Hercules Capital, Inc.
Form 497
June 23, 2016
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Filed Pursuant to Rule 497
Registration No. 333-203511

PROSPECTUS SUPPLEMENT

(To prospectus dated November 3, 2015)

$60,000,000

6.25% Notes due 2024

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

We are offering $60,000,000 in aggregate principal amount of 6.25% notes due 2024, or the Notes. The Notes offered hereby will be a further issuance of, rank equally in right of payment with, and form a single series for all purposes under the indenture governing the Notes including, without limitation, waivers, amendments, consents, redemptions and other offers to purchase and voting, with each of the $103,000,000 and $72,945,050 aggregate principal amount of 6.25% notes due 2024 initially issued by us on July 14, 2014 and May 2, 2016, respectively, or the Existing Notes. The Existing Notes and the Notes will mature on July 30, 2024. We will pay interest on the Notes on January 30, April 30, July 30 and October 30 of each year, beginning on July 30, 2016. We may redeem the Notes in whole or in part at any time or from time to time, at the redemption price set forth under Specific Terms of the Notes and the Offering Optional Redemption in this prospectus supplement. The Notes will be issued in minimum denominations of $25 and integral multiples of $25 in excess thereof.

The Notes will be our direct unsecured obligations and rank *pari passu*, or equally in right of payment, with all outstanding and future unsecured unsubordinated indebtedness issued by Hercules Capital, Inc.

The Existing Notes are listed on the New York Stock Exchange, or the NYSE, and trade on the NYSE under the symbol HTGX. We intend to list the Notes offered hereby on the NYSE under the same trading symbol. The Notes are expected to trade flat, which means that purchasers in the secondary market will not pay, and sellers will not receive, any accrued and unpaid interest on the Notes that is not reflected in the trading price.

An investment in the Notes involves risks that are described in the Supplementary Risk Factors section beginning on page S-14 in this prospectus supplement and the Risk Factors section beginning on page 11 of the accompanying prospectus.

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

	Per Note	Total
Public offering price[(1)]	$ 25.0000	$ 60,000,000
Sales load (underwriting discounts and commissions)[(2)]	$ 0.7165	$ 1,719,600
Proceeds to us (before expenses)[(3)]	$ 24.2835	$ 58,280,400

(1) Plus accrued interest from April 30, 2016.
(2) Reflects an underwriting discount of $0.7500 per Note sold to retail investors and $0.2500 per Note sold to institutional investors, for which the underwriters received a weighted average underwriting discount of $0.7165 per Note.
(3) Before deducting expenses payable by us related to this offering, estimated at $500,000. See Underwriting in this prospectus supplement for complete details of underwriters compensation.

The underwriters may also purchase up to an additional $9,000,000 total aggregate principal amount of Notes offered hereby, to cover overallotments, if any, within 30 days of the date of this prospectus supplement. If the underwriters exercise this option in full, the total public offering price will be $69,000,000, the total sales load (underwriting discounts and commissions) paid by us will be $1,977,540, and total proceeds, before expenses, will be $67,022,460.

THE NOTES ARE NOT DEPOSITS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY.

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

Delivery of the Notes in book-entry form only through The Depository Trust Company will be made on or about June 27, 2016.

Joint Book-Running Managers

Keefe, Bruyette & Woods **Morgan Stanley** **Wells Fargo Securities**

A Stifel Company

Lead Manager

Janney Montgomery Scott

Co-Managers

BB&T Capital Markets **JMP Securities** **Ladenburg Thalmann** **Piper Jaffray** **Wunderlich**

The date of this prospectus supplement is June 23, 2016.

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

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

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Prospectus Supplement

Prospectus

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights some of the information in this prospectus supplement and may not contain all of the information that is important to you. For a more complete understanding of this offering, we encourage you to read this entire prospectus supplement and the accompanying prospectus and the documents that are referenced in this prospectus supplement and the accompanying prospectus, together with any accompanying supplements. In this prospectus supplement and the accompanying prospectus, unless the context otherwise requires, the Company, Hercules Capital, Hercules, we, us and our refer to Hercules Capital, Inc., formerly known as Hercules Technology Growth Capital, Inc., and our wholly-owned subsidiaries. On July 14, 2014, we and U.S. Bank National Association (the Trustee) entered into the Third Supplemental Indenture to the Indenture (the Third Supplemental Indenture), between us and the Trustee, dated March 6, 2012, relating to our issuance, offer and sale of the Existing Notes. We will issue the Notes offered hereby under the same Third Supplemental Indenture. The Notes offered hereby will be a further issuance of, rank equally in right of payment with, and form a single series for all purposes with the Existing Notes. Unless otherwise indicated, the Notes offered hereby and the Existing Notes are collectively referred to herein as the Notes. The Notes offered hereby and the Existing Notes will be treated as a single series for all purposes under the Indenture and the Third Supplemental Indenture including, without limitation, waivers, amendments, consents, redemptions and other offers to purchase and voting.

Our Company

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

As of March 31, 2016, our total assets were approximately $1.3 billion, of which our investments comprised $1.3 billion at fair value and $1.3 billion at cost. Since inception through March 31, 2016, we have made debt and equity commitments of over $5.9 billion to our portfolio companies.

We also make investments in qualifying small businesses through our two wholly-owned small business investment companies, or SBICs. Our SBIC subsidiaries, Hercules Technology II, L.P., or HT II, and Hercules Technology III, L.P., or HT III, hold approximately $111.6 million and $289.1 million in assets, respectively, and accounted for approximately 6.6% and 17.1% of our total assets, respectively, prior to consolidation at March 31, 2016. As of March 31, 2016, the maximum statutory limit on the dollar amount of combined outstanding Small Business Administration, or SBA, guaranteed debentures is $350.0 million, subject to periodic adjustments by the SBA. In aggregate, at March 31, 2016, with our net investment of $118.5 million, HT II and HT III have the capacity to issue a total of $190.2 million of SBA-guaranteed debentures, subject to SBA approval. At March 31, 2016, we have issued $190.2 million in SBA-guaranteed debentures in our SBIC subsidiaries. See Regulation Small Business Administration Regulations in the accompanying prospectus for additional information regarding our SBIC subsidiaries.

As of March 31, 2016, our investment professionals, including Manuel A. Henriquez, our co-founder, Chairman, President and Chief Executive Officer, are currently comprised of 34 professionals who have, on average, more than 15 years of experience in venture capital, structured finance, commercial lending or

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acquisition finance with the types of technology-related companies that we are targeting. We believe that we can leverage the experience and relationships of our management team to successfully identify attractive investment opportunities, underwrite prospective portfolio companies and structure customized financing solutions.

Our Market Opportunity

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

- technology-related companies have generally been underserved by traditional lending sources;
- unfulfilled demand exists for structured debt financing to technology-related companies due to the complexity of evaluating risk in these investments; and
- structured debt with warrants products are less dilutive and complement equity financing from venture capital and private equity funds.

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

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

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

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

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

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

Our Business Strategy

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

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

Mitigate Risk of Principal Loss and Build a Portfolio of Equity-Related Securities. We expect that our investments have the potential to produce attractive risk-adjusted returns through current income, in the form of interest and fee income, as well as capital appreciation from warrant and equity-related securities. We believe that we can mitigate the risk of loss on our debt investments through the combination of loan principal amortization, cash interest payments, relatively short maturities, security interests in the assets of our portfolio companies, and on select investment covenants requiring prospective portfolio companies to have certain amounts of available cash at the time of our investment and the continued support from a venture capital or private equity firm at the time we make our investment.

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

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

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

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

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Recent Developments

Restricted Stock Award Grants

In January 2016, we granted approximately 536,250 restricted stock awards pursuant to the 2004 Equity Incentive Plan and 2006 Non-Employee Incentive Plan (collectively, the Plans).

Dividend Declaration

On May 23, 2016, we paid a cash dividend of $0.31 per share to shareholders of record as of May 16, 2016. This dividend represents our forty-third consecutive dividend declaration since our initial public offering, bringing the total cumulative dividend declared to date to $11.85 per share.

Corporate Rebranding

On February 25, 2016, we changed our name to Hercules Capital, Inc. , from Hercules Technology Growth Capital, Inc. Our common stock will continue to trade on the NYSE under the HTGC ticker symbol.

Share Repurchase Program

On February 24, 2015, the Company s board of directors (the Board of Directors) approved a $50.0 million open market share repurchase program and on February 17, 2016, the Board of Directors extended the program until August 23, 2016. The Company may repurchase shares of its common stock in the open market, including block purchases, at prices that may be above or below the net asset value as reported in our then most recently published financial statements. The Company expects that the share repurchase program will be in effect until August 23, 2016, or until the approved dollar amount has been used to repurchase shares. Subsequent to December 31, 2015 and as of June 14, 2016, the Company repurchased 449,588 shares of its common stock at an average price per share of $10.64 per share and a total cost of approximately $4.8 million. As of June 14, 2016, approximately $40.6 million of common stock remains eligible for repurchase under the stock repurchase plan.

ATM Program

On March 7, 2016, we entered into an amended and restated equity distribution agreement relating to the offer and sale from time to time of up to 8,000,000 shares of our common stock. As of June 14, 2016, the Company has sold 2.5 million shares of common stock for total accumulated net proceeds of approximately $30.4 million, including 650,000 shares for total accumulated net proceeds of approximately $9.5 million during the year ended December 31, 2014 and 1.8 million shares for total accumulated net proceeds of approximately $20.9 million during 2016 as of June 14, 2016. As of June 14, 2016, approximately 5.5 million shares remain available for issuance and sale under the amended and restated equity distribution agreement.

Amendments to Wells Facility

On March 8, 2016, through a special purpose wholly-owned subsidiary, Hercules Funding II LLC (Hercules Funding II), we entered into the Second Amendment (the Second Wells Facility Amendment) to Amended and Restated Loan and Security Agreement, dated as of June 29, 2015 (as amended from time to time, the Wells Facility) with Wells Fargo Capital Finance, LLC, as a lender and as the arranger and the administrative agent (the Administrative Agent), and the lenders party thereto (the Lenders) from time to time. The Second Wells Facility Amendment amends certain provisions of the Wells Facility, to, among other things, (i) modify one of the concentration limits in relation to eligible notes receivable and (ii) adjust the method for calculating interest coverage ratio.

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On April 7, 2016, through Hercules Funding II, we entered into the Third Amendment (the Third Wells Facility Amendment) to the Wells Facility. The Third Wells Facility Amendment amends certain provisions of the Wells Facility to, among other things, (i) permit two or more Lenders holding more than fifty percent (50%) of the commitments under the Wells Facility, rather than the Administrative Agent, to waive the eligibility criteria and (ii) modify the definition of Required Lenders .

Entry into the MUFG Union Bank Facility

On May 5, 2016, Hercules, through a special purpose wholly-owned subsidiary, Hercules Funding III, LLC (Hercules Funding III), as borrower, entered into the Loan and Security Agreement (the MUFG Union Bank Facility) with MUFG Union Bank, N.A. (MUFG Union Bank), as the arranger and administrative agent, and the lenders party thereto from time to time. Under the MUFG Union Bank Facility, MUFG Union Bank has made commitments of $75.0 million, which can be increased to $200.0 million subject to customary conditions. In connection with entering into the MUFG Union Bank Facility, on May 19, 2016, the Company terminated the Second Amended and Restated Loan and Security Agreement (the Union Bank Facility), by and among the Company, as borrower, MUFG Union Bank, as a lender and agent, and the other lenders party thereto from time to time, dated as of August 14, 2014. The MUFG Union Bank Facility replaced the Union Bank Facility.

In connection with the MUFG Union Bank Facility, the Company and Hercules Funding III also entered into the Sale and Servicing Agreement, dated as of May 5, 2016 (the Sale Agreement), by and among Hercules Funding III, as borrower, the Company, as originator and servicer, and MUFG Union Bank, as agent.

Closed and Pending Commitments

As of June 14, 2016, we have:

Closed debt and equity commitments of approximately $304.4 million to new and existing portfolio companies and funded approximately $231.5 million.

Pending commitments (signed non-binding term sheets) of approximately $250.0 million.

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

Closed Commitments and Pending Commitments (in millions)	
Closed Commitments (as of June 14, 2016)[a]	$ 304.4
Pending Commitments (as of June 14, 2016)[b]	$ 250.0
Closed and Pending Commitments as of June 14, 2016	$ 554.4

Notes:

a. Closed Commitments may include renewals of existing credit facilities. Not all Closed Commitments result in future cash requirements. Commitments generally fund over the two succeeding quarters from close.

b. Not all pending commitments (signed non-binding term sheets) are expected to close and they do not necessarily represent any future cash requirements.

Portfolio Company Developments

As of June 14, 2016, we held warrants or equity positions in five companies that filed registration statements on Form S-1 with the Securities and Exchange Commission (the SEC) in contemplation of potential initial public offerings. All five companies filed confidentially under the Jumpstart Our Business Startups Act of 2012 (the JOBS Act). There can be no assurance that these companies will complete their initial public offerings in a timely manner or at all.

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Corporate Information

Our principal executive offices are located at 400 Hamilton Avenue, Suite 310, Palo Alto, California 94301, and our telephone number is (650) 289-3060. We also have offices in Boston, MA, New York, NY, McLean, VA, Santa Monica, CA and Hartford, CT. We maintain a website on the Internet at www.htgc.com. We make available, free of charge, on our website our proxy statement, annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Information contained in our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider that information to be part of this prospectus supplement or the accompanying prospectus.

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

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SPECIFIC TERMS OF THE NOTES AND THE OFFERING

This prospectus supplement sets forth certain terms of the Notes that we are offering pursuant to this prospectus supplement and supplements the accompanying prospectus that is attached to the back of this prospectus supplement. On July 14, 2014, we and the Trustee entered into the Third Supplemental Indenture to the Indenture, between us and the Trustee, dated March 6, 2012, relating to our issuance, offer and sale of the Existing Notes. We will issue the Notes offered hereby under the same Third Supplemental Indenture. The Notes offered hereby will be a further issuance of, rank equally in right of payment with, and form a single series for all purposes with the Existing Notes. Unless otherwise indicated, the Notes offered hereby and the Existing Notes are collectively referred to herein as the Notes. The Notes offered hereby and the Existing Notes will be treated as a single series for all purposes under the Indenture and the Third Supplemental Indenture including, without limitation, waivers, amendments, consents, redemptions and other offers to purchase and voting. This section outlines the specific legal and financial terms of the Notes. You should read this section together with the more general description of the Notes in the accompanying prospectus under the heading Description of Our Debt Securities before investing in the Notes. Capitalized terms used in this prospectus supplement and not otherwise defined shall have the meanings ascribed to them in the accompanying prospectus or in the indenture governing the Notes.

Issuer	Hercules Capital, Inc.
Title of the securities	6.25% Notes due 2024
Aggregate principal amount being offered	$60,000,000
Overallotment option	The underwriters may also purchase from us up to an additional $9,000,000 aggregate principal amount of Notes to cover overallotments, if any, within 30 days of the date of this prospectus supplement.
Initial public offering price	100% of the aggregate principal amount, plus accrued interest from April 30, 2016.
Principal payable at maturity	100% of the aggregate principal amount; the principal amount of each Note will be payable on its stated maturity date at the office of the Trustee in The City of New York or at such other office designated by the Trustee.
Type of Note	Fixed rate note
Listing	The Existing Notes are listed on the NYSE and trade on the NYSE under the symbol HTGX. We intend to list the Notes offered hereby on the NYSE under the same trading symbol.
Interest rate	6.25% per year
Day count basis	360-day year of twelve 30-day months

Original issue date of the Notes	June 27, 2016
Stated maturity date	July 30, 2024

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Date interest starts accruing on the Notes	April 30, 2016
Interest payment dates for the Notes	Each January 30, April 30, July 30, and October 30, commencing July 30, 2016. If an interest payment date falls on a non-business day, the applicable interest payment will be made on the next business day and no additional interest will accrue as a result of such delayed payment.
Interest periods for the Notes	The initial interest period will be the period from and including April 30, 2016, to, but excluding, the initial interest payment date, and the subsequent interest periods will be the periods from and including an interest payment date to, but excluding, the next interest payment date or the stated maturity date, as the case may be.
Regular record dates for interest	Each January 15, April 15, July 15 and October 15.
Specified currency	U.S. Dollars
Place of payment	New York City or such other office designated by the Trustee
Ranking of Notes	The Notes will be our general unsecured obligations and will rank:

pari passu with our other outstanding and future unsecured indebtedness, including, without limitation, the approximately $64.5 million of 7.00% Senior Notes due April 30, 2019 (the April 2019 Notes); the approximately $45.9 million of 7.00% Senior Notes due September 30, 2019 (the September 2019 Notes and together with the April 2019 Notes, the 2019 Notes); and the approximately $175.9 million of Existing Notes, each as of June 14, 2016.

senior to any of our future indebtedness that expressly provides it is subordinated to the Notes.

effectively subordinated to all our existing and future secured indebtedness (including indebtedness that is initially unsecured to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness, including, without limitation, borrowings under the MUFG Union Bank Facility.

structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, including, without limitation, the indebtedness of HT II and HT III, borrowings under the Wells Facility, borrowings under the MUFG Union Bank Facility and the approximately $129.3 million of fixed-rate asset-backed notes (the Asset-Backed Notes), each as of June 14, 2016. Note that there were no borrowings outstanding under the Wells Facility or MUFG Union Bank Facility as of June 14, 2016.

Denominations	We will issue the Notes in denominations of $25 and integral multiples of $25 in excess thereof.

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Business day	Each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York City, or in such other place of payment designated by the Trustee, are authorized or required by law or executive order to close.
Optional redemption	We may redeem in whole or in part at any time, or from time to time, at our option on or after July 30, 2017 upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price of 100% of the outstanding principal amount thereof plus accrued and unpaid interest payments otherwise payable for the then-current quarterly interest period accrued to but not including the date fixed for redemption.
	You may be prevented from exchanging or transferring the Notes when they are subject to redemption. In case any Notes are to be redeemed in part only, the redemption notice will provide that, upon surrender of such Note, you will receive, without a charge, a new Note or Notes of authorized denominations representing the principal amount of your remaining unredeemed Notes. Any exercise of our option to redeem the Notes will be done in compliance with the indenture and the 1940 Act.
	If we redeem only some of the Notes, the Trustee or The Depository Trust Company, or DTC, as applicable, will determine the method for selection of the particular Notes to be redeemed, in accordance with the indenture and the 1940 Act, in each case, to the extent applicable. Unless we default in payment of the redemption price, on and after the date of redemption, interest will cease to accrue on the Notes called for redemption.
Sinking fund	The Notes will not be subject to any sinking fund.
Repayment at option of Holders	Holders will not have the option to have the Notes repaid prior to the stated maturity date.
Defeasance and covenant defeasance	The Notes are subject to defeasance by us.
	The Notes are subject to covenant defeasance by us.
Form of Notes	The Notes will be represented by global securities that will be deposited and registered in the name of DTC or its nominee. Except in limited circumstances, you will not receive certificates for the Notes. Beneficial interests in the Notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the Notes through either DTC, if they are a participant, or indirectly through organizations which are participants in DTC.
Trustee, Paying Agent and Security Registrar	U.S. Bank National Association

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Other covenants	In addition to the covenants described in the prospectus attached to this prospectus supplement, the following covenants shall apply to the Notes:
	We agree that for the period of time during which the Notes are outstanding, we will not violate Section 18(a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, but giving effect to any exemptive relief granted to us by the SEC. Currently, these provisions generally prohibit us from making additional borrowings, including through the issuance of additional debt or the sale of additional debt securities, unless our asset coverage, as defined in the 1940 Act, equals at least 200% after such borrowings. See Risk Factor Risks Related to our Business Structure Legislation may allow us to incur additional leverage , in the accompanying prospectus.
	We agree that for the period of time during which the Notes are outstanding, we will not violate Section 18(a)(1)(B) as modified by Section 61(a)(1) of the 1940 Act or any successor provisions, giving effect to (i) any exemptive relief granted to us by the SEC and (ii) no-action relief granted by the SEC to another BDC (or to us if we determine to seek such similar no-action or other relief) permitting the BDC to declare any cash dividend or distribution notwithstanding the prohibition contained in Section 18(a)(1)(B) as modified by Section 61(a)(1) of the 1940 Act in order to maintain the BDC s status as a regulated investment company under Subchapter M of the Code. Currently, these provisions generally prohibit us from declaring any cash dividend or distribution upon any class of our capital stock, or purchasing any such capital stock if our asset coverage, as defined in the 1940 Act, is below 200% at the time of the declaration of the dividend or distribution or the purchase and after deducting the amount of such dividend, distribution or purchase.
	If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act to file any periodic reports with the SEC, we agree to furnish to holders of the Notes and the Trustee, for the period of time during which the Notes are outstanding, our audited annual consolidated financial statements, within 90 days of our fiscal year end, and unaudited interim consolidated financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with applicable United States generally accepted accounting principles, as applicable.
Modifications to events of default	The following events of default, as described in the prospectus attached to this prospectus supplement:
	We do not pay the principal of, or any premium on, a debt security of the series on its due date, and do not cure this default within 5 days.

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	On the last business day of each of 24 consecutive calendar months, we have an asset coverage of less than 100%.
	with respect to the Notes has been revised to read as follows:
	We do not pay the principal of, or any premium on, any Note on its due date.
	On the last business day of each of 24 consecutive calendar months, we have an asset coverage of less than 100%, giving effect to any exemptive relief granted to us by the SEC.
Global Clearance and Settlement Procedures	Interests in the Notes will trade in DTC s Same Day Funds Settlement System, and any permitted secondary market trading activity in such Notes will, therefore, be required by DTC to be settled in immediately available funds. None of the issuer, the Trustee or the paying agent will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.
Further issuances	We have the ability to issue additional debt securities under the indenture with terms different from the Notes and, without the consent of the holders thereof, to reopen the Notes and issue additional Notes.
Use of Proceeds	We estimate that the net proceeds we receive from the sale of the $60.00 million aggregate principal amount of Notes in this offering will be approximately $58.28 million (or approximately $67.02 million if the underwriters fully exercise their overallotment option) after deducting the underwriting discount of approximately $1.72 million (or approximately $1.98 million if the underwriters fully exercise their overallotment option) payable by us and estimated offering expenses of approximately $500,000 payable by us. We expect to use the net proceeds from this offering to fund investments in debt and equity securities in accordance with our investment objective and for other general corporate purposes.
Governing Law	The Notes and the indenture are governed by and construed in accordance with the laws of the State of New York.

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FORWARD-LOOKING STATEMENTS

The matters discussed in this prospectus supplement and the accompanying prospectus, as well as in future oral and written statements by management of Hercules Capital, Inc. (formerly known as Hercules Technology Growth Capital, Inc.) that