



The Quarterly Newsletter of Firsthand Technology Value Fund, Inc.



Pivotal Systems Completes IPO on Australian Securities Exchange

On July 2, 2018, Pivotal Systems began trading on the Australian Securities Exchange ("ASX") under the symbol PVS.

Pivotal closed the sale of 28,785,008 CHESS Depository Interests ("CDI") in Australia on Thursday, June 28, 2018, with each CDI representing one share of Pivotal common stock, at an offer price of A\$1.86 (Australian dollars) per CDI. Pivotal's CDIs closed their first day of trading at a price of A\$2.59 per CDI, an increase of 39.2% from the IPO price.

Pivotal supplies flow control solutions to the semiconductor industry and is the Fund's largest holding, representing 41.4% of the Fund's estimated net assets as of July 31, 2018. The Fund's initial investment in Pivotal was made in 2012, and we have invested approximately \$21.9 million in the company to date. We now hold 53,758,441 shares of common stock, representing 42.9% ownership of Pivotal's common stock, on a fully diluted basis.

As is customary in initial public offerings in Australia (and in the U.S.), we have entered into agreements (commonly called lock-up agreements) that restrict

us from selling our Pivotal shares for a period of time. We currently expect approximately 70% of our Pivotal shares to be locked up for 24 months following the IPO. The remaining 30% of shares are expected to be released from escrow (lock-up) in three stages, as follows: (1) approximately 6% upon the filing of Pivotal's fiscal 2018 financial statements, (2) approximately 10.5% upon the filing of Pivotal's first-half 2019 financial statements, and (3) approximately 13.5% upon the filing of Pivotal's fiscal 2019 financial statements.

The completion of the public offering has affected the Fund's ability to retain its "regulated investment company" (RIC) status, as the increased value of the shares has led to the Fund exceeding the limit for a single holding under U.S. tax laws. The loss of that status means the Fund will be taxed as a corporation (and not a RIC) under federal and state tax laws, and its net asset value will be reduced by the amount of its expected tax liabilities. Despite this tax consequence, the Fund believes that Pivotal's listing on the ASX was in the best interests of the Fund and its stockholders. Additionally, it is possible that the Fund may regain its RIC eligibility as the composition of its portfolio continues to change.

Top Holdings

As of 7/31/18

Company	% Estimated Net Assets
Pivotal Systems Corp.	41.4%
IntraOp Medical Corp.	12.3%
Revasum, Inc.	11.2%
QMAT, Inc.	8.1%
Phunware, Inc.	5.7%

* As of July 31, 2018, estimated net assets of the Fund were approximately \$209 million, or \$28.64 per share, including cash and cash equivalents of approximately \$0.22 per share. As of that date, the Fund's top five holdings constituted 78.7% of the Fund's estimated net assets.* Complete financial statements and a detailed schedule of investments as of June 30, 2018, are available in the Fund's quarterly report filing on Form 10-Q.*

* *Estimated net assets as of July 31, 2018, represent net assets of approximately \$186 million as of June 30, 2018, plus the net change in unrealized appreciation/depreciation and realized gains/losses on publicly traded and private securities since June 30, 2018. For the purposes of calculating the percentage of net assets represented by each investment, the value of each holding is determined by the most recent of: (1) the purchase price, (2) the market value for public securities, less any discounts taken due to restrictions on the stock, or (3) the June 30, 2018, fair value of each security, as determined under procedures approved by our Board of Directors. Not all investments have been or will be as profitable as those discussed. Investing in SVVC's shares involve considerable risk of loss. Please carefully read SVVC's public filings before investing. The portfolio company news reported in this newsletter does not mean that SVVC's investments will be profitable or avoid a loss.*



IntraOp and GMV Announce Partnership

IntraOp Medical announced its entrance into a strategic agreement with GMV, a leader in intraoperative radiation therapy planning. Under the agreement, IntraOp will be the exclusive distributor of GMV's *radiance*® intraoperative radiation therapy (IORT) planning system for electron beam IORT users globally. *Radiance* is the only commercially available treatment planning system designed specifically for IORT. *Radiance* will increase the precision and effectiveness of Mobetron IORT treatments, enabling physicians to simulate and plan treatments in 3D utilizing CT images.

IntraOp has been in the Fund's portfolio since 2013 and continues to be one of the Fund's largest holdings, representing 12.3% of the Fund's estimated net assets as of July 31, 2018.



Roku Continues to Climb

Streaming media giant Roku (NASDAQ: ROKU) had an outstanding second quarter. Year-over-year, the company saw net revenue up 36%, active accounts up 47%, and streaming hours up 56%. Recent data show Roku continuing to dominate the industry, with 37% of the streaming device market, and the company announced in January that it is entering the smart speaker market. Roku shares finished Q2 up 37.04%.

The Fund's lock up on Roku shares expired in March 2018; we hold 250,000 shares of Roku as of June 30, 2018.

STAGES OF INVESTMENT

The Fund invests in companies at various stages of maturity. As our portfolio companies mature, they move from the “early / development stage” to the “middle / revenue stage” and then to the “late stage.” We expect that this continuous progression may create a pipeline of potential exit opportunities through initial public offerings (IPOs) or acquisitions. Of course, some companies do not progress. This chart represents holdings as of June 30, 2018, and does not include public companies.

Early Stage

Developing product or service for market, high level of research and development, little or no revenue.



VUFINE

Middle Stage

Established product, customers, business model; limited revenues.



Late Stage*

Appreciable revenue; break-even or profitable; IPO or acquisition candidate.

