

EMCLAIRE FINANCIAL CORP
Form 10-Q
May 10, 2010

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2010

or

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

For the transition period from _____ to _____

Commission File Number: 000-18464

EMCLAIRE FINANCIAL CORP.
(Exact name of registrant as specified in its charter)

Pennsylvania 25-1606091 (IRS Employer Identification No.)
(State or other jurisdiction of incorporation or organization)

612 Main Street, Emlenton, Pennsylvania 16373 (Zip Code)
(Address of principal executive offices)

(724) 867-2311
(Registrant's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and

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post such files). Yes No

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

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

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

The number of shares outstanding of the Registrant's common stock was 1,431,404 at May 10, 2010.

EMCLAIRE FINANCIAL CORP.

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PART I - FINANCIAL INFORMATION

Item 1. Interim Financial Statements

Emclaire Financial Corp.
Consolidated Balance Sheets (Unaudited)
As of March 31, 2010 and December 31, 2009
(Dollar amounts in thousands, except share data)

Assets	March 31, 2010	December 31, 2009
Cash and due from banks	\$ 2,593	\$ 2,822
Interest earning deposits with banks	24,920	36,130
Cash and cash equivalents	27,513	38,952
Securities available for sale, at fair value	130,946	105,243
Loans receivable, net of allowance for loan losses of \$3,174 and \$3,202	291,282	292,615
Federal bank stocks, at cost	4,125	4,125
Bank-owned life insurance	5,439	5,388
Accrued interest receivable	1,706	1,574
Premises and equipment, net	9,096	9,170
Goodwill	3,664	3,657
Core deposit intangible	2,433	2,585
Prepaid expenses and other assets	4,332	4,217
Total Assets	\$ 480,536	\$ 467,526
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Non-interest bearing	\$ 74,417	\$ 67,033
Interest bearing	325,245	318,292
Total deposits	399,662	385,325
Short-term borrowed funds	5,000	5,000
Long-term borrowed funds	35,000	35,000
Accrued interest payable	729	711
Accrued expenses and other liabilities	2,415	4,456
Total Liabilities	442,806	430,492
Commitments and Contingent Liabilities	-	-
Stockholders' Equity:		
Cumulative preferred stock, \$1.00 par value, \$7,500 liquidation value, 3,000,000 shares authorized; 7,500 issued and outstanding	7,434	7,430
Warrants	88	88

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Common stock, \$1.25 par value, 12,000,000 shares authorized;

1,559,421 shares issued; 1,431,404 shares outstanding	1,949	1,949
Additional paid-in capital	14,726	14,685
Treasury stock, at cost; 128,017 shares	(2,653)	(2,653)
Retained earnings	16,351	15,967
Accumulated other comprehensive loss	(165)	(432)
Total Stockholders' Equity	37,730	37,034
Total Liabilities and Stockholders' Equity	\$ 480,536	\$ 467,526

See accompanying notes to consolidated financial statements.

Emclaire Financial Corp.
Consolidated Statements of Operations (Unaudited)
For the three months ended March 31, 2010 and 2009
(Dollar amounts in thousands, except per share data)

	For the three months ended March 31,	
	2010	2009
Interest and dividend income:		
Loans receivable, including fees	\$ 4,413	\$ 4,236
Securities:		
Taxable	608	529
Exempt from federal income tax	265	152
Federal bank stocks	11	5
Interest earning deposits with banks	84	89
Total interest and dividend income	5,381	5,011
Interest expense:		
Deposits	1,426	1,540
Borrowed funds	446	410
Total interest expense	1,872	1,950
Net interest income	3,509	3,061
Provision for loan losses	128	297
Net interest income after provision for loan losses	3,381	2,764
Noninterest income:		
Fees and service charges	322	340
Commissions on financial services	180	83
Title premiums	18	2
Net gain on sale of available for sale securities	99	56
Net gain on sale of loans	-	4
Earnings on bank-owned life insurance	58	56
Other	165	179
Total noninterest income	842	720
Noninterest expense:		
Compensation and employee benefits	1,830	1,438
Premises and equipment	550	481
Intangible amortization expense	152	-
Professional fees	114	173
FDIC expense	141	44
Other	604	486
Total noninterest expense	3,391	2,622
Income before income taxes	832	862
Provision for income taxes	150	194
Net income	682	668
Accumulated preferred stock dividends and discount accretion	98	98

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Net income available to common stockholders	\$	584	\$	570
Basic and diluted earnings per common share	\$	0.41	\$	0.40
Average common shares outstanding		1,431,404		1,431,404

See accompanying notes to consolidated financial statements.

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Emclaire Financial Corp.
Condensed Consolidated Statements of Cash Flows (Unaudited)
For the three months ended March 31, 2010 and 2009
(Dollar amounts in thousands)

	For the three months ended March 31,	
	2010	2009
Cash flows from operating activities		
Net income	\$ 682	\$ 668
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization of premises and equipment	216	196
Provision for loan losses	128	297
Net amortization (accretion)	(16)	9
Amortization of intangible assets and mortgage servicing rights	156	4
Realized gains on sales of available for sale securities, net	(99)	(56)
Net gains on sales of loans	-	(4)
Net losses on foreclosed real estate	32	-
Originations of loans sold	-	(159)
Proceeds from the sale of loans	-	163
Restricted stock and stock option compensation	41	24
Increase in bank-owned life insurance, net	(51)	(50)
(Increase) decrease in accrued interest receivable	(132)	164
Increase in prepaid expenses and other assets	(275)	(4)
Increase in accrued interest payable	18	6
Decrease in accrued expenses and other liabilities	(45)	(855)
Net cash provided by operating activities	655	403
Cash flows from investing activities		
Loan originations and principal collections, net	1,149	(9,591)
Available for sale securities:		
Sales	5,080	4,107
Maturities, repayments and calls	17,013	18,193
Purchases	(49,272)	(3,998)
Proceeds from the sale of foreclosed real estate	35	16
Purchases of premises and equipment	(142)	(452)
Net cash provided by (used in) investing activities	(26,137)	8,275
Cash flows from financing activities		
Net increase in deposits	14,337	8,543
Net change in borrowings	-	(1,188)
Dividends paid	(294)	(512)
Net cash provided by financing activities	14,043	6,843
Increase (decrease) in cash and cash equivalents	(11,439)	15,521

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Cash and cash equivalents at beginning of period		38,952		16,571
Cash and cash equivalents at end of period	\$	27,513	\$	32,092
Supplemental information:				
Interest paid	\$	1,854	\$	1,944
Income taxes paid		100		-
Supplemental noncash disclosure:				
Transfers from loans to foreclosed real estate		51		76

See accompanying notes to consolidated financial statements.

Emclaire Financial Corp.
Consolidated Statements of Changes in Stockholders' Equity (Unaudited)
For the three months ended March 31, 2010 and 2009
(Dollar amounts in thousands, except per share data)

	For the three months ended March 31,	
	2010	2009
Balance at beginning of period	\$ 37,034	\$ 36,123
Net income	682	668
Other comprehensive income (loss):		
Change in net unrealized gains (losses) on available for sale securities, net of taxes	332	(93)
Less: reclassification adjustment for gains included in net income, net of taxes	65	37
Other comprehensive income (loss)	267	(130)
Total comprehensive income	949	538
Stock compensation expense	41	24
Dividends declared on preferred stock	(94)	(54)
Dividends declared on common stock	(200)	(458)
Balance at end of period	\$ 37,730	\$ 36,173
Common cash dividend per share	\$ 0.14	\$ 0.32

See accompanying notes to consolidated financial statements.

Emclaire Financial Corp.
Notes to Consolidated Financial Statements (Unaudited)

1. Nature of Operations and Basis of Presentation.

Emclaire Financial Corp. (the "Corporation") is a Pennsylvania company and the holding company of Farmers National Bank of Emlenton (the "Bank") and Emclaire Settlement Services, LLC (the "Title Company"). The Corporation provides a variety of financial products and services to individuals and businesses through its offices in western Pennsylvania. Its primary deposit products are checking, savings and certificate of deposit accounts and its primary lending products are residential and commercial mortgages, commercial business and consumer loans.

The consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiaries, the Bank and the Title Company. All significant intercompany transactions and balances have been eliminated in preparing the consolidated financial statements.

The accompanying unaudited consolidated financial statements for the interim periods include all adjustments, consisting of normal recurring accruals, which are necessary, in the opinion of management, to fairly reflect the Corporation's consolidated financial position and results of operations. Additionally, these consolidated financial statements for the interim periods have been prepared in accordance with instructions for the Securities and Exchange Commission's (SEC's) Form 10-Q and Article 10 of Regulation S-X and therefore do not include all information or footnotes necessary for a complete presentation of financial condition, results of operations and cash flows in conformity with accounting principles generally accepted in the United States of America (GAAP). For further information, refer to the audited consolidated financial statements and footnotes thereto for the year ended December 31, 2009, as contained in the Corporation's 2009 Annual Report on Form 10-K filed with the SEC.

The balance sheet at December 31, 2009 has been derived from the audited financial statements at that date but does not include all the information and footnotes required by GAAP for complete financial statements.

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for loan losses, fair value of financial instruments, goodwill, the valuation of deferred tax assets and other-than-temporary impairment charges on securities. The results of operations for interim quarterly or year to date periods are not necessarily indicative of the results that may be expected for the entire year or any other period. Certain amounts previously reported may have been reclassified to conform to the current year's financial statement presentation.

2. Earnings per Common Share.

Basic earnings per common share (EPS) excludes dilution and is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution that could occur if securities or contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the Corporation. Options and restricted stock awards of 108,750 shares of common stock and warrants to purchase 50,111 shares of common stock were not included in computing diluted earnings per share because their cumulative effects were not dilutive for the three month period ended March 31, 2010 and 2009.

4. Securities.

The following table summarizes the Corporation's securities as of March 31, 2010 and December 31, 2009:

(Dollar amounts in thousands)	Amortized cost	Unrealized gains	Unrealized losses	Fair value
Available for sale:				
March 31, 2010:				
U.S. Treasury and federal agency	\$ 2,977	\$ 44	\$ -	\$ 3,021
U.S. government sponsored entities and agencies	66,992	102	(111)	66,983
Mortgage-backed securities: residential	27,982	228	(35)	28,175
Collateralized mortgage obligations	3,077	-	(11)	3,066
State and political subdivisions	26,059	777	(11)	26,825
Equity securities	3,003	54	(181)	2,876
	\$ 130,090	\$ 1,205	\$ (349)	\$ 130,946
December 31, 2009:				
U.S. Treasury and federal agency	\$ 2,976	\$ 25	\$ -	\$ 3,001
U.S. government sponsored entities and agencies	50,953	113	(269)	50,797
Mortgage-backed securities: residential	16,459	109	(38)	16,530
Collateralized mortgage obligations	5,130	4	(4)	5,130
State and political subdivisions	26,271	696	-	26,967
Equity securities	3,003	-	(185)	2,818
	\$ 104,792	\$ 947	\$ (496)	\$ 105,243

The following table summarizes scheduled maturities of the Corporation's securities as of March 31, 2010:

(Dollar amounts in thousands)	Available for sale Amortized cost	Fair value
Due in one year or less	\$ 266	\$ 272
Due after one year through five years	65,514	65,573
Due after five through ten years	21,149	21,621
Due after ten years	40,158	40,604
No scheduled maturity	3,003	2,876
	\$ 130,090	\$ 130,946

Expected maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

4. Securities (continued).

Information pertaining to securities with gross unrealized losses as of March 31, 2010 and December 31, 2009, aggregated by investment category and length of time that individual securities have been in a continuous loss position, follows:

(Dollar amounts in thousands)	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
March 31, 2010:						
U.S. government sponsored entities and agencies	\$ 36,395	\$ (111)	\$ -	\$ -	\$ 36,395	\$ (111)
Mortgage-backed securities:						
residential	11,873	(35)	-	-	11,873	(35)
Collateralized mortgage obligations	1,247	(5)	774	(6)	2,021	(11)
State and political subdivisions	344	(11)	-	-	344	(11)
Equity securities	932	(105)	685	(76)	1,617	(181)
	\$ 50,791	\$ (267)	\$ 1,459	\$ (82)	\$ 52,250	\$ (349)
December 31, 2009:						
U.S. government sponsored entities and agencies	\$ 32,716	\$ (269)	\$ -	\$ -	\$ 32,716	\$ (269)
Mortgage-backed securities:						
residential	1,961	(38)	-	-	1,961	(38)
Collateralized mortgage obligations	1,275	(2)	910	(2)	2,185	(4)
Equity securities	1,341	(110)	686	(75)	2,027	(185)
	\$ 37,293	\$ (419)	\$ 1,596	\$ (77)	\$ 38,889	\$ (496)

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic, market or other concerns warrant such evaluation. Consideration is given to: (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer and (3) the intent of the Corporation to sell the security, and (4) whether it is more likely than not the Corporation will have to sell the security before recovery of its cost basis.

The following table presents information related to the Corporation's gains and losses on the sales of equity and debt securities, and losses recognized for the other-than-temporary impairment of investments:

(Dollar amounts in thousands)	Gross Realized Gains	Gross Realized Losses	Other-than-temporary Impairment Losses	Net Gains (Losses)
Three months ended March 31, 2010:				
Equity securities	\$ -	\$ -	\$ -	\$ -
Debt securities	99	-	-	99
	\$ 99	\$ -	\$ -	\$ 99
Three months ended March 31, 2009:				

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Equity securities	\$	-	\$	-	\$	-	\$	-
Debt securities		56		-		-		56
	\$	56	\$	-	\$	-	\$	56

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4. Securities (continued).

There were five equity and thirty-four debt securities in an unrealized loss position as of March 31, 2010. Equity securities owned by the Corporation consist of common stock of various financial service providers. These investment securities have traditionally been high-performing stocks and are in an unrealized loss position as a result of recent market volatility. The Corporation does not invest in these securities with the intent to sell them for a profit in the near term and believes these securities have potential to appreciate in value over the long-term, while providing for a reasonable dividend yield. For investments in equity securities, in addition to the general factors mentioned above for determining whether the decline in market value is other-than-temporary, the analysis of whether an equity security is other-than-temporarily impaired includes a review of the profitability and capital adequacy and all information available to determine the financial position and near term prospects of each issuer. Based on that evaluation, and given that the Corporation's current intention is not to sell any impaired securities and it is more likely than not it will not be required to sell these securities before the recovery of its amortized cost basis, the Corporation does not consider the equity securities with unrealized losses as of March 31, 2010 to be other-than-temporarily impaired.

For debt securities, an additional and critical component of the evaluation for other-than-temporary impairment is the identification of credit-related impairment of securities where it is likely that the Corporation will not receive cash flows sufficient to recover the entire amortized cost basis of the security. Based on that evaluation and other general considerations, and given that the Corporation's current intention is not to sell any impaired securities and it is more likely than not it will not be required to sell these securities before the recovery of its amortized cost basis, the Corporation does not consider the debt securities with unrealized losses as of March 31, 2010 to be other-than-temporarily impaired.

5. Loans Receivable.

The Corporation's loans receivable as of the respective dates are summarized as follows:

(Dollar amounts in thousands)	March 31, 2010	December 31, 2009
Mortgage loans on real estate:		
Residential first mortgages	\$ 74,837	\$ 74,099
Home equity loans and lines of credit	76,221	77,284
Commercial real estate	89,282	89,952
	240,340	241,335
Other loans:		
Commercial business	41,473	41,588
Consumer	12,643	12,894
	54,116	54,482
Total loans, gross	294,456	295,817
Less allowance for loan losses	3,174	3,202
Total loans, net	\$ 291,282	\$ 292,615
Nonaccrual loans	\$ 3,136	\$ 2,359
Loans 90 days or more past due and still accruing	101	59

Total nonperforming loans	\$	3,237	\$	2,418
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6. Goodwill and Intangible Assets.

The following table summarizes the Corporation's acquired goodwill and intangible assets as of March 31, 2010 and December 31, 2009:

(Dollar amounts in thousands)	March 31, 2010		December 31, 2009	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Goodwill	\$ 3,664	\$ -	\$ 3,657	\$ -
Core deposit intangibles	4,027	1,595	4,027	1,443
Total	\$ 7,691	\$ 1,595	\$ 7,684	\$ 1,443

During the third quarter of 2009, the Corporation recorded goodwill and a core deposit intangible of \$2.2 million and \$2.8 million, respectively, associated with a branch purchase transaction. Goodwill is not amortized but is evaluated for impairment on an annual basis or whenever events or changes in circumstances indicate the carrying value may not be recoverable. No goodwill impairment charges were recorded during 2009 or in the first quarter of 2010. The core deposit intangible asset is amortized using the double declining balance method over a weighted average estimated life of nine years and is not estimated to have a significant residual value. During the first three months of 2010, the Corporation recorded intangible amortization expense totaling \$152,000.

7. Employee Benefit Plans.

The Corporation maintains a defined contribution 401(k) Plan. Eligible employees participate by providing tax-deferred contributions up to 20% of qualified compensation. Employee contributions are vested at all times. The Corporation provides a matching contribution of up to 4% of the participant's salary. Matching contributions for the three months ended March 31, 2010 and 2009 amounted to \$43,000 and \$37,000, respectively.

The Corporation provides pension benefits for eligible employees through a defined benefit pension plan. Substantially all full-time employees participate in the retirement plan on a non-contributing basis and are fully vested after three years of service. Effective January 1, 2009, the plan was closed to new participants.

The Corporation uses December 31 as the measurement date for its plans.

The components of the periodic pension cost are as follows:

(Dollar amounts in thousands)	For the three months ended		Year ended
	2010	March 31, 2009	
Service cost	\$ 79	\$ 62	\$ 296
Interest cost	75	75	281
Expected return on plan assets	(79)	(66)	(258)
Prior service costs	(8)	(8)	(31)
Recognized net actuarial loss	12	27	75
Net periodic pension cost	\$ 79	\$ 90	\$ 363

The Corporation previously disclosed in its financial statements for the year ended December 31, 2009 that it expected to contribute \$425,000 to its pension plan in 2010. As of March 31, 2010, there have been no contributions. The Corporation presently anticipates contributing \$425,000 to its pension plan in 2010.

8. Stock Compensation Plans.

The Corporation's 2007 Stock Incentive Plan and Trust (the Plan), which is shareholder-approved, permits the grant of restricted stock awards and options to its directors, officers and employees for up to 177,496 shares of common stock. Incentive stock options, non-incentive or compensatory stock options and share awards may be granted under the Plan. The exercise price of each option shall at least equal the market price of a share of common stock on the date of grant and have a contractual term of ten years. Options shall vest and become exercisable at the rate, to the extent and subject to such limitations as may be specified by the Corporation. Compensation cost related to share-based payment transactions must be recognized in the financial statements with measurement based upon the fair value of the equity or liability instruments issued.

A summary of option activity under the Plan as of March 31, 2010, and changes during the period then ended is presented below:

	Options	Weighted-Average Exercise Price	Aggregate Intrinsic Value	Weighted-Average Remaining Term (in years)
Outstanding as of January 1, 2010	96,250	\$ 24.79	\$ -	7.8
Granted	-	-	-	-
Exercised	-	-	-	-

\$
20

2,000,000

\$
653,076

Series A Convertible Preferred Stock (acquired 3/31/17)
(I) (L3)

2,545,493

6,878,572

2,809,918

2,545,513

3,462,994

Total Non-Controlled Affiliated Privately Held Companies (cost: \$40,841,087)

\$
32,270,607

Non-Controlled Affiliated Publicly Traded Securities (14) -

23.9% of net assets at value

Adesto Technologies Corporation (5)

Semiconductors

Developing low-power, high-performance memory devices

Common Stock (acquired 10/27/15)
(M) (L1)

\$
9,895,468

1,525,260

\$
11,286,924

TheStreet, Inc. (4)(5)(15)(16)

Financial Exchanges & Data

Providing financial news and proprietary data to consumers and businesses

Common Stock (acquired 4/19/17-11/10/17)
(M) (L1)

4,891,794

4,636,363

8,299,090

Stock Options (acquired 1/1/18)
(M) (L3)

0

3,333

3,858

Restricted Stock Units (acquired 11/10/17)
(M) (L3)

0

32,189

54,060

4,891,794

8,357,008

Total Non-Controlled Affiliated Publicly Traded Securities (cost: \$14,787,262)

\$
19,643,932

Total Investments in Non-Controlled Affiliated Companies (cost: \$55,628,349)

\$
51,914,539

The accompanying unaudited notes are an integral part of this consolidated schedule of investments.

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180 DEGREE CAPITAL CORP.
CONSOLIDATED SCHEDULE OF
INVESTMENTS AS OF MARCH 31, 2018
(UNAUDITED)

Method of Valuation (1)	Industry	Cost	Shares/ Principal	Value
Investments in Controlled Affiliated Companies (2) - 5.0% of net assets at value				
Privately Held Companies (Illiquid) (17) - 5.0% of net assets at value				
Black Silicon Holdings, Inc. (4)(12)(18)		Semiconductors		
Holding company for interest in a company that develops silicon-based optoelectronic products				
Series A Convertible Preferred Stock (acquired 8/4/15)	(I) (L3)	\$750,000	233,499	\$0
Series A-1 Convertible Preferred Stock (acquired 8/4/15)	(I) (L3)	890,000	2,966,667	0
Series A-2 Convertible Preferred Stock (acquired 8/4/15)	(I) (L3)	2,445,000	4,207,537	0
Series B-1 Convertible Preferred Stock (acquired 8/4/15)	(I) (L3)	1,169,561	1,892,836	0
Series C Convertible Preferred Stock (acquired 8/4/15)	(I) (L3)	1,171,316	1,674,030	0
Secured Convertible Bridge Note, 8% PIK, (acquired 8/25/16, maturing 8/4/21)	(I) (L3)	1,444,368	\$1,278,453	228,579
		7,870,245		228,579
HALE.life Corporation (4)(8)(19)		Health Care Technology		
Developing a platform to facilitate precision health and medicine				
Common Stock (acquired 3/1/16)	(M) (L3)	10	1,000,000	10
Series Seed Convertible Preferred Stock (acquired 3/28/17)	(M) (L3)	1,896,920	11,000,000	1,896,920
Unsecured Convertible Bridge Note, 0%, (acquired 3/28/17, no maturity date)	(M) (L3)	2,000,000	\$2,000,000	2,000,000
		3,896,930		3,896,930
Total Controlled Affiliated Privately Held Companies (cost: \$11,767,175)				\$4,125,509
Total Investments in Controlled Affiliated Privately Held Companies (cost: \$11,767,175)				\$4,125,509
				\$79,102,818

Total Investments in Privately Held Companies and
Publicly Traded Securities (cost: \$90,004,522)

The accompanying unaudited notes are an integral part of this consolidated schedule of investments.

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180 DEGREE CAPITAL CORP.
CONSOLIDATED SCHEDULE OF
INVESTMENTS AS OF MARCH 31, 2018
(UNAUDITED)

Method of Valuation (1)	Industry	Cost	Shares/ Principal	Value
Investment in Equity Method Privately Held Company (20) - 0.3% of net assets at value				
Privately Held Company (Illiquid) (20) - 0.3% of net assets at value				
Accelerator IV-New York Corporation (4)(8)			Research & Consulting Services	
Identifying and managing emerging biotechnology companies				
Series A Common Stock (acquired 7/21/14-1/29/16)	(E)		\$230,669	719,427 \$230,669
Total Investment in Equity Method Privately Held Company (cost: \$230,669)				\$230,669
Total Investments (cost: \$90,235,191)				\$79,333,487
Derivative Investments (21) -				
Unaffiliated Rights to Payments (Illiquid) (21) - 2.6% of net assets at value				
Amgen, Inc. (4)(5)(22)			Biotechnology	
Rights to Milestone Payments from Acquisition of BioVex Group, Inc. (acquired 3/4/11)	(I) (L3)		\$548,998	\$548,998 \$2,179,157
Xenio Holdings, Inc. (4)(5)(23)			Technology Hardware, Storage & Peripherals	
Rights to Payments from the Merger with Xenio Systems, Inc. (acquired 10/20/17)	(I) (L3)		0	\$0 0
Total Unaffiliated Rights to Payments (cost: \$548,998)				\$2,179,157
Total Derivative Investments (cost: \$548,998)				\$2,179,157
Total Investments and Derivative Investments (cost: \$90,784,189)				\$81,512,644
				\$791,584

OTHER ASSETS (INCLUDING CASH)
MINUS LIABILITIES

NET ASSETS (equivalent to \$2.64 per share
based on 31,121,562 shares of common stock
outstanding)

\$82,304,228

The accompanying unaudited notes are an integral part of this consolidated schedule of investments.

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180 DEGREE CAPITAL CORP.

NOTES TO CONSOLIDATED SCHEDULE OF INVESTMENTS AS OF MARCH 31, 2018 (UNAUDITED)

Notes to Consolidated Schedule of Investments

(1) See "Note 1. Investment Valuation Procedures."

Investments in unaffiliated companies consist of investments in which we own less than five percent of the voting shares of the portfolio company. Investments in non-controlled affiliated companies consist of investments in which we own five percent or more, but less than 25 percent, of the voting shares of the portfolio company, or where we control one or more seats on the portfolio company's board of directors but do not control the company.

(2) Investments in controlled affiliated companies consist of investments in which we own 25 percent or more of the outstanding voting rights of the portfolio company or otherwise control the company, including control of a majority of the seats on the board of directors, or more than 25 percent of the seats on the board of directors, with no other entity or person in control of more director seats than us.

The aggregate cost for federal income tax purposes of investments in unaffiliated privately held companies is (3) \$13,383,202. The gross unrealized appreciation based on the tax cost for these securities is \$4,510,601. The gross unrealized depreciation based on the tax cost for these securities is \$1,575,854.

(4) We are subject to legal restrictions on the sale of our investment(s) in this company.

(5) Represents a non-income producing investment. Investments that have not paid dividends or interest within the last 12 months are considered to be non-income producing.

We received LLC Interests of 1.25 percent in AutoTech Ventures Management I, LLC ("AutoTech") pursuant to an Administrative Services Agreement between us and AutoTech and due to us following the termination of a (6) former employee of the Company. These LLC Interests were separate from the compensation received for providing the administrative services under the agreement that were paid in cash. We are not investors in AutoTech. The LLC interests have a capital percentage of 0 percent.

D-Wave Systems, Inc., is located and is doing business primarily in Canada. We invested in D-Wave through (7) Parallel Universes, Inc., a Delaware company. Our investment is denominated in Canadian dollars and is subject to foreign currency translation.

(8) See "Note 4. Commitments and Contingencies."

The aggregate cost for federal income tax purposes of investments in unaffiliated publicly traded securities is (9) \$9,225,796. The gross unrealized appreciation based on the tax cost for these securities is \$2,044. The gross unrealized depreciation based on the tax cost for these securities is \$2,483,019.

The aggregate cost for federal income tax purposes of investments in non-controlled affiliated privately held (10) companies is \$40,841,087. The gross unrealized appreciation based on the tax cost for these securities is \$9,857,308. The gross unrealized depreciation based on the tax cost for these securities is \$18,427,788.

(11) Initial investment was made in 2018.

(12) Represents a non-operating entity that exists to collect future payments from licenses or other engagements and/or monetize assets for future distributions to investors and debt holders.

(13) Produced Water Absorbents, Inc., also does business as ProSep, Inc.

The aggregate cost for federal income tax purposes of investments in non-controlled affiliated publicly traded (14) securities is \$14,787,262. The gross unrealized appreciation based on the tax cost for these securities is \$4,856,670. The gross unrealized depreciation based on the tax cost for these securities is \$0.

The accompanying unaudited notes are an integral part of this consolidated schedule of investments.

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180 DEGREE CAPITAL CORP.

NOTES TO CONSOLIDATED SCHEDULE OF INVESTMENTS AS OF MARCH 31, 2018 (UNAUDITED)

We purchased 1,000,000 shares of common stock of TheStreet, Inc. ("TST") in open market transactions between April and July 2017 that are unrestricted as of December 31, 2017. We purchased 3,636,363 unregistered shares of TST's common stock on November 10, 2017, in a private placement transaction. These unregistered shares (15) were subject to restrictions on transfer pursuant to federal securities laws until the earlier of May 9, 2018, or when such shares are registered with the Securities and Exchange Commission ("SEC"). On January 26, 2018, TheStreet, Inc. ("TST"), filed a registration statement on Form S-3 with the SEC to register these shares. This registration statement was deemed effective by the SEC on February 5, 2018.

The restricted stock units and stock options were issued to Kevin Rendino for service on the Board of Directors of (16) TST. Mr. Rendino entered into an assignment and assumption agreement with us that transfers all beneficial and voting interest to us.

The aggregate cost for federal income tax purposes of investments in controlled affiliated privately held (17) companies is \$11,767,175. The gross unrealized appreciation based on the tax cost for these securities is \$0. The gross unrealized depreciation based on the tax cost for these securities is \$7,641,666.

On August 4, 2015, SiOnyx, Inc., reorganized its corporate structure to become a subsidiary of a new company, (18) Black Silicon Holdings, Inc. Our security holdings of SiOnyx were converted into securities of Black Silicon Holdings. SiOnyx was then acquired by an undisclosed buyer. Black Silicon Holdings owns a profit interest in the undisclosed buyer.

(19) In 2017, Interome, Inc., changed its name to HALE.life Corporation.

The aggregate cost for federal income tax purposes of investments in our equity method privately held company (20) is \$230,669. Under the equity method, investments are carried at cost, plus or minus the company's equity in the increases and decreases in the investee's net assets after the date of acquisition and certain other adjustments. The Company owns approximately 9 percent of Accelerator IV-New York Corporation.

The aggregate cost for federal income tax purposes of investments in unaffiliated rights to payments is \$548,998. (21) The gross unrealized appreciation based on the tax cost for these securities is \$1,630,159. The gross unrealized depreciation based on the tax cost for these securities is \$0.

(22) If all the remaining milestones are met, we would receive \$5,384,482. There can be no assurance as to how much of these amounts we will ultimately realize or when they will be realized, if at all.

In October 2017, Xenio Systems, Inc., merged with Xenio Holdings, Inc. In conjunction with this merger, all (23) common stock of Xenio Systems, Inc., was canceled and shareholders were granted a right to a future payment in the event of a sale of Xenio Holdings, Inc. The maximum amount we could receive from such payments is approximately \$11,000. There can be no assurance as to how much of these amounts we will ultimately realize or when they will be realized, if at all.

The accompanying unaudited notes are an integral part of this consolidated schedule of investments.

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180 DEGREE CAPITAL CORP.

NOTES TO CONSOLIDATED SCHEDULE OF INVESTMENTS AS OF MARCH 31, 2018 (UNAUDITED)

NOTE 1. INVESTMENT VALUATION PROCEDURES

Investments are stated at "value" as defined in the 1940 Act and in the applicable regulations of the Securities and Exchange Commission ("SEC") and in accordance with GAAP. Value, as defined in Section 2(a)(41) of the 1940 Act, is (i) the market price for those securities for which a market quotation is readily available and (ii) the fair value as determined in good faith by, or under the direction of, the Board of Directors for all other assets. The Valuation Committee, comprised of all of the independent Board members, is responsible for determining the valuation of the Company's assets within the guidelines established by the Board of Directors. The Valuation Committee receives information and recommendations from management. An independent valuation firm also reviews select portfolio company valuations. The independent valuation firm does not provide proposed valuations. The fair values assigned to these investments are based on available information and do not necessarily represent amounts that might ultimately be realized when that investment is sold, as such amounts depend on future circumstances and cannot reasonably be determined until the individual investments are actually liquidated or become readily marketable. The Valuation Committee values the Company's investment assets as of the end of each calendar quarter and as of any other time requested by the Board of Directors.

Accounting Standards Codification Topic 820, "Fair Value Measurements and Disclosures," ("ASC 820") defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). It applies fair value terminology to all valuations whereas the 1940 Act applies market value terminology to readily marketable assets and fair value terminology to other assets.

The main approaches to measuring fair value utilized are the market approach, the income approach and the hybrid approach.

Market Approach (M): The market approach may use quantitative inputs such as prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities and the values of market multiples derived from a set of comparable companies. The market approach may also use qualitative inputs such as progress toward milestones, the long-term potential of the business, current and future financing requirements and the rights and preferences of certain securities versus those of other securities. The selection of the relevant inputs used to derive value under the market approach requires judgment considering factors specific to the significance and relevance of each input to deriving value.

Income Approach (I): The income approach uses valuation techniques to convert future amounts (for example, revenue, cash flows or earnings) to a single present value amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. Those valuation techniques include present value techniques; option-pricing models, such as the Black-Scholes-Merton formula (a closed-form model) and a binomial model (a lattice model), which incorporate present value techniques; and the multi-period excess earnings method, which is used to measure the fair value of certain assets.

Hybrid Approach (H): The hybrid approach uses elements of both the market approach and the income approach. The hybrid approach calculates values using the market and income approach, individually. The resulting values are then distributed among the share classes based on probability of exit outcomes.

ASC Topic 820 classifies the inputs used to measure fair value by these approaches into the following hierarchy:

Level 1 (L1): Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 (L2): Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices in active markets for similar assets or liabilities, or quoted

prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 inputs are in those markets for which there are few transactions, the prices are not current, little public information exists or instances where prices vary substantially over time or among brokered market makers; and

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs are those inputs that reflect our own assumptions that market participants would use to price the asset or liability based upon the best available information.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement and are not necessarily an indication of risks associated with the investment.

Upon sale of investments, the values that are ultimately realized may be different from the fair value presented in the Company's consolidated schedule of investments. The difference could be material.

NOTE 2. FAIR VALUE OF INVESTMENTS

At March 31, 2018, our financial assets valued at fair value were categorized as follows in the fair value hierarchy:

Description	Fair Value Measurement at Reporting Date Using:			March 31, 2018
	Unadjusted Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Privately Held Portfolio Companies:				
Preferred Stock	\$0	\$ 0	\$47,650,582	\$47,650,582
Bridge Notes	0	0	3,372,123	3,372,123
Common Stock	0	0	1,261,283	1,261,283
Warrants	0	0	87,724	87,724
Senior Secured Debt	0	0	342,353	342,353
LLC Interests	0	0	0	0
Publicly Traded Portfolio Companies:				
Common Stock	\$26,319,451	\$ 0	\$0	\$26,319,451
Warrants	0	8,286	3,098	11,384
Restricted Stock Units and Stock Options	0	0	57,918	57,918
Total Investments:	\$26,319,451	\$ 8,286	\$ 52,775,081	\$ 79,102,818
Derivative Investments:				
Rights to Payments	\$0	\$ 0	\$2,179,157	\$2,179,157
Total Financial Assets:	\$26,319,451	\$ 8,286	\$ 54,954,238	\$ 81,281,975

Significant Unobservable Inputs

The table below presents the valuation technique and quantitative information about the significant unobservable inputs utilized by the Company in the fair value measurements of Level 3 assets. Unobservable inputs are those inputs for which little or no market data exists and, therefore, require an entity to develop its own assumptions.

	Fair Value as of 3/31/2018	Valuation Approach(es)	Unobservable Input(s)	Range(s) (Weighted Average ^(a))
			Probability of Achieving Independent Milestones	0.0% - 25.0% (25.0%)
			Probability of Achieving Dependent Milestones	0.0% - 85.3% (59.6%)
			Price Per Share	\$0.00 - \$3.71 (\$2.13)
			Public Comparable Adjustment (Including Non-Performance Risk)	-73.7% - 70.4% (61.6%)
			Volatility	45.3% - 102.6% (62.9%)
Preferred Stock	\$35,758,768	Income Approach	Time to Exit / Cash Flows (Years)	2.0 - 8.8 (5.11)
Preferred Stock	11,891,814	Market Approach	Price Per Share	\$0.172 - \$1.950 (\$1.667)
Bridge Notes	228,579	Income Approach	Estimated Value to Cost Ratio at Payout	0.16 (0.16)
Bridge Notes	3,143,544	Market Approach	Estimated Value to Cost Ratio at Conversion	1.00 - 1.58 (1.07)
			Discount for Lack of Marketability	17.7% (17.7%)
			Public Comparable Adjustment (Including Non-Performance Risk)	0.0% (0.0%)
			Volatility	45.3% - 79.8% (67.3%)
			Time to Exit (Years)	5.0 - 6.8 (5.2)
Common Stock	1,261,273	Income Approach	Price Per Share	\$0.40 - \$3.71 (\$1.74)
			Volatility	58.6% (58.6%)
			Revenue Multiples	1.6 (1.6)
			Time to Exit (Years)	0.8 (0.8)
			Discount for Lack of Marketability	12.9% (12.9%)
Common Stock	10	Market Approach	Price Per Share	\$0.00001 (\$0.00001)
			Price Per Share	\$0.00 - \$3.64 (\$2.48)
			Volatility	55.0% - 106.8% (55.7%)
Warrants	80,320	Income Approach	Time to Exit (Years)	0.8 - 6.9 (4.57)
Warrants	10,502	Market Approach	Price Per Share	\$0.00 - \$0.51 (\$0.51)
			Revenue Multiple	1.6x (1.6x)
			Exit Date	0.8 (0.8)
			Volatility Rate	58.6% (58.6%)

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Senior Secured Debt	342,353	Market Approach	Discount for Lack of Marketability	12.9% (12.9%)
LLC Interests	0	Income Approach	Estimated Distributable Profits	\$0 (\$0)
			Discount for Lack of Marketability Volatility	6.2% (6.2%) 69.2% (69.2%)
Restricted Stock Units and Stock Options	57,918	Market Approach	Time to Exit	0.1 (0.1)
			Probability of Achieving Independent Milestones	0% - 75% (75%)
			Probability of Achieving Dependent Milestones	19% - 75% (51%)
Rights to Payments	2,179,157	Income Approach	Time to Cash Flows (Years)	1.8 - 6.8 (3.9)
Total	\$54,954,238			

^(a) Weighted average based on fair value at March 31, 2018.

Valuation Methodologies and Inputs for Level 3 Assets

The following sections describe the valuation techniques and significant unobservable inputs used to measure Level 3 assets.

Preferred Stock, Preferred Units, LLC Interests, Bridge Notes and Common Stock

Preferred stock, preferred units, LLC interests, bridge notes and common stock are valued by either a market, income or hybrid approach using internal models with inputs, most of which are not market observable. Common inputs for valuing Level 3 preferred stock, bridge note and private common stock investments include prices from recently executed private transactions in a company's securities or unconditional firm offers, revenue multiples of comparable publicly traded companies, merger and acquisition ("M&A") transactions consummated by comparable companies, discounts for lack of marketability, rights and preferences of the class of securities we own as compared with other classes of securities the portfolio company has issued, particularly related to potential liquidity scenarios of an initial public offering ("IPO") or an acquisition transaction, estimated time to exit, volatilities of comparable publicly traded companies and management's best estimate of risk attributable to non-performance risk. Certain securities are valued using the present value of future cash flows.

We may also consider changes in market values for sets of comparable companies when recent private transaction information is not available and/or in consideration of non-performance risk. We define non-performance risk as the risk that the price per share (or implied valuation of a portfolio company) or the effective yield of a debt security of a portfolio company, as applicable, does not appropriately represent the risk that a portfolio company with negative cash flow will be: (a) unable to raise capital, will need to be shut down and will not return our invested capital; or (b) able to raise capital, but at a valuation significantly lower than the implied post-money valuation of the last round of financing. We assess non-performance risk for each private portfolio company quarterly. Our assessment of non-performance risk typically includes an evaluation of the financial condition and operating results of the company, the company's progress towards milestones, and the long-term potential of the business and technology of the company and how this potential may or may not affect the value of the shares owned by us. An increase to the non-performance risk or a decrease in the private offering price of a future round of financing from that of the most recent round would result in a lower fair value measurement and/or a change in the distribution of value among the classes of securities we own.

Option pricing models place a high weighting on liquidation preferences, which means that small differences in how the preferences are structured can have a material effect on the fair value of our securities at the time of valuation and also on future valuations should additional rounds of financing occur with senior preferences. As such, valuations calculated by option pricing models may not increase if 1) rounds of financing occur at higher prices per share, 2) liquidation preferences include multiples on investment, 3) the amount of invested capital is small and/or 4) liquidation preferences are senior to prior rounds of financing. Additionally, an increase in the volatility assumption generally increases the enterprise value calculated in an option pricing model. An increase in the time to exit assumption also generally increases the enterprise value calculated in an option pricing model. Variations in the expected time to exit or expected volatility assumptions have a significant impact on fair value.

Bridge notes commonly contain terms that provide for the conversion of the full amount of principal, and sometimes interest, into shares of preferred stock at a defined price per share and/or the price per share of the next round of financing. The use of a discount for non-performance risk in the valuation of bridge notes would indicate the potential for conversion of only a portion of the principal, plus interest when applicable, into shares of preferred stock or the potential that a conversion event will not occur and that the likely outcome of a liquidation of assets would result in payment of less than the remaining principal outstanding of the note. An increase in non-performance risk would result in a lower fair value measurement.

Warrants and Options

We use the Black-Scholes-Merton option-pricing model to determine the fair value of warrants and options held in our portfolio unless there is a publicly traded active market for such warrants and options or another indication of value such as a sale of the portfolio company. Option pricing models, including the Black-Scholes-Merton model, require the use of subjective input assumptions, including expected volatility, expected life, expected dividend rate, and expected risk-free rate of return. In the Black-Scholes-Merton model, variations in the expected volatility or expected term assumptions have a significant impact on fair value. Because certain securities underlying the warrants in our portfolio are not publicly traded, many of the required input assumptions are more difficult to estimate than they would be if a public market for the underlying securities existed.

An input to the Black-Scholes-Merton option-pricing model is the value per share of the type of stock for which the warrant is exercisable as of the date of valuation. This input is derived according to the methodologies discussed in "Preferred Stock, Preferred Units, LLC Interests, Bridge Notes and Common Stock."

Rights to Payments

Rights to payments are valued using a probability-weighted discounted cash flow model. As part of Amgen Inc.'s acquisition of our former portfolio company, BioVex Group, Inc., we are entitled to potential future milestone payments based upon the achievement of certain regulatory and sales milestones. We are also entitled to future payments from Xenio Holdings, Inc., that merged with one of our former portfolio companies, Xenio Systems, Inc. in the event of a sale of Xenio Holdings, Inc. We assign probabilities to the achievements of the various milestones. Milestones identified as independent milestones can be achieved irrespective of the achievement of other contractual milestones. Dependent milestones are those that can only be achieved after another, or series of other, milestones are achieved. The interest rates used in these models are observable inputs from sources such as the published interest rates for corporate bonds of the acquiring or comparable companies.

Senior Secured Debt

We currently hold investments in senior secured debt securities. We value these securities using an income and market approaches. The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present value amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. Common inputs for valuing Level 3 debt investments include: the effective yield of the debt investment or, in the case where we have received warrant coverage, the warrant-adjusted effective yield of the security, adjustments for changes in the yields of comparable publicly traded high-yield debt funds and risk-free interest rates and an assessment of non-performance risk. For debt investments, an increase in yields would result in a lower fair value measurement. Furthermore, yields would decrease, and value would increase, if the company is exceeding targets and risk has been substantially reduced from the level of risk that existed at the time of investment. Yields would increase, and values would decrease, if the company is failing to meet its targets and risk has been increased from the level of risk that existed at the time of investment. The market approach distributes an estimated value of the entity through the liquidation waterfall to derive value. Common inputs for valuing by the market approach include: multiples of publicly traded comparable companies, time to expected return/exit, discounts for lack of marketability and probability weighted expected return models.

Changes in Valuation Approaches

During the quarter ending March 31, 2018, there were no changes in valuation methodology since the filing of our annual financial statements on Form N-CSR as of December 31, 2017.

NOTE 3. INDUSTRY DIVERSIFICATION

The following table shows the percentage of our net assets invested by industry as of March 31, 2018.

Industry	Value as of		Value as of	
	March 31, 2018	% of Net Assets	March 31, 2018	% of Net Assets
Asset Management & Custody Banks			\$ 0	0.0%
Unaffiliated Portfolio Companies	\$ 0	0.0%		
Non-Controlled Affiliated Portfolio Companies	0	0.0%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Biotechnology			6,833,214	8.3%
Unaffiliated Portfolio Companies	6,833,214	8.3%		
Non-Controlled Affiliated Portfolio Companies	0	0.0%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Fertilizers & Agricultural Chemicals			11,147,194	13.5%
Unaffiliated Portfolio Companies	0	0.0%		
Non-Controlled Affiliated Portfolio Companies	11,147,194	13.5%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Financial Exchanges & Data			8,357,008	10.2%
Unaffiliated Portfolio Companies	0	0.0%		
Non-Controlled Affiliated Portfolio Companies	8,357,008	10.2%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Health Care Equipment			1,763,947	2.1%
Unaffiliated Portfolio Companies	0	0.0%		
Non-Controlled Affiliated Portfolio Companies	1,763,947	2.1%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Health Care Technology			9,440,372	11.5%
Unaffiliated Portfolio Companies	225,000	0.3%		
Non-Controlled Affiliated Portfolio Companies	5,318,442	6.5%		
Controlled Affiliated Portfolio Companies	3,896,930	4.7%		
Internet Software & Services			2,088,320	2.5%
Unaffiliated Portfolio Companies	2,088,320	2.5%		
Non-Controlled Affiliated Portfolio Companies	0	0.0%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Life Sciences Tools & Services			3,752,938	4.6%
Unaffiliated Portfolio Companies	289,944	0.4%		
Non-Controlled Affiliated Portfolio Companies	3,462,994	4.2%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Oil & Gas Equipment & Services			342,353	0.4%
Unaffiliated Portfolio Companies	0	0.0%		
Non-Controlled Affiliated Portfolio Companies	342,353	0.4%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Pharmaceuticals			3,069,054	3.7%
Unaffiliated Portfolio Companies	1,934,635	2.3%		
Non-Controlled Affiliated Portfolio Companies	1,134,419	1.4%		
Controlled Affiliated Portfolio Companies	0	0.0%		

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Industry	Value as of March 31, 2018	% of Net Assets	Value as of March 31, 2018	% of Net Assets
Research & Consulting Services			\$2,603,275	3.2%
Unaffiliated Portfolio Companies	\$ 399,217	0.5%		
Non-Controlled Affiliated Portfolio Companies	2,204,058	2.7%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Semiconductor Equipment			6,484,784	7.9%
Unaffiliated Portfolio Companies	0	0.0%		
Non-Controlled Affiliated Portfolio Companies	6,484,784	7.9%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Semiconductors			\$11,515,503	14.0%
Unaffiliated Portfolio Companies	0	0.0%		
Non-Controlled Affiliated Portfolio Companies	11,286,924	13.7%		
Controlled Affiliated Portfolio Companies	228,579	0.3%		
Specialty Chemicals			\$4,109,286	5.0%
Unaffiliated Portfolio Companies	3,466,201	4.2%		
Non-Controlled Affiliated Portfolio Companies	643,085	0.8%		
Controlled Affiliated Portfolio Companies	0	0.0%		
Technology Hardware, Storage & Peripherals			\$10,005,396	12.2%
Unaffiliated Portfolio Companies	10,005,396	12.2%		
Non-Controlled Affiliated Portfolio Companies	0	0.0%		
Controlled Affiliated Portfolio Companies	0	0.0%		

NOTE 4. COMMITMENTS AND CONTINGENCIES

On July 21, 2014, the Company invested in Accelerator IV-New York Corporation ("Accelerator"), a company that will identify emerging biotechnology companies for the Company to invest in directly. The investment consists of an operating capital commitment and an investment commitment to be invested in the identified portfolio companies over a five-year period. During the third quarter of 2016, the board of directors of Accelerator voted to modify the operating commitment and investment commitment distributions, which resulted in the Company's operating commitment to be set at \$833,333 and investment commitment to be set at \$3,166,667. During the quarter ending March 31, 2018, Accelerator called \$0 in operating capital and \$145,530 in investment capital, to fund a new tenant company, Cobra Therapeutics Corporation. As of March 31, 2018, the Company had remaining unfunded commitments of \$113,906 and \$1,337,897, or approximately 13.7 percent and 42.2 percent, of the total operating and investment commitments, respectively. The withdrawal of contributed capital is not permitted. The transfer or assignment of capital is subject to approval by Accelerator.

If the Company defaults on these commitments, the other investors may purchase the Company's shares of Accelerator and any tenant companies of the Accelerator, currently Cobra Therapeutics, Lodo Therapeutics Corporation and Petra Pharma Corporation, for \$0.001 per share. The combined value of Accelerator, Cobra Therapeutics, Lodo Therapeutics and Petra Pharma is \$3,128,713, or \$0.10 per share as of March 31, 2018. In the event of default, the Company would still be required to contribute the remaining operating commitment.

The Company's most recent investments in HALE.life Corporation and Petra Pharma, were in rounds of financing that include investment of additional capital upon achievement of certain quantitative and qualitative milestones of \$1 million and \$630,252, respectively. The milestones that would trigger these potential investments had yet to occur as of March 31, 2018. Should these milestones be successfully achieved and the Company decides to not invest such capital, the securities held by the Company in each portfolio company may be subject to punitive action including, but not limited to, conversion from preferred stock to common stock and/or repurchase by the respective companies at a

substantial discount to current carrying value. Additionally, portfolio companies may seek additional capital in the future and any decision by the Company to not participate in the round of financing could result in similar outcomes that could negatively impact the value of the Company's securities of those portfolio companies.

NOTE 5. SUBSEQUENT EVENTS

The Company has evaluated subsequent events as of March 31, 2018, through the date this consolidated schedule of investments was issued, and include the following:

On April 18, 2018, 180.2 SPV Series-a Series of 180 Degree Capital Management LLC ("180.2 SPV") raised \$3.35 million in capital. The Company is managing member and investment manager of 180.2 SPV. The Company receives management fees for its service as investment manager. As Managing Member of 180.2 SPV, the Company is also entitled to carried interest on profits generated on the managed capital.

On April 26, 2018, the Company purchased 285,914 shares of unregistered common stock of Turtle Beach Corporation (NASDAQ:HEAR) for \$1 million in a private placement in public equity (PIPE) transaction. This purchase included registration rights that require Turtle Beach to file a registration statement on Form S-3 with the Securities and Exchange Commission of the United States within 30 days of the close of the transaction. This registration statement has yet to be filed as of the date of this filing.

NOTE 6. INVESTMENTS IN AND ADVANCES TO AFFILIATES - SCHEDULE 12-14 (UNAUDITED)

Name of Issuer	Title of Issue or Nature of Indebtedness (A)	Amount of Dividends or Interest Credited to Income (B)	Realized Gain (Loss)	Value as of 12/31/17	Gross Additions (C)	Gross Reductions (D)	Net Change in Unrealized Appreciation (Depreciation)	Value as of 3/31/2018
CONTROLLED AFFILIATED PRIVATELY HELD COMPANIES(E):								
Black Silicon Holdings, Inc.	Series A Convertible Preferred Stock	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Series A-1 Convertible Preferred Stock	0	0	0	0	0	0	0
	Series A-2 Convertible Preferred Stock	0	0	0	0	0	0	0
	Series B-1 Convertible Preferred Stock	0	0	0	0	0	0	0
	Series C Convertible Preferred Stock	0	0	0	0	0	0	0
	Secured Convertible Bridge Notes	25,569	0	288,759	0	(60,180)	(85,749)	228,579
HALE.life Corporation	Common Stock	\$0	\$0	\$10	\$0	\$0	\$0	\$10
	Series Seed Convertible Preferred Stock	0	0	1,896,920	0	0	0	1,896,920
	Convertible Bridge Notes	0	0	2,000,000	0	0	0	2,000,000
SynGlyco, Inc.	Common Stock	\$0	\$(2,729,817)	\$0	\$0	\$0	\$2,729,817	\$0
	Series A' Convertible Preferred	0	(4,855,627)	0	0	0	4,855,627	0

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	Stock Secured Convertible	0	(27,857) 30,000	0	(30,000) 47,857	0
	Bridge Notes							
Total Controlled Affiliated Privately Held Companies		\$ 25,569	\$(7,613,301)	\$4,215,689	\$ 0	\$(90,180)	\$7,547,552	\$4,125,509
Total Controlled Affiliated Companies		\$ 25,569	\$(7,613,301)	\$4,215,689	\$ 0	\$(90,180)	\$7,547,552	\$4,125,509
NON-CONTROLLED AFFILIATED COMPANIES(F):								
ABSMaterials, Inc.	Series A Convertible Preferred Stock	\$0	\$0	\$64,160	\$ 0	\$(18,235)	\$(18,235) \$45,925
	Series B Convertible Preferred Stock	0	0	527,055	0	(74,495) (74,495) 452,560
	Secured Convertible Bridge Note	2,466	\$0	142,134	2,466	0		144,600

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Name of Issuer	Title of Issue or Nature of Indebtedness (A)	Amount of Dividends or Interest Credited to Income (B)	Realized Gain (Loss)	Value as of 12/31/17	Gross Additions (C)	Gross Reductions (D)	Net Change in Unrealized Appreciation (Depreciation)	Value as of 3/31/2018
NON-CONTROLLED AFFILIATED COMPANIES(F):								
AgBiome, LLC	Series A-1 Convertible Preferred Stock	\$ 0	\$ 0	\$8,583,935	\$0	\$(114,709)	\$(114,709)	\$8,469,226
	Series A-2 Convertible Preferred Stock	0	0	1,838,865	0	(28,405)	(28,405)	1,810,460
	Series B Convertible Preferred Stock	0	0	884,777	0	(17,269)	(17,269)	867,508
Coba Therapeutics Corporation	Convertible Bridge Note	\$ 789	\$ 0	\$0	\$146,319	\$0	\$0	\$146,319
EchoPixel, Inc.	Series Seed Convertible Preferred Stock	\$ 0	0	\$945,726	\$40,477	\$0	\$40,477	\$986,203
	Series Seed-2 Convertible Preferred Stock	0	0	337,930	14,162	0	14,162	352,092
	Series A-2 Convertible Preferred Stock	0	0	412,209	13,443	0	13,443	425,652
Ensemble Therapeutics Corporation	Series B Convertible Preferred Stock	\$ 0	\$ 0	\$0	\$0	\$0	\$0	\$0
	Series B-1 Convertible Preferred Stock	0	0	173,143	0	(2,133)	(2,133)	171,010
Essential Health Solutions, Inc.	Common Stock	\$ 0	\$ 0	\$145,218	\$0	\$(26,583)	\$(26,583)	\$118,635
	Series A Convertible Preferred Stock	0	0	3,169,662	0	(398,354)	(398,354)	2,771,308
HZO, Inc.	Common Stock	\$ 0	\$ 0	\$473,896	\$15,666	\$0	\$15,666	\$489,562
	Series I Convertible Preferred Stock	0	0	4,074,569	108,613	0	108,613	4,183,182
	Series II Convertible Preferred Stock	0	0	1,571,541	31,413	0	31,413	1,602,954

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	Series II-A							
	Convertible Preferred Stock	0	0	188,810	2,146	0	2,146	190,956
	Warrants for Series II-A							
	Convertible Preferred Stock	0	0	17,925	205	0	205	18,130
	Series A							
Lodo Therapeutics Corporation	Convertible Preferred Stock	\$ 0	\$ 0	\$777,896	\$39,194	\$0	\$39,194	\$817,090
	Series Seed							
NGX Bio, Inc.	Convertible Preferred Stock	\$ 0	\$ 0	\$721,539	\$2,506	\$0	\$2,506	\$724,045
	Series Seed 2							
	Convertible Preferred Stock	0	0	477,157	779	0	779	477,936
	Series Seed 3							
	Convertible Preferred Stock	0	0	769,258	2,150	0	2,150	771,408

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Name of Issuer	Title of Issue or Nature of Indebtedness (A)	Amount of Dividends or Interest Credited to Income (B)	Realized Gain (Loss)	Value as of 12/31/17	Gross Additions (C)	Gross Reductions (D)	Net Change in Unrealized Appreciation (Depreciation)	Value as of 3/31/2018
NON-CONTROLLED AFFILIATED COMPANIES(F):								
ORIG3N, Inc.	Series 1 Convertible Preferred Stock	\$0	\$0	\$907,129	\$0	\$(11,257)	\$(11,257)	\$895,872
	Series A Convertible Preferred Stock	0	0	1,305,499	2,900	0	2,900	1,308,399
	Series A-2 Convertible Preferred Stock	0	0	169,890	54,338	0	4,534	224,228
Produced Water Absorbents, Inc.	Warrants for Common Stock	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Common Stock	0	0	0	0	0	0	0
	Senior Secured Debt	148,243	0	357,407	0	(15,054)	(55,525)	342,353
Senova Systems, Inc.	Series B-1 Convertible Preferred Stock	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Series C Convertible Preferred Stock	0	0	0	0	0	0	0
	Warrants for Series B Preferred Stock	0	0	0	0	0	0	0
TARA Biosystems, Inc.	Common Stock	\$0	\$0	\$651,642	\$1,434	\$0	\$1,434	\$653,076
	Series A Convertible Preferred Stock	0	0	2,802,573	7,345	0	7,345	2,809,918
		\$151,498	\$0	\$32,491,545	\$485,556	\$(706,494)	\$(459,998)	\$32,270,607

Total Non-Controlled
Affiliated Privately
Held Companies

NON-CONTROLLED
AFFILIATED
COMPANIES(F):

Adesto Technologies Corporation	Common Stock	\$0	\$15,612	\$9,932,890	\$1,354,034	\$0	\$1,449,553	\$11,286,924
TheStreet, Inc.	Common Stock	\$0	\$0	\$6,387,423	\$1,911,667	\$0	\$1,911,667	\$8,299,090
	Stock Options	0	0	0	3,858	0	3,858	3,858
	Restricted Stock Units	0	0	43,476	10,584	0	10,584	54,060
Total Non- Controlled Affiliated Public Investments		\$0	\$15,612	\$16,363,789	\$3,280,143	\$0	\$3,375,662	\$19,643,932
Total Non- Controlled Affiliated Investments		\$151,498	\$15,612	\$48,855,334	\$3,765,699	\$(706,494)	\$2,915,664	\$51,914,539

EQUITY METHOD
INVESTMENT:

Accelerator IV-New York Corporation	Series A Common Stock	\$0	\$0	\$256,622	\$0	\$(25,953)	\$0	\$230,669
Total Equity Method Investment		\$0	\$0	\$256,622	\$0	\$(25,953)	\$0	\$230,669

(A) Common stock, warrants, membership units and, in some cases, preferred stock are generally non-income producing and restricted. The principal amount of debt and the number of shares of common and preferred stock and number of membership units are shown in the accompanying Consolidated Schedule of Investments as of March 31, 2018.

(B) Represents the total amount of interest or dividends and yield-enhancing fees on debt securities credited/(debited) to income for the portion of the year an investment was a control or affiliate investment, as appropriate. Amounts credited to preferred or common stock represent accrued bridge note interest related to conversions that occurred during the quarter ended March 31, 2018.

(C) Gross additions include increases in investments resulting from new portfolio investments, paid-in-kind interest or dividends, the amortization of discounts and fees. Gross additions also include net increases in unrealized appreciation or decreases in unrealized depreciation.

(D) Gross reductions include decreases in investments resulting from principal collections related to investment repayments or sales, the amortization of premiums and acquisition costs. Gross reductions also include net increases in unrealized depreciation or decreases in unrealized appreciation.

(E) "Controlled Affiliated" is defined as control of 50.1 percent or more of the voting securities outstanding and/or 50.1 percent or more control of the appointment of members of the board of directors.

(F) "Non-Controlled Affiliated" is defined as ownership of five percent or more, but less than 25 percent, of the voting shares of the portfolio company, or where we hold the right to appoint one or more members to the portfolio company's board of directors, but less than 25 percent of the members of the board of directors.

**Information related to the amount of equity in the net profit and loss for the year for the investments listed has not been included in this schedule. This information is not considered to be meaningful owing to the complex capital structures of the portfolio companies, with different classes of equity securities outstanding with different preferences in liquidation. These investments are not consolidated, nor are they accounted for under the equity method of accounting, with the exception of Accelerator IV-New York Corporation, which is accounted for under the equity method.

Line for Schedule of Investments (Method)(Level)	Primary Industry	# of Shares Purchased/Principal	Cost of TURN's Investment	Valuation
CONTROLLED AFFILIATED COMPANIES				
PRIVATELY HELD COMPANIES				
Black Silicon Holdings, Inc.	Semiconductors			
Series A Convertible Preferred Stock (acquired 8/4/15) (I) (L3)		233,499	\$750,000	\$0
Series A-1 Convertible Preferred Stock (acquired 8/4/15) (I) (L3)		2,966,667	890,000	0
Series A-2 Convertible Preferred Stock (acquired 8/4/15) (I) (L3)		4,207,537	2,445,000	0
Series B-1 Convertible Preferred Stock (acquired 8/4/15) (I) (L3)		1,892,836	1,169,561	0
Series C Convertible Preferred Stock (acquired 8/4/15) (I) (L3)		1,674,030	1,171,316	0
Secured Convertible Bridge Note, 8% PIK, (acquired 8/25/16, maturing 8/4/21) (I) (L3)		\$ 1,278,453	1,444,368	228,579
			\$7,870,245	\$228,579
HALE.life Corporation	Health Care Technology			
Common Stock (acquired 3/1/16) (M) (L3)		1,000,000	\$10	\$10
Series Seed Convertible Preferred Stock (acquired 3/28/17) (M) (L3)		11,000,000	1,896,920	1,896,920
Unsecured Convertible Bridge Note, 0%, (acquired 3/28/17, no maturity date) (M) (L3)		\$ 2,000,000	2,000,000	2,000,000
			\$3,896,930	\$3,896,930
Total Majority Owned Controlled Investments (5.0%)			\$11,767,175	\$4,125,509
NON-CONTROLLED AFFILIATED COMPANIES				
PRIVATELY HELD COMPANIES				
ABSMaterials, Inc.	Specialty Chemicals			
Series A Convertible Preferred Stock (acquired 2/17/10-10/24/11) (I) (L3)		390,000	\$435,000	\$45,925
Series B Convertible Preferred Stock (acquired 11/8/13-6/25/14) (I) (L3)		1,037,751	1,217,644	452,560
Secured Convertible Bridge Note, 8% PIK, (acquired 1/20/16, (M) (L3)		\$ 100,000	117,578	117,578

maturing 12/31/18)				
Secured Convertible Bridge				
Note, 8% PIK, (acquired 3/28/17, (M) (L3)	\$ 25,000	27,022	27,022	
maturing 12/31/19)				
		\$1,797,244	\$643,085	
AgBiome, LLC				
		Fertilizers &		
		Agricultural		
		Chemicals		
Series A-1 Convertible Preferred				
Stock (acquired 1/30/13) (I) (L3)	2,000,000	2,000,000	8,469,226	
Series A-2 Convertible Preferred				
Stock (acquired 4/9/13-10/15/13) (I) (L3)	417,392	521,740	1,810,460	
Series B Convertible Preferred				
Stock (acquired 8/7/15) (I) (L3)	160,526	500,006	867,508	
		\$3,021,746	\$11,147,194	
Coba Therapeutics Corporation				
Unsecured Convertible Bridge		Pharmaceuticals		
Note, 6%, (acquired 2/27/18, (M) (L3)	\$ 145,530	\$146,319	\$146,319	
maturing 2/27/19)				

Line for Schedule of Investments	(Method)(Level)	Primary Industry	# of Shares Purchased/Principal	Cost of TURN's Investment	Valuation
NON-CONTROLLED AFFILIATED COMPANIES					
PRIVATELY HELD COMPANIES					
EchoPixel, Inc.		Health Care Equipment			
Series Seed Convertible Preferred Stock (acquired 6/21/13-6/30/14)	(I) (L3)		4,194,630	\$1,250,000	\$986,203
Series Seed-2 Convertible Preferred Stock (acquired 1/22/16)	(I) (L3)		1,476,668	500,000	352,092
Series A-2 Convertible Preferred Stock (acquired 3/23/17)	(I) (L3)		1,471,577	350,000	425,652
				\$2,100,000	\$1,763,947
Ensemble Therapeutics Corporation		Pharmaceuticals			
Series B Convertible Preferred Stock (acquired 6/6/07)	(I) (L3)		1,449,275	\$2,000,000	\$0
Series B-1 Convertible Preferred Stock (acquired 4/21/14)	(I) (L3)		492,575	574,079	171,010
				\$2,574,079	\$171,010
Essential Health Solutions, Inc.		Health Care Technology			
Common Stock (acquired 11/18/16)	(I) (L3)		200,000	\$20	\$118,635
Series A Convertible Preferred Stock (acquired 11/18/16)	(I) (L3)		2,750,000	2,750,000	2,771,308
				\$2,750,020	\$2,889,943
HZO, Inc.		Semiconductor Equipment			
Common Stock (acquired 6/23/14)	(I) (L3)		405,729	\$666,667	\$489,562
Series I Convertible Preferred Stock (acquired 6/23/14)	(I) (L3)		2,266,894	5,709,835	4,183,182
Series II Convertible Preferred Stock (acquired 6/23/14-8/3/15)	(I) (L3)		674,638	2,500,006	1,602,954
Series II-A Convertible Preferred Stock (acquired 9/9/16)	(I) (L3)		69,053	226,070	190,956
Warrants for Series II-A Convertible Preferred Stock expiring 7/15/23 (acquired 7/15/16)	(I) (L3)		6,577	29,820	18,130
				\$9,132,398	\$6,484,784
Lodo Therapeutics Corporation		Pharmaceuticals			
Series A Convertible Preferred Stock (acquired 12/21/15-4/22/16)	(I) (L3)		658,190	\$658,190	\$817,090
NGX Bio, Inc.		Research & Consulting Services			
Series Seed Convertible Preferred Stock (acquired 6/6/14-1/10/16)	(I) (L3)		666,667	\$500,002	\$724,045

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Series Seed 2 Convertible Preferred Stock (acquired 8/20/15-9/30/15)	(I) (L3)	329,989	499,999	477,936
Series Seed 3 Convertible Preferred Stock (acquired 6/26/17)	(I) (L3)	666,001	686,329	771,408
			\$1,686,330	\$1,973,389
ORIG3N, Inc.				
			Health Care Technology	
Series 1 Convertible Preferred Stock (acquired 2/5/15-8/5/15)	(I) (L3)	1,195,315	\$500,000	\$895,872
Series A Convertible Preferred Stock (acquired 11/25/15-9/7/16)	(I) (L3)	1,364,666	1,500,000	1,308,399
Series A-2 Convertible Preferred Stock (acquired 5/11/17-2/8/18)	(I) (L3)	176,386	200,002	224,228
			\$2,200,002	\$2,428,499

Line for Schedule of Investments	(Method)(Level)	Primary Industry	# of Shares Purchased/Principal	Cost of TURN's Investment	Valuation
NON-CONTROLLED AFFILIATED COMPANIES PRIVATELY HELD COMPANIES					
Produced Water Absorbents, Inc.		Oil & Gas Equipment & Services			
Common Stock (acquired 4/30/16)	(M) (L3)		50,243,350	\$7,670,281	\$0
Warrants for Common Stock expiring upon liquidation event (acquired 4/30/16)	(M) (L3)		450,000	65,250	0
Senior Secured Debt, 15% commencing on 4/1/16, maturing on 12/31/19 (acquired 4/1/16)	(M) (L3)		\$ 2,533,766	2,181,468	342,353
				\$9,916,999	\$342,353
Senova Systems, Inc.		Life Sciences Tools & Services			
Series B-1 Convertible Preferred Stock (acquired 8/1/13-1/15/14)	(I) (L3)		2,759,902	\$1,083,960	\$0
Series C Convertible Preferred Stock (acquired 10/24/14-4/1/15)	(I) (L3)		1,611,049	1,208,287	0
Warrants for Series B Preferred Stock expiring 4/24/18 (acquired 4/24/13)	(I) (L3)		25,000	20,000	0
				\$2,312,247	\$0
TARA Biosystems, Inc.		Life Sciences Tools & Services			
Common Stock (acquired 8/20/14)	(I) (L3)		2,000,000	\$20	\$653,076
Series A Convertible Preferred Stock (acquired 3/31/17)	(I) (L3)		6,878,572	2,545,493	2,809,918
				\$2,545,513	\$3,462,994
Total Non-Controlled Affiliated Private Portfolio (39.2%)				\$40,841,087	\$32,270,607
PUBLICLY TRADED SECURITIES					
Adesto Technologies Corporation		Semiconductors			
Common Stock (acquired 10/27/15)	(M) (L1)		1,525,260	\$9,895,468	\$11,286,924
TheStreet, Inc.		Financial Exchanges & Data			
Common Stock (acquired 4/19/17-11/10/17)	(M) (L1)		4,636,363	\$4,891,794	\$8,299,090
Stock Options (acquired 1/1/18)	(M) (L3)		3,333	0	3,858

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Restricted Stock Units (acquired 11/10/17)	(M) (L3)	32,189	0	54,060
			\$4,891,794	\$8,357,008
Total Non-Controlled Affiliated Publicly Traded Securities (23.9%)			\$14,787,262	\$19,643,932
EQUITY METHOD PRIVATELY HELD COMPANY				
Accelerator IV-New York Corporation				
				Research & Consulting Services
Series A Common Stock (acquired 7/21/14-1/29/16)	(E)	719,427	\$230,669	\$230,669
Total Equity Method Privately Held Company (0.3%)			\$230,669	\$230,669
Total Investments in Non-Controlled Affiliated Companies and Equity Method Company (63.4%)			\$55,859,018	\$52,145,208
Total Investments in Controlled and Non-Controlled Affiliated Companies and Equity Method Company (68.4%)			\$67,626,193	\$56,270,717

Item 2. Controls and Procedures.

(a) Based on an evaluation of the Registrant's Disclosure Controls and Procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, the "Disclosure Controls") as of a date within 90 days prior to the filing date (the "Filing Date") of this Form N-Q (the "Report"), the Chief Executive Officer (its principal executive officer) and Chief Financial Officer (its principal financial officer) have concluded that the Disclosure Controls are reasonably designed to ensure that information required to be disclosed by the Registrant in the Report is recorded, processed, summarized and reported by the Filing Date, including ensuring that information required to be disclosed in the Report is accumulated and communicated to the Registrant's management, including the Registrant's principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that occurred during the Registrant's last fiscal quarter that have materially affected or are reasonably likely to materially affect the Registrant's internal control over financial reporting.

Item 3. Exhibits.

Certifications of the principal executive officer and the principal financial officer pursuant to Rule 30a-2(a) under the Investment Company Act of 1940.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

180 DEGREE CAPITAL CORP.

By: /s/ Daniel B. Wolfe

Name: Daniel B. Wolfe

Title: President and Chief Financial Officer

Date: May 7, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Kevin M. Rendino

Name: Kevin M. Rendino

Title: Chief Executive Officer

(Principal Executive Officer)

Date: May 7, 2018

By: /s/ Daniel B. Wolfe

Name: Daniel B. Wolfe

Title: President and Chief Financial Officer

(Principal Financial Officer)

Date: May 7, 2018