GSV Capital Corp.
Form 10-Q
November 09, 2015

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

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED September 30, 2015

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

COMMISSION FILE NUMBER: 814-00852

GSV Capital Corp.

(Exact name of registrant as specified in its charter)

Maryland	27-4443543

(State of incorporation)	(I.R.S. Employer Identification No.)
2925 Woodside Road Woodside, CA	94062
(Address of principal executive offices)	(Zip Code)

(650) 235-4769

(Registrant s telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

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

Large accelerated filer o	Accelerated filer x
Non-accelerated filer o (do not check if a smaller reporting company)	Smaller reporting company o

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

The number of shares of the issuer s Common Stock, $0.01 par value, outstanding as of November 9, 2015 was 19,320,100.

GSV CAPITAL CORP.

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Item 1. Financial Statements

GSV CAPITAL CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES

	September 30, 2015 (Unaudited)	December 31, 2014
ASSETS		
Investments at fair value:		
Investments in controlled securities (cost of $20,631,912 and $17,933,651 respectively)(1)	$22,986,021	$18,819,335
Investments in affiliated securities (cost of $71,650,488 and $80,760,208 respectively)(1)	66,865,382	70,172,313
Investments in non-controlled/non-affiliated securities (cost of $187,578,628 and $202,417,830 respectively)	259,938,971	281,992,669
Investments in treasury bill (cost of $25,000,604 and $100,001,692 respectively)	25,000,604	100,000,056
Investments owned and pledged (amortized cost of $3,669,246 and $7,286,332 respectively)(2)	3,680,616	7,298,042
Total Investments (cost of $308,530,878 and $408,399,713 respectively)	378,471,594	478,282,415
Cash	56,844,097	3,472,880
Restricted cash	52,931	48,889
Due from:		
GSV Asset Management(1)	205,472	204,825
Portfolio companies(1)	60,371	85,356
Interest and dividends receivable	128,747	26,671
Prepaid expenses and other assets	346,985	596,926
Deferred financing costs	2,299,565	2,928,134
Total Assets	438,409,762	485,646,096
LIABILITIES		
Due to:		
GSV Asset Management(1)	19,980	23,396
Accounts payable and accrued expenses	67,863	292,950
Accrued incentive fees(1)	24,977,501	14,137,899
Accrued management fees(1)	687,672	641,276
Accrued interest payable	150,938	1,139,458
Payable for securities purchased	22,000,596	90,001,692
Current taxes payable	31,801	134,733
Deferred tax liability	9,408,847	6,907,666
Line of credit payable		18,000,000

Convertible Senior Notes embedded derivative liability		1,000
Convertible Senior Notes payable 5.25% due September 15, 2018	68,562,077	68,462,353
Total Liabilities	125,907,275	199,742,423
Commitments and contingencies (Note 6)		
Net Assets	$312,502,487	$285,903,673
NET ASSETS		
Common stock, par value $0.01 per share (100,000,000 authorized; 19,320,100 issued and outstanding)	$193,201	$193,201
Paid-in capital in excess of par	275,837,514	275,837,514
Accumulated net investment loss	(75,941,010)	(31,972,292)
Accumulated net realized gains on investments	54,984,417	496,782
Accumulated net unrealized appreciation of investments	57,428,365	41,348,468
Net Assets	$312,502,487	$285,903,673
Net Asset Value Per Share	$16.17	$14.80

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

(2) Refer to Note 9 Long Term Liabilities. In accordance with the terms of the Company s Convertible Senior Notes payable, the Company deposited $10,867,500 in an escrow account with U.S. Bank National Association, the trustee. These funds were used to purchase six U.S. Treasury Strips with an original cost of $10,845,236. As of September 30, 2015, four of the government securities purchased had matured and the proceeds were used by the trustee in accordance with the terms of the escrow agreement. At September 30, 2015, the remaining government securities are shown on the Condensed Consolidated Statements of Assets and Liabilities as Investments owned and pledged with an amortized cost of $3,669,246.

See notes to the Condensed Consolidated Financial Statements

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GSV CAPITAL CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended September 30, 2015	2014	Nine Months Ended September 30, 2015	2014
INVESTMENT INCOME				
Interest income from controlled securities[1]	$	$4,083	$	$9,816
Interest income from affiliated securities[1]	31,992	9,294	152,388	112,747
Interest income from non-controlled/non-affiliated securities	7,371	8,594	23,109	36,369
Dividend income from non-controlled/non-affiliated securities			46,781	887
Total Investment Income	39,363	21,971	222,278	159,819
OPERATING EXPENSES				
Management fees[1]	2,063,017	1,949,705	5,994,530	5,639,564
Incentive fees[1]	1,062,535	3,684,300	10,839,602	5,498,585
Costs incurred under Administration Agreement[1]	598,456	718,896	2,185,888	2,557,129
Directors fees	94,620	65,000	287,426	195,000
Professional fees	265,429	442,683	1,001,401	1,301,777
Interest and credit facility expense	1,183,833	1,442,063	3,781,419	4,155,759
Income tax expense	852,970		852,970	
Other expenses	118,417	115,922	382,895	434,849
Gain on fair value adjustment for embedded derivative		(147,000)	(1,000)	(787,000)
Total Operating Expenses	6,239,277	8,271,569	25,325,131	18,995,663
(Provision)/Benefit for taxes on net investment loss[2]	(26,583,935)	3,368,311	(18,865,865)	7,740,594
Net Investment Loss	(32,783,849)	(4,881,287)	(43,968,718)	(11,095,250)
Net Realized Gains (Losses):				
From affiliated securities	(10,170,567)		(10,161,030)	10,419
From non-controlled/non-affiliated securities	37,460,383	17,160,816	64,305,863	17,832,576
Net Realized Gains (Losses) on investments	27,289,816	17,160,816	54,144,833	17,842,995
(Provision)/Benefit for taxes on net realized gains on investments[2]	11,307,706	(7,006,762)	342,802	(7,285,295)
Net Change in Unrealized Appreciation (Depreciation) of investments:				
From controlled securities	719,143	46,029	685,571	(367,942)
From affiliated securities	5,124,897	(3,783,766)	4,467,809	(7,650,194)
From non-controlled/non-affiliated securities	(27,825,708)	4,998,420	(5,095,366)	17,677,865

Net Change in Unrealized Appreciation (Depreciation) of investments	(21,981,668)	1,260,683	58,014	9,659,729
(Provision)/Benefit for taxes on unrealized appreciation/depreciation of investments(2)	25,020,686	(514,737)	16,021,883	(3,944,068)
Net Increase in Net Assets Resulting from Operations	$8,852,691	$6,018,713	$26,598,814	$5,178,111
Net Increase in Net Assets Resulting from Operations per Common Share				
Basic	$0.45	$0.31	$1.37	$0.27
Diluted(3)	$0.42	$0.30	$1.27	$0.27
Weighted-Average Common Shares Outstanding				
Basic	19,320,100	19,320,100	19,320,100	19,320,100
Diluted(3)	23,564,228	23,564,228	23,564,228	19,320,100

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

(2) Due to the Company s change in tax status to a regulated investment company (RIC) from a C Corporation, the associated accrued benefits and provisions from previous periods were reversed, resulting in a provision for net investment loss, a benefit for net realized gains, and a benefit for unrealized appreciation of investments for the three and nine months ended September 30, 2015. Refer to Note 8 Income Taxes and Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations for further detail.

(3) For the nine months ended September 30, 2014, 4,244,128 potentially dilutive common shares were excluded from the weighted-average common shares outstanding for diluted net increase in net assets resulting from operations per common share because the effect of these shares would have been anti-dilutive. Refer to Note 5 Net Increase in Net Assets Resulting from Operations per Common Share Basic and Diluted for further detail.

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GSV CAPITAL CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
(Unaudited)

	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Net Increase in Net Assets Resulting from Operations		
Net Investment Loss	$(43,968,718)	$(11,095,250)
Net Realized Gains on Investments	54,144,833	17,842,995
(Provision)/Benefit for Taxes on Net Realized Gains on Investments	342,802	(7,285,295)
Net Change in Unrealized Appreciation of investments	58,014	9,659,729
(Provision)/Benefit for Taxes on Unrealized Appreciation of Investments	16,021,883	(3,944,068)
Net Increase in Net Assets Resulting from Operations	26,598,814	5,178,111
Total Increase in Net Assets	26,598,814	5,178,111
Net Assets at Beginning of Period	285,903,673	287,966,444
Net Assets at End of Period	$312,502,487	$293,144,555
Capital Share Activity		
Shares Issued		
Shares Outstanding at Beginning of Period	19,320,100	19,320,100
Shares Outstanding at End of Period	19,320,100	19,320,100

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GSV CAPITAL CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Cash Flows from Operating Activities		
Net increase in net assets resulting from operations	$26,598,814	$5,178,111
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net realized gains on investments	(54,144,833)	(17,842,995)
Net change in unrealized appreciation of investments	(58,014)	(9,659,729)
Gain on fair value adjustment for embedded derivative	(1,000)	(787,000)
Deferred tax liability	2,501,181	3,488,769
Amortization of discount on Convertible Senior Notes	99,724	
Amortization of deferred financing costs	628,569	777,838
Amortization of fixed income security premiums and discounts	(58,030)	(41,426)
Change in restricted cash	(4,042)	(26,625)
Non-cash dividend income	(46,781)	
Write-off of deferred offering costs		277,977
Purchases of investments in:		
Portfolio investments	(17,146,659)	(45,852,034)
United States treasury bills	(225,015,507)	(260,002,734)
Proceeds from sales or maturity of investments in:		
Portfolio investments	92,641,645	62,502,968
Treasuries strips	3,639,000	3,603,708
United States treasury bills	300,000,000	160,001,251
Change in operating assets and liabilities:		
Due from GSV Capital Service Company, LLC[(1)]		(15,795)
Due from GSV Asset Management[(1)]	(647)	
Due from portfolio companies[(1)]	24,985	45,304
Prepaid expenses and other assets	249,941	(157,751)
Interest and dividends receivable	(102,076)	18,198
Due to GSV Asset Management[(1)]	(3,416)	(515,080)
Payable for securities purchased	(68,001,096)	94,001,484
Accounts payable and accrued expenses	(225,087)	(280,263)
Accrued incentive fees[(1)]	10,839,602	5,498,585
Accrued management fees[(1)]	46,396	
Accrued interest payable	(988,520)	(821,308)

Current taxes payable	(102,932)	
Net Cash Provided by (Used in) Operating Activities	71,371,217	(608,547)
Cash Flows from Financing Activities		
Borrowings under credit facility	6,000,000	18,000,000
Repayments under credit facility	(24,000,000)	(18,000,000)
Deferred offering costs		(93,267)
Net Cash Used in Financing Activities	(18,000,000)	(93,267)
Total Increase (Decrease) in Cash Balance	53,371,217	(701,814)
Cash Balance at Beginning of Period	3,472,880	7,219,203
Cash Balance at End of Period	$56,844,097	$6,517,389

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GSV CAPITAL CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued) (Unaudited)

	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Supplemental Information:		
Interest Paid	$ 4,769,939	$ 4,977,067
Taxes Paid	$ 852,970	$
Non-Cash Operating Items		
Transactions in Portfolio Company Investments		
Convertible notes converted to preferred shares	$ 295,801	$ 3,064,135
Structured notes converted to convertible notes	609,683	
Term loan converted to preferred shares		503,851
Preferred shares converted to common shares		1,273,125
Common shares converted to preferred shares		2,006,077
Common membership interest converted to preferred shares		500,000

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

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GSV CAPITAL CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS
September 30, 2015
(Unaudited)

Portfolio Investments*	Headquarters/Industry	Shares/Principal	Cost	Fair Value	% of Net Assets
Palantir Technologies, Inc.					
Common shares, Class A	Palo Alto, CA Data Analysis	5,773,690	$16,191,055	$51,322,812	16.42%
Preferred shares, Series G		326,797	1,008,968	3,286,380	1.05 %
Total			17,200,023	54,609,192	17.47%
Dropbox, Inc.					
Common shares	San Francisco, CA Online Storage	760,000	8,641,153	14,482,773	4.63 %
Preferred shares, Series A-1		552,486	5,015,773	10,530,499	3.37 %
Total			13,656,926	25,013,272	8.00 %
Twitter, Inc.**					
Common shares	San Francisco, CA Social Communication	800,600	14,271,866	21,568,164	6.90 %
Coursera, Inc.					
Preferred shares, Series B	Mountain View, CA Online Education	2,961,399	14,519,519	14,446,747	4.62 %
Solexel, Inc.					
Preferred shares, Series C	Milpitas, CA Solar Power	5,300,158	11,598,648	11,607,346	3.71 %
Preferred shares, Series D		1,613,413	2,420,631	2,420,120	0.77 %
Total			14,019,279	14,027,466	4.48 %
PayNearMe, Inc.[(1)]					
Preferred shares, Series E	Sunnyvale, CA Cash Payment Network	5,480,348	14,000,398	13,974,887	4.47 %
Avenues Global Holdings, LLC[(3)]					
Preferred shares, Junior Preferred Stock	New York, NY Globally-focused	10,014,270	10,151,854	12,141,120	3.89 %

	Private School				
Lyft, Inc.					
Preferred shares, Series D	San Francisco, CA Peer to Peer Ridesharing	493,490	5,003,631	9,273,828	2.97 %
Preferred shares, Series E		128,563	2,503,585	2,677,010	0.85 %
Total			7,507,216	11,950,838	3.82 %
Dataminr, Inc.					
Preferred shares, Series B	New York, NY Social Media Analytics	904,977	2,063,356	8,909,182	2.85 %
Preferred shares, Series C		301,369	1,100,909	2,966,872	0.95 %
Total			3,164,265	11,876,054	3.80 %
JAMF Holdings, Inc.					
Preferred shares, Series B	Minneapolis, MN Mobile Device Management	73,440	9,999,928	11,583,628	3.71 %
General Assembly Space, Inc.					
Preferred shares, Series C	New York, NY Online Education	126,552	2,999,978	5,765,799	1.85 %
Common shares		133,213	2,999,983	5,755,573	1.84 %
Total			5,999,961	11,521,372	3.69 %

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CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (continued)
September 30, 2015
(Unaudited)

Portfolio Investments*	Headquarters/Industry	Shares/Principal	Cost	Fair Value	% of Net Assets
Ozy Media, Inc.[1]					
Preferred shares, Series B	Mountain View, CA Daily News and Information Site	922,509	$4,999,999	$5,290,561	1.69 %
Preferred shares, Series A		1,090,909	3,000,200	4,407,134	1.42 %
Preferred shares, Series Seed		500,000	500,000	1,727,898	0.55 %
Total			8,500,199	11,425,593	3.66 %
SugarCRM, Inc.					
Common shares	Cupertino, CA Customer Relationship Manager	1,524,799	5,476,662	8,215,922	2.63 %
Preferred shares, Series E		373,134	1,500,522	2,165,222	0.69 %
Total			6,977,184	10,381,144	3.32 %
Declara, Inc.[1]					
Preferred shares, Series A	Palo Alto, CA Social Cognitive Learning	5,358,195	9,999,999	10,019,825	3.21 %
Curious.com Inc.[1]					
Preferred shares, Series B	Menlo Park, CA Online Education	2,839,861	10,000,003	9,996,311	3.20 %
StormWind, LLC[2][5]					
Preferred shares, Series B	Scottsdale, AZ Interactive Learning	3,279,629	2,019,687	4,707,330	1.51 %

Preferred shares, Series C		2,779,134	4,000,787	4,690,108	1.50 %
Preferred shares, Series A		366,666	110,000	526,284	0.17 %
Total			6,130,474	9,923,722	3.18 %
Chegg, Inc.**					
Common shares	Santa Clara, CA Textbook Rental	1,182,792	14,022,863	8,527,930	2.73 %
Spotify Technology S.A.**					
Common shares	Stockholm, Sweden Music Streaming Service	3,658	3,598,472	8,158,224	2.61 %
Lytro, Inc.					
Preferred shares, Series C-1	Mountain View, CA Consumer Electronics	2,533,784	7,500,241	7,500,001	2.40 %
NestGSV, Inc. (d/b/a GSV Labs, Inc.)(2)					
Preferred shares, Series D	Redwood City, CA Incubator	3,720,424	4,904,498	4,960,565	1.59 %
Preferred shares, Series C		1,561,625	2,007,250	1,173,190	0.37 %
Preferred shares, Series A		1,000,000	1,021,778	550,375	0.18 %
Preferred shares, Series B		450,000	605,500	247,669	0.07 %
Preferred warrants, Series D $1.33 Strike Price, Expiration Date 10/6/2019		500,000		145,000	0.05 %
Common shares		200,000	1,000	18,000	0.01 %
Preferred warrants, Series C $1.33 Strike Price, Expiration Date 4/9/2019		187,500		7,500	0.00 %
Total			8,540,026	7,102,299	2.27%

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CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (continued)
September 30, 2015
(Unaudited)

Portfolio Investments*	Headquarters/Industry	Shares/Principal	Cost	Fair Value	% of Net Assets
GSV Sustainability Partners[(2)]					
Preferred shares, Class A	Woodside, CA Clean Technology	11,900,000	$5,951,412	$5,950,000	1.90 %
Common shares		100,000	10,000	10,000	0.00 %
Total			5,961,412	5,960,000	1.90 %
Fullbridge, Inc.[(1)]					
Preferred shares, Series D	Cambridge, MA Business Education	1,655,167	2,956,022	3,111,714	1.00 %
Preferred shares, Series C		1,728,724	3,193,444	1,625,001	0.52 %
Convertible Promissory Note 10% Due 03/02/16***		$1,030,507	1,006,624	1,088,878	0.36 %
Common Warrants Strike Price $0.91, Expiration Date 2/18/2019		714,286	90,242	14,286	0.00 %
Common Warrants Strike Price $0.91, Expiration Date 4/03/2019		412,088	52,063	8,242	0.00 %
Common Warrants Strike Price $0.91, Expiration Date 3/02/2020		283,106	35,767	5,662	0.00 %
Common Warrants Strike Price $0.91, Expiration Date 5/16/2019		192,308	24,296	3,846	0.00 %
Common Warrants Strike Price $0.91, Expiration Date 3/22/2020		186,170	23,521	3,723	0.00 %
Common Warrants Strike Price $0.91, Expiration Date 10/10/2018		82,418	10,412	1,648	0.00 %
Common Warrants Strike Price $0.91, Expiration Date 12/11/2018		82,418	10,413	1,648	0.00 %
Total			7,402,804	5,864,648	1.88 %
Enjoy Technology, Inc.					
Preferred shares, Series B	Menlo Park, CA Online Shopping	1,681,520	4,000,280	4,000,000	1.28 %

Preferred shares, Series A		879,198	1,002,440	1,701,035	0.54 %
Total			5,002,720	5,701,035	1.82 %
Knewton, Inc.					
Preferred shares, Series E	New York, NY Online Education	375,985	4,999,999	5,000,601	1.60 %
Course Hero, Inc.					
Preferred shares, Series A	Redwood City, CA Online Education	2,145,509	5,000,001	5,000,001	1.60 %
Whittle Schools, LLC(1)(4)					
Preferred shares, Series B	New York, NY Globally-focused Private School	3,000,000	3,000,000	3,000,000	0.96 %
Common shares		229	1,577,097	1,500,000	0.48 %
Total			4,577,097	4,500,000	1.44 %
Parchment, Inc.					
Preferred shares, Series D	Scottsdale, AZ E-Transcript Exchange	3,200,512	4,000,982	4,000,000	1.28%

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CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (continued)
September 30, 2015
(Unaudited)

Portfolio Investments*	Headquarters/Industry	Shares/Principal	Cost	Fair Value	% of Net Assets
CUX, Inc. (d/b/a CorpU)[1]					
Convertible preferred shares, Series C	San Francisco, CA Corporate Education	615,763	$2,006,077	$2,175,401	0.70 %
Senior Subordinated Convertible Promissory Note 8% Due 11/26/2018***[10]		$1,000,000	1,000,000	1,067,507	0.34 %
Convertible preferred shares, Series D		169,033	778,607	679,465	0.22 %
Preferred warrants, $4.59 Strike Price, Expiration Date 02/25/2018		16,903		6,930	0.00 %
Total			3,784,684	3,929,303	1.26 %
Bloom Energy Corporation					
Common shares	Sunnyvale, CA Fuel Cell Energy	201,589	3,855,601	2,870,592	0.92 %
DogVacay, Inc.					
Preferred shares, Series B-1	Santa Monica, CA Dog Boarding	514,562	2,506,119	2,500,771	0.80 %
SharesPost, Inc.[6]					
Preferred shares, Series B	San Bruno, CA Online Marketplace Finance	1,771,653	2,259,716	2,249,999	0.72 %
Common warrants, $0.13 Strike Price, Expiration Date 6/15/2018		770,934	23,128	185,024	0.06 %
Total			2,282,844	2,435,023	0.78 %
Maven Research, Inc.[1]					
Preferred shares, Series C	San Francisco, CA Knowledge	318,979	2,000,447	1,999,998	0.64 %

	Networks				
Preferred shares, Series B		49,505	217,206	249,691	0.08 %
Total			2,217,653	2,249,689	0.72 %
<u>DreamBox Learning, Inc.</u>					
Preferred shares, Series A-1	Bellevue, WA Education Technology	7,159,221	1,502,362	1,448,538	0.46 %
Preferred shares, Series A		3,579,610	758,017	724,269	0.24 %
Total			2,260,379	2,172,807	0.70 %
<u>Clever, Inc.</u>					
Preferred shares, Series B	San Francisco, CA Education Software	1,799,047	2,000,601	2,096,200	0.67 %
<u>Circle Media (f/k/a S3 Digital Corp. (d/b/a S3i))</u>(1)					
Preferred shares, Series A	New York, NY Sports Analytics	1,864,495	1,792,500	1,459,553	0.47 %
Preferred warrants, $1.00 Strike Price, Expiration Date 11/21/2017		500,000	31,354	70,000	0.01 %
Preferred warrants, $1.17 Strike Price, Expiration Date 08/29/2021		175,815		19,340	0.01 %
Preferred warrants, $1.17 Strike Price, Expiration Date 09/30/2020		160,806		17,689	0.01 %
Preferred warrants, $1.17 Strike Price, Expiration Date 6/26/2021		38,594		4,245	0.00 %
Total			1,823,854	1,570,827	0.50%

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CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (continued)
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Portfolio Investments*	Headquarters/Industry	Shares/Principal	Cost	Fair Value	% of Net Assets
Gilt Groupe Holdings, Inc.					
Common shares	New York, NY e-Commerce Flash Sales	248,600	$6,594,433	$1,188,372	0.38 %
AlwaysOn, Inc.(1)					
Preferred shares, Series A	Woodside, CA Social Media	1,066,626	1,027,391	554,646	0.18 %
Preferred shares, Series A-1		4,465,925	876,343	446,594	0.14 %
Preferred warrants Series A, $1.00 strike price, expire 1/9/2017		109,375		1,094	0.00 %
Total			1,903,734	1,002,334	0.32 %
Strategic Data Command, LLC(1)(7)					
Common shares	Sunnyvale, CA Software Development	800,000	989,277	1,000,000	0.32 %
Aspiration Partners, Inc.					
Preferred shares, Series A	Marina Del Rey, CA Financial Services	18,009	1,001,815	999,975	0.32 %
4C Insights (f/k/a The Echo Systems Corp.)					
Preferred shares, Series A	Chicago, IL Social Data Platform	512,365	1,436,404	850,459	0.27 %
Tynker (f/k/a Neuron Fuel, Inc.)					
Preferred shares, Series A	San Jose, CA Computer Software	534,162	309,310	791,159	0.25 %
EdSurge, Inc.(1)					
Preferred shares, Series A	Burlingame, CA Education	494,365	500,801	500,801	0.16 %

	Media Platform					
AliphCom, Inc. (d/b/a Jawbone)						
Common shares	San Francisco, CA Smart Device Company	150,000	793,152	470,827	0.15	%
Learnist Inc. (f/k/a Grockit, Inc.)(1)						
Preferred shares, Series D	San Francisco, CA Online Learning Platform	2,728,252	2,005,945	187,792	0.06	%
Preferred shares, Series E		1,731,501	1,503,670	128,440	0.04	%
Preferred shares, Series F		1,242,928	1,450,000	115,693	0.04	%
Total			4,959,615	431,925	0.14	%
Global Education Learning (Holdings) Ltd.(1)**						
Preferred shares, Series A	Hong Kong Education Technology	2,126,475	990,375	399,239	0.13	%
Cricket Media (f/k/a ePals Inc.)**(8)						
Common shares	Herndon, VA Online Education	1,333,333	2,448,959	238,646	0.08	%
Earlyshares.com, Inc.						
Preferred shares, Series A	Miami, FL Equity Crowdfunding	165,715	261,598	125,115	0.04	%
Convertible Promissory Note 5%, 8/02/2016(11)		$ 50,000	50,840	51,176	0.02	%
Total			312,438	176,291	0.06%	

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Portfolio Investments*	Headquarters/Industry	Shares/Principal	Cost	Fair Value	% of Net Assets
Upwork Global Inc. (f/k/a Odesk Corporation)					
Common Shares	Redwood City, CA Online Workplace Platform	30,000	$183,269	$141,060	0.05 %
Total Portfolio Investments			279,861,028	349,790,374	111.93%
U.S. Treasury					
U.S. Treasury Bill, 0%, due 10/1/2015		$25,000,000	25,000,604	25,000,604	8.00 %
U.S. Treasury Strips(9)					
United States Treasury Strip Coupon, 0.00% due 08/15/2016		$1,851,000	1,838,954	1,846,854	0.59 %
United States Treasury Strip Coupon, 0.00% due 02/15/2016		$1,834,000	1,830,292	1,833,762	0.59 %
Total			3,669,246	3,680,616	1.18 %
Total Investments			$308,530,878	$378,471,594	121.11%

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

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

*** Investment is income producing.

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

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

(3)

GSV Capital Corp. s investment in Avenues Global Holdings, LLC is held through its wholly-owned subsidiary GSVC AV Holdings, Inc.

(4) GSV Capital Corp. s investment in Whittle Schools, LLC is held through its wholly-owned subsidiary GSVC WS Holdings, Inc. Whittle Schools, LLC is an investment for which the economics are derived from the value of Avenues Global Holdings LLC.

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

(6) GSV Capital Corp. s investment in SharesPost, Inc. is held through its wholly-owned subsidiary SPNPM Holdings, LLC.

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

(8) On October 22, 2013, Cricket Media (f/k/a ePals Inc.), priced its initial public offering, selling 40,267,333 shares at a price of CAD $0.075 per share. At September 30, 2015, GSV Capital Corp. valued Cricket Media (f/k/a ePals Inc.), based on its September 30, 2015 closing price. GSV Capital Corp. s Chief Executive Officer, Michael Moe, serves on the board of directors for Cricket Media (f/k/a ePals Inc.), which subjects GSV Capital Corp. to insider trading restrictions under Canadian securities law.

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(9) Refer to Note 9 Long Term Liabilities. In accordance with the terms of the Company s Convertible Senior Notes payable, the Company deposited $10,867,500 in an escrow account with U.S. Bank National Association, the trustee. These funds were used to purchase six U.S. Treasury Strips with an original cost of $10,845,236. As of September 30, 2015, four of the government securities purchased had matured and the proceeds were used by the trustee in accordance with the terms of the escrow agreement. At September 30, 2015, the remaining government securities are shown on the Condensed Consolidated Schedule of Investments with an amortized cost of $3,669,246.

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

(11) Interest will accrue daily on the unpaid principal balance of the note. Accrued interest is not payable until the earlier of (a) the closing of a subsequent equity offering by Earlyshares.com, Inc., or (b) the maturity of the note (August 2, 2016). Interest will compound annually beginning on February 26, 2015.

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Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
Twitter, Inc.**					
Common shares	San Francisco, CA Social Communication	1,600,600	$27,551,563	$57,413,522	20.08%
Palantir Technologies, Inc.					
Common shares, Class A	Palo Alto, CA Cyber Security	5,773,690	16,189,935	42,985,122	15.03%
Preferred shares, Series G		326,797	1,008,968	2,490,193	0.87 %
Total			17,198,903	45,475,315	15.90%
Dropbox, Inc.					
Common shares	San Francisco, CA Online Storage	760,000	8,641,153	14,516,000	5.08 %
Preferred shares, Series A-1		552,486	5,015,773	10,552,483	3.69 %
Total			13,656,926	25,068,483	8.77 %
2U, Inc. (f/k/a 2tor, Inc.)(9)**					
Common shares	Landover, MD Online Education	1,319,233	10,032,117	23,342,509	8.16 %
Coursera, Inc.					
Preferred shares, Series B	Mountain View, CA Online Education	2,961,399	14,519,519	14,510,855	5.08 %
Solexel, Inc.					
Preferred shares, Series C	Milpitas, CA Solar Power	5,300,158	11,598,648	11,607,346	4.06 %
Preferred shares, Series D		1,613,413	2,419,751	2,420,120	0.85 %
Total			14,018,399	14,027,466	4.91 %
Avenues Global Holdings, LLC(3)					
Preferred shares, Junior Preferred Stock	New York, NY Globally-focused Private School	10,014,270	10,151,854	11,303,410	3.95 %
SugarCRM, Inc.					
Common shares	Cupertino, CA Customer	1,899,799	6,799,392	9,214,025	3.22 %

	Relationship Manager				
Preferred shares, Series E		373,134	1,500,522	2,046,909	0.72 %
Total			8,299,914	11,260,934	3.94 %
Ozy Media, Inc.[(1)]					
Preferred shares, Series B	Mountain View, CA Daily News and Information Site	922,509	4,999,999	4,999,999	1.75 %
Preferred shares, Series A		1,090,909	3,000,200	4,165,091	1.46 %
Preferred shares, Series Seed		500,000	500,000	1,573,000	0.55 %
Total			8,500,199	10,738,090	3.76 %
Declara, Inc.[(1)]					
Preferred shares, Series A	Palo Alto, CA Social Cognitive Learning	5,358,195	9,999,999	10,019,825	3.50 %
JAMF Holdings, Inc.					
Preferred shares, Series B	Minneapolis, MN Mobile Device Management	73,440	9,999,928	9,999,590	3.50 %
Curious.com Inc.[(1)]					
Preferred shares, Series B	Menlo Park, CA Online Education	2,839,861	10,000,003	9,996,311	3.50 %

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Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
PayNearMe, Inc.[1]					
Preferred shares, Series E	Sunnyvale, CA Cash Payment Network	3,914,535	$10,000,401	$9,982,064	3.49%
StormWind, LLC[2][5]					
Preferred shares, Series C	Scottsdale, AZ Interactive Learning	2,779,134	4,000,787	4,338,830	1.52%
Preferred shares, Series B		3,279,629	2,019,687	4,347,608	1.52%
Preferred shares, Series A		366,666	110,000	391,592	0.14%
Preferred Unit Warrants $1.76 Strike Price, Expiration Date 1/6/15		568,753			%
Total			6,130,474	9,078,030	3.18%
Chegg, Inc.**					
Common shares	Santa Clara, CA Textbook Rental	1,182,792	14,022,863	8,173,093	2.86%
Lytro, Inc.					
Preferred Stock	Mountain View, CA Consumer Electronics	2,533,784	7,500,001	7,500,001	2.62%
General Assembly Space, Inc.					
Preferred shares, Series C	New York, NY Online Education	126,552	2,999,978	3,125,467	1.09%
Common shares		133,213	2,999,983	2,999,957	1.05%
Total			5,999,961	6,125,424	2.14%
Spotify Technology S.A.**					
Common shares	Stockholm, Sweden Music Streaming Service	3,658	3,598,472	5,676,873	1.99%

Learnist Inc. (f/k/a Grockit, Inc.)[1]					
Preferred shares, Series D	San Francisco, CA Online Learning Platform	2,728,252	2,005,945	2,319,014	0.81%
Preferred shares, Series E		1,731,501	1,503,670	1,610,296	0.56%
Preferred shares, Series F		1,242,928	1,450,000	1,450,000	0.51%
Total			4,959,615	5,379,310	1.88%
Knewton, Inc.					
Preferred shares, Series E	New York, NY Online Education	375,985	4,999,999	5,000,601	1.75%
Course Hero, Inc.					
Preferred shares, Series A	Redwood City, CA Online Education	2,145,509	5,000,001	5,000,001	1.75%
Lyft, Inc.					
Preferred shares, Series D	San Francisco, CA Peer to Peer Ridesharing	493,490	5,003,634	4,999,054	1.75%
GSV Sustainability Partners[2]					
Preferred shares, Class A	Woodside, CA Clean Technology	9,700,000	4,851,256	4,850,000	1.70%
Common shares		100,000	10,000	10,000	0.00%
Total			4,861,256	4,860,000	1.70%

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Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
Fullbridge, Inc.[1]					
Preferred shares, Series C	Cambridge, MA Business Education	1,728,724	$3,193,444	$1,625,001	0.57%
Preferred shares, Series D		1,655,167	2,956,022	3,111,714	1.09%
Common warrants, $0.91 Strike Price, Expiration Date 3/22/2020		186,170	67,021	1,862	0.00%
Common warrants, $0.91 Strike Price, Expiration Date 12/11/2018		82,418	9,799	824	0.00%
Common warrants, $0.91 Strike Price, Expiration Date 12/11/2018		412,088	50,970	4,121	0.00%
Common warrants, $0.91 Strike Price, Expiration Date 5/16/2019		192,308	23,244	1,923	0.00%
Common warrants, $0.91 Strike Price, Expiration Date 3/22/2020		714,286	85,779	7,143	0.00%
Common warrants, $0.91 Strike Price, Expiration Date 10/09/2018		82,418	9,901	824	0.00%
Total			6,396,180	4,753,412	1.66%
Whittle Schools, LLC[1][4]					
Preferred shares, Series B	New York, NY Globally-focused Private School	3,000,000	3,000,000	3,000,000	1.05%
Common shares		229	1,577,097	1,500,000	0.52%
Total			4,577,097	4,500,000	1.57%
CUX, Inc. (d/b/a CorpU)[1]					
Convertible preferred shares, Series C	San Francisco, CA Corporate Education	615,763	2,006,077	2,292,582	0.80%
Senior Subordinated Convertible Promissory Note 8% Due 11/26/2018[12]***		$1,000,000	1,000,000	1,007,671	0.35%
Convertible preferred shares, Series D		169,033	778,607	716,066	0.25%
		16,903		12,508	0.00%

Preferred warrants, $4.59 Strike Price, Expiration Date 02/25/2018					
Total			3,784,684	4,028,827	1.40%
Parchment, Inc.					
Preferred shares, Series D	Scottsdale, AZ E-Transcript Exchange	3,200,512	4,000,982	4,000,640	1.40%
Global Education Learning (Holdings) Ltd.(1)**					
Preferred shares, Series A	Hong Kong Education Technology	2,126,475	4,335,769	3,995,221	1.40%
Dataminr, Inc.					
Preferred shares, Series B	New York, NY Social Media Analytics	904,977	2,063,356	2,869,320	1.00%
Preferred shares, Series C		301,369	1,100,909	1,075,425	0.38%
Total			3,164,265	3,944,745	1.38%

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Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
NestGSV, Inc. (d/b/a. GSV Labs, Inc.).(2)					
Preferred shares, Series C	Redwood City, CA Incubator	1,561,625	$2,005,730	$1,503,832	0.53%
Preferred shares, Series D		1,095,418	1,404,499	1,460,557	0.51%
Preferred shares, Series A		1,000,000	1,021,778	440,000	0.15%
Preferred shares, Series B		450,000	605,500	265,980	0.09%
Common shares		200,000	1,000	1,000	0.00%
Preferred Warrant Series D $1.33 Strike Price, Expiration Date 10/6/2019		500,000		65,000	0.02%
Preferred warrants, Series C $1.33 Strike Price, Expiration Date 4/9/2019		187,500		24,375	0.01%
Total			5,038,507	3,760,744	1.31%
Bloom Energy Corporation					
Common shares	Sunnyvale, CA Fuel Cell Energy	201,589	3,855,601	3,357,969	1.17%
Gilt Groupe Holdings, Inc.					
Common shares	New York, NY e-Commerce Flash Sales	248,600	6,594,433	3,168,108	1.11%
SharesPost, Inc.(1)(6)					
Preferred shares, Series B	San Bruno, CA Online Marketplace Finance	1,771,653	2,259,716	2,249,999	0.79%
Common warrants, $0.13 Strike Price, Expiration Date 6/15/2018		770,934	23,128	485,688	0.17%
Total			2,282,844	2,735,687	0.96%
DogVacay, Inc.					
Preferred shares, Series B-1	Santa Monica, CA	514,562	2,506,119	2,505,917	0.88%

	Dog Boarding				
DreamBox Learning, Inc.					
Preferred shares, Series A-1	Bellevue, WA Education Technology	7,159,221	1,502,362	1,606,388	0.56%
Preferred shares, Series A		3,579,610	758,017	803,194	0.28%
Total			2,260,379	2,409,582	0.84%
Circle Media (f/k/a S3 Digital Corp. (d/b/a S3i))(1)					
Preferred shares, Series A	New York, NY Sports Analytics	1,462,269	1,496,059	1,705,006	0.60%
Term Loan, 12%, 09/30/15***		$272,500	283,901	288,114	0.10%
Preferred warrants, $1.17 Strike Price, Expiration Date 08/29/2021		175,815		58,019	0.02%
Preferred warrants, $1.17 Strike Price, Expiration Date 09/30/2020		160,806		64,322	0.02%
Preferred warrants, $1.16 Strike Price, Expiration Date 6/26/2021		38,594		12,736	0.00%
Preferred warrants, $1.00 Strike Price, Expiration Date 11/21/2017		500,000	31,354	165,000	0.06%
Total			1,811,314	2,293,197	0.80%
Maven Research, Inc.(1)					
Preferred shares, Series C	San Francisco, CA Knowledge Networks	318,979	2,000,447	1,999,998	0.70%
Preferred shares, Series B		49,505	217,206	249,691	0.09%
Total			2,217,653	2,249,689	0.79%

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Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
Clever, Inc.					
Series B Preferred Stock	San Francisco, CA Education Software	1,799,047	$2,000,001	$2,000,001	0.70%
AlwaysOn, Inc.(2)					
Preferred shares, Series A-1	Woodside, CA Social Media	4,465,925	876,023	491,252	0.17%
Preferred shares, Series A		1,066,626	1,027,391	629,309	0.22%
Preferred warrants Series A-1, $0.19 strike price, expire 12/31/2014		1,313,508			0.00%
Preferred warrants Series A, $1.00 strike price, expire 1/9/2017		109,375			0.00%
Total			1,903,414	1,120,561	0.39%
AliphCom, Inc. (d/b/a Jawbone)					
Common shares	San Francisco, CA Smart Device Company	150,000	793,152	1,013,217	0.35%
Enjoy Technology, Inc.					
Preferred shares, Series A	Menlo Park, CA Online Shopping	879,198	1,002,440	1,002,440	0.35%
Strategic Data Command, LLC(1)(7)					
Common shares	Sunnyvale, CA Software Development	800,000	1,001,650	1,000,000	0.35%
EdSurge, Inc.(1)					
Preferred shares, Series A	Burlingame, CA Education Media Platform	494,365	500,801	505,328	0.18%
Cricket Media (f/k/a ePals Inc.)**(1)(8)					
Common shares		1,333,333	2,448,959	331,126	0.12%

	Herndon, VA Online Education				
Neuron Fuel, Inc.					
Preferred shares, Series AAI	San Jose, CA Computer Software	250,000	262,530	246,160	0.09%
New Zoom, Inc.					
Preferred shares, Series A	San Francisco, CA Retail Machines	1,250,000	260,476	230,469	0.08%
4C Insights (f/k/a The Echo Systems Corp.)					
Preferred shares, Series A	Chicago, IL Social Data Platform	512,365	1,436,404	219,292	0.08%
Totus Solutions, Inc.(1)(10)					
Preferred shares, Series B	Carrollton, TX LED Lighting	1,111,111	1,000,000	128,902	0.05%
Convertible Promissory Note 6%, Expiration Date, 4/01/2016***		$76,110	76,430	78,425	0.03%
Preferred shares, Series A		869,265	2,184,422		0.00%
Common Shares		1,130,735	2,840,591		0.00%
Total			6,101,443	207,327	0.08%
The rSmart Group, Inc.(1)					
Preferred shares, Series B	Scottsdale, AZ Higher Education Learning Platform	1,201,923	1,267,240	192,586	0.07%

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Portfolio Investments*	Headquarters/Industry	Shares/ Principal	Cost	Fair Value	% of Net Assets
Odesk Corporation					
Common Shares	Redwood City, CA Online Workplace Platform	30,000	$183,269	$156,196	0.05 %
Earlyshares.com					
Preferred shares, Series A	Miami, FL Equity Crowdfunding	165,715	260,878	125,115	0.04 %
Dailybreak, Inc.(1)					
Preferred shares, Series A-1	Boston, MA Social Advertising	1,878,129	2,430,950		0.00 %
Preferred shares, Series A-2		347,666	426,254		0.00 %
Total			2,857,204		0.00 %
Total Portfolio Investments			301,111,689	370,984,317	129.76 %
U.S. Treasury					
U.S. Treasury Bill, 0%, due 1/2/2015		$100,000,000	$100,001,692	$100,000,056	34.98 %
U.S. Treasury Strips(11)					
United States Treasury Strip Coupon, 0.00% due 08/15/2016		$1,851,000	1,828,695	1,834,674	0.64 %
United States Treasury Strip Coupon, 0.00% due 02/15/2016		$1,834,000	1,822,943	1,826,664	0.64 %
United States Treasury Strip Coupon, 0.00% due 08/15/2015		$1,823,000	1,819,165	1,820,904	0.64 %
United States Treasury Strip Coupon, 0.00% due 02/15/2015		$1,816,000	1,815,529	1,815,800	0.63 %
Total			7,286,332	7,298,042	2.55 %
Total Investments			$408,399,713	$478,282,415	167.29 %

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

**

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

*** Investment is income producing.

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

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

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

(4) GSV Capital Corp. s investment in Whittle Schools, LLC is held through its wholly-owned subsidiary GSVC WS Holdings, Inc. Whittle Schools, LLC is an investment whose economics are derived from the value of Avenues Global Holdings LLC.

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

(6) GSV Capital Corp. s investment in SharesPost, Inc. is held through its wholly-owned subsidiary SPNPM Holdings, LLC.

See notes to the Condensed Consolidated Financial Statements

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GSV CAPITAL CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (continued)
December 31, 2014

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

(8) On October 22, 2013, Cricket Media (f/k/a ePals Inc.), priced its initial public offering, selling 40,267,333 shares at a price of CAD $0.075 per share. GSV Capital Corp. s shares in Cricket Media (f/k/a ePals Inc.), are subject to a lock-up agreement which expired on February 23, 2014. At December 31, 2014, GSV Capital Corp. valued Cricket Media (f/k/a ePals Inc.), based on its December 31, 2014 closing price less 17.5%. GSV Capital Corp. s Chief Executive Officer, Michael Moe is a Board member of Cricket Media (f/k/a ePals Inc.), which subjects GSV Capital Corp. to insider trading restrictions under Canadian securities law. As such, the Company has applied a 17.5% discount to reflect the aforementioned trading restrictions.

(9) On March 28, 2014, 2U, Inc. (f/k/a 2tor, Inc.) priced its initial public offering, selling 9,175,000 shares at a price of $13 per share. GSV Capital Corp. s shares in 2U, Inc. (f/k/a 2tor, Inc.) are subject to a lock-up agreement which expired on September 24, 2014. At December 31, 2014, GSV Capital Corp. valued 2U, Inc. (f/k/a 2tor, Inc.), based on its December 31, 2014 closing price less 10.0%. Michael Moe is a Board member of 2U, Inc. (f/k/a 2tor, Inc.), which subjects GSV Capital Corp. to insider trading restrictions under U.S. securities law. As such, the Company has applied a 10.0% discount to reflect the aforementioned trading restrictions.

(10) On November 20, 2014, Totus Solutions, Inc., conducted a 10:1 stock split.

(11) Refer to Note 9 Long Term Liabilities. In accordance with the terms of the Company s Convertible Senior Notes payable, the Company deposited $10,867,500 in an escrow account with the Trustee. These funds were used to purchase U.S. Treasury Strips with an original cost of $10,845,236. At December 31, 2014, the remaining government securities are shown on the Condensed Consolidated Schedule of Investments and have an amortized cost of $7,286,332.

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

See notes to the Condensed Consolidated Financial Statements

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

NOTE 1 NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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

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

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

On November 28, 2012, the Company formed the following wholly-owned subsidiaries: GSVC AE Holdings, Inc. (GAE), GSVC AV Holdings, Inc. (GAV), GSVC NG Holdings, Inc. (GNG), GSVC SW Holdings, Inc. (GSW) a GSVC WS Holdings, Inc. (GWS). On July 12, 2013, the Company formed a wholly-owned subsidiary, SPNPM Holdings LLC (SPNPM). On August 13, 2013, the Company formed a wholly-owned subsidiary, GSVC SVDS Holdings, Inc. (SVDS). Collectively, these entities are known as the GSVC Holdings, all Delaware corporations, formed to hold portfolio investments. The GSVC Holdings, including their associated portfolio investments are consolidated with the Company for accounting purposes, but have elected to be treated as separate entities for U.S. federal income tax purposes. Refer to Summary of Significant Accounting Policies Basis of Consolidation below for further detail.

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

Summary of Significant Accounting Policies

Basis of Presentation

The interim condensed consolidated financial statements of the Company are prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (GAAP) and pursuant to the requirements for reporting on Form 10-Q and Regulation S-X. In the opinion of management, all adjustments, all of which were of a normal recurring nature, considered necessary for the fair presentation of financial statements for the interim period have been included. The results of operations for the current period are not necessarily indicative of results that ultimately may be achieved for any other interim period or for the year ending December 31, 2015. The interim unaudited condensed consolidated financial statements and notes hereto should be read in conjunction with the audited financial statements and notes thereto contained in the Company s annual report on Form 10-K for the year ended December 31, 2014.

Basis of Consolidation

Under Article 6 of Regulation S-X and the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide for Investment Companies, the Company is precluded from consolidating any entity other than another investment company, a controlled operating company which provides substantially all

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

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

of its services and benefits to the Company and certain entities established for tax purposes where the Company holds a 100% interest. Accordingly, the Company s condensed consolidated financial statements include its accounts and the accounts of the GSVC Holdings and GCL, its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Reclassifications

Certain prior period amounts in the Condensed Consolidated Financial Statements have been reclassified to conform to the current period presentation. The Company has reclassified certain prior period accounts on the Condensed Consolidated Statements of Assets and Liabilities and Condensed Consolidated Statements of Operations to simplify the presentation. Refer to the table below for the reclassifications to the December 31, 2014 Condensed Consolidated Statements of Assets and Liabilities.

	Reclassified Amounts	Prior Period Amounts
Deferred financing costs	$ 2,928,134	$
Deferred credit facility fees		261,065
Deferred debt issuance costs		2,667,069
Prepaid expenses and other assets	596,926	
Prepaid expenses		179,556
Other assets		417,370

There was no net effect on the total assets, liabilities, or net assets as of December 31, 2014 as a result of these reclassifications.

Refer to the table below for the reclassifications to the Condensed Consolidated Statements of Operations.

For the three months ended September 30, 2014	Reclassified Amounts	Prior Period Amounts
Other expenses	$ 115,922	$ 18,306
Insurance expense		61,800
Investor relations expense		35,816

For the nine months ended September 30, 2014	Reclassified Amounts	Prior Period Amounts
Other expenses	$ 434,849	$ 58,898
Insurance expense		181,839
Investor relations expense		194,112

Use of Estimates

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

Investments at fair value

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

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GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

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

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

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

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

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

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

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

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

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

1. The quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals of GSV Asset Management responsible for the portfolio investment;
2. Preliminary valuation conclusions are then documented and discussed with GSV Asset Management senior management;

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GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

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

3. An independent third-party valuation firm is engaged by, or on behalf of, the Valuation Committee to conduct independent appraisals and review management s preliminary valuations and make their own independent assessment, for all investments for which there are no readily available market quotations;
4. The Valuation Committee discusses the valuations and recommends to the Company s board of directors a fair value for each investment in the portfolio in good faith based on the input of GSV Asset Management and the independent third-party valuation firm; and
5. The Company s board of directors then discusses the valuations recommended by the Valuation Committee and determines in good faith the fair value of each investment in the portfolio.

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

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

For the quarter ended March 31, 2014	100	%
For the quarter ended June 30, 2014	100	%
For the quarter ended September 30, 2014	100	%
For the quarter ended December 31, 2014	100	%
For the quarter ended March 31, 2015	100	%
For the quarter ended June 30, 2015	100	%
For the quarter ended September 30, 2015	100	%

Equity Investments

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

The fair values of the Company s equity investments for which market quotations are not readily available are determined based on various factors and are classified as Level 3 assets. To determine the fair value of a portfolio company for which market quotations are not readily available, the Company may analyze the relevant portfolio company s most recently available historical and projected financial results, public market comparables, and other factors. The Company may also consider other events, including the

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GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

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

transaction in which the Company acquired its securities, subsequent equity sales by the Portfolio Company, mergers or acquisitions affecting the portfolio company. In addition, the Company may consider the trends of the portfolio company s basic financial metrics from the time of its original investment until the measurement date, with material improvement of these metrics indicating a possible increase in fair value, while material deterioration of these metrics may indicate a possible reduction in fair value.

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

Debt Investments

Given the nature of the Company s current debt investments (excluding U.S. Treasuries), principally convertible and promissory notes issued by venture-capital-backed portfolio companies, these investments are Level 3 assets because there is no known or accessible market or market indexes for these investment securities to be traded or exchanged. The Company values its debt investments at amortized cost plus accrued interest which it believes approximates fair value.

Warrants

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

Levelling Policy

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

Valuation of Other Financial Instruments

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

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GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2015 (Unaudited)

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

Securities Transactions

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

Portfolio Company Investment Classification

GSV is a non-diversified company within the meaning of the 1940 Act. GSV classifies its investments by level of control. As defined in the 1940 Act, control investments are those where there is the power to exercise a controlling influence over the management or policies of a company. Control is generally deemed to exist when a company or individual directly or indirectly owns beneficially more than 25% of the voting securities of an investee company. Affiliated investments and affiliated companies are defined by a lesser degree of influence and are deemed to exist when a company or individual directly or indirectly owns, controls or holds the power to vote 5% or more of the outstanding voting securities of another person. Refer to the Condensed Consolidated Schedules of Investments as of September 30, 2015 and December 31, 2014, respectively, for details regarding the nature and composition of the Company s investment portfolio.

Cash

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

Deferred Financing Costs

On December 31, 2013, the Company entered into a Loan and Security Agreement (the Loan Agreement) with Silicon Valley Bank, pursuant to which Silicon Valley Bank agreed to provide the Company with an $18 million credit facility (the Credit Facility). The Company recorded origination expenses related to the Credit Facility as deferred financing costs. These expenses are deferred and amortized as part of interest expense using the effective interest method over the respective expected life of the Credit Facility. In the event that the Company modifies or extinguishes the Credit Facility, it follows the guidance in ASC 470-50, Modification and Extinguishments (ASC 470-50). For modifications to or exchanges of the Credit Facility, any unamortized deferred costs are expensed. As of September 30, 2015, $88,618 remains to be amortized and is included within deferred financing costs on the Condensed Consolidated Statements of Assets and Liabilities.

On September 17, 2013, the Company issued $69 million aggregate principal amount of the Convertible Senior Notes, which bear interest at a fixed rate of 5.25% per year and mature on September 15, 2018 (the Convertible Senior Notes) (including $9 million aggregate principal amount issued pursuant to the exercise of the initial purchasers option to purchase additional Convertible Senior Notes). The Company recorded origination expenses related to the Convertible Senior Notes as deferred financing costs. These expenses are deferred and amortized as part of interest expense using the effective interest method over the respective life of the Convertible Senior Notes. In the event that the Company modifies or extinguishes its debt before maturity, it follows the guidance in ASC 470-50. For extinguishments of the Convertible Senior Notes, any unamortized deferred costs are deducted from the basis of the debt in determining the gain or loss from the extinguishment. Proceeds from the issuance of the Convertible Senior Notes were offset by offering costs of $3,585,929. As of September 30, 2015, $2,128,924 remains to be amortized and is included within deferred financing costs on the Condensed Consolidated Statements of Assets and Liabilities.

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GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

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

Restricted Cash

As of September 30, 2015 and December 31, 2014, the Company had Restricted Cash of $52,931 and $48,889, respectively, which is included on the Condensed Consolidated Statements of Assets and Liabilities. As of both September 30, 2015 and December 31, 2014, Restricted Cash consisted of a $25,000 deposit for the Company s fidelity bond as well as excess funds remaining in escrow after the purchase of the government securities that will be used to make the scheduled interest payments on the Convertible Senior Notes. See Note 9 Long Term Liabilities for further detail.

Revenue Recognition

The Company s revenue recognition policies are as follows:

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

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

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

Investment Transaction Costs and Escrow Deposits

Commissions and other costs associated with an investment transaction, including legal expenses not reimbursed by the issuer, are included in the cost basis of purchases and deducted from the proceeds of sales. The Company makes certain acquisitions on the secondary markets which may involve making deposits to escrow accounts until certain conditions are met including the underlying private company s right of first refusal. If the underlying private company does not exercise or assign its right of first refusal and all other conditions are met, then the funds in the escrow account are delivered to the seller and the account is closed. These transactions are reflected on the Statement of Assets and Liabilities as Escrow deposits. At September 30, 2015 and December 31, 2014, the Company had no Escrow deposits.

Unrealized Appreciation or Depreciation of Investments

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

U.S. Federal and State Income Taxes

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

If the Company does not distribute (or is not deemed to have distributed) during each calendar year a sum of (1) 98% of its net ordinary income for each calendar year, (2) 98.2% of its capital gain net income for the one-year period ending October 31 in that calendar year and (3) any income recognized, but not

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

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

distributed, in preceding years (the Minimum Distribution Amount), it will generally be required to pay an excise tax equal to 4% of the amount by the which Minimum Distribution Amount exceeds the distributions for the year. To the extent that the Company determines its estimated current year annual taxable income will be in excess of the estimated current year dividend distributions from such taxable income, the Company will accrue excise taxes, if any, on estimated excess taxable income as taxable income is earned using an annual effective excise tax rate. The annual effective excise tax rate is determined by dividing the estimated annual excise tax by the estimated annual taxable income.

The Company was taxed as a regular corporation (a C corporation) under subchapter C of the Code, for its 2012 taxable year. In September 2014, the Company filed its 2013 tax return as a RIC and sought to be granted RIC status for its 2013 taxable year; however, the Company determined it would not be eligible to elect to be treated as a RIC for the 2013 taxable year unless it was certified by the Securities and Exchange Commission (the SEC) as principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available for the 2013 taxable year (such certification, an SEC Certification). The Company has not received such SEC Certification for its 2013 taxable year; however, in September 2015, the Company determined it was in the best interests of its stockholders to file the 2013 tax return as a C corporation.

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

The Company also expects to qualify as a RIC for the 2015 taxable year and going forward. At the present time, the Company cannot assure its investors that it will be eligible to elect to be taxed as a RIC for its 2015 taxable year. If it is not treated as a RIC for 2015, the Company will be taxed as a C corporation under the Code for the 2015 taxable year. If the Company has previously qualified as a RIC but is subsequently unable to qualify for treatment as a RIC, and certain amelioration provisions are not applicable, the Company would be subject to tax on all of its taxable income (including its net capital gains) at regular corporate rates. The Company would not be able to deduct distributions to stockholders, nor would it be required to make distributions. Distributions, including distributions of net long-term capital gain, would generally be taxable to its stockholders as ordinary dividend income to the extent of the Company s current and accumulated earnings and profits. Subject to certain limitations under the Code, corporate stockholders would be eligible to claim a dividend received deduction with respect to such dividend; non-corporate stockholders would generally be able to treat such dividends as qualified dividend income, which is subject to reduced rates of U.S. federal income tax. Distributions in excess of the Company s current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder s tax basis, and any remaining distributions would be treated as a capital gain. In order to requalify as a RIC, in addition to the other requirements discussed above, the Company would be required to distribute all of its previously undistributed earnings attributable to the period it failed to qualify as a RIC by the end of the first year that it intends to requalify as a RIC. If the Company fails to requalify as a RIC for a period greater than two taxable years, it may be subject to regular corporate tax on any net built-in gains with respect to certain of its

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

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

assets (*i.e.*, the excess of the aggregate gains, including items of income, over aggregate losses that would have been realized with respect to such assets if the Company had been liquidated) that it elects to recognize on requalification or when recognized over the next ten years. Refer to Note 8 Income Taxes for further details regarding the Company s tax status.

Per Share Information

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

Capital Accounts

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

Recently Adopted Accounting Standards

In April 2015, the Financial Accounting Standards Board issued Accounting Standards Update 2015-03, Interest Imputation of Interest (Topic 835): Simplifying the Presentation of Debt Issuance Costs (ASU 2015-03). ASU 2015-03 requires companies to present debt issuance costs related to a recognized debt liability in the Condensed Consolidated Statement of Assets and Liabilities as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Public companies are required to apply ASU 2015-03 retrospectively for interim and annual reporting periods beginning after December 15, 2015.

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

NOTE 2 RELATED-PARTY ARRANGEMENTS

Investment Advisory Agreement

The Company has entered into an investment advisory agreement with GSV Asset Management (the Advisory Agreement). Pursuant to the Advisory Agreement, GSV Asset Management will be paid a base annual fee of 2% of gross assets, and an annual incentive fee equal to the lesser of (i) 20% of the Company s realized capital gains during each calendar year, if any, calculated on an investment-by-investment basis, subject to a non-compounded preferred return, or hurdle, and a catch-up feature, and (ii) 20% of the Company s realized capital gains, if any, on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid incentive fees.

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GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

NOTE 2 RELATED-PARTY ARRANGEMENTS (continued)

Incentive Fees

The Company has not paid GSV Asset Management any incentive fees since inception under the terms of the Advisory Agreement. However for GAAP purposes, in accordance with the AICPA s TPA (TIS 6910.2), the Company is required to accrue incentive fees as if the Company had fully liquidated the entire investment portfolio at the fair value stated on the Condensed Consolidated Statements of Assets and Liabilities as of September 30, 2015 and December 31, 2014. This accrual considers both the hypothetical liquidation of the Company s portfolio described previously, as well as the Company s actual cumulative realized gains and losses since inception.

For the three and nine months ended September 30, 2015, the Company accrued incentive fees of $1,062,535, and $10,839,602, respectively, for financial statement purposes. For the three and nine months ended September 30, 2014, the Company accrued incentive fees of $3,684,300, and $5,498,585, respectively, for financial statement purposes.

Management Fees

GSV Asset Management earned $2,063,017 and $5,994,530 in management fees for the three and nine months ended September 30, 2015, respectively. GSV Asset Management earned $1,949,705 and $5,639,564 in management fees for the three and nine months ended September 30, 2014, respectively.

As of September 30, 2015, the Company was owed $205,472 from GSV Asset Management for reimbursement of expenses paid for by the Company that were the responsibility of GSV Asset Management. In addition as of September 30, 2015, the Company owed GSV Asset Management $19,980 for reimbursement of other expenses.

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

Administration Agreement

The Company has entered into an administration agreement with GSV Capital Service Company (the Administration Agreement) to provide administrative services, including furnishing the Company with office facilities, equipment, clerical, bookkeeping, record keeping services and other administrative services. The Company reimburses GSV Capital Service Company an allocable portion of overhead and other expenses in performing its obligations under the Administration Agreement. There were $598,456 and $2,185,888 in such costs incurred under the Administration Agreement for the three and nine months ended September 30, 2015, respectively. There were $718,896 and

$2,557,129 in such costs incurred under the Administration Agreement for the three and nine months ended September 30, 2014, respectively.

License Agreement

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

Investments in Controlled and Affiliated Portfolio Companies

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

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GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

NOTE 3 INVESTMENTS AT FAIR VALUE

The Company s investments in portfolio companies consist primarily of equity securities (such as common stock, preferred stock and warrants to purchase common and preferred stock) and to a lesser extent, debt securities, issued by private and publicly traded companies. The Company may also from time to time, invest in U.S. Treasury Securities. Non-portfolio investments represent investments in U.S. Treasury Securities. At September 30, 2015, the Company had 92 positions in 48 portfolio companies. At December 31, 2014, the Company had 99 positions in 52 portfolio companies. The following table summarizes the composition of the Company s investment portfolio by security type at cost and fair value as of September 30, 2015 and December 31, 2014.

	September 30, 2015 (Unaudited)		December 31, 2014	
	Cost	Fair Value	Cost	Fair Value
Private Portfolio Companies				
Common Stock	$50,911,154	$95,134,155	$55,085,728	$85,598,467
Preferred Stock	195,847,526	221,618,041	190,308,932	193,847,045
Debt Investments	2,057,464	2,207,561	1,360,331	1,374,210
Warrants	301,196	495,877	301,196	904,345
Subtotal Private Portfolio Companies	249,117,340	319,455,634	247,056,187	281,724,067
Publicly Traded Portfolio Companies				
Common Stock	30,743,688	30,334,740	54,055,502	89,260,250
Total Private and Publicly Traded Portfolio Companies	279,861,028	349,790,374	301,111,689	370,984,317
Non-Portfolio Investments				
U.S. Treasury Bill	25,000,604	25,000,604	100,001,692	100,000,056
U.S. Treasury Strips	3,669,246	3,680,616	7,286,332	7,298,042
Total Non-Portfolio Investments	28,669,850	28,681,220	107,288,024	107,298,098
Total Investments	$308,530,878	$378,471,594	$408,399,713	$478,282,415

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GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

NOTE 3 INVESTMENTS AT FAIR VALUE (continued)

The fair values of the Company s investments disaggregated into the three levels of the fair value hierarchy based upon the lowest level of significant input used in the valuation as of September 30, 2015 and December 31, 2014 are as follows:

	As of September 30, 2015 (Unaudited)			
	Quoted Prices in Active Markets for Identical Securities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total
Assets at fair value				
Private Portfolio Companies				
Common Stock	$	$	$95,134,155	$95,134,155
Preferred Stock			221,618,041	221,618,041
Debt Investments			2,207,561	2,207,561
Warrants			495,877	495,877
Subtotal Private Portfolio Companies			319,455,634	319,455,634
Publicly Traded Portfolio Companies				
Common Stock	30,334,740			30,334,740
Total Private and Publicly Traded Portfolio Companies	30,334,740		319,455,634	349,790,374
Non-Portfolio Investments				
U.S. Treasury Bill	25,000,604			25,000,604
U.S. Treasury Strips	3,680,616			3,680,616
Total Non-Portfolio Investments	28,681,220			28,681,220
Total Assets at Fair Value	$59,015,960	$	$319,455,634	$378,471,594

	As of December 31, 2014			
	Quoted Prices in Active	Significant Other Observable	Significant Unobservable Inputs	Total

	Markets for Identical Securities (Level 1)	Inputs (Level 2)	(Level 3)	
Assets at fair value				
Private Portfolio Companies				
Common Stock	$	$	$85,598,467	$85,598,467
Preferred Stock			193,847,045	193,847,045
Debt Investments			1,374,210	1,374,210
Warrants			904,345	904,345
Subtotal Private Portfolio Companies			281,724,067	281,724,067
Publicly Traded Portfolio Companies				
Common Stock	65,586,615	23,673,635		89,260,250
Total Private and Publicly Traded Portfolio Companies	65,586,615	23,673,635	281,724,067	370,984,317
Non-Portfolio Investments				
U.S. Treasury Bill	100,000,056			100,000,056
U.S. Treasury Strips	7,298,042			7,298,042
Total Non-Portfolio Investments	107,298,098			107,298,098
Total Assets at Fair Value	$172,884,713	$23,673,635	$281,724,067	$478,282,415
Liabilities at fair value				
Embedded Derivative	$	$	$1,000	$1,000
Total Liabilities at Fair Value	$	$	$1,000	$1,000

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GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

NOTE 3 INVESTMENTS AT FAIR VALUE (continued)

Significant Unobservable Inputs for Level 3 Assets and Liabilities

In accordance with ASC 820, the tables below provide quantitative information about the Company s fair value measurements of its Level 3 assets and liabilities as of September 30, 2015 and December 31, 2014. In addition to the techniques and inputs noted in the table below, according to the Company s valuation policy, the Company may also use other valuation techniques and methodologies when determining the Company s fair value measurements. The below table is not intended to be all-inclusive, but rather provides information on the significant Level 3 inputs as they relate to the Company s fair value measurements. To the extent an unobservable input is not reflected in the table below, such input is deemed insignificant with respect to the Company s Level 3 fair value measurements as of September 30, 2015 and December 31, 2014. Significant changes in the inputs in isolation would result in a significant change in the fair value measurement, depending on the input and the materiality of the investment.

As of September 30, 2015 (Unaudited)

Asset (Liability)	Fair Value	Valuation Techniques	Unobservable inputs	Range (Weighted Average)
Common stock in private companies	$95,134,155	Market approach	Precedent transactions[1]	N/A
		Income approach	Revenue multiples	1.1x 1.5x (1.3x)
			EBIT multiples	10.0x 17.0x (13.5x)
			Discount rate	30% 35% (33%)
		Liquidation Value	Liquidation Value	N/A
Preferred stock in private companies	$221,618,041	Market approach	Precedent transactions[1]	N/A
		Income approach	Revenue multiples	0.9x 5.5x (2.8x)
			EBIT multiples	10.0x 30.0x (15.8x)
			Discount rate	30% 50% (39%)
Debt Investments	$2,207,561	Market approach	Amortized Cost	N/A
Warrants	$495,877			

Option pricing model	Term to expiration (Years)	1.28 3.00 (2.52)
	Strike price	0.13 4.59 (1.20)
	Volatility	30% 50% (38%)

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

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GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

NOTE 3 INVESTMENTS AT FAIR VALUE (continued)

As of December 31, 2014

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

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

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

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

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GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

NOTE 3 INVESTMENTS AT FAIR VALUE (continued)

The aggregate values of Level 3 portfolio investments and embedded derivative changed during the three and nine months ended September 30, 2015 and September 30, 2014 as follows:

	Three months ended September 30, 2015 (Unaudited)					
	Common Stock	Preferred Stock	Debt Investments	Warrants	Embedded Derivative	Total
Assets:						
Fair value as of June 30, 2015	$92,430,652	$217,983,919	$2,506,014	$694,314	$	$313,614,899
Purchases of investments		6,602,095				6,602,095
Sales of investments	(1,874,000)	(3,362,594)	(50,000)			(5,286,594)
Realized losses	(2,290,880)	(7,563,262)	(27,190)			(9,881,332)
Exercises, conversions and assignments[1]		295,801	(295,801)			
Amortization of fixed income security premiums and discounts			14,235			14,235
Net change in unrealized appreciation (depreciation) included in earnings	6,868,383	7,662,082	60,303	(198,437)		14,392,331
Fair Value as of September 30, 2015	$95,134,155	$221,618,041	$2,207,561	$495,877	$	$319,455,634
Net change in unrealized appreciation (depreciation) of Level 3 investments still held as of September 30, 2015	$4,027,793	$589,059	$32,425	$(198,437)	$	$4,450,840

	Three months ended September 30, 2014 (Unaudited)					
	Common Stock	Preferred Stock	Debt Investments	Warrants	Embedded Derivative	Total
Assets:						
Fair value as of June 30, 2014	$87,595,350	$169,119,155	$348,610	$594,355	$	$257,657,470
Purchases of investments	6,400	6,795,054	500,000			7,301,454
Sales of investments	(4,556,650)	(6,285,991)				(10,842,641)
Realized gains	1,951,444	4,969,326				6,920,770

Net change in unrealized appreciation (depreciation) included in earnings	(2,241,704)	(5,484,429)	12,692	(23,978)		(7,737,419)
Fair Value as of September 30, 2014	$82,754,840	$169,113,115	$861,302	$570,377	$	$253,299,634
Net change in unrealized appreciation (depreciation) of Level 3 investments still held as of September 30, 2014	$(2,241,704)	$(5,484,429)	$12,692	$(23,978)	$	$(7,737,419)
Liabilities:						
Fair Value of June 30, 2014	$	$	$	$	$159,000	$159,000
Gain on fair value adjustment for embedded derivative					(147,000)	(147,000)
Fair Value as of September 30, 2014	$	$	$	$	$12,000	$12,000

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GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

NOTE 3 INVESTMENTS AT FAIR VALUE (continued)

	Nine months ended September 30, 2015 (Unaudited)					
	Common Stock	Preferred Stock	Debt Investments	Warrants	Embedded Derivative	Total
Assets:						
Fair value as of December 31, 2014	$85,598,467	$193,847,045	$1,374,210	$904,345	$	$281,724,067
Purchases of investments	2,680	16,168,653	1,022,107			17,193,440
Sales of investments	(1,886,373)	(3,362,594)	(50,000)			(5,298,967)
Realized losses	(2,290,880)	(7,563,262)	(27,190)			(9,881,332)
Exercises, conversions and assignments[1]		295,801	(295,801)			
Amortization of fixed income security premiums and discounts			36,117			36,117
Net change in unrealized appreciation (depreciation) included in earnings	13,710,261	22,232,398	148,118	(408,468)		35,682,309
Fair Value as of September 30, 2015	$95,134,155	$221,618,041	$2,207,561	$495,877	$	$319,455,634
Net change in unrealized appreciation (depreciation) of Level 3 investments still held as of September 30, 2015	$10,869,673	$15,198,644	$142,426	$(408,468)	$	$25,802,275
Liabilities:						
Fair Value of December 31, 2014	$	$	$	$	$1,000	$1,000
Gain on fair value adjustment for embedded derivative					(1,000)	(1,000)
Fair Value as of September 30, 2015	$	$	$	$	$	$

	Nine months ended September 30, 2014 (Unaudited)						
	Common Stock	Preferred Stock	Common Membership Interest	Term Loan	Warrants	Embedded Derivative	Total
Assets:							

Fair value as of December 31, 2013	$81,410,161	$129,925,500	$557,084	$750,000	$489,657	$	$213,132,402
Purchases of investments	1,788,941	40,317,993		3,664,225	159,993		45,931,152
Sales of investments	(4,556,650)	(9,286,230)			(75,988)		(13,918,868)
Realized gains included in earnings	1,951,444	4,969,326					6,920,770
Exercises, conversions and assignments In[2]	1,273,125	6,074,063					7,347,188
Exercises, conversions and assignments Out[2]	(2,006,077)	(1,273,125)	(500,000)	(3,567,986)			(7,347,188)
Net change in unrealized appreciation (depreciation) included in earnings	20,817,652	(1,614,412)	(57,084)	15,063	(3,285)		19,157,934
Transfers Out of Level 3	(17,923,756)						(17,923,756)
Fair Value as of September 30, 2014	$82,754,840	$169,113,115	$	$861,302	$570,377	$	$253,299,634
Net change in unrealized appreciation (depreciation) of Level 3 investments still held as of September 30, 2014	$15,754,143	$343,302	$	$11,212	$39,370	$	$16,148,027
Liabilities:							
Fair Value of December 31, 2013	$	$	$	$	$	$799,000	$799,000
Gain on fair value adjustment for embedded derivative						(787,000)	(787,000)
Fair Value as of September 30, 2014	$	$	$	$	$	$12,000	$12,000

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GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

NOTE 3 INVESTMENTS AT FAIR VALUE (continued)

(1) During the three and nine months ended September 30, 2015, the Company s portfolio investments had the following corporate actions which are reflected above:

Portfolio Company	Transfer from	Transfer to
Circle Media (f/k/a S3 Digital Corp. (d/b/a S3i))	Term Loan, 12%, 09/30/15	Preferred shares, Series A

(2) During the nine months ended September 30, 2014, the Company s portfolio investments had the following corporate actions which are reflected above:

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

During the three and nine months ended September 30, 2015, there were no transfers between levels. During the three and nine months ended September 30, 2014, the following transfers between levels occurred as a result of the IPOs of several portfolio companies, as well as the expiration of lock-up agreements described in the table below.

Portfolio Company	Corporate Action	IPO/Lock-up Expiration Date	Transfer from	September 30, 2014 Valuation Method
2U, Inc. (f/k/a 2tor, Inc.)	Lock-up Expiration	9/24/2014	Level 2 to Level 1	Exchange Traded Price, 10.0% DLOM
2U, Inc. (f/k/a 2tor, Inc.)	IPO	3/28/2014	Level 3 to Level 2	

				Exchange Traded Price, 17.5% DLOM
Twitter, Inc.	Lock-up Expiration	5/5/2014	Level 2 to Level 1	Exchange Traded Price, 0% DLOM
Chegg, Inc.	Lock-up Expiration	5/11/2014	Level 2 to Level 1	Exchange Traded Price, 0% DLOM
TrueCar, Inc.	IPO	5/15/2014	Level 3 to Level 2	Exchange Traded Price, 17.5% DLOM
Control4 Corporation	Lock-up Expiration	1/29/2014	Level 2 to Level 1	Exchange Traded Price, 0% DLOM
Violin Memory, Inc.	Lock-up Expiration	3/26/2014	Level 2 to Level 1	Exchange Traded Price, 0% DLOM

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

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GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

NOTE 4 EQUITY OFFERINGS AND RELATED EXPENSES

No new shares of the Company s common stock were issued during the nine months ended September 30, 2015 or the nine months ended September 30, 2014.

NOTE 5 NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER COMMON SHARE BASIC AND DILUTED

The following information sets forth the computation of basic and diluted net increase in net assets resulting from operations per common share for the three and nine months ended September 30, 2015 and September 30, 2014. The use of the if-converted method as promulgated under ASC 260 considers all potentially dilutive securities in a company s capital structure when calculating diluted earnings per share, regardless of whether it would be economically beneficial for a holder of such potentially dilutive security to exercise their conversion option (such as out of the money warrants.) In scenarios where diluted net increase in net assets resulting from operations per share is higher than basic net increase in net assets resulting from operations per share, ASC 260 prohibits the separate presentation of the diluted net increase in net assets resulting from operations per share figure. In scenarios where diluted net decrease in net assets resulting from operations per share is lower than basic net decrease in net assets resulting from operations per share, ASC 260 prohibits the separate presentation of the net decrease in net assets resulting from operations per share figure.

	(Unaudited) Three months ended September 30,		(Unaudited) Nine months ended September 30,	
	2015	2014	2015	2014
Net increase in net assets resulting from operations per share basic:				
Net increase in net assets resulting from operations	$8,852,691	$6,018,713	$26,598,814	$5,178,111
Weighted-average common shares basic	19,320,100	19,320,100	19,320,100	19,320,100
Net increase in net assets resulting from operations per share basic:	$0.45	$0.31	$1.37	$0.27
Net increase in net assets resulting from operations per share diluted:				

Net increase in net assets resulting from operations, before adjustments	8,852,691	6,018,713	26,598,814	5,178,111
Adjustments for interest on Convertible Senior Notes and deferred financing costs	1,121,043	1,138,887	3,284,307	
Net increase in net assets resulting from operations, as adjusted	9,973,734	7,157,600	29,883,121	5,178,111
Weighted-average common shares outstanding basic	19,320,100	19,320,100	19,320,100	19,320,100
Adjustments for dilutive effect of Convertible Senior Notes[1]	4,244,128	4,244,128	4,244,128	
Weighted-average common shares outstanding diluted	23,564,228	23,564,228	23,564,228	19,320,100
Net increase in net assets resulting from operations per share diluted	$0.42	$0.30	$1.27	$0.27

(1) For the nine months ended September 30, 2014, 4,244,128 potentially dilutive common shares were excluded from the calculation of the diluted weighted-average common shares outstanding because the effect of these shares would have been anti-dilutive.

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

NOTE 6 COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company may enter into investment agreements under which it commits to make an investment in a portfolio company at some future date or over a specified period of time. At September 30, 2015 and December 31, 2014, the Company had not entered into any investment agreements that required it to make a future investment in a portfolio company.

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

NOTE 7 FINANCIAL HIGHLIGHTS

	Three months ended September 30, 2015 (Unaudited)		Three months ended September 30, 2014 (Unaudited)	
Per Share Data:				
Net asset value at beginning of period	$15.72		$14.86	
Net investment loss	(1.70	)[1]	(0.25	)[1]
Net realized gains on investments	1.40	[1]	0.89	[1]
(Provision)/Benefit for taxes on net realized gains	0.59	[1]	(0.36	)[1]
Net change in unrealized appreciation/(depreciation) of investments	(1.14	)[1]	0.06	[1]
(Provision)/Benefit for taxes on unrealized appreciation/(deprecation) of investments	1.30	[1]	(0.03	)[1]
Net asset value at end of period	$16.17		$15.17	
Per share market value at end of period	$7.85		$10.01	
Total return based on net asset value	2.86	%[2]	2.09	%[2]
Total return based on market value	(23.86	)%[2]	(5.30	)%[2]
Shares outstanding at end of period	19,320,100		19,320,100	
Ratios/Supplemental Data:				
Net assets at end of period	$312,502,487		$293,144,555	

Average net assets	$303,720,148	$293,430,624
Annualized ratios		
Ratio of total operating expenses to average net assets(3)	8.24 %	11.18 %
Ratio of net income tax provisions to average net assets(3)	12.87 %	1.42 %
Ratio of net operating expenses to average net assets(3)	21.11 %	12.60 %
Ratio of net investment loss to average net assets(3)	(43.30)%	(6.60)%
Portfolio turnover ratio	1.78 %	2.81 %

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GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

NOTE 7 FINANCIAL HIGHLIGHTS (continued)

	Nine months ended September 30, 2015 (Unaudited)		Nine months ended September 30, 2014 (Unaudited)	
Per Share Data				
Net asset value at beginning of period	$14.80	(1)	$14.91	(1)
Net investment loss	(2.28	)(1)	(0.57	)(1)
Net realized gains on investments	2.80	(1)	0.92	(1)
(Provision)/Benefit for taxes on net realized gains	0.02	(1)	(0.38	)(1)
Net change in unrealized appreciation of investments	0.00	(1)	0.49	(1)
(Provision)/Benefit for taxes on unrealized appreciation of investments	0.83	(1)	(0.20	)(1)
Net asset value at end of period	$16.17		$15.17	
Per share market value at end of period	$7.85		$10.01	
Total return based on net asset value	9.26	%(2)	1.74	%(2)
Total return based on market value	(9.04	)%(2)	(17.20	)%(2)
Shares outstanding at end of period	19,320,100		19,320,100	
Ratios/Supplemental Data:				
Net assets at end of period	312,502,487		293,144,555	
Average net assets	299,491,050		285,484,323	
Annualized ratios				
Ratio of total operating expenses to average net assets(3)	11.31	%	8.90	%
Ratio of net income tax provisions to average net assets(3)	(1.12	)%	1.22	%
Ratio of net operating expenses to average net assets(3)	10.19	%	10.12	%
Ratio of net investment loss to average net assets(3)	(19.63	)%	(5.20	)%
Portfolio turnover ratio	4.53	%	12.59	%

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

(2) Total return based on market value is based on the change in market price per share between the opening and ending market values per share in the period. Total return based on net asset value is based upon the change in net asset value per share between the opening and ending net asset values per share.

(3) Financial Highlights for periods of less than one year are annualized and the ratios of operating expenses to average net assets and net investment loss to average net assets are adjusted accordingly. Non-recurring expenses are not annualized. For each of the three and nine months ended September 30, 2015 and 2014, the Company did not incur any non-recurring expenses. Because the ratios are calculated for the Company s common stock taken as a

whole, an individual investor s ratios may vary from these ratios.

NOTE 8   INCOME TAXES

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

GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

NOTE 8 INCOME TAXES (continued)

As a result of the Company electing to be treated as a RIC in September 2015 in connection with the filing of its 2014 tax return, it may be required to pay a corporate-level U.S. federal income tax on the amount of the net built-in gains, if any, in its assets (the amount by which the net fair market value of the Company s assets exceeds the net adjusted basis in its assets) as of the date of conversion (*i.e.*, the beginning of the first taxable year that the Company qualifies as a RIC, which would be January 1, 2014) to the extent that such gains are recognized by the Company during the applicable recognition period, which is the five-year period beginning on the date of conversion.

Any corporate-level built-in-gains tax is payable at the time the built-in gains are recognized (which generally will be the years in which the assets with built-in gains are sold in a taxable transaction). The amount of this tax will vary depending on the assets that are actually sold by the Company in this 5-year period, the actual amount of net built-in gain or loss present in those assets as of the date of conversion, and the effective tax rates at such times. The payment of any such corporate-level U.S. federal income tax on built-in gains will be a Company expense that will reduce the amount available for distribution to stockholders. The built-in-gains tax is calculated by determining the RIC s net unrealized built-in gains, if any, by which the fair market value of the assets of the RIC at the beginning of its first RIC year exceeds the aggregate adjusted basis of such assets at that time.

As of January 1, 2014, the Company had net unrealized built-in gains. It did not incur a built-in-gains tax for the 2014 tax year due to the fact that there are sufficient net capital loss carryforwards to completely offset recognized built-in gains as well as available net operating losses. The Company has recorded a $9.4 million deferred tax liability as of September 30, 2015, of which approximately $7.1 million has been recorded in the event such gains are recognized by December 31, 2019. As a result of the Company s election to be treated as a RIC, the Company recognized $9.7 million in tax benefits for the three months ended September 30, 2015.

The GSVC Holdings are C corporations for U.S. federal and state income tax purposes. The Company uses the asset and liability method to account for the GSVC Holdings income taxes. Using this method, the Company recognizes deferred tax assets and liabilities for the estimated future tax effects attributable to temporary differences between the financial reporting and tax bases of assets and liabilities. In addition, the Company recognizes deferred tax benefits associated with net operating loss carryforwards that it may use to offset future tax obligations. The Company measures deferred tax assets and liabilities using the enacted tax rates expected to apply to taxable income in the years in which it expects to recover or settle those temporary differences. The Company has recorded a $9.4 million deferred tax liability as of September 30, 2015, of which approximately $2.3 million relates to the difference in the book and tax basis of certain equity investments and tax net operating losses held by the GSVC Holdings.

For the three and nine months ended September 30, 2015, the Company and the GSVC Holdings recorded a current income tax expense of $0.8 million. Of this amount, $0.8 million was income tax paid by the Company on undistributed long-term capital gains for the 2014 tax year.

For the three and nine months ended September 30, 2014, the Company did not recognize a current income tax expense or benefit.

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

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GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

NOTE 8 INCOME TAXES (continued)

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

The Company and the GSVC Holdings accrue all interest and penalties related to uncertain tax positions as incurred. As of September 30, 2015, there were no interest or penalties incurred related to uncertain tax positions.

NOTE 9 LONG TERM LIABILITIES

Convertible Senior Notes payable

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

The terms of the offering required the Company to place a portion of the proceeds of the offering ($10,867,500) in an escrow account (the Interest Escrow) with U.S. Bank National Association (the Trustee) under the indenture pursuant to which the notes were issued. Funds in the Interest Escrow were used to purchase six U.S. Treasury Strips (Government Securities) with an original cost of $10,845,236. The Government Securities have been, and will continue to be used to make the first six scheduled interest payments on the notes, unless the Company elects to make the interest payments from the Company s available funds. The interest payments on the Convertible Senior Notes are secured by a pledge of the Company s interest in the Interest Escrow. At September 30, 2015, the remaining Government Securities are shown on the Condensed Consolidated Schedule of Investments and have an amortized cost of $3,669,246. In addition to the Government Securities, at September 30, 2015, the Interest Escrow contained $27,931 of excess funds from the offering that will be used to secure the payment of the notes and is included as Restricted Cash on the Condensed Consolidated Statements of Assets and Liabilities. Restricted Cash also includes a $25,000 deposit for the Company s fidelity bond.

	September 30, 2015 (Unaudited)	December 31, 2014
Aggregate Principal Amount of Convertible Senior Notes	$ 69,000,000	$ 69,000,000
Less Amortization of Embedded Derivative Discount	(437,923)	(537,647)
Convertible Senior Notes payable 5.25% due September 15, 2018	$ 68,562,077	$ 68,462,353

As of September 30, 2015, the principal amount of the Convertible Senior Notes exceeded the value of the underlying shares multiplied by the per share closing price of the Company s common stock.

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

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GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

NOTE 9 LONG TERM LIABILITIES (continued)

Embedded Derivative

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

The Company used a binomial lattice model to estimate the fair value of the embedded derivative in the Convertible Senior Notes. A binomial lattice model generates potential outcomes at various points in time, starting from the date of valuation until the expiration date of the embedded derivative. The estimated fair value of the embedded derivative as of September 30, 2015 is $0 as shown on the Condensed Consolidated Statement of Assets and Liabilities.

Credit Facility

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

The Credit Facility, matures on December 31, 2016, and bears interest at a per annum rate equal to the greater of (i) the prime rate plus 4.75% and (ii) 8.0% on amounts drawn under the facility based on a 360-day year. In addition, a fee of $180,000 per annum (1.0% of the $18 million revolving line of credit) is charged under the Loan Agreement. Under the terms of the Credit Facility, the Company must repay all outstanding borrowings so that there is at least one 30-day period every twelve months during which the Company has no balance outstanding. Under the Loan Agreement, the Company has made certain customary representations and warranties and is required to comply with various covenants, reporting requirements, and other customary requirements for similar credit facilities. The Loan Agreement includes usual and customary events of default for credit facilities of this nature, including, without limitation, nonpayment, misrepresentation of representations and warranties in a material respect, breach of covenant, cross-default to certain other indebtedness, bankruptcy, change of control, and the occurrence of a material adverse effect.

The Credit Facility is secured by all of the Company s property and assets, except for the Company s assets pledged to secure certain obligations in connection with the Company s issuance of the Convertible Senior Notes and, as provided for in the Loan Agreement, as may be pledged in connection with any future issuance by the Company of Convertible Senior Notes on substantially similar terms. As of September 30, 2015, the Company had no borrowings under the Credit Facility. For the nine months ended September 30, 2015, the Company had average borrowings outstanding of $4,963,370 under the Credit Facility.

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

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GSV CAPITAL CORP. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS September 30, 2015 (Unaudited)

NOTE 10 SUBSEQUENT EVENTS

Portfolio Activity

From September 30, 2015 through November 9, 2015, the Company closed on investment purchases of $1,200,000 plus transaction costs as shown in following table. Total Gross Payments include the cost of entering into a portfolio company investment. Refer to Note 1 Nature of Operations and Significant Accounting Policies for further detail.

Portfolio Company	Industry	Transaction Date	Gross Payments
GSV Sustainability Partners	Clean Technology	October 1, 2015	$600,000
GSV Sustainability Partners	Clean Technology	November 2, 2015	600,000
Total Gross Payments			$1,200,000

From September 30, 2015 through November 9, 2015, the Company sold no investments.

The Company is presently in the final stages of negotiations with respect to several private company investments that it anticipates entering into within the next 30 to 60 days, subject to satisfaction of applicable closing conditions. In the case of secondary market transactions, such closing conditions may include approval of the issuer, waiver or failure to exercise rights of first refusal by the issuer and/or its stockholders and termination rights by the seller or the Company. Equity investments made through the secondary market may involve making deposits in escrow accounts until the applicable closing conditions are satisfied, at which time the escrow accounts will close and such equity investments will be effectuated. From September 30, 2015 through November 9, 2015, the Company has made no such escrow deposits.

Dividends

On November 4, 2015, the Company s board of directors declared a dividend of $2.76 per share payable on December 31, 2015 to stockholders of record at the close of business on November 16, 2015. The ex-dividend date, which is the day that the Company s common stock will begin trading without the dividend, is January 4, 2016. The dividend will be paid in cash or shares of the Company s common stock at the election of the stockholders, although the total amount of cash to be distributed to all stockholders will be limited to approximately 50% of the total dividend to be paid to all stockholders; provided, however, that in no event will the Company distribute less than 20% of the total dividend in cash. The remainder of the dividend (approximately 50%) will be paid in the form of shares of the Company s common stock. The number of shares of the Company s common stock to be issued to stockholders receiving all or a portion of the dividend in shares of common stock will be based on the volume weighted-average price per share of GSV Capital s common stock on the Nasdaq Capital Market on December 28, 29 and 30, 2015.

This dividend is being made in accordance with certain applicable Treasury regulations and private letter rulings on cash/stock dividends issued by the Internal Revenue Service (IRS) over the years that allow a publicly traded RIC to satisfy its distribution requirements from a distribution paid partly in common stock provided that at least 20% of the distribution is payable in cash and certain other requirements are satisfied.

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Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

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

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

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

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

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

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

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

Overview

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

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

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

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

Investments (Portfolio Activity)

The value of our investment portfolio will change over time due to changes in the fair value of our underlying investments, as well as changes in the composition of our portfolio resulting from purchases of new and follow-on investments as well as sales of existing investments. The fair value, as of September 30, 2015, of all of our portfolio investments, excluding U.S. Treasury Bills and Strips, was $349,790,374. The following table summarizes the investment purchases we funded during the nine months ended September 30, 2015. Total Gross Payments include both the actual cost of an investment as well as capitalized costs, (such as legal and other fees) associated with entering into a portfolio company investment. Refer to Note 1 Nature of Operations and Significant Accounting Policies to our Condensed Consolidated Financial Statements for the period ended September 30, 2015 for further detail.

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Fundings by Portfolio Company (Industry)	Quarter ended March 31, 2015	Quarter ended June 30, 2015	Quarter ended September 30, 2015	Total through September 30, 2015
NestGSV, Inc. (d/b/a GSV Labs, Inc.) (Incubator)	$1,000,000	$1,499,999	$1,000,000	$3,499,999
Fullbridge, Inc. (Business Education)	964,042			964,042
Lyft, Inc. (Peer to Peer Ridesharing)	2,499,985			2,499,985
PayNearMe, Inc. (Cash Payment Network)	3,999,998			3,999,998
GSV Sustainability Partners (Clean Technology)	500,000		600,000	1,100,000
Earlyshares.com, Inc. (Equity Crowdfunding)		50,000		50,000
Enjoy Technology, Inc. (Online Shopping)			4,000,000	4,000,000
Aspiration Partners, Inc. (Financial Services)			999,975	999,975
Capitalized Fees	26,100	4,440	2,120	32,660
Total Gross Payments	$8,990,125	$1,554,439	$6,602,095	$17,146,659

The table below summarizes the investments we sold during the nine months ended September 30, 2015.

Sales by Portfolio Company	Quarter Ended	Shares Sold	Average Net Share Price(1)	Net Proceeds	Realized Gain/(Loss)(2)
Twitter, Inc.	March 31, 2015	400,000	$48.90	$19,558,200	$13,220,095
Twitter, Inc.	June 30, 2015	400,000	51.52	20,608,011	13,666,419
2U, Inc. (f/k/a 2tor, Inc.)	September 30, 2015	1,319,233	35.77	47,192,835	37,160,718
SugarCRM, Inc.	September 30, 2015	375,000	5.00	1,874,000	549,710
Global Education Learning (Holdings) Ltd.(3)	September 30, 2015	N/A	N/A	3,354,594	
Totus Solutions, Inc.(4)	September 30, 2015	N/A	N/A	50,000	(6,052,203)
DailyBreak, Inc.	September 30, 2015	2,225,795	0.00	3,000	(2,854,204)
The rSmart Group, Inc.	September 30, 2015	1,201,923	0.00	5,000	(1,264,160)
NewZoom, Inc.	September 30, 2015	1,250,000	0.00	0	(260,476)
Totals				$92,645,640	$54,165,899

(1) The average net share price is the net share price realized after deducting all commissions and fees on the sale(s).
(2) Realized gains (losses) excludes any realized gains (losses) incurred on the maturity of our treasury investments.
(3) Represents a tax distribution from Global Education Learning (Holdings) Ltd.
(4) Represents sales of multiple share classes as well a debt investment in Totus Solutions, Inc.

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Results of Operations

For the three months ended September 30, 2015 and 2014

Operating results for the three months ended September 30, 2015 and 2014 are as follows:

	September 30, 2015 (Unaudited)		September 30, 2014 (Unaudited)	
	Total	Per Basic Share(1)	Total	Per Basic Share(1)
Total Investment Income	**$39,363**	**$0.00**	**$21,971**	**$0.00**
Interest income	39,363	0.00	21,971	0.00
Dividend income				
Total Operating Expenses	**$6,239,277**	**$0.31**	**$8,271,569**	**$0.43**
Management fees	2,063,017	0.11	1,949,705	0.10
Incentive fees	1,062,535	0.05	3,684,300	0.19
Costs incurred under Administration Agreement	598,456	0.03	718,896	0.04
Directors fees	94,620	0.00	65,000	0.00
Professional fees	265,429	0.01	442,683	0.02
Interest and credit facility expense	1,183,833	0.06	1,442,063	0.07
Income tax expense	852,970	0.04		
Other expenses	118,417	0.01	115,922	0.01
Gain on fair value adjustment for embedded derivative			(147,000)	(0.01)
(Provision)/Benefit for Taxes on Net Investment Loss	(26,583,935)	(1.38)	3,368,311	0.17
Net Investment Loss	(32,783,849)	(1.70)	(4,881,287)	(0.25)
Net Realized Gains on Investments	27,289,816	1.40	17,160,816	0.89
(Provision)/Benefit for Taxes on Net Realized Gains on Investments	11,307,706	0.59	(7,006,762)	(0.36)
Net Change in Unrealized Appreciation/(Depreciation) of Investments	(21,981,668)	(1.14)	1,260,683	0.07
(Provision)/Benefit for Taxes on Unrealized Appreciation/Depreciation of Investments				