal: Under 1 Year Maturity						8,228	
Subtotal: Communications & Networking (0.00%)*						8,228	
Consumer & Business Products							
Under 1 Year Maturity							
Antenna79 (p.k.a. Pong Research Corporation)[15]	Consumer & Business Products	Senior Secured	December 2018	Interest rate PRIME + 6.00%			
				or Floor rate of 9.50%	$ 1,000	1,000	1,000

Subtotal: Under 1 Year Maturity						1,000	1,000
1-5 Years Maturity							
Antenna79 (p.k.a. Pong Research Corporation)(15)	Consumer & Business Products	Senior Secured	December 2019	Interest rate PRIME + 7.45% or Floor rate of 10.95%, 2.95% Exit Fee	$ 18,440	18,580	18,571
Second Time Around (Simplify Holdings, LLC)(7)(8)(15)	Consumer & Business Products	Senior Secured	February 2019	Interest rate PRIME + 7.25% or Floor rate of 10.75%, 4.75% Exit Fee	$ 1,746	1,781	
Subtotal: 1-5 Years Maturity						20,361	18,571
Subtotal: Consumer & Business Products (2.33%)*						21,361	19,571
Drug Delivery							
Under 1 Year Maturity							
Agile Therapeutics, Inc.(11)	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 4.75% or Floor rate of 9.00%, 3.70% Exit Fee	$ 10,888	11,292	11,292
Pulmatrix Inc.(9)(11)	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 6.25% or Floor rate of 9.50%, 3.50% Exit Fee	$ 3,259	3,455	3,455
ZP Opco, Inc. (p.k.a. Zosano Pharma)(11)	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 2.70% or Floor rate of 7.95%, 2.87% Exit Fee	$ 6,316	6,609	6,609
Subtotal: Under 1 Year Maturity						21,356	21,356
1-5 Years Maturity							
AcelRx Pharmaceuticals, Inc.(10)(11)(15)	Drug Delivery	Senior Secured	March 2020	Interest rate PRIME + 6.05% or Floor rate of 9.55%, 11.69% Exit Fee	$ 18,653	18,925	18,875
Antares Pharma Inc.(10)(15)	Drug Delivery	Senior Secured	July 2022	Interest rate PRIME + 4.50% or Floor rate of 9.00%, 4.25% Exit Fee	$ 25,000	25,006	24,958
	Drug Delivery	Senior Secured	February 2020		$ 20,000	20,377	20,331

Edge Therapeutics, Inc.[12]	Interest rate PRIME + 4.65% or Floor rate of 9.15%, 4.95% Exit Fee		
Subtotal: 1-5 Years Maturity		64,308	64,164
Subtotal: Drug Delivery (10.17%)*		85,664	85,520

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Drug Discovery & Development							
Under 1 Year Maturity							
CytRx Corporation[11][15]	Drug Discovery & Development	Senior Secured	August 2018	Interest rate PRIME + 6.00% or Floor rate of 9.50%, 7.09% Exit Fee	$ 9,986	$ 11,172	$ 11,172
Epirus Biopharmaceuticals, Inc.[8]	Drug Discovery & Development	Senior Secured	April 2018	Interest rate PRIME + 4.70% or Floor rate of 7.95%, 3.00% Exit Fee	$ 3,027	3,310	340
Subtotal: Under 1 Year Maturity						14,482	11,512
1-5 Years Maturity							
Auris Medical Holding, AG[5][10]	Drug Discovery & Development	Senior Secured	January 2020	Interest rate PRIME + 6.05% or Floor rate of 9.55%, 5.75% Exit Fee	$ 10,341	10,610	10,563
Aveo Pharmaceuticals, Inc.[10][13]	Drug Discovery & Development	Senior Secured	July 2021	Interest rate PRIME + 4.70% or Floor rate of 9.45%, 5.40% Exit Fee	$ 10,000	10,345	10,344
	Drug Discovery & Development	Senior Secured	July 2021	Interest rate PRIME + 4.70% or Floor rate of 9.45%, 3.00% Exit Fee	$ 10,000	9,918	9,915

Total Aveo Pharmaceuticals, Inc.					$ 20,000	20,263	20,259
Axovant Sciences Ltd.(5)(10)	Drug Discovery & Development	Senior Secured	March 2021	Interest rate PRIME + 6.80% or Floor rate of 10.55%	$ 55,000	53,631	53,448
Brickell Biotech, Inc.(12)	Drug Discovery & Development	Senior Secured	September 2019	Interest rate PRIME + 5.70% or Floor rate of 9.20%, 6.75% Exit Fee	$ 6,090	6,380	6,361
Chemocentryx, Inc.(10)(15)(17)	Drug Discovery & Development	Senior Secured	December 2021	Interest rate PRIME + 3.30% or Floor rate of 8.05%, 6.25% Exit Fee	$ 5,000	4,947	4,947
Genocea Biosciences, Inc.(11)	Drug Discovery & Development	Senior Secured	January 2019	Interest rate PRIME + 2.25% or Floor rate of 7.25%, 4.95% Exit Fee	$ 13,851	14,482	14,385
Insmed, Incorporated(11)	Drug Discovery & Development	Senior Secured	October 2020	Interest rate PRIME + 4.75% or Floor rate of 9.25%, 4.86% Exit Fee	$ 55,000	55,425	54,963
Metuchen Pharmaceuticals LLC(12)(14)	Drug Discovery & Development	Senior Secured	October 2020	Interest rate PRIME + 7.25% or Floor rate of 10.75%, PIK Interest 1.35%, 2.25% Exit Fee	$ 25,561	25,721	25,643
Motif BioSciences Inc.(15)	Drug Discovery & Development	Senior Secured	September 2021	Interest rate PRIME + 5.50% or Floor rate of 10.00%, 2.15% Exit Fee	$ 15,000	14,651	14,651
Myovant Sciences, Ltd.(5)(10)(13)(17)	Drug Discovery & Development	Senior Secured	May 2021	Interest rate PRIME + 4.00% or Floor rate of 8.25%, 6.55% Exit Fee	$ 25,000	24,704	24,704
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.)(15)	Drug Discovery & Development	Senior Secured	September 2020	Interest rate PRIME + 2.75% or Floor rate of 8.50%, 4.50% Exit Fee	$ 40,000	40,144	39,829
	Drug Discovery & Development	Senior Secured	September 2020	Interest rate PRIME + 2.75%	$ 10,000	10,040	9,958

				or Floor rate of 8.50%, 4.50% Exit Fee			
	Drug Discovery & Development	Senior Secured	September 2020	Interest rate PRIME + 2.75%			
				or Floor rate of 8.50%, 2.25% Exit Fee	$ 10,000	9,964	9,895
Total Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.)					$ 60,000	60,148	59,682
PhaseRx, Inc.[15]	Drug Discovery & Development	Senior Secured	December 2019	Interest rate PRIME + 5.75%			
				or Floor rate of 9.25%, 5.85% Exit Fee	$ 4,694	4,842	1,917
Stealth Bio Therapeutics Corp.[5][10][12]	Drug Discovery & Development	Senior Secured	January 2021	Interest rate PRIME + 5.50%			
				or Floor rate of 9.50%, 5.00% Exit Fee	$ 15,000	14,898	14,847

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ure (5)(10)(11)	Drug Discovery & Development	Senior Secured	May 2020	Interest rate PRIME + 3.00% or Floor rate of 8.25%, 5.48% Exit Fee	$ 20,000	$ 20,579	$ 20.
stem, Inc.(12)(17)	Drug Discovery & Development	Senior Secured	December 2020	Interest rate PRIME + 6.00% or Floor rate of 10.50%, 4.50% Exit Fee	$ 5,000	4,957	4.
	Drug Discovery & Development	Senior Secured	December 2020	Interest rate PRIME + 6.00% or Floor rate of 10.50%, 4.50% Exit Fee	$ 5,000	4,996	4.
	Drug Discovery & Development	Senior Secured	December 2020	Interest rate PRIME + 6.00% or Floor rate of 10.50%, 4.50% Exit Fee	$ 5,000	4,953	4.
l Verastem, Inc.					$ 15,000	14,906	14.
otal: 1-5 Years Maturity						346,187	341.
otal: Drug Discovery & Development (42.00%)*						360,669	353.
tronics & Computer dware							
Years Maturity							
DEVICES (15)	Electronics & Computer Hardware	Senior Secured	September 2020	Interest rate PRIME + 4.00% or Floor rate of 8.25%, 4.25% Exit Fee	$ 10,000	10,014	9.
otal: 1-5 Years Maturity						10,014	9.
otal: Electronics & Computer Hardware (1.18%)*						10,014	9.
thcare Services, Other							

Years Maturity							
sphere Systems oration[14][15]	Healthcare Services, Other	Senior Secured	February 2021	Interest rate PRIME + 4.75% or Floor rate of 9.00%, PIK Interest 1.75%	$ 17,607	17,437	17.
	Healthcare Services, Other	Senior Secured	February 2021	Interest rate PRIME + 4.75% or Floor rate of 9.00%, PIK Interest 1.75%	$ 5,009	4,963	4.
l Medsphere Systems Corporation					$ 22,616	22,400	22.
Street th[12]	Healthcare Services, Other	Senior Secured	September 2021	Interest rate PRIME + 5.00% or Floor rate of 9.75%, 5.95% Exit Fee	$ 20,000	19,965	19.
Group ings[13]	Healthcare Services, Other	Senior Secured	September 2020	Interest rate PRIME + 7.45% or Floor rate of 10.95%	$ 20,000	19,878	19.
	Healthcare Services, Other	Senior Secured	September 2020	Interest rate PRIME + 7.45% or Floor rate of 10.95%	$ 10,000	9,922	9.
l PH Group Holdings					$ 30,000	29,800	29.
otal: 1-5 Years Maturity						72,165	72.
otal: Healthcare Services, Other (8.56%)*						72,165	72.
rmation Services							
Years Maturity							
K Medical, 4)(15)(17)	Information Services	Senior Secured	December 2020	Interest rate PRIME + 4.25% or Floor rate of 8.25%, PIK Interest 1.70%	$ 7,568	7,369	7.
ase Solutions, 3)(14)	Information Services	Senior Secured	August 2020	Interest rate PRIME + 6.00% or Floor rate of 10.00%, PIK Interest 2.00%, 3.00% Exit Fee	$ 9,051	8,730	8.
otal: 1-5 Years Maturity						16,099	16.
otal: Information Services (1.91%)*						16,099	16.

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net Consumer & Business Services							
Years Maturity							
Direct, Inc.	Internet Consumer & Business Services	Senior Secured	January 2022	Interest rate PRIME + 5.70% or Floor rate of 9.95%, 3.45% Exit Fee	$ 10,000	$ 9,885	$ 9
Systems, 1)(14)	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 3.20% or Floor rate of 6.95%, PIK Interest 1.95%, 1.50% Exit Fee	$ 2,103	2,104	1
	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 5.20% or Floor rate of 8.95%, PIK Interest 1.95%, 1.50% Exit Fee	$ 18,832	18,839	16
Aria Systems, Inc.					$ 20,935	20,943	17
nphire Inc.	Internet Consumer & Business Services	Senior Secured	January 2021	Interest rate 3-month LIBOR + 8.00% or Floor rate of 9.00%	$ 3,883	3,883	3
	Internet Consumer & Business Services	Senior Secured	January 2021	Interest rate PRIME + 3.75% or Floor rate of 7.00%	$ 1,000	1,000	1
Greenphire Inc.					$ 4,883	4,883	4
t Media, 4)(15)	Internet Consumer & Business	Senior Secured	May 2019	Interest rate PRIME + 5.25% or Floor rate of 8.75%,	$ 5,050	5,011	5

	Services			PIK Interest 1.00%, 2.00% Exit Fee			
	Internet Consumer & Business Services	Senior Secured	May 2019	Interest rate PRIME + 5.50% or Floor rate of 9.00%, PIK Interest 2.35%, 2.00% Exit Fee	$ 2,020	1,987	1
	Internet Consumer & Business Services	Senior Secured	May 2019	Interest rate PRIME + 5.50% or Floor rate of 9.00%, PIK Interest 2.50%, 2.00% Exit Fee	$ 2,022	1,988	1
Intent Media, Inc.					$ 9,092	8,986	9
actions oration	Internet Consumer & Business Services	Senior Secured	March 2021	Interest rate 3-month LIBOR + 8.60% or Floor rate of 9.85%, 1.75% Exit Fee	$ 25,000	25,013	25
eSource(15)	Internet Consumer & Business Services	Senior Secured	October 2019	Interest rate PRIME + 6.25% or Floor rate of 9.75%, 5.00% Exit Fee	$ 6,452	6,701	6
ajob.com, 3)(14)	Internet Consumer & Business Services	Senior Secured	July 2020	Interest rate PRIME + 5.15% or Floor rate of 9.15%, PIK Interest 1.95%, 2.55% Exit Fee	$ 41,023	40,633	41
ura oration(7)(8)(9)(14)	Internet Consumer & Business Services	Senior Secured	June 2021	Interest rate FIXED 6.00%, PIK Interest 3.00%	$ 20,298	20,298	19
	Internet Consumer & Business Services	Senior Secured	June 2021	PIK Interest 8.00%	$ 11,015	240	
Tectura Corporation					$ 31,313	20,538	19
Faction Group	Internet Consumer & Business Services	Senior Secured	January 2021	Interest rate 3-month LIBOR + 9.25% or Floor rate of 10.25%	$ 8,000	8,000	8
	Internet Consumer & Business Services	Senior Secured	January 2019	Interest rate PRIME + 4.75% or Floor rate of 8.25%	$ 2,000	2,000	2
The Faction Group					$ 10,000	10,000	10
otal: 1-5 Years Maturity						147,582	143
otal: Internet Consumer & Business Services (17.09%)*						147,582	143

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Portfolio Company	Sub-Industry	Type of Investment(1)	Maturity Date	Interest Rate and Floor(2)	Principal Amount	Cost(3)	Value(4)
Media/Content/Info							
Under 1 Year Maturity							
Machine Zone, Inc.(14)(16)	Media/Content/Info	Senior Secured	May 2018	Interest rate PRIME + 2.50% or Floor rate of 6.75%, PIK Interest 3.00%	$ 106,986	$ 106,641	$ 106,641
Subtotal: Under 1 Year Maturity						106,641	106,641
1-5 Years Maturity							
Bustle(14)(15)	Media/Content/Info	Senior Secured	June 2021	Interest rate PRIME + 4.10% or Floor rate of 8.35%, PIK Interest 1.95%, 1.95% Exit Fee	$ 15,016	14,935	14,935
FanDuel, Inc.(9)(12)(14)	Media/Content/Info	Senior Secured	November 2019	Interest rate PRIME + 7.25% or Floor rate of 10.75%, 10.41% Exit Fee	$ 19,354	19,762	19,695
	Media/Content/Info	Convertible Debt	September 2020	PIK Interest 25.00%	$ 1,000	1,000	1,000
Total FanDuel, Inc.					$ 20,354	20,762	20,695
Subtotal: 1-5 Years Maturity						35,697	35,630

ubtotal: Media/Content/Info (16.92%)*						142,338	142,271
Medical Devices & Equipment							
Under 1 Year Maturity							
Amedica Corporation[(9)(15)]	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%, 8.25% Exit Fee	$ 605	2,255	2,255
Aspire Bariatrics, nc.[(15)]	Medical Devices & Equipment	Senior Secured	October 2018	Interest rate PRIME + 4.00% or Floor rate of 9.25%, 5.42% Exit Fee	$ 2,527	2,848	2,848
ubtotal: Under 1 Year Maturity						5,103	5,103
-5 Years Maturity							
ntegenX, Inc.[(15)]	Medical Devices & Equipment	Senior Secured	June 2019	Interest rate PRIME + 6.05% or Floor rate of 10.05%, 6.75% Exit Fee	$ 12,500	13,042	12,991
	Medical Devices & Equipment	Senior Secured	June 2019	Interest rate PRIME + 6.05% or Floor rate of 10.05%, 6.75% Exit Fee	$ 2,500	2,599	2,598
	Medical Devices & Equipment	Senior Secured	June 2019	Interest rate PRIME + 6.05% or Floor rate of 10.05%, 9.75% Exit Fee	$ 2,500	2,618	2,601
Total IntegenX, Inc.					$ 17,500	18,259	18,190
ntuity Medical, nc.[(15)]	Medical Devices & Equipment	Senior Secured	June 2021	Interest rate PRIME + 5.00% or Floor rate of 9.25%, 4.95% Exit Fee	$ 17,500	17,013	17,013
Micell Technologies, nc.[(12)]	Medical Devices & Equipment	Senior Secured	August 2019	Interest rate PRIME + 7.25% or Floor rate of 10.50%, 5.00% Exit Fee	$ 5,469	5,744	5,708
Quanta Fluid olutions[(5)(10)(11)]	Medical Devices & Equipment	Senior Secured	April 2020	Interest rate PRIME + 8.05% or Floor rate of 11.55%, 5.00% Exit Fee	$ 10,117	10,432	10,386
			March 2019		$ 9,043	9,477	9,477

Quanterix Corporation[11]	Medical Devices & Equipment	Senior Secured		Interest rate PRIME + 2.75% or Floor rate of 8.00%, 4.00% Exit Fee			
ebacia, Inc.[15]	Medical Devices & Equipment	Senior Secured	July 2020	Interest rate PRIME + 4.35% or Floor rate of 8.85%, 6.05% Exit Fee	$ 8,000	7,927	7,919
Tela Bio, Inc.[15]	Medical Devices & Equipment	Senior Secured	December 2020	Interest rate PRIME + 4.95% or Floor rate of 9.45%, 3.15% Exit Fee	$ 5,000	4,991	4,973
ubtotal: 1-5 Years Maturity						73,843	73,666
ubtotal: Medical Devices & Equipment (9.37%)*						78,946	78,769

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onductors							
ears Maturity							
nix onductor ration(15)(17)	Semiconductors	Senior Secured	August 2020	Interest rate PRIME + 7.00% or Floor rate of 11.00%, 12.50% Exit Fee	$ 5,000	$ 5,084	$
	Semiconductors	Senior Secured	February 2019	Interest rate PRIME + 6.00% or Floor rate of 10.00%	$ 4,274	4,274	
Achronix Semiconductor Corporation					$ 9,274	9,358	
tal: 1-5 Years Maturity						9,358	
tal: Semiconductors (1.11%)*						9,358	
are							
1 Year Maturity							
ox, Inc.(13)	Software	Senior Secured	May 2018	Interest rate PRIME + 8.00% or Floor rate of 11.50%, 12.01% Exit Fee	$ 6,378	7,671	
l Train Limited Jumpstart s, Inc.)(15)	Software	Senior Secured	July 2018	Interest rate 12-month LIBOR + 2.50%	$ 5,671	5,671	
tal: Under 1 Year Maturity						13,342	1
ears Maturity							
ridge, (14)	Software	Senior Secured	April 2021	Interest rate PRIME + 4.80% or Floor rate of 8.55%,	$ 40,893	40,870	4

				PIK Interest 3.25%			
, Inc.	Software	Senior Secured	September 2022	Interest rate daily LIBOR + 7.75% or Floor rate of 8.75%	$ 50,000	48,565	4
ote ration(14)(15)(17)	Software	Senior Secured	October 2020	Interest rate PRIME + 5.45% or Floor rate of 8.95%	$ 6,000	5,974	
	Software	Senior Secured	July 2021	Interest rate PRIME + 6.00% or Floor rate of 9.50%, PIK Interest 1.25%	$ 4,023	3,999	
Evernote Corporation					$ 10,023	9,973	1
Inc.(13)(14)(15)	Software	Senior Secured	July 2021	Interest rate PRIME + 3.70% or Floor rate of 7.95%, PIK Interest 1.55%, 3.55% Exit Fee	$ 50,332	50,464	5
t Radius ngs, Inc.(14)(17)	Software	Senior Secured	December 2020	Interest rate PRIME + 4.25% or Floor rate of 8.75%, PIK Interest 1.55%, 1.75% Exit Fee	$ 7,544	7,552	
m ologies, Inc.(17)	Software	Senior Secured	October 2022	Interest rate 1-month LIBOR + 8.00% or Floor rate of 9.00%	$ 12,000	11,740	1
systems ng Company,	Software	Senior Secured	July 2022	Interest rate 3-month LIBOR + 8.25% or Floor rate of 9.25%	$ 12,000	11,821	1
ogin, Inc.(14)(15)	Software	Senior Secured	August 2019	Interest rate PRIME + 6.45% or Floor rate of 9.95%, PIK Interest 3.25%	$ 15,883	15,811	1
tServe, Inc.	Software	Senior Secured	April 2021	Interest rate 3-month LIBOR + 9.00% or Floor rate of 10.00%, 2.50% Exit Fee	$ 16,000	16,023	1
	Software	Senior Secured	April 2021	Interest rate 3-month LIBOR + 9.00% or Floor rate of 10.00%, 2.50% Exit Fee	$ 4,000	4,005	
PerfectServe, Inc.					$ 20,000	20,028	2
, Inc.(15)	Software	Senior Secured	April 2019	Interest rate PRIME + 4.25% or Floor rate of 8.50%, 4.00% Exit Fee	$ 7,000	$ 6,964	$
us, Inc.(8)(14)	Software	Senior Secured	May 2022	Interest rate FIXED 6.00%, PIK Interest 3.00%	$ 1,250	1,250	

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olio Company	Sub-Industry	Type of Investment[1]	Maturity Date	Interest Rate and Floor[2]	Principal Amount	Cost[3]	Val
Inc.[14][15]	Software	Senior Secured	October 2019	Interest rate PRIME + 4.75% or Floor rate of 8.25%, PIK Interest 2.25%, 3.00% Exit Fee	$ 8,303	8,397	[illegible]
Miner, Inc.[14]	Software	Senior Secured	December 2020	Interest rate PRIME + 5.50% or Floor rate of 9.75%, PIK Interest 1.65%	$ 7,001	6,971	[illegible]
t Education[14]	Software	Senior Secured	January 2021	Interest rate FIXED 10.00%, PIK Interest 2.00%, 6.35% Exit Fee	$ 3,285	3,291	[illegible]
ost, Inc.[14]	Software	Senior Secured	February 2020	Interest rate PRIME + 4.15% or Floor rate of 8.15%, PIK Interest 1.75%, 3.75% Exit Fee	$ 15,510	15,603	1[illegible]
Trading ologies	Software	Senior Secured	July 2022	Interest rate daily LIBOR + 9.50% or Floor rate of 10.50%	$ 20,000	19,495	19[illegible]
, Inc.[14][17]	Software	Senior Secured	February 2021	Interest rate PRIME + 6.00% or Floor rate of 9.50%, PIK Interest 2.00%, 3.00% Exit Fee	$ 10,165	9,971	10[illegible]
oc	Software	Senior Secured	April 2021	Interest rate 3-month LIBOR + 9.50% or Floor rate of 10.50%, 1.00% Exit Fee	$ 20,000	20,011	20[illegible]
	Software	Senior Secured	November 2021	Interest rate 3-month LIBOR + 9.50% or Floor rate of 10.50%, 1.00% Exit Fee	$ 10,000	10,005	10[illegible]

ZocDoc					$ 30,000	30,016	3(
tal: 1-5 Years Maturity						318,782	31
tal: Software (39.24%)*						332,124	329
alty Pharmaceuticals							
r 1 Year Maturity							
r Animal h, Inc.[11]	Specialty Pharmaceuticals	Senior Secured	August 2018	Interest rate PRIME + 5.65% or Floor rate of 9.90%, 7.00% Exit Fee	$ 1,089	1,496	
tal: Under 1 Year Maturity						1,496	
ears Maturity							
ra Sciences,)(14)	Specialty Pharmaceuticals	Senior Secured	November 2020	Interest rate PRIME + 7.50% or Floor rate of 11.00%, PIK Interest 1.00%, 4.00% Exit Fee	$ 35,398	35,517	3
tal: 1-5 Years Maturity						35,517	3
tal: Specialty Pharmaceuticals (4.40%)*						37,013	3
cal Devices							
ears Maturity							
medics, Inc.[13]	Surgical Devices	Senior Secured	February 2020	Interest rate PRIME + 5.30% or Floor rate of 9.55%, 6.70% Exit Fee	$ 8,500	8,756	
tal: 1-5 Years Maturity						8,756	
tal: Surgical Devices (1.04%)*						8,756	
inable and Renewable nology							
r 1 Year Maturity							
ell Energy,)	Sustainable and Renewable Technology	Senior Secured	October 2018	Interest rate PRIME + 5.50% or Floor rate of 9.50%, 8.50% Exit Fee	$ 16,806	$ 18,190	$ 1
tral ologies Inc.	Sustainable and Renewable Technology	Senior Secured	October 2018	Interest rate 3-month LIBOR + 7.75% or Floor rate of 8.75%, 3.23% Exit Fee	$ 3,867	3,882	
tal: Under 1 Year Maturity						22,072	2

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-Industry	Type of Investment(1)	Maturity Date	Interest Rate and Floor(2)	Principa Amount
ainable ewable nology	Senior Secured	August 2020	Interest rate 3-month LIBOR + 8.75% or Floor rate of 9.75%, 2.00% Exit Fee	$ 19,394
ainable ewable nology	Senior Secured	August 2019	Interest rate PRIME + 8.70% or Floor rate of 12.95%, 4.50% Exit Fee	$ 14,000
ainable ewable nology	Senior Secured	November 2020	Interest rate PRIME + 3.70% or Floor rate of 7.95%, PIK Interest 1.75%, 5.95% Exit Fee	$ 25,036
ainable ewable nology	Senior Secured	November 2020	Interest rate PRIME + 3.70% or Floor rate of 7.95%, PIK Interest 1.75%, 7.00% Exit Fee	$ 5,007
				$ 30,043
ainable ewable nology	Senior Secured	January 2019	Interest rate PRIME + 6.20% or Floor rate of 9.45%, 4.00% Exit Fee	$ 4,258
ainable ewable nology	Senior Secured	June 2019	Interest rate FIXED 9.25%, 8.50% Exit Fee	$ 13,156
urity				

d Renewable Technology (12.45%)*

(168.38%)*

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Portfolio Company	Sub-Industry	Type of Investment(1)	Series	Shares	Cost(3)	Value(4)
Equity Investments						
Biotechnology Tools						
NuGEN Technologies, Inc.(15)	Biotechnology Tools	Equity	Common Stock	55,780	$ 500	$
Subtotal: Biotechnology Tools (0.00%)*					500	
Communications & Networking						
Achilles Technology Management Co II, Inc.(7)(15)	Communications & Networking	Equity	Common Stock	100	3,100	242
GlowPoint, Inc.(4)	Communications & Networking	Equity	Common Stock	114,192	102	41
Peerless Network Holdings, Inc.	Communications & Networking	Equity	Preferred Series A	1,000,000	1,000	5,865
Subtotal: Communications & Networking (0.73%)*					4,202	6,148
Diagnostic						
Singulex, Inc.	Diagnostic	Equity	Common Stock	937,998	750	720
Subtotal: Diagnostic (0.09%)*					750	720
Drug Delivery						
AcelRx Pharmaceuticals, Inc.(4)(10)	Drug Delivery	Equity	Common Stock	54,240	108	109
BioQ Pharma Incorporated(15)	Drug Delivery	Equity	Preferred Series D	165,000	500	826
Edge Therapeutics, Inc.(4)	Drug Delivery	Equity	Common Stock	49,965	309	468

Neos Therapeutics, Inc.(4)(15)	Drug Delivery	Equity	Common Stock	125,000	1,500	1,275
Subtotal: Drug Delivery (0.32%)*					2,417	2,678
Drug Discovery & Development						
Aveo Pharmaceuticals, Inc.(4)(10)(15)	Drug Discovery & Development	Equity	Common Stock	1,901,791	1,715	5,315
Axovant Sciences Ltd.(4)(5)(10)	Drug Discovery & Development	Equity	Common Stock	129,827	1,270	707
Cerecor, Inc.(4)	Drug Discovery & Development	Equity	Common Stock	119,087	1,000	381
Dare Biosciences, Inc. (p.k.a. Cerulean Pharma, Inc.)(4)	Drug Discovery & Development	Equity	Common Stock	13,550	1,000	29
Dicerna Pharmaceuticals, Inc.(4)(15)	Drug Discovery & Development	Equity	Common Stock	142,858	1,000	1,290
Dynavax Technologies(4)(10)	Drug Discovery & Development	Equity	Common Stock	20,000	550	374
Epirus Biopharmaceuticals, Inc.(4)	Drug Discovery & Development	Equity	Common Stock	200,000	1,000	
Genocea Biosciences, Inc.(4)	Drug Discovery & Development	Equity	Common Stock	223,463	2,000	259
Inotek Pharmaceuticals Corporation(4)	Drug Discovery & Development	Equity	Common Stock	3,778	1,500	10
Insmed, Incorporated(4)	Drug Discovery & Development	Equity	Common Stock	70,771	1,000	2,154
Melinta Therapeutics(4)	Drug Discovery & Development	Equity	Common Stock	43,840	2,000	693
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.)(4)	Drug Discovery & Development	Equity	Common Stock	76,362	2,743	1,367
Subtotal: Drug Discovery & Development (1.50%)*					16,778	12,579
Electronics & Computer Hardware						
Identiv, Inc.(4)	Electronics & Computer Hardware	Equity	Common Stock	6,700	34	22
Subtotal: Electronics & Computer Hardware (0.00%)*					34	22

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Portfolio Company	Sub-Industry	Type of Investment[1]	Series	Shares	Cost[3]	Value[4]
Information Services						
DocuSign, Inc.	Information Services	Equity	Common Stock	385,000	6,081	8,011
Subtotal: Information Services (0.95%)*					6,081	8,011
Internet Consumer & Business Services						
Blurb, Inc.[15]	Internet Consumer & Business Services	Equity	Preferred Series B	220,653	$ 175	$ 46
Brigade Group, Inc. (p.k.a. Philotic, Inc.)	Internet Consumer & Business Services	Equity	Common Stock	9,023	93	
Lightspeed POS, Inc.[5][10]	Internet Consumer & Business Services	Equity	Preferred Series C	230,030	250	233
	Internet Consumer & Business Services	Equity	Preferred Series D	198,677	250	213
Total Lightspeed POS, Inc.				428,707	500	446
OfferUp, Inc.	Internet Consumer & Business Services	Equity	Preferred Series A	286,080	1,663	2,236
	Internet Consumer & Business Services	Equity	Preferred Series A-1	108,710	632	850
Total OfferUp, Inc.				394,790	2,295	3,086
		Equity		218,351	250	451

Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services		Preferred Series G			
	Internet Consumer & Business Services	Equity	Preferred Series H	87,802	250	255
Total Oportun (p.k.a. Progress Financial)				306,153	500	706
RazorGator Interactive Group, Inc.	Internet Consumer & Business Services	Equity	Preferred Series AA	34,783	15	49
Tectura Corporation(7)	Internet Consumer & Business Services	Equity	Preferred Series BB	1,000,000		
Subtotal: Internet Consumer & Business Services (0.52%)*					3,578	4,333
Media/Content/Info						
Pinterest, Inc.	Media/Content/Info	Equity	Preferred Series Seed	620,000	4,085	5,055
Subtotal: Media/Content/Info (0.60%)*					4,085	5,055
Medical Devices & Equipment						
AtriCure, Inc.(4)(15)	Medical Devices & Equipment	Equity	Common Stock	7,536	266	138
Flowonix Medical Incorporated	Medical Devices & Equipment	Equity	Preferred Series AA	221,893	1,500	
Gelesis, Inc.(15)	Medical Devices & Equipment	Equity	Common Stock	198,202		879
	Medical Devices & Equipment	Equity	Preferred Series A-1	191,210	425	939
	Medical Devices & Equipment	Equity	Preferred Series A-2	191,626	500	894
Total Gelesis, Inc.				581,038	925	2,712
Medrobotics Corporation(15)	Medical Devices & Equipment	Equity	Preferred Series E	136,798	250	302
	Medical Devices & Equipment	Equity	Preferred Series F	73,971	155	225
	Medical Devices & Equipment	Equity	Preferred Series G	163,934	500	532
Total Medrobotics Corporation				374,703	905	1,059

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Portfolio Company	Sub-Industry	Type of Investment(1)	Series	Shares	Cost(3)	Value(4)
Optiscan Biomedical, Corp.(6)(15)	Medical Devices & Equipment	Equity	Preferred Series B	6,185,567	$ 3,000	$ 402
	Medical Devices & Equipment	Equity	Preferred Series C	1,927,309	655	114
	Medical Devices & Equipment	Equity	Preferred Series D	55,103,923	5,257	4,232
	Medical Devices & Equipment	Equity	Preferred Series E	15,638,888	1,307	1,457
Total Optiscan Biomedical, Corp.				78,855,687	10,219	6,205
Outset Medical, Inc. (p.k.a. Home Dialysis Plus, Inc.)	Medical Devices & Equipment	Equity	Preferred Series B	232,061	527	596
Quanterix Corporation(4)	Medical Devices & Equipment	Equity	Common Stock	84,778	1,000	1,820
Subtotal: Medical Devices & Equipment (1.49%)*					15,342	12,530
Software						
CapLinked, Inc.	Software	Equity	Preferred Series A-3	53,614	51	90
Druva, Inc.	Software	Equity	Preferred Series 2	458,841	1,000	1,044
	Software	Equity	Preferred Series 3	93,620	300	312

Total Druva, Inc.				552,461	1,300	1,356
ForeScout Technologies, Inc.(4)	Software	Equity	Common Stock	199,844	529	6,373
HighRoads, Inc.	Software	Equity	Common Stock	190	307	
NewVoiceMedia Limited(5)(10)	Software	Equity	Preferred Series E	669,173	963	1,544
Palantir Technologies	Software	Equity	Preferred Series E	727,696	5,431	4,923
	Software	Equity	Preferred Series G	326,797	2,211	2,211
Total Palantir Technologies				1,054,493	7,642	7,134
Sprinklr, Inc.	Software	Equity	Common Stock	700,000	3,749	4,600
WildTangent, Inc.(15)	Software	Equity	Preferred Series 3	100,000	402	179
Subtotal: Software (2.53%)*					14,943	21,276
Surgical Devices						
Gynesonics, Inc. (15)	Surgical Devices	Equity	Preferred Series B	219,298	250	44
	Surgical Devices	Equity	Preferred Series C	656,538	282	60
	Surgical Devices	Equity	Preferred Series D	1,991,157	712	795
	Surgical Devices	Equity	Preferred Series E	2,786,367	429	521
Total Gynesonics, Inc.				5,653,360	1,673	1,420
Transmedics, Inc.	Surgical Devices	Equity	Preferred Series B	88,961	1,100	376
	Surgical Devices	Equity	Preferred Series C	119,999	300	309
	Surgical Devices	Equity	Preferred Series D	260,000	650	957
	Surgical Devices	Equity	Preferred Series F	100,200	500	531
Total Transmedics, Inc.				569,160	2,550	2,173
Subtotal: Surgical Devices (0.43%)*					4,223	3,593
Sustainable and Renewable Technology						
Flywheel Building Intelligence, Inc. (p.k.a. SCIEnergy, Inc.)	Sustainable and Renewable Technology	Equity	Common Stock	19,250	761	
Modumetal, Inc.	Sustainable and Renewable	Equity	Preferred Series C	3,107,520	500	477

	Technology					
Proterra, Inc.	Sustainable and Renewable Technology	Equity	Preferred Series 5	99,280	500	539
Solar Spectrum Holdings LLC (p.k.a. Sungevity, Inc.)(6)	Sustainable and Renewable Technology	Equity	Common Stock	288	61,502	11,400
Subtotal: Sustainable and Renewable Technology (1.48%)*					63,263	12,416
Total: Equity Investments (10.63%)*					**136,196**	**89,361**

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Warrant Investments						
Biotechnology Tools						
Labcyte, Inc.[15]	Biotechnology Tools	Warrant	Preferred Series C	1,127,624	$ 323	$ 458
Subtotal: Biotechnology Tools (0.05%)*					323	458
Communications & Networking						
PeerApp, Inc.	Communications & Networking	Warrant	Preferred Series B	298,779	61	
Peerless Network Holdings, Inc.	Communications & Networking	Warrant	Preferred Series A	135,000	95	501
Spring Mobile Solutions, Inc.	Communications & Networking	Warrant	Common Stock	2,834,375	418	
Subtotal: Communications & Networking (0.06%)*					574	501
Consumer & Business Products						
Antenna79 (p.k.a. Pong Research Corporation)[15]	Consumer & Business Products	Warrant	Common Stock	1,662,441	228	
Intelligent Beauty, Inc.[15]	Consumer & Business Products	Warrant	Preferred Series B	190,234	230	221
The Neat Company[15]	Consumer & Business Products	Warrant	Preferred Series C-1	540,540	365	
Subtotal: Consumer & Business Products (0.03%)*					823	221
Drug Delivery						

AcelRx Pharmaceuticals, Inc.(4)(10)(15)	Drug Delivery	Warrant	Common Stock	176,730	786	61
Agile Therapeutics, Inc.(4)	Drug Delivery	Warrant	Common Stock	180,274	730	65
BioQ Pharma Incorporated	Drug Delivery	Warrant	Common Stock	459,183	1	968
Celsion Corporation(4)	Drug Delivery	Warrant	Common Stock	13,927	428	
Dance Biopharm, Inc.(15)	Drug Delivery	Warrant	Common Stock	110,882	74	
Edge Therapeutics, Inc.(4)	Drug Delivery	Warrant	Common Stock	78,595	390	230
Kaleo, Inc. (p.k.a. Intelliject, Inc.)	Drug Delivery	Warrant	Preferred Series B	82,500	594	1,540
Neos Therapeutics, Inc.(4)(15)	Drug Delivery	Warrant	Common Stock	70,833	285	148
Pulmatrix Inc.(4)	Drug Delivery	Warrant	Common Stock	25,150	116	4
ZP Opco, Inc. (p.k.a. Zosano Pharma)(4)	Drug Delivery	Warrant	Common Stock	72,379	266	
Subtotal: Drug Delivery (0.36%)*					3,670	3,016
Drug Discovery & Development						
ADMA Biologics, Inc.(4)	Drug Discovery & Development	Warrant	Common Stock	89,750	295	12
Anthera Pharmaceuticals, Inc.(4)(15)	Drug Discovery & Development	Warrant	Common Stock	5,022	984	
Audentes Therapeutics, Inc.(4)(10)(15)	Drug Discovery & Development	Warrant	Common Stock	9,914	62	147
Auris Medical Holding, AG(4)(5)(10)	Drug Discovery & Development	Warrant	Common Stock	156,726	249	19
Brickell Biotech, Inc.	Drug Discovery & Development	Warrant	Preferred Series C	26,086	119	93
Cerecor, Inc.(4)	Drug Discovery & Development	Warrant	Common Stock	22,328	70	15
Chroma Therapeutics, Ltd.(5)(10)	Drug Discovery & Development	Warrant	Preferred Series D	325,261	490	
Cleveland BioLabs, Inc.(4)(15)	Drug Discovery & Development	Warrant	Common Stock	7,813	105	3
Concert Pharmaceuticals, Inc.(4)(15)	Drug Discovery & Development	Warrant	Common Stock	132,069	545	1,344
CTI BioPharma Corp. (p.k.a. Cell Therapeutics, Inc.)(4)	Drug Discovery & Development	Warrant	Common Stock	29,239	165	2

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HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2017

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment[1]	Series	Shares	Cost[3]	Value[4]
CytRx Corporation[4][15]	Drug Discovery & Development	Warrant	Common Stock	105,694	$ 160	$ 58
Dare Biosciences, Inc. (p.k.a. Cerulean Pharma, Inc.)[4]	Drug Discovery & Development	Warrant	Common Stock	17,190	369	
Dicerna Pharmaceuticals, Inc.[4][15]	Drug Discovery & Development	Warrant	Common Stock	200	28	
Epirus Biopharmaceuticals, Inc.[4]	Drug Discovery & Development	Warrant	Common Stock	64,194	276	
Fortress Biotech, Inc. (p.k.a. Coronado Biosciences, Inc.)[4]	Drug Discovery & Development	Warrant	Common Stock	73,009	142	29
Genocea Biosciences, Inc.[4]	Drug Discovery & Development	Warrant	Common Stock	73,725	266	4
Immune Pharmaceuticals[4]	Drug Discovery & Development	Warrant	Common Stock	10,742	164	
Melinta Therapeutics[4]	Drug Discovery & Development	Warrant	Common Stock	31,655	626	12
Motif BioSciences Inc.[4][15]	Drug Discovery & Development	Warrant	Common Stock	73,452	282	414
Myovant Sciences, Ltd.[4][5][10]	Drug Discovery & Development	Warrant	Common Stock	49,800	283	128
		Warrant		46,838	266	53

Neothetics, Inc. (p.k.a. Lithera, Inc.)(4)(15)	Drug Discovery & Development		Common Stock			
Neuralstem, Inc.(4)(15)	Drug Discovery & Development	Warrant	Common Stock	5,783	77	
Ology Bioservices, Inc. (p.k.a. Nanotherapeutics, Inc.)(15)	Drug Discovery & Development	Warrant	Common Stock	171,389	838	
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.)(4)(15)	Drug Discovery & Development	Warrant	Common Stock	75,214	178	212
PhaseRx, Inc.(4)(15)	Drug Discovery & Development	Warrant	Common Stock	63,000	125	
Savara Inc. (p.k.a. Mast Therapeutics, Inc.)(4)(15)	Drug Discovery & Development	Warrant	Common Stock	32,467	203	8
Sorrento Therapeutics, Inc.(4)(10)	Drug Discovery & Development	Warrant	Common Stock	306,748	889	453
Stealth Bio Therapeutics Corp.(5)(10)	Drug Discovery & Development	Warrant	Preferred Series A	487,500	116	107
uniQure B.V.(4)(5)(10)	Drug Discovery & Development	Warrant	Common Stock	37,174	218	240
XOMA Corporation(4)(10)(15)	Drug Discovery & Development	Warrant	Common Stock	9,063	279	50
Subtotal: Drug Discovery & Development (0.40%)*					8,869	3,403
Electronics & Computer Hardware						
908 DEVICES INC.(15)	Electronics & Computer Hardware	Warrant	Preferred Series D	79,856	100	73
Clustrix, Inc.	Electronics & Computer Hardware	Warrant	Common Stock	50,000	12	
Subtotal: Electronics & Computer Hardware (0.01%)*					112	73
Healthcare Services, Other						
Chromadex Corporation(4)(15)	Healthcare Services, Other	Warrant	Common Stock	139,673	157	329
Subtotal: Healthcare Services, Other (0.04%)*					157	329

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Information Services						
INMOBI Inc.[5][10]	Information Services	Warrant	Common Stock	65,587	$ 82	$
InXpo, Inc.[15]	Information Services	Warrant	Preferred Series C	648,400	98	21
	Information Services	Warrant	Preferred Series C-1	1,165,183	74	37
Total InXpo, Inc.				1,813,583	172	58
MDX Medical, Inc.[15]	Information Services	Warrant	Common Stock	2,250,000	246	129
Netbase Solutions, Inc.	Information Services	Warrant	Preferred Series 1	60,000	356	363
RichRelevance, Inc.[15]	Information Services	Warrant	Preferred Series E	112,612	98	
Subtotal: Information Services (0.07%)*					954	550
Internet Consumer & Business Services						
Aria Systems, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series G	231,535	73	
Blurb, Inc.[15]	Internet Consumer & Business Services	Warrant	Preferred Series C	234,280	636	9
ClearObject, Inc. (p.k.a. CloudOne, Inc.)	Internet Consumer & Business Services	Warrant	Preferred Series E	968,992	18	154
The Faction Group	Internet Consumer & Business Services	Warrant	Preferred Series A	8,703	234	234

Intent Media, Inc.[15]	Internet Consumer & Business Services	Warrant	Common Stock	140,077	168	207
Interactions Corporation	Internet Consumer & Business Services	Warrant	Preferred Series G-3	68,187	204	204
Just Fabulous, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	206,184	1,102	2,627
Lightspeed POS, Inc.[5][10]	Internet Consumer & Business Services	Warrant	Preferred Series C	245,610	20	93
LogicSource[15]	Internet Consumer & Business Services	Warrant	Preferred Series C	79,625	30	36
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Warrant	Preferred Series G	174,562	78	196
ShareThis, Inc.[15]	Internet Consumer & Business Services	Warrant	Preferred Series C	493,502	547	
Snagajob.com, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series A	1,800,000	782	1,257
Tapjoy, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series D	748,670	316	7
TraceLink, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series A-2	283,353	1,833	1,833
Subtotal: Internet Consumer & Business Services (0.82%)*					6,041	6,857
Media/Content/Info						
FanDuel, Inc.	Media/Content/Info	Warrant	Common Stock	15,570		
	Media/Content/Info	Warrant	Preferred Series A	4,648	730	1,875
Total FanDuel, Inc.				20,218	730	1,875
Machine Zone, Inc.[16]	Media/Content/Info	Warrant	Common Stock	1,552,710	1,958	3,743
Rhapsody International, Inc.[15]	Media/Content/Info	Warrant	Common Stock	715,755	385	4
WP Technology, Inc. (Wattpad, Inc.)[5][10]	Media/Content/Info	Warrant	Common Stock	255,818	4	17
Zoom Media Group, Inc.	Media/Content/Info	Warrant	Preferred Series A	1,204	348	33
Subtotal: Media/Content/Info (0.67%)*					3,425	5,672

Medical Devices & Equipment						
Amedica Corporation(4)(15)	Medical Devices & Equipment	Warrant	Common Stock	8,603	459	1
Aspire Bariatrics, Inc.(15)	Medical Devices & Equipment	Warrant	Preferred Series B-1	112,858	455	65

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Portfolio Company	Sub-Industry	Type of Investment[1]	Series	Shares	Cost[3]	Value[4]
Avedro, Inc.[15]	Medical Devices & Equipment	Warrant	Preferred Series AA	300,000	$ 401	$ 275
Flowonix Medical Incorporated	Medical Devices & Equipment	Warrant	Preferred Series AA	155,325	362	
Gelesis, Inc.[15]	Medical Devices & Equipment	Warrant	Preferred Series A-1	74,784	78	216
InspireMD, Inc.[4][5][10]	Medical Devices & Equipment	Warrant	Common Stock	39,364	242	
IntegenX, Inc.[15]	Medical Devices & Equipment	Warrant	Preferred Series C	547,752	15	
Intuity Medical, Inc.[15]	Medical Devices & Equipment	Warrant	Preferred Series 4	1,819,078	294	294
Medrobotics Corporation[15]	Medical Devices & Equipment	Warrant	Preferred Series E	455,539	370	411
Micell Technologies, Inc.	Medical Devices & Equipment	Warrant	Preferred Series D-2	84,955	262	150
NetBio, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A	7,841	408	56
NinePoint Medical, Inc.[15]	Medical Devices & Equipment	Warrant	Preferred Series A-1	587,840	170	82
		Warrant		10,535,275	1,252	86

Optiscan Biomedical, Corp.(6)(15)	Medical Devices & Equipment		Preferred Series D			
Outset Medical, Inc. (p.k.a. Home Dialysis Plus, Inc.)	Medical Devices & Equipment	Warrant	Preferred Series A	500,000	402	430
Quanterix Corporation(4)	Medical Devices & Equipment	Warrant	Common Stock	66,039	205	536
Sebacia, Inc.(15)	Medical Devices & Equipment	Warrant	Preferred Series D	778,301	133	127
SonaCare Medical, LLC (p.k.a. US HIFU, LLC)	Medical Devices & Equipment	Warrant	Preferred Series A	6,464	188	
Strata Skin Sciences, Inc. (p.k.a. MELA Sciences, Inc.)(4)	Medical Devices & Equipment	Warrant	Common Stock	13,864	401	
Tela Bio, Inc.(15)	Medical Devices & Equipment	Warrant	Preferred Series B	387,930	62	153
ViewRay, Inc.(4)(15)	Medical Devices & Equipment	Warrant	Common Stock	128,231	333	414
Subtotal: Medical Devices & Equipment (0.39%)*					6,492	3,296
Semiconductors						
Achronix Semiconductor Corporation (15)	Semiconductors	Warrant	Preferred Series C	360,000	$ 160	$ 308
	Semiconductors	Warrant	Preferred Series D-2	750,000	99	519
Total Achronix Semiconductor Corporation				1,110,000	259	827
Aquantia Corp.(4)	Semiconductors	Warrant	Common Stock	19,683	4	11
Avnera Corporation	Semiconductors	Warrant	Preferred Series E	141,567	46	195
Subtotal: Semiconductors (0.12%)*					309	1,033
Software						
Actifio, Inc.	Software	Warrant	Common Stock	73,584	249	84
	Software	Warrant	Preferred Series F	31,673	343	79
Total Actifio, Inc.				105,257	592	163
Braxton Technologies, LLC	Software	Warrant	Preferred Series A	168,750	188	
CareCloud Corporation(15)	Software	Warrant		413,433	258	113

			Preferred Series B			
Clickfox, Inc.[15]	Software	Warrant	Preferred Series B	1,038,563	330	129
	Software	Warrant	Preferred Series C	592,019	730	179
	Software	Warrant	Preferred Series C-A	2,218,214	230	4,458
Total Clickfox, Inc.				3,848,796	1,290	4,766
DNAnexus, Inc.	Software	Warrant	Preferred Series C	909,091	97	97
Evernote Corporation[15]	Software	Warrant	Common Stock	62,500	106	175

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Portfolio Company	Sub-Industry	Type of Investment[1]	Series	Shares	Cost[3]	Value[4]
Fuze, Inc.[15]	Software	Warrant	Preferred Series F	256,158	89	53
Mattersight Corporation[4]	Software	Warrant	Common Stock	357,143	538	168
Message Systems, Inc.[15]	Software	Warrant	Preferred Series C	503,718	334	639
Mobile Posse, Inc.[15]	Software	Warrant	Preferred Series C	396,430	130	353
Neos, Inc.[15]	Software	Warrant	Common Stock	221,150	22	
NewVoiceMedia Limited[5][10]	Software	Warrant	Preferred Series E	225,586	33	190
OneLogin, Inc.[15]	Software	Warrant	Common Stock	228,972	150	227
PerfectServe, Inc.	Software	Warrant	Preferred Series C	129,073	720	720
Poplicus, Inc.	Software	Warrant	Common Stock	132,168		
Quid, Inc.[15]	Software	Warrant	Preferred Series D	71,576	1	7
RapidMiner, Inc.	Software	Warrant	Preferred Series C-1	4,982	23	23
RedSeal Inc.[15]	Software	Warrant	Preferred Series C-Prime	640,603	66	44
Signpost, Inc.	Software	Warrant	Preferred Series C	324,005	314	106
Wrike, Inc.	Software	Warrant	Common Stock	698,760	462	1,040
Subtotal: Software (1.06%)*					5,413	8,884

Specialty Pharmaceuticals						
Alimera Sciences, Inc.(4)	Specialty Pharmaceuticals	Warrant	Common Stock	1,717,709	861	488
Subtotal: Specialty Pharmaceuticals (0.06%)*					861	488
Surgical Devices						
Gynesonics, Inc.(15)	Surgical Devices	Warrant	Preferred Series C	180,480	75	15
	Surgical Devices	Warrant	Preferred Series D	1,575,965	320	291
Total Gynesonics, Inc.				1,756,445	395	306
Transmedics, Inc.	Surgical Devices	Warrant	Preferred Series B	40,436	225	16
	Surgical Devices	Warrant	Preferred Series D	175,000	100	429
	Surgical Devices	Warrant	Preferred Series F	50,544	38	60
Total Transmedics, Inc.				265,980	363	505
Subtotal: Surgical Devices (0.10%)*					758	811
Sustainable and Renewable Technology						
Agrivida, Inc.(15)	Sustainable and Renewable Technology	Warrant	Preferred Series D	471,327	$ 120	$ 88
Alphabet Energy, Inc.(15)	Sustainable and Renewable Technology	Warrant	Preferred Series 1B	13,667	82	
American Superconductor Corporation(4)	Sustainable and Renewable Technology	Warrant	Common Stock	58,823	39	7
Brightsource Energy, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series 1	116,666	104	
Calera, Inc.(15)	Sustainable and Renewable Technology	Warrant	Preferred Series C	44,529	513	
EcoMotors, Inc.(15)	Sustainable and Renewable Technology	Warrant	Preferred Series B	437,500	308	
Fluidic, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series D	61,804	102	
Flywheel Building Intelligence, Inc. (p.k.a. SCIEnergy, Inc.)	Sustainable and Renewable Technology	Warrant	Common Stock	530,811	181	
		Warrant		6,229	50	

	Sustainable and Renewable Technology		Preferred Series 2-A			
Total Flywheel Building Intelligence, Inc. (p.k.a. SCIEnergy, Inc.)				537,040	231	
Fulcrum Bioenergy, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series C-1	280,897	275	357
GreatPoint Energy, Inc.(15)	Sustainable and Renewable Technology	Warrant	Preferred Series D-1	393,212	548	
Kinestral Technologies, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series A	325,000	155	155

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	Sustainable and Renewable Technology	Warrant	Preferred Series B	131,883	63	63
Total Kinestral Technologies, Inc.				456,883	218	218
Polyera Corporation[15]	Sustainable and Renewable Technology	Warrant	Preferred Series C	311,609	338	
Proterra, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series 4	477,517	41	599
Rive Technology, Inc.[15]	Sustainable and Renewable Technology	Warrant	Preferred Series E	234,477	12	8
Stion Corporation[6]	Sustainable and Renewable Technology	Warrant	Preferred Series Seed	2,154	1,378	
TAS Energy, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series AA	428,571	299	
Tendril Networks	Sustainable and Renewable Technology	Warrant	Preferred Series 3-A	1,019,793	189	
Subtotal: Sustainable and Renewable Technology (0.15%)*					4,797	1,277
Total: Warrant Investments (4.38%)*					**43,578**	**36,869**
Total Investments in Securities (183.39%)*					**$ 1,619,829**	**$ 1,542,214**

* Value as a percent of net assets
(1) Preferred and common stock, warrants, and equity interests are generally non-income producing.
(2) Interest rate PRIME represents 4.50% at December 31, 2017. Daily LIBOR, 1-month LIBOR, 3-month LIBOR and 12-month LIBOR represent 1.44%, 1.57%, 1.69% and 2.11%, respectively, at December 31, 2017.
(3) Gross unrealized appreciation, gross unrealized depreciation, and net unrealized depreciation for federal income tax purposes totaled $32.5 million, $119.7 million and $87.2 million respectively. The tax cost of investments is $1.6 billion.
(4) Except for warrants in 43 publicly traded companies and common stock in 20 publicly traded companies, all investments are restricted at December 31, 2017 and were valued at fair value using Level 3 significant unobservable inputs as determined in good faith by the Board of Directors. No unrestricted securities of the same issuer are outstanding. The Company uses the Standard Industrial Code for classifying the industry grouping of its portfolio companies.
(5) Non-U.S. company or the company s principal place of business is outside the United States.
(6) Affiliate investment as defined under the 1940 Act in which Hercules owns at least 5% but generally less than 25% of the company s voting securities.
(7) Control investment as defined under the 1940 Act in which Hercules owns at least 25% of the company s voting securities or has greater than 50% representation on its board.
(8) Debt is on non-accrual status at December 31, 2017 and is therefore considered non-income producing. Note that at December 31, 2017, only the $11.0 million PIK loan is on non-accrual for the Company s debt investment in Tectura Corporation.
(9) Denotes that all or a portion of the debt investment is convertible debt.
(10) Indicates assets that the Company deems not qualifying assets under section 55(a) of 1940 Act. Qualifying assets must represent at least 70% of the Company s total assets at the time of acquisition of any additional non-qualifying assets.
(11) Denotes that all or a portion of the debt investment secures the notes offered in the Debt Securitization (as defined in Note 4).
(12) Denotes that all or a portion of the debt investment is pledged as collateral under the Wells Facility (as defined in Note 4).
(13) Denotes that all or a portion of the debt investment is pledged as collateral under the Union Bank Facility (as defined in Note 4).
(14) Denotes that all or a portion of the debt investment principal includes accumulated PIK interest and is net of repayments.
(15) Denotes that all or a portion of the investment in this portfolio company is held by HT II or HT III, the Company s wholly owned SBIC subsidiaries.
(16) Denotes that the fair value of the Company s total investments in this portfolio company represent greater than 5% of the Company s total assets at December 31, 2017.
(17) Denotes that there is an unfunded contractual commitment available at the request of this portfolio company at December 31, 2017. Refer to Note 10.

See notes to consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

1. Description of Business and Basis of Presentation

Hercules Capital, Inc. (the Company) is a specialty finance company focused on providing senior secured loans to high-growth, innovative venture capital-backed companies in a variety of technology, life sciences, and sustainable and renewable technology industries. The Company sources its investments through its principal office located in Palo Alto, CA, as well as through its additional offices in Boston, MA, New York, NY, Washington, DC, Hartford, CT, Westport, CT, Chicago, IL, and San Diego, CA. The Company was incorporated under the General Corporation Law of the State of Maryland in December 2003.

The Company is an internally managed, non-diversified closed-end investment company that has elected to be regulated as a business development company (BDC) under the Investment Company Act of 1940, as amended (the 1940 Act). From incorporation through December 31, 2005, the Company was subject to tax as a corporation under Subchapter C of the Internal Revenue Code of 1986, as amended (the Code). Effective January 1, 2006, the Company elected to be treated for tax purposes as a regulated investment company (RIC) under Subchapter M of the Code (see Note 5). As an investment company, the Company follows accounting and reporting guidance as set forth in Topic 946 (Financial Services Investment Companies) of the Financial Accounting Standards Board s (FASB) Accounting Standards Codification, as amended (ASC).

Hercules Technology II, L.P. (HT II), Hercules Technology III, L.P. (HT III), and Hercules Technology IV, L.P. (HT IV), are Delaware limited partnerships that were formed in January 2005, September 2009 and December 2010, respectively. HT II and HT III were licensed to operate as small business investment companies (SBICs) under the authority of the Small Business Administration (SBA) on September 27, 2006 and May 26, 2010, respectively. On July 13, 2018, the Company completed repayment of the remaining outstanding HT II debentures and subsequently surrendered the SBA license with respect to HT II.

As an SBIC, HT III is subject to a variety of regulations concerning, among other things, the size and nature of the companies in which it may invest and the structure of those investments. HT IV was formed in anticipation of receiving an additional SBIC license; however, the Company has not received such license, and HT IV currently has no material assets or liabilities. The Company also formed Hercules Technology SBIC Management, LLC (HTM), a limited liability company, in November 2003. HTM is a wholly owned subsidiary of the Company and serves as the limited partner and general partner of HT II and HT III (see Note 4 to the Company s consolidated financial statements).

HT III holds approximately $300.6 million in assets which accounts for approximately 13.6% of the Company s total assets prior to consolidation at September 30, 2018.

The Company also established wholly owned subsidiaries, all of which are structured as Delaware corporations and limited liability companies, to hold portfolio companies organized as limited liability companies, or LLCs (or other forms of pass-through entities). By investing through these wholly owned subsidiaries, the Company is able to benefit from the tax treatment of these entities and create a tax structure that is more advantageous with respect to the Company s RIC status. These taxable subsidiaries are consolidated for financial reporting purposes and in accordance with U.S. generally accepted accounting principles (U.S. GAAP), and the portfolio investments held by these taxable subsidiaries are included in the Company s consolidated financial statements and recorded at fair value. These taxable subsidiaries are not consolidated with Hercules for income tax purposes and may generate income tax expense, or benefit, and tax assets and liabilities as a result of their ownership of certain portfolio investments.

The consolidated financial statements include the accounts of the Company, its subsidiaries and its consolidated securitization VIE. All significant inter-company accounts and transactions have been eliminated in consolidation. As provided under Regulation S-X and ASC 946, the Company will not consolidate its investment in a portfolio company other than an investment company subsidiary or a controlled operating company whose business consists of providing services to the Company. Rather, an investment company s interest in portfolio companies that are not investment companies should be measured at fair value in accordance with ASC Topic 946.

The accompanying consolidated interim financial statements have been prepared in conformity with U.S. GAAP for interim financial information, and pursuant to the requirements for reporting on Form 10-Q and Articles 6 and 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual consolidated financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, all adjustments consisting solely of normal recurring accruals considered necessary for the fair presentation of consolidated financial statements for the interim periods have been included. The current period s results of operations are not necessarily indicative of results that ultimately may be achieved for the full fiscal year. Therefore, the interim unaudited consolidated financial statements and notes should be read in conjunction with the audited consolidated financial statements and notes thereto for the period ended December 31, 2017. The year-end Consolidated Statement of Assets and Liabilities data was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP.

Financial statements prepared on a U.S. GAAP basis require management to make estimates and assumptions that affect the amounts and disclosures reported in the consolidated financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company and its subsidiaries and all VIEs of which the Company is the primary beneficiary. All intercompany accounts and transactions have been eliminated in consolidation.

A VIE is an entity that either (i) has insufficient equity to permit the entity to finance its activities without additional subordinated financial support or (ii) has equity investors who lack the characteristics of a controlling financial interest. The primary beneficiary of a VIE is the party with both the power to direct the activities of the VIE that most significantly impact the VIE s economic performance and the obligation to absorb the losses or the right to receive benefits that could be significant to the VIE.

To assess whether the Company has the power to direct the activities of a VIE that most significantly impact its economic performance, the Company considers all the facts and circumstances including its role in establishing the VIE and its ongoing rights and responsibilities. This assessment includes identifying the activities that most significantly impact the VIE s economic performance and identifying which party, if any, has power over those activities. In general, the party that makes the most significant decisions affecting the VIE is determined to have the power to direct the activities of a VIE. To assess whether the Company has the obligation to absorb the losses or the right to receive benefits that could potentially be significant to the VIE, the Company considers all of its economic interests, including debt and equity interests, servicing rights and fee arrangements, and any other variable interests in the VIE. If the Company determines that it is the party with the power to make the most significant decisions affecting the VIE, and the Company has a potentially significant interest in the VIE, then it consolidates the VIE.

The Company performs periodic reassessments, usually quarterly, of whether it is the primary beneficiary of a VIE. The reassessment process considers whether the Company has acquired or divested the power to direct the activities of the VIE through changes in governing documents or other circumstances. The Company also reconsiders whether entities previously determined not to be VIEs have become VIEs, based on certain events, and therefore are subject to the VIE consolidation framework.

As of the date of this report, the only VIE consolidated by the Company is its securitization VIE formed in conjunction with the issuance of the 2021 Asset-Backed Notes (as defined herein). See Note 4 Borrowings .

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Revision of Previously Issued Financial Statements

It was determined that there was a misclassification in the previously issued quarterly consolidated financial statements of $14.9 million in the distributions for the nine months ended September 30, 2017. The amount had been categorized as distributions of net investment income rather than distributions of realized gains and the components of net assets have been revised in the period to reflect the correct classification. In addition, the financial highlights in Note 9 have been updated to reclassify $0.18 per share from distributions of net investment income to distributions of realized gains for the nine months ended September 30, 2017. The amounts reclassified are not material individually, or in the aggregate, and there no impact on previously reported net assets, total distributions, and earnings per share for the nine months ended September 30, 2017.

Valuation of Investments

The most significant estimate inherent in the preparation of the Company s consolidated financial statements is the valuation of investments and the related amounts of unrealized appreciation and depreciation of investments recorded.

At September 30, 2018, approximately 96.6% of the Company s total assets represented investments in portfolio companies whose fair value is determined in good faith by the Board of Directors. Value, as defined in Section 2(a)(41) of the 1940 Act, is (i) the market price for those securities for which a market quotation is readily available and (ii) for all other securities and assets, fair value is as determined in good faith by the Board of Directors. The Company s investments are carried at fair value in accordance with the 1940 Act and ASC Topic 946 and measured in accordance with ASC Topic 820 (Fair Value Measurements). The Company s debt securities are primarily invested in venture capital-backed companies in technology-related industries including technology, drug discovery and development, biotechnology, life sciences, healthcare, and sustainable and renewable technology at all stages of development. Given the nature of lending to these types of businesses, substantially all of the Company s investments in these portfolio companies are considered Level 3 assets under ASC Topic 820 because there is no known or accessible market or market indexes for these investment securities to be traded or exchanged. As such, the Company values substantially all of its investments at fair value as determined in good faith pursuant to a consistent valuation policy by the Board of Directors in accordance with the provisions of ASC Topic 820 and the 1940 Act. Due to the inherent uncertainty in determining the fair value of investments that do not have a readily available market value, the fair value of the Company s investments determined in good faith by its Board of Directors may differ significantly from the value that would have been used had a readily available market existed for such investments, and the differences could be material.

The Company may from time to time engage an independent valuation firm to provide the Company with valuation assistance with respect to certain portfolio investments. The Company engages independent valuation firms on a discretionary basis. Specifically, on a quarterly basis, the Company will identify portfolio investments with respect to which an independent valuation firm will assist in valuing. The Company selects these portfolio investments based on a number of factors, including, but not limited to, the potential for material fluctuations in valuation results, size, credit quality and the time lapse since the last valuation of the portfolio investment by an independent valuation firm.

The Company intends to continue to engage an independent valuation firm to provide management with assistance regarding the Company s determination of the fair value of selected portfolio investments each quarter unless directed by the Board of Directors to cancel such valuation services. The scope of services rendered by an independent valuation firm is at the discretion of the Board of Directors. The Board of Directors are ultimately, and solely, responsible for determining the fair value of the Company s investments in good faith.

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With respect to investments for which market quotations are not readily available or when such market quotations are deemed not to represent fair value, the Board of Directors have approved a multi-step valuation process each quarter, as described below:

(1) the Company s quarterly valuation process begins with each portfolio company being initially valued by the investment professionals responsible for the portfolio investment;

(2) preliminary valuation conclusions are then documented and business based assumptions are discussed with the Company s investment committee;

(3) the Audit Committee of the Board of Directors reviews the preliminary valuation of the investments in the portfolio as provided by the investment committee, which incorporates the results of the independent valuation firm as appropriate; and

(4) the Board of Directors, upon the recommendation of the Audit Committee, discusses valuations and determines the fair value of each investment in the Company s portfolio in good faith based on the input of, where applicable, the respective independent valuation firm and the investment committee.

ASC Topic 820 establishes a framework for measuring the fair value of assets and liabilities and outlines a fair value hierarchy which prioritizes the inputs used to measure fair value and the effect of fair value measures on earnings. ASC Topic 820 also requires disclosure for fair value measurements based on the level within the hierarchy of the information used in the valuation. ASC Topic 820 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value. ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company has categorized all investments recorded at fair value in accordance with ASC Topic 820 based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, defined by ASC Topic 820 and directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities, are as follows:

Level 1 Inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date. The types of assets carried at Level 1 fair value generally are equities listed in active markets.

Level 2 Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset in connection with market data at the measurement date and for the extent of the instrument s anticipated life. Fair valued assets that are generally included in this category are publicly held debt investments and warrants held in a public company.

Level 3 Inputs reflect management s best estimate of what market participants would use in pricing the asset at the measurement date. It includes prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. Generally, assets carried at fair value and included in this category are the debt investments and warrants and equities held in a private company.

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Investments measured at fair value on a recurring basis are categorized in the tables below based upon the lowest level of significant input to the valuations as of September 30, 2018 and as of December 31, 2017. The Company transfers investments in and out of Level 1, 2 and 3 as of the beginning of the period, based on changes in the use of observable and unobservable inputs utilized to perform the valuation for the period. During the nine months ended September 30, 2018, there were no transfers between Levels 1 or 2.

(in thousands) Description	Balance September 30, 2018	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Senior Secured Debt	$ 1,588,228	$	$	$ 1,588,228
Unsecured Debt	15,047			15,047
Preferred Stock	67,509			67,509
Common Stock	59,889	39,202		20,687
Warrants	29,843		6,613	23,230
Escrow Receivable	1,095			1,095
Total	$ 1,761,611	$ 39,202	$ 6,613	$ 1,715,796

(in thousands) Description	Balance December 31, 2017	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Senior Secured Debt	$ 1,415,984	$	$	$ 1,415,984
Preferred Stock	40,683			40,683
Common Stock	48,678	22,825		25,853
Warrants	36,869		5,664	31,205
Escrow Receivable	752			752
Total	$ 1,542,966	$ 22,825	$ 5,664	$ 1,514,477

The table below presents a reconciliation for all financial assets and liabilities measured at fair value on a recurring basis, excluding accrued interest components, using significant unobservable inputs (Level 3) for the nine months ended September 30, 2018 and the year ended December 31, 2017.

(in thousands)	**Balance January 1, 2018**	**Net Realized Gains (Losses)[1]**	**Net Change in Unrealized Appreciation (Depreciation)[2]**	**Purchases[5]**	**Sales**	**Repayments[6]**	**Gross Transfers into Level 3[3]**	**Gross Transfers out of Level 3[3]**	**Balance September 30, 2018**
Senior Debt	$ 1,415,984	$ (13,295)	$ 19,147	$ 662,149	$	$ (495,757)	$	$	$ 1,588,228
Unsecured Debt			185	20,533		(5,671)			15,047
Preferred Stock	40,683	2,059	(469)	27,483	(2,247)				67,509
Common Stock	25,853	(3,299)	(802)	7,615	(301)			(8,379)	20,687
Warrants	31,205	(765)	(2,411)	1,594	(6,177)			(216)	23,230
Escrow Receivable	752	78	(143)	892	(484)				1,095
Total	$ 1,514,477	$ (15,222)	$ 15,507	$ 720,266	$ (9,209)	$ (501,428)	$	$ (8,595)	$ 1,715,796

(in thousands)	**Balance January 1, 2017**	**Net Realized Gains (Losses)[1]**	**Net Change in Unrealized Appreciation (Depreciation)[2]**	**Purchases[5]**	**Sales**	**Repayments[6]**	**Gross Transfers into Level 3[4]**	**Gross Transfers out of Level 3[4]**	**Balance December 31, 2017**
Senior Debt	$ 1,323,978	$ (24,684)	$ 29,610	$ 776,648	$	$ (626,897)	$	$ (62,671)	$ 1,415,984
Preferred Stock	39,418	(7,531)	11,955	2,683	(468)			(5,374)	40,683
Common Stock	10,965	(487)	(49,462)	3,748	(1,582)		62,671		25,853
Warrants	24,246	727	8,450	5,449	(7,303)			(364)	31,205
Escrow Receivable	1,382	261		3,127	(4,018)				752
Total	$ 1,399,989	$ (31,714)	$ 553	$ 791,655	$ (13,371)	$ (626,897)	$ 62,671	$ (68,409)	$ 1,514,477

(1) Included in net realized gains or losses in the accompanying Consolidated Statement of Operations.

(2) Included in net change in unrealized appreciation (depreciation) in the accompanying Consolidated Statement of Operations.

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(3) Transfers out of Level 3 during the nine months ended September 30, 2018 relate to the initial public offerings of DocuSign, Inc., and Tricida, Inc.
(4) Transfers out of Level 3 during the year ended December 31, 2017 relate to the conversion of the Company s debt investment in Sungevity, Inc. and a portion of the Company s debt investment in Gamma Medica, Inc. to common stock through bankruptcy transactions. Initial public offerings of ForeScout Technologies, Inc., Aquantia Corporation, and Quanterix Corporation, and merger of our former portfolio company Cempra, Inc. and current portfolio company Melinta Therapeutics, Inc. into NASDAQ-listed company Melinta Therapeutics, Inc. Transfers into Level 3 during the year ended December 31, 2017 relate to the conversion of the Company s debt investment in Sungevity, Inc. and a portion of the Company s debt investment in Gamma Medica, Inc. to common stock through bankruptcy transactions.
(5) Amounts listed above are inclusive of loan origination fees received at the inception of the loan which are deferred and amortized into fee income as well as the accretion of existing loan discounts and fees during the period. Escrow receivable purchases may include additions due to proceeds held in escrow from the liquidation of level 3 investments.
(6) Amounts listed above include the acceleration and payment of loan discounts and loan fees due to early payoffs or restructures.

For the nine months ended September 30, 2018, approximately $0.5 million in net unrealized depreciation and $4.2 million in net unrealized depreciation was recorded for preferred stock and common stock Level 3 investments, respectively, relating to assets still held at the reporting date. For the same period, approximately $0.1 million in net unrealized depreciation and $0.5 million in net unrealized appreciation was recorded for debt and warrant Level 3 investments, respectively, relating to assets still held at the reporting date.

For the year ended December 31, 2017, approximately $4.2 million in net unrealized appreciation and $49.2 million in net unrealized depreciation was recorded for preferred stock and common stock Level 3 investments, respectively, relating to assets still held at the reporting date. The depreciation on common stock during the period reflects the conversion of the Company s debt investment in Sungevity, Inc. to common stock at cost through a bankruptcy transaction and subsequent depreciation to fair value. For the same period, approximately $10.5 million in net unrealized depreciation and $9.0 million in net unrealized appreciation was recorded for debt and warrant Level 3 investments, respectively, relating to assets still held at the reporting date.

The following tables provide quantitative information about the Company s Level 3 fair value measurements as of September 30, 2018 and December 31, 2017. In addition to the techniques and inputs noted in the tables below, according to the Company s valuation policy the Company may also use other valuation techniques and methodologies when determining the Company s fair value measurements. The tables below are not intended to be all-inclusive, but rather provide information on the significant Level 3 inputs as they relate to the Company s fair value measurements.

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The significant unobservable input used in the fair value measurement of the Company s escrow receivables is the amount recoverable at the contractual maturity date of the escrow receivable.

Investment Type - Level Three Debt Investments	Fair Value at September 30, 2018 (in thousands)	Valuation Techniques/ Methodologies	Unobservable Input [(1)]	Range	Weighted Average [(2)]
Pharmaceuticals	$ 44,665	Originated Within 4-6 Months	Origination Yield	12.35% - 12.62%	12.41%
	409,285	Market Comparable Companies	Hypothetical Market Yield	10.49% - 16.06%	13.35%
			Premium/(Discount)	(0.50%) - 0.50%	
	65	Liquidation[(3)]	Probability weighting of alternative outcomes	100.00%	
Technology	147,638	Originated Within 4-6 Months	Origination Yield	10.92% - 19.94%	12.05%
	496,084	Market Comparable Companies	Hypothetical Market Yield	10.19% - 15.72%	12.85%
			Premium/(Discount)	0% - 0.50%	
	1,987	Liquidation[(3)]	Probability weighting of alternative outcomes	50.00%	
Sustainable and Renewable Technology	6,996	Originated Within 4-6 Months	Origination Yield	12.50%	12.50%
	78,701	Market Comparable Companies	Hypothetical Market Yield	11.29% - 16.68%	13.36%
Medical Devices	37,964	Originated Within 4-6 Months	Origination Yield	12.31% - 12.88%	12.58%
	68,611	Market Comparable Companies	Hypothetical Market Yield	10.23% - 21.95%	13.42%
			Premium/(Discount)	0% - 1.00%	
	808	Liquidation[(3)]	Probability weighting of alternative outcomes	5.00% - 75.00%	
Lower Middle Market	34,675	Originated Within 4-6 Months	Origination Yield	13.67% - 14.42%	13.78%
	114,775	Market Comparable Companies	Hypothetical Market Yield	9.25% - 15.9%	13.77%
			Premium/(Discount)	0.00% - 0.75%	
	19,672	Liquidation[(3)]	Probability weighting of alternative outcomes	10.00% - 60.00%	
		Debt Investments Where Fair Value Approximates Cost			
	97,369	Debt Investments originated within 3 months			
	43,980	Debt Investments Maturing in Less than One Year			
	$ 1,603,275	**Total Level Three Debt Investments**			

(1) The significant unobservable inputs used in the fair value measurement of the Company s debt securities are hypothetical market yields and premiums/(discounts). The hypothetical market yield is defined as the exit price of an investment in a hypothetical market to hypothetical market participants where buyers and sellers are willing participants. The premiums/(discounts) relate to company specific characteristics such as underlying investment performance, security liens, and other characteristics of the investment. Significant increases (decreases) in the

inputs in isolation may result in a significantly lower (higher) fair value measurement, depending on the materiality of the investment. Debt investments in the industries noted in the Company s Consolidated Schedule of Investments are included in the industries noted above as follows:

Pharmaceuticals, above, is comprised of debt investments in the Healthcare Services Other, Drug Discovery & Development, Drug Delivery and Biotechnology Tools industries in the Consolidated Schedule of Investments.

Technology, above, is comprised of debt investments in the Software, Electronics & Computer Hardware, Media/Content/Info, Internet Consumer & Business Services, Consumer & Business Products, and Information Services industries in the Consolidated Schedule of Investments.

Sustainable and Renewable Technology, above, is comprised of debt investments in the Sustainable and Renewable Technology, Internet Consumer & Business Services, and Electronics & Computer Hardware industries in the Consolidated Schedule of Investments.

Medical Devices, above, is comprised of debt investments in the Drug Delivery, Surgical Devices and Medical Devices & Equipment industries in the Consolidated Schedule of Investments.

Lower Middle Market, above, is comprised of debt investments in the Healthcare Services Other, Internet Consumer & Business Services, Diversified Financial Services, Sustainable and Renewable Technology, and Software industries in the Consolidated Schedule of Investments.