

**U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

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

For the quarterly period of September 30, 2019 or

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

Commission File Number 333-168195

FIRSTHAND TECHNOLOGY VALUE FUND, INC.

(Exact Name of Registrant as Specified in Charter)

MARYLAND
(State or Other Jurisdiction of
Incorporation or Organization)

27-3008946
(I.R.S. Employer
Identification No)

150 Almaden Boulevard, Suite 1250
San Jose, California
(Address of Principal Executive Offices)

95113
(Zip Code)

Registrant's Telephone Number, Including Area Code: (408) 886-7096

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.001 per share	SVVC	The NASDAQ Global Select Market

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 every Interactive Data File required to be submitted 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 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. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

- Large Accelerated Filer Accelerated Filer
 Non-accelerated Filer Smaller Reporting Company Emerging growth company
(Do not check if smaller reporting company)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

- Yes No

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

Consolidated Statements of Assets and Liabilities

	AS OF SEPTEMBER 30, 2019 (UNAUDITED)	AS OF DECEMBER 31, 2018
ASSETS		
Investment securities:		
Unaffiliated investments at acquisition cost	\$ 18,860,427*	\$ 3,961,467*
Affiliated investments at acquisition cost	4,744,427	31,002,275
Controlled investments at acquisition cost	144,577,070	132,313,596
Total acquisition cost	<u>\$ 168,181,924</u>	<u>\$ 167,277,338</u>
Unaffiliated investments at market value	\$ 14,559,660*	\$ 5,696,042*
Affiliated investments at market value	5,597,418	34,045,111
Controlled investments at market value	128,524,051	170,112,417
Total market value ** (Note 6)	<u>148,681,129</u>	<u>209,853,570</u>
Cash	18,904	—
Receivable for securities sold	—	1,005
Receivable from dividends and interest	1,767,698	2,308,366
Deferred tax benefit	6,565,417	—
Other assets	11,183	18,713
Total Assets	<u>157,044,331</u>	<u>212,181,654</u>
LIABILITIES		
Payable for securities purchased	—	365,783
Incentive fees payable (Note 4)	—	9,261,847
Payable to affiliates (Note 4)	5,023,005	2,334,727
Deferred tax liability	—	8,432,559
Consulting fee payable	36,000	19,500
Accrued expenses and other payables	115,122	149,279
Total Liabilities	<u>5,174,127</u>	<u>20,563,695</u>
NET ASSETS	<u>\$ 151,870,204</u>	<u>\$ 191,617,959</u>
Net Assets consist of:		
Common Stock, par value \$0.001 per share 100,000,000 shares authorized	\$ 7,179	\$ 7,179
Paid-in-capital	178,770,434	178,770,434
Total distributable earnings (loss)	(26,907,409)	12,840,346
NET ASSETS	<u>\$ 151,870,204</u>	<u>\$ 191,617,959</u>
Shares of Common Stock outstanding	7,302,146	7,302,146
Shares of Treasury Stock outstanding	(123,376)	(123,376)
Total Shares of Common Stock outstanding	<u>7,178,770</u>	<u>7,178,770</u>
Net asset value per share (Note 2)	<u>\$ 21.16</u>	<u>\$ 26.69</u>

* Includes Fidelity Investment Money Market Treasury Portfolio - Class I, which invests primarily in U.S. Treasury securities. The yields as of 09/30/19 and 12/31/18 were 1.82% and 2.24%, respectively. Please see <https://fundresearch.fidelity.com/mutual-funds/summary/316175504> for additional information.

** Includes warrants whose primary risk exposure is equity contracts.

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.
Consolidated Statements of Operations (Unaudited)

	FOR THE THREE MONTHS ENDED		FOR THE NINE MONTHS ENDED	
	SEPTEMBER 30, 2019	SEPTEMBER 30, 2018	SEPTEMBER 30, 2019	SEPTEMBER 30, 2018
INVESTMENT INCOME				
Unaffiliated interest	\$ 7,579	\$ 793	\$ 33,929	\$ 4,901
Affiliated/Controlled interest	392,826	974,557	866,833	2,328,359
Affiliated/Controlled loan origination income	—	—	—	21,000
TOTAL INVESTMENT INCOME	400,405	975,350	900,762	2,354,260
EXPENSES				
Investment advisory fees (Note 4)	774,945	1,124,398	2,716,206	2,972,059
Administration fees	36,840	58,652	108,375	168,831
Custody fees	4,215	8,171	11,664	27,482
Transfer agent fees	8,947	7,058	26,275	23,817
Registration and filing fees	7,738	7,713	22,962	22,887
Professional fees	92,758	94,916	275,184	288,557
Printing fees	9,354	16,008	43,733	46,420
Trustees fees	50,000	50,000	150,000	150,000
Compliance Fees	29,939	30,634	88,841	88,223
Miscellaneous fees	2,889	22,653	46,833	68,020
TOTAL GROSS EXPENSES	1,017,625	1,420,203	3,490,073	3,856,296
Incentive fee adjustments (Note 4)	—	9,633,974	(9,261,847)	14,808,766
TOTAL NET EXPENSES	1,017,625	11,054,177	(5,771,774)	18,665,062
NET INVESTMENT INCOME (LOSS), BEFORE TAXES				
Deferred tax benefit	172,698	(1,411,413)	690,897	448,208
Net investment income (loss), net of deferred taxes	(444,522)	(11,490,240)	7,363,433	(15,862,594)
Net Realized and Unrealized Loss on Investments:				
Net realized gains (losses) from security transactions on:				
Affiliated/Controlled	2,117,628	(11,335,187)	(2,498,193)	(11,373,458)
Non-affiliated and other assets	(712,819)	(772,541)	3,058,364	138,640
Written options	—	—	98,590	—
Deferred tax benefit/expenses	(336,521)	2,942,451	(221,778)	2,681,974
Net realized gains (losses), net of deferred taxes	1,068,288	(9,165,277)	436,983	(8,552,844)
Net change in unrealized appreciation (depreciation) on:				
Non-affiliated investments	(435,035)	9,064,505	(6,035,342)	9,967,736
Affiliated/controlled investments and foreign currency	(9,932,151)	44,955,098	(51,499,088)	70,897,750
Affiliated/controlled warrants investments (1)	2,393,291	6,439,956	(4,542,596)	2,089,649
Deferred tax benefit/expenses	1,806,944	(13,096,357)	14,528,855	(19,779,098)
Net change in unrealized appreciation (depreciation), net of deferred taxes	(6,166,951)	47,363,202	(47,548,171)	63,176,037
Net Realized and Unrealized Gains (Losses) on Investments, Net of Deferred Taxes				
	(5,098,663)	38,197,925	(47,111,188)	54,623,193
Net Increase (Decrease) In Net Assets Resulting From Operations, Net of Deferred Taxes				
	\$ (5,543,185)	\$ 26,707,685	\$ (39,747,755)	\$ 38,760,599
Net Increase/(Decrease) In Net Assets Per Share Resulting From Operations (2)				
	\$ (0.78)	\$ 3.67	\$ (5.54)	\$ 5.32

(1) Primary exposure is equity risk.

(2) Per share results are calculated based on weighted average shares outstanding for each period.

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.
Consolidated Statements of Cash Flows (Unaudited)

	FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019	FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2018	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Net increase (decrease) in Net Assets resulting from operations	\$ (5,543,185)	\$ 26,707,685	\$ (39,747,755)	\$ 38,760,599
Adjustments to reconcile net increase (decrease) in Net Assets derived from operations to net cash provided by (used in) operating activities				
Purchases of investments	(1,651,410)	(19,231,350)	(21,111,150)	(48,038,121)
Proceeds from disposition of investments	15,757,730	24,584,064	41,743,824	66,288,520
Net purchases / sales from short-term investments	(13,848,862)	(4,310,960)	(20,878,499)	(14,734,750)
Increase (decrease) in dividends, interest, and reclaims receivable	(293,381)	(832,454)	540,668	(1,832,546)
Increase (decrease) in receivable in investment sold	311,904	391,165	1,005	(211,168)
Increase (decrease) in payable for investment purchased	(365,783)	—	(365,783)	—
Increase (decrease) in payable to affiliates	688,116	140,940	2,688,278	272,963
Increase (decrease) in incentive fees payable	—	9,633,974	(9,261,847)	14,808,766
Increase (decrease) in other assets	12,883	15,408	7,530	15,121
Decrease (increase) in accrued expenses and other payables	5,201	(23,624)	(17,657)	(60,004)
Increase (decrease) in deferred tax benefit/liability	(1,643,123)	11,565,319	(14,997,976)	16,648,916
Net realized gain (loss) from investments	(1,404,809)	12,107,728	(560,171)	11,234,818
Net realized gain from written options	—	—	(98,590)	—
Net unrealized appreciation (depreciation) from investments, other assets, and warrants transactions	7,973,896	(60,459,559)	62,077,027	(82,955,135)
Net cash (used in) operating activities	(823)	288,336	18,904	197,979
CASH FLOWS FROM FINANCING ACTIVITIES				
Cost of shares repurchased	—	(288,330)	—	(288,330)
Distributions paid from net realized gains	—	—	—	—
Net cash (used in) financing activities	—	(288,330)	—	(288,330)
Net increase (decrease) in cash	(823)	6	18,904	(90,351)
Cash - beginning of period	19,727	19,720	—	110,077
Cash - end of period	\$ 18,904	\$ 19,726	\$ 18,904	\$ 19,726

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.
Consolidated Statements of Changes in Net Assets (Unaudited)

	FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019	FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2018	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018
FROM OPERATIONS:				
Net investment income (loss), net of deferred taxes	\$ (444,522)	\$ (11,490,240)	\$ 7,363,433	\$ (15,862,594)
Net realized gain (loss) from security transactions, written options and warrants transactions, net of deferred taxes	1,068,288	(9,165,277)	436,983	(8,552,844)
Net change in unrealized appreciation (depreciation) on investments, and warrants transactions, net of deferred taxes	(6,166,951)	47,363,202	(47,548,171)	63,176,037
Net increase (decrease) in net assets from operations	(5,543,185)	26,707,685	(39,747,755)	38,760,599
FROM CAPITAL SHARE TRANSACTIONS:				
Value for shares repurchased	—	(420,458)	—	(420,458)
Net increase (decrease) in net assets from capital share transactions	—	(420,458)	—	(420,458)
TOTAL INCREASE (DECREASE) IN NET ASSETS	(5,543,185)	26,287,227	(39,747,755)	38,340,141
NET ASSETS:				
Beginning of period	157,413,389	186,046,503	191,617,959	173,993,589
End of period	\$ 151,870,204	\$ 212,333,730	\$ 151,870,204	\$ 212,333,730
COMMON STOCK ACTIVITY:				
Shares redeemed	—	(26,110)	—	(26,110)
Net decrease in shares outstanding	—	(26,110)	—	(26,110)
Shares outstanding, beginning of period	7,178,770	7,302,146	7,178,770	7,302,146
Shares outstanding, end of period	7,178,770	7,276,036	7,178,770	7,276,036

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

Financial Highlights

Selected per share data and ratios for a share outstanding throughout each period

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019* (UNAUDITED)	FOR THE YEAR ENDED DECEMBER 31, 2018*	FOR THE YEAR ENDED DECEMBER 31, 2017*	FOR THE YEAR ENDED DECEMBER 31, 2016*	FOR THE YEAR ENDED DECEMBER 31, 2015*	FOR THE YEAR ENDED DECEMBER 31, 2014
Net asset value at beginning of period	\$ 26.69	\$ 23.83	\$ 20.04	\$ 22.79	\$ 24.49	\$ 28.32
Income from investment operations:						
Net investment income (loss), before deferred taxes	0.93 ⁽¹⁾	(1.29) ⁽¹⁾	(0.62)	(0.52)	(0.06) ⁽¹⁾	(1.26)
Deferred tax benefit	0.10	0.07	—	—	—	—
Net investment gain (losses)	1.03	(1.22)	(0.62)	(0.52)	(0.06)	(1.26)
Net realized and unrealized gains (losses) on investments, before deferred taxes	(8.55)	5.13	4.21	(2.76)	(1.78)	3.04
Deferred tax expense	1.99	(1.23)	—	—	—	—
Net realized and unrealized gains (losses) on investments	(6.56)	3.90	4.21	(2.76)	(1.78)	3.04
Total from investment operations	(5.53)	2.68	3.59	(3.28)	(1.84)	1.78
Distributions from:						
Realized capital gains	—	(0.03)	—	—	—	(5.86)
Anti-dilutive effect from capital share transactions	—	0.21	0.20	0.53	0.14	0.25
Net asset value at end of period	\$ 21.16	\$ 26.69	\$ 23.83	\$ 20.04	\$ 22.79	\$ 24.49
Market value at end of period	\$ 7.65	\$ 11.20	\$ 8.96	\$ 7.67	\$ 8.17	\$ 18.65
Total return						
Based on Net Asset Value	(20.72)% ^(A)	12.39%	18.91%	(12.07)%	(6.94)%	12.54%
Based on Market Value	(31.70)% ^(A)	25.43%	16.82%	(6.12)%	(56.19)%	4.76%
Net assets at end of period (millions)	\$ 151.9	\$ 191.6	\$ 174.0	\$ 148.9	\$ 175.6	\$ 209.7

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

Financial Highlights - continued

Selected per share data and ratios for a share outstanding throughout each period

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019* (UNAUDITED)	FOR THE YEAR ENDED DECEMBER 31, 2018*	FOR THE YEAR ENDED DECEMBER 31, 2017*	FOR THE YEAR ENDED DECEMBER 31, 2016*	FOR THE YEAR ENDED DECEMBER 31, 2015*	FOR THE YEAR ENDED DECEMBER 31, 2014
Ratio of total expenses to average net assets:						
Before tax benefit	(4.57)% ^{(B)(2)}	6.75% ⁽²⁾	4.13% ⁽²⁾	2.90% ⁽²⁾	1.36% ⁽²⁾	5.29% ⁽²⁾
Deferred tax expense ⁽³⁾⁽⁴⁾	11.87% ^(B)	4.43%	—	—	—	—
Total expenses	(7.30)% ^{(B)(2)}	11.18% ⁽²⁾	4.13%	2.90%	1.36%	5.29%
Total expenses, excluding incentive fees and deferred tax expense	2.76% ^(B)	2.77%	2.98%	2.90%	2.68%	3.12%
Ratio of net investment income (loss) to average net assets:						
Before tax benefit	5.28% ^{(B)(2)}	(4.93)% ⁽²⁾	(3.07)%	(2.36)%	(0.24)%	(4.31)%
Deferred tax benefit ⁽⁴⁾⁽⁵⁾	0.55% ^(B)	0.28%	—	—	—	—
Net investment income (loss)	5.83% ^(B)	(4.65)%	(3.07)%	(2.36)%	(0.24)%	(4.31)%
Portfolio turnover rate	15% ^(A)	44%	22%	49%	22%	95%

* Consolidated

(1) Calculated using average shares outstanding.

(2) Amount includes the incentive fee. For the period ended September 30, 2019, the years ended December 31, 2018, December 31, 2017, December 31, 2016, December 31, 2015, and December 31, 2014, the ratio of the incentive fee to average net assets was (7.33)%, 3.98%, 1.15%, (1.32)%, 2.17% and 3.85%, respectively.

(3) Deferred tax expense estimate is derived from net investment income (loss), and realized and unrealized gains (losses).

(4) The deferred tax expense and tax benefit are allocated based on average net assets.

(5) Deferred tax benefit estimate for the ratio calculation is derived from net investment income (loss) only.

(A) Not Annualized.

(B) Annualized.

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

Consolidated Schedule of Investments

SEPTEMBER 30, 2019 (UNAUDITED)

PORTFOLIO COMPANY (% OF NET ASSETS) AND INDUSTRY	TYPE OF INVESTMENT	ACQUISITION DATE	SHARES/PAR VALUE (\$)	COST BASIS	VALUE
EQX CAPITAL, INC. (1.5%) Equipment Leasing	Common Stock *(1)(2)(4)	6/10/2016	100,000	\$ 20,000	\$ 23,490
	Preferred Stock - Series A *(1)(2)(4)	6/10/2016	3,200,000	3,200,000	2,221,440
					2,244,930
HERA SYSTEMS, INC. (7.8%) Aerospace	Convertible Promissory Note Matures January 2020 Interest Rate 10% (1)(2)(4)	5/31/2018	500,000	500,000	500,000
	Convertible Promissory Note Matures January 2020 Interest Rate 10% (1)(2)(4)	1/19/2018	500,000	500,000	500,000
	Preferred Stock - Series A *(1)(2)(4)	9/18/2015	3,642,324	2,000,000	431,615
	Preferred Stock - Series B *(1)(2)(4)	8/07/17 - 2/1/19	7,039,203	6,587,102	2,270,847
	Preferred Stock - Series C *(1)(2)(4)	8/7/2019	1,000,000	1,000,000	322,600
	Preferred Stock Warrants - Series B *(1)(2)(4)	8/7/2017	6,214,922	0	2,004,623
	Preferred Stock Warrants - Series B *(1)(2)(4)	9/28/2017	700,000	0	225,785
	Preferred Stock Warrants - Series B *(1)(2)(4)	7/9/18 - 9/4/18	12,250,000	0	3,951,237
	Preferred Stock Warrants - Series B *(1)(2)(4)	2/1/2019	5,250,000	0	1,693,387
					11,900,094
INTRAOP MEDICAL CORP. (13.3%) Medical Devices	Preferred Stock - Series C *(1)(2)(4)	7/12/2013	26,856,187	26,299,938	2,928,398
	Convertible Note Matures June 2020 Interest Rate 15% (1)(2)(4)	7/12/2019	1,300,000	1,300,000	1,300,000
	Convertible Note Matures June 2020 Interest Rate 15% (1)(2)(4)	12/31/2018	10,961,129	10,961,129	10,961,129
	Term Note Matures February 2020 Interest Rate 8% (1)(2)(4)	2/28/2014	3,000,000	3,000,000	3,000,000

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

Consolidated Schedule of Investments - continued

SEPTEMBER 30, 2019 (UNAUDITED)

PORTFOLIO COMPANY (% OF NET ASSETS) AND INDUSTRY	TYPE OF INVESTMENT	ACQUISITION DATE	SHARES/PAR VALUE (\$)	COST BASIS	VALUE
INTRAOP MEDICAL CORP. <i>(continued)</i>	Term Note Matures February 2020 Interest Rate 8% (1)(2)(4)	2/10/2017	2,000,000	\$ 2,000,000	\$ 2,000,000
					20,189,527
KYMA, INC. (0.1%) Advanced Materials	Convertible Note Matures March 2020 Interest Rate 10% (1)(4)	3/11/2019	100,000	100,000	100,000
LYNCEAN TECHNOLOGIES, INC. (0.6%) Semiconductor Equipment	Preferred Stock - Series B *(1)(4)	7/3/2018	869,792	1,000,000	978,038
PHUNWARE, INC. (0.7%) Mobile Computing	Common Stock*	3/14/2014	692,913	4,634,517	997,795
PIVOTAL SYSTEMS CORP. (26.6%) Semiconductor Equipment	Common Stock *(1)(2)(4)	11/28/12 - 9/2/16	45,090,506	12,294,557	40,379,306
QMAT, INC. (0.0%) Advanced Materials	Convertible Note Matures December 2019 Interest Rate 8% (1)(2)(4)	3/28/2019	400,000	400,000	—
	Convertible Note Matures December 2019 Interest Rate 8% (1)(2)(4)	5/1/2019	200,000	200,000	—
	Convertible Note Matures December 2019 Interest Rate 8% (1)(2)(4)	3/13/2019	100,000	100,000	—
	Convertible Note Matures December 2019 Interest Rate 8% (1)(2)(4)	5/31/2019	200,000	200,000	—
	Convertible Note Matures December 2019 Interest Rate 8% (1)(2)(4)	8/30/2019	150,000	150,000	—
	Preferred Stock Warrants - Series A *(1)(2)(4)	12/14/2012	2,000,000	0	—

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

Consolidated Schedule of Investments - continued

SEPTEMBER 30, 2019 (UNAUDITED)

PORTFOLIO COMPANY (% OF NET ASSETS) AND INDUSTRY	TYPE OF INVESTMENT	ACQUISITION DATE	SHARES/PAR VALUE (\$)	COST BASIS	VALUE	
QMAT, INC. <i>(continued)</i>	Preferred Stock - Series A *(1)(2)(4)	12/14/12 - 04/28/16	16,000,240	\$ 9,680,305	\$ —	
	Convertible Note Matures December 2019 Interest Rate 8% (1)(2)(4)	12/14/18 - 2/28/19	7,502,600	7,502,600	—	
	Preferred Stock Warrants - Series C *(1)(2)(4)	12/14/2018	4,932,208	0	—	
	Convertible Note Matures December 2019 Interest Rate 8% (1)(2)(4)	5/14/2019	100,000	100,000	—	
	Convertible Note Matures December 2019 Interest Rate 8% (1)(2)(4)	8/14/2019	400,000	400,000	—	
	Convertible Note Matures December 2019 Interest Rate 8% (1)(2)(4)	7/30/2019	200,000	200,000	—	
	Convertible Note Matures December 2019 Interest Rate 8% (1)(2)(4)	6/14/2019	100,000	100,000	—	
	Convertible Note Matures December 2019 Interest Rate 8% (1)(2)(4)	9/26/2019	200,000	200,000	—	
	Convertible Note Matures December 2019 Interest Rate 8% (1)(2)(4)	7/11/2019	100,000	100,000	—	
	Convertible Note Matures December 2019 Interest Rate 8% (1)(2)(4)	6/28/2019	220,000	220,000	—	
	Preferred Stock - Series B *(1)(2)(4)	09/28/16 - 11/07/16	2,000,000	2,000,000	—	
	Common Stock *	12/27/16 - 11/09/17	600,000	852,983	210,900	
	QUICKLOGIC CORP. (0.1%) Semiconductors					

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

Consolidated Schedule of Investments - continued

SEPTEMBER 30, 2019 (UNAUDITED)

PORTFOLIO COMPANY (% OF NET ASSETS) AND INDUSTRY	TYPE OF INVESTMENT	ACQUISITION DATE	SHARES/PAR VALUE (\$)	COST BASIS	VALUE
REVASUM, INC. (23.7%) Semiconductor Equipment	Common Stock *(1)(2)(4)	11/14/16 - 11/30/18	46,834,340	\$ 13,512,264	\$36,023,127
SILICON GENESIS CORP. (1.0%) Intellectual Property	Preferred Stock - Series 1-G *(1)(2)(4)	3/10/2016	48,370,793	3,880,592	666,066
	Preferred Stock - Series 1-H *(1)(2)(4)	3/10/2016	837,942	936,895	72,817
	Common Stock *(1)(2)(4)	4/18/2011	921,892	169,045	737
	Common Stock Warrants *(1)(2)(4)	4/18/2011	37,982	6,678	12
	Preferred Stock - Series 1-F *(1)(2)(4)	4/18/2011	912,453	456,389	145,354
	Common Stock Warrants *(1)(2)(4)	10/13/2011	5,000,000	—	2,000
	Common Stock Warrants *(1)(2)(4)	2/6/2012	3,000,000	—	1,200
	Preferred Stock - Series 1-E *(1)(2)(4)	4/18/2011	5,704,480	2,372,403	658,296
	Preferred Stock - Series 1-C *(1)(2)(4)	4/18/2011	82,914	109,518	5,373
	Preferred Stock - Series 1-D *(1)(2)(4)	4/18/2011	850,830	431,901	14,210
					1,566,065
SVXR, INC. (3.2%) Semiconductor Equipment	Preferred Stock - Series A *(1)(3)(4)	1/11/17 - 8/29/18	8,219,454	4,082,192	4,879,068
TELEPATHY INVESTORS, INC. (0.0%) Consumer Electronics	Preferred Stock - Series A *(1)(2)(4)	7/29/2014	15,238,000	3,999,999	0
	Convertible Note Matures December 2019 Interest Rate 10% (1)(2)(4)	4/20/2016	500,000	500,000	0
	Convertible Note Matures December 2019 Interest Rate 10% (1)(2)(4)	6/23/2015	2,000,000	2,000,000	0

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

Consolidated Schedule of Investments - continued

SEPTEMBER 30, 2019 (UNAUDITED)

PORTFOLIO COMPANY (% OF NET ASSETS) AND INDUSTRY	TYPE OF INVESTMENT	ACQUISITION DATE	SHARES/PAR VALUE (\$)	COST BASIS	VALUE
TELEPATHY INVESTORS, INC. <i>(continued)</i>	Convertible Note Matures December 2019 Interest Rate 10% (1)(2)(4)	5/3/2017	300,000	\$ 300,000	\$ 0
	Convertible Note Matures December 2019 Interest Rate 10% (1)(2)(4)	9/7/2018	200,000	200,000	0
	Convertible Note Matures December 2019 Interest Rate 10% (1)(2)(4)	1/29/2016	300,000	300,000	0
	Convertible Note Matures December 2019 Interest Rate 10% (1)(2)(4)	12/13/2016	500,000	500,000	0
	Convertible Note Matures December 2019 Interest Rate 10% (1)(2)(4)	6/21/2016	150,000	150,000	0
					0
UCT COATINGS, INC. (0.5%) Advanced Materials	Common Stock *(1)(3)(4)	4/18/2011	1,500,000	662,235	718,350
WRIGHTSPEED, INC. (10.7%) Automotive	Common Stock *(1)(2)(4)	6/7/2019	69,102	7,460,851	11,112
	Common Stock Warrants *(1)(2)(4)	6/7/2019	181	—	—
	Convertible Note Matures December 2019 Interest Rate 12% (1)(2)(4)	6/7/2019	4,929,015	4,929,015	4,929,015
	Preferred Stock - Series AA *(1)(2)(4)	6/7/2019 - 9/25/2019	39,096,067	11,145,889	11,220,572
	Preferred Stock Warrants - Series AA *(1)(2)(4)	6/7/2019	609,742	—	60,303
					16,221,002
INVESTMENT COMPANY (8.0%)	Fidelity Investments Money Market Treasury Portfolio - Class I (5)	Various	12,272,927	12,272,927	12,272,927

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

Consolidated Schedule of Investments - continued

SEPTEMBER 30, 2019 (UNAUDITED)

PORTFOLIO COMPANY (% OF NET ASSETS) AND INDUSTRY	TYPE OF INVESTMENT	ACQUISITION DATE	SHARES/PAR VALUE (\$)	COST BASIS	VALUE
TOTAL INVESTMENTS (Cost \$168,181,924) — 97.8%					\$148,681,129
Other assets in excess of Liabilities— 2.2%					3,189,075
NET ASSETS — 100.0%					\$151,870,204

* *Non-income producing security.*

(1) *Restricted security. Fair Value is determined by or under the direction of the Company's Board of Directors (See note 3). At September 30, 2019, we held \$135,199,507 (or 89.0% of net assets) in restricted securities (see Note 2).*

(2) *Controlled investments.*

(3) *Affiliated issuer.*

(4) *Fair Value Level 3 security.*

(5) *The Fidelity Investments Money Market Portfolio invests primarily in U.S. Treasury securities.*

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

Consolidated Schedule of Investments

DECEMBER 31, 2018

PORTFOLIO COMPANY (% OF NET ASSETS) AND INDUSTRY	INVESTMENT TYPE	ACQUISITION DATE	SHARES/PAR VALUE (\$)	COST BASIS	VALUE
EQX CAPITAL, INC (1.8%) Equipment Leasing	Common Stock *(1)(2)(4)	6/10/16	100,000	\$ 20,000	\$ 36,470
	Preferred Stock - Series A *(1)(2)(4)	6/10/16	4,000,000	4,000,000	3,491,600
					3,528,070
HERA SYSTEMS, INC. (3.5%) Aerospace	Convertible Promissory Note Matures January 2019 Interest Rate 10% (1)(2)(4)	5/31/18	500,000	500,000	500,000
	Convertible Promissory Note Matures January 2019 Interest Rate 10% (1)(2)(4)	1/19/18	500,000	500,000	500,000
	Preferred Stock - Series A *(1)(2)(4)	9/18/15	3,642,324	2,000,000	207,977
	Preferred Stock - Series B *(1)(2)(4)	8/07/17 - 9/4/18	5,539,203	5,087,102	1,231,365
	Preferred Stock Warrants - Series B *(1)(2)(4)	8/7/17	6,214,922	0	1,380,956
	Preferred Stock Warrants - Series B *(1)(2)(4)	9/28/17	700,000	0	155,540
	Preferred Stock Warrants - Series B *(1)(2)(4)	7/9/18 - 9/4/18	12,250,000	0	2,721,950
INTRAOP MEDICAL CORP. (15.4%) Medical Devices	Convertible Note Matures June 2020 Interest Rate 8% (1)(2)(4)	12/31/18	10,961,129	10,961,129	10,961,129
	Preferred Stock - Series C *(1)(2)(4)	7/12/13	26,856,187	26,299,938	13,565,328
	Term Note Matures February 2020 Interest Rate 8% (1)(2)(4)	2/10/17	2,000,000	2,000,000	2,000,000
	Term Note Matures February 2020 Interest Rate 8% (1)(2)(4)	2/28/14	3,000,000	3,000,000	3,000,000

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

Consolidated Schedule of Investments - continued

DECEMBER 31, 2018

PORTFOLIO COMPANY (% OF NET ASSETS) AND INDUSTRY	INVESTMENT TYPE	ACQUISITION DATE	SHARES/PAR VALUE (\$)	COST BASIS	VALUE
LYNCEAN TECHNOLOGIES, INC. (0.5%) Semiconductor Equipment	Preferred Stock - Series B *(1)(4)	7/3/18	869,792	\$ 1,000,000	\$ 1,000,000
PHUNWARE, INC. (10.0%) Mobile Computing	Common Stock *(1)(3)(4)	3/14/14	1,495,113	9,999,997	19,121,150
PIVOTAL SYSTEMS CORP. (28.1%) Semiconductor Equipment	Common Stock *(1)(2)(4)	11/28/12 - 09/02/16	53,758,441	19,446,197	53,825,978
QMAT, INC. (7.0%) Advanced Materials	Preferred Stock - Series A *(1)(2)(4)	12/14/12 - 04/28/16	16,000,240	9,680,305	4,612,549
	Preferred Stock - Series B *(1)(2)(4)	9/28/16 - 11/7/16	2,000,000	2,000,000	1,594,000
	Convertible Note Matures December 2019 Interest Rate 8% (1)(2)(4)	12/14/18	7,002,600	7,002,600	7,002,600
	Preferred Stock Warrants - Series C *(1)(2)(4)	12/14/18	4,932,208	0	81,381
	Preferred Stock Warrants - Series A *(1)(2)(4)	12/14/12	2,000,000	0	112,000
					13,402,530
QUICKLOGIC CORP. (0.4%) Semiconductors	Common Stock *	12/27/16 - 11/09/17	1,000,000	1,488,025	734,000
REVASUM, INC. (30.6%) Semiconductor Equipment	Common Stock *(1)(2)(4)	11/14/16 - 11/30/18	53,834,340	18,537,905	58,608,601

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

Consolidated Schedule of Investments - continued

DECEMBER 31, 2018

PORTFOLIO COMPANY (% OF NET ASSETS) AND INDUSTRY	INVESTMENT TYPE	ACQUISITION DATE	SHARES/PAR VALUE (\$)	COST BASIS	VALUE
ROKU, INC. (1.8%) Consumer Electronics	Common Stock *	05/26/15 - 08/06/15	115,000	\$ 1,035,000	\$ 3,523,600
SILICON GENESIS CORP. (1.7%) Intellectual Property	Preferred Stock - Series 1-E *(1)(2)(4)	4/18/11	5,704,480	2,372,403	1,233,879
	Preferred Stock - Series 1-C *(1)(2)(4)	4/18/11	82,914	109,518	25,463
	Preferred Stock - Series 1-D *(1)(2)(4)	4/18/11	850,830	431,901	68,917
	Common Stock *(1)(2)(4)	4/18/11	921,892	169,045	4,517
	Common Stock Warrants *(1)(2)(4)	4/18/11	37,982	6,678	84
	Preferred Stock - Series 1-F *(1)(2)(4)	4/18/11	912,453	456,389	270,816
	Common Stock Warrants *(1)(2)(4)	10/13/11	5,000,000	0	2,000
	Common Stock Warrants *(1)(2)(4)	2/6/12	3,000,000	0	1,200
	Preferred Stock - Series 1-G *(1)(2)(4)	3/10/16	48,370,793	3,880,592	1,443,530
	Preferred Stock - Series 1-H *(1)(2)(4)	3/10/16	837,942	936,895	137,339
					3,187,745
SVXR, INC. (2.6%) Semiconductor Equipment	Preferred Stock - Series A *(1)(3)(4)	1/11/17 - 8/29/18	8,219,454	4,082,192	4,923,206
TELEPATHY INVESTORS, INC. (0.7%) Consumer Electronics	Convertible Note Matures January 2019 Interest Rate 10% (1)(2)(4)	6/21/16	150,000	150,000	14,678
	Convertible Note Matures January 2019 Interest Rate 10% (1)(2)(4)	9/7/18	200,000	200,000	19,570

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

Consolidated Schedule of Investments - continued

DECEMBER 31, 2018

PORTFOLIO COMPANY (% OF NET ASSETS) AND INDUSTRY	INVESTMENT TYPE	ACQUISITION DATE	SHARES/PAR VALUE (\$)	COST BASIS	VALUE
TELEPATHY INVESTORS, INC. (continued)	Convertible Note Matures January 2019 Interest Rate 10% (1)(2)(4)	4/20/16	500,000	\$ 500,000	\$ 48,925
	Convertible Note Matures January 2019 Interest Rate 10% (1)(2)(4)	6/23/15	2,000,000	2,000,000	195,700
	Convertible Note Matures January 2019 Interest Rate 10% (1)(2)(4)	5/3/17	300,000	300,000	29,355
	Preferred Stock -Series A *(1)(2)(4)	7/29/14	15,238,000	3,999,999	927,994
	Convertible Note Matures January 2019 Interest Rate 10% (1)(2)(4)	1/29/16	300,000	300,000	29,355
	Convertible Note Matures January 2019 Interest Rate 10% (1)(2)(4)	12/13/16	500,000	500,000	48,925
UCT COATINGS, INC. (0.4%) Advanced Materials	Common Stock *(1)(3)(4)	4/18/11	1,500,000	662,235	748,950
VUFINE, INC. (0.0%) Consumer Electronics	Convertible Note Matures July 2019 Interest Rate 12% (1)(2)(4)	10/31/18	200,000	200,000	1,537
	Convertible Note Matures July 2019 Interest Rate 12% (1)(2)(4)	7/10/17	1,500,000	1,500,000	11,526
	Convertible Note Matures July 2019 Interest Rate 12% (1)(2)(4)	9/13/18	100,000	100,000	768
	Convertible Note Matures October 2019 Interest Rate 12% (1)(2)(4)	10/16/17	250,000	250,000	1,921
	Convertible Note Matures July 2019 Interest Rate 12% (1)(2)(4)	1/31/18	350,000	350,000	2,689

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

Consolidated Schedule of Investments - continued

DECEMBER 31, 2018

PORTFOLIO COMPANY (% OF NET ASSETS) AND INDUSTRY	INVESTMENT TYPE	ACQUISITION DATE	SHARES/PAR VALUE (\$)	COST BASIS	VALUE
VUFINE, INC. (0.0%) <i>(continued)</i>	Convertible Note Matures July 2019 Interest Rate 12% (1)(2)(4)	6/19/18	300,000	\$ 300,000	\$ 2,305
	Common Stock *(1)(2)(4)	2/26/15	750,000	15,000	0
	Preferred Stock - Series A *(1)(2)(4)	03/04/15 - 02/18/16	22,500,000	2,250,000	0
					20,746
WRIGHTSPEED, INC. (4.8%) Automotive	Convertible Note Matures December 2019 Interest Rate 12% (1)(3)(4)	12/31/18	100,000	100,000	2,751
	Convertible Note Matures December 2019 Interest Rate 12% (1)(3)(4)	5/1/18	3,700,000	3,700,000	101,787
	Convertible Note Matures December 2019 Interest Rate 12% (1)(3)(4)	6/21/18	2,000,000	2,000,000	55,020
	Convertible Note Matures December 2019 Interest Rate 12% (1)(3)(4)	8/10/18	3,000,000	3,000,000	82,530
	Preferred Stock - Series C *(1)(3)(4)	4/11/13	2,267,659	1,922,975	494,803
	Preferred Stock - Series D *(1)(3)(4)	12/15/14	1,100,978	3,375,887	310,806
	Preferred Stock - Series E *(1)(3)(4)	7/10/15	450,814	1,658,996	136,732
	Preferred Stock - Series F *(1)(3)(4)	8/31/17	90,707	499,995	41,344
	Preferred Stock Warrants - Series F *(1)(3)(4)	12/31/18	200,000	0	90,980
	Preferred Stock Warrants - Series F *(1)(3)(4)	12/31/18	200,000	0	224
	Preferred Stock Warrants - Series F *(1)(3)(4)	4/9/18	13,606	0	22
	Preferred Stock Warrants - Series F *(1)(3)(4)	4/26/18	6,803	0	11
	Preferred Stock Warrants - Series F *(1)(3)(4)	8/10/18	6,000,000	0	2,729,400

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

Consolidated Schedule of Investments - continued

DECEMBER 31, 2018

PORTFOLIO COMPANY (% OF NET ASSETS) AND INDUSTRY	INVESTMENT TYPE	ACQUISITION DATE	SHARES/PAR VALUE (\$)	COST BASIS	VALUE
WRIGHTSPEED, INC. <i>(continued)</i>	Preferred Stock Warrants - Series F *(1)(3)(4)	5/1/18	7,400,000	\$ 0	\$ 3,366,260
	Preferred Stock Warrants - Series F *(1)(3)(4)	6/21/18	4,000,000	0	1,819,600
	Preferred Stock Warrants - Series F *(1)(3)(4)	8/10/18	6,000,000	0	6,720
	Preferred Stock Warrants - Series F *(1)(3)(4)	5/1/18	7,400,000	0	8,288
	Preferred Stock Warrants - Series F *(1)(3)(4)	6/21/18	4,000,000	0	4,480
	Preferred Stock Warrants - Series F *(1)(3)(4)	8/31/17	18,141	0	29
	Preferred Stock Warrants - Series F *(1)(3)(4)	2/7/18	11,338	0	18
INVESTMENT COMPANY (0.2%)	Fidelity Investments Money Market Treasury Portfolio - Class I (5)	Various	438,442	438,442	438,442
TOTAL INVESTMENTS (Cost \$167,277,338) — 109.5%					209,853,570
LIABILITIES IN EXCESS OF OTHER ASSETS — (9.5)%					(18,235,611)
NET ASSETS — 100%					\$191,617,959

* Non-income producing security.

(1) Restricted security. Fair Value is determined by or under the direction of the Company's Board of Directors (See note 3). At December 31, 2018, we held \$205,157,528 (or 107.07% of net assets) in restricted securities (see Note 2).

(2) Controlled Investments.

(3) Affiliated issuer.

(4) Fair Value Level 3 Security.

(5) The Fidelity Investments Money Market Portfolio invests primarily in U.S. Treasury securities.

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

Notes to Financial Statements

SEPTEMBER 30, 2019 (UNAUDITED)

NOTE 1. THE COMPANY

Firsthand Technology Value Fund, Inc. (the “Company,” the “Fund,” “us,” “our,” and “we”), is a Maryland corporation and an externally managed, non-diversified, closed-end management investment company that has elected to be treated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). The Company acquired its initial portfolio of securities through the reorganization of Firsthand Technology Value Fund, a series of Firsthand Funds, into the Company. The reorganization was completed on April 15, 2011. The Company commenced operations on April 18th, 2011. Under normal circumstances, the Company will invest at least 80% of its assets for investment purposes in technology companies, which are considered to be those companies that derive at least 50% of their revenues from products and/ or services within the information technology sector or the “cleantech” sector. Information technology companies include, but are not limited to, those focused on computer hardware, software, telecommunications, networking, Internet, and consumer electronics. While there is no standard definition of cleantech, it is generally regarded as including goods and services designed to harness renewable energy and materials, eliminate emissions and waste, and reduce the use of natural resources. In addition, under normal circumstances we will invest at least 70% of our assets in privately held companies and in public companies with market capitalizations less than \$250 million. Our portfolio is primarily composed of equity and equity derivative securities of technology and cleantech companies (as defined above). These investments generally range between \$1 million and \$10 million each, although the investment size will vary proportionately with the size of the Company’s capital base. The Company’s shares are listed on the NASDAQ Global Market under the symbol “SVVC.” Firsthand Capital Management, Inc., which was previously known as SiVest Group, Inc. (“FCM” or the “Advisor”), serves as the investment adviser to the Company.

The Company is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946.

CONSOLIDATION OF SUBSIDIARIES. On May 8, 2015, the Board of Directors of the Company approved the formation of a fully owned and controlled subsidiary (as defined by the 1940 Act) of the Company named Firsthand Venture Investors (“FVI”), a California general partnership formed on March 30, 2015. After the close of business on June 30, 2015, the Company contributed substantially all of its assets to FVI in return for a controlling general partner ownership interest in FVI. The transaction was completed on July 1, 2015. Under this structure, we have all or substantially all of our investment activities conducted through our fully owned subsidiary, FVI.

During the fiscal years ended December 31, 2016 and 2017, with the approval of its Board of Directors, the Company organized three separate fully owned and controlled subsidiaries (as defined by the 1940 Act). Each subsidiary was a Cayman Islands corporation and the financial statements of each subsidiary were reported on a consolidated basis with the Company. Each subsidiary was formed for the purpose of holding one or more investments made by the Company, and was treated as a controlled foreign corporation under the Internal Revenue Code not separately subject to U.S. federal income tax. FVI was treated as the sole U.S. shareholder of each subsidiary.

The Board of Directors of the Company approved the liquidation of those three Cayman subsidiaries on November 2, 2018. That liquidation was completed on December 27, 2018.

Firsthand Technology Value Fund, Inc.

Notes to Financial Statements - continued

SEPTEMBER 30, 2019 (UNAUDITED)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed in the preparation of the Company's financial statements included in this report:

BASIS OF PRESENTATION. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") pursuant to the requirements on Form 10-K, ASC 946, *Financial Services—Investment Companies* ("ASC 946"), and Articles 6, 10 and 12 of Regulation S-X. In the opinion of management, all adjustments, which are of a normal recurring nature, considered necessary for the fair presentation of the financial statements for the periods presented, have been included.

Under the 1940 Act, ASC 946, and the regulations pursuant to Article 6 of Regulation S-X, we are precluded from consolidating any entity other than another investment company or an operating company which provides substantially all of its services to benefit us. Consequentially, as of December 31, 2018, the Company consolidated some special purpose entities. These special purpose entities only hold investments of the Company and have no other significant asset and liabilities. All significant intercompany transactions and balances have been eliminated in consolidation.

USE OF ESTIMATES. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

PORTFOLIO INVESTMENT VALUATIONS. Investments are stated at "value" as defined in the 1940 Act and in the applicable regulations of the Securities and Exchange Commission and in accordance with GAAP. Value, as defined in Section 2(a)(41) of the 1940 Act, is (i) the market value of 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 securities and assets. On September 30, 2019, our financial statements include venture capital investments valued at approximately \$58.8 million. The fair values of our venture capital investments were determined in good faith by, or under the direction of, the Board. Upon sale of these investments, the values that are ultimately realized may be different from what is presently estimated. The difference could be material. Also see note 6 regarding the fair value of the company's investments.

CASH AND CASH EQUIVALENTS. The Company considers liquid assets deposited with a bank, investments in money market funds, and certain short-term debt instruments with maturities of three months or less to be cash equivalents. These investments represent amounts held with financial institutions that are readily accessible to pay our expenses or purchase investments. Cash and cash equivalents are valued at cost plus accrued interest, which approximates market value.

RESTRICTED SECURITIES. At September 30, 2019, we held \$135,199,507 in restricted securities. At December 31, 2018, we held \$205,157,528 in restricted securities.

INCOME RECOGNITION. Dividend income is recorded on the ex-dividend date. Interest income is accrued as earned. Discounts and premiums on securities purchased are amortized over the lives of the respective securities. Other non-cash dividends are recognized as investment income at the fair value of the property received. When debt securities are determined to be non-income producing, the Company ceases accruing interest and writes off any previously accrued interest. These write-offs are recorded as a debit to interest income.

SHARE VALUATION. The net asset value ("NAV") per share of the Fund is calculated by dividing the sum of the value of the securities held by the Fund, plus cash or other assets, minus all liabilities (including estimated accrued expenses) by the total number of shares outstanding of the Fund, rounded to the nearest cent.

Firsthand Technology Value Fund, Inc.

Notes to Financial Statements - continued

SEPTEMBER 30, 2019 (UNAUDITED)

REALIZED GAIN OR LOSS AND UNREALIZED APPRECIATION OR DEPRECIATION OF PORTFOLIO INVESTMENTS. A realized gain or loss is recognized when an investment is disposed of and is computed as the difference between the Company's cost basis in the investment at the disposition date and the net proceeds received from such disposition. Realized gains and losses are calculated on a specific identification basis. Unrealized appreciation or depreciation is computed as the difference between the fair value of the investment and the cost basis of such investment.

INCOME TAXES. The Company provides for state and federal corporate income tax, as appropriate, because it is regarded as a corporation under Subchapter C of the Code. The Company recognizes interest and penalties in income tax expense.

FOREIGN CURRENCY TRANSLATION. The accounting records of the Company are maintained in U.S. dollars. All assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the foreign exchange rate on the date of valuation. The Company does not isolate that portion of the results of operation resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. The Company's investments in foreign securities may involve certain risks, including without limitation: foreign exchange restrictions, expropriation, taxation or other political, social, or economic risks, all of which could affect the market and/or credit risk of the investment. In addition, changes in the relationship of foreign currencies to the U.S. dollar can significantly affect the value of these investments and therefore the earnings of the Company.

SECURITIES TRANSACTIONS. Securities transactions are accounted for on the date the transaction for the purchase or sale of the securities is entered into by the Company (i.e., trade date).

CONCENTRATION OF CREDIT RISK. The Company places its cash and cash equivalents with financial institutions and, at times, cash held in checking accounts may exceed the Federal Deposit Insurance Corporation insured limit.

OPTIONS. The Company is subject to equity price risk in the normal course of pursuing its investment objectives and may enter into options written to hedge against changes in the value of equities. The Company may purchase put and call options to attempt to provide protection against adverse price effects from anticipated changes in prevailing prices of securities or stock indices. The Company may also write put and call options. When the Company writes an option, an amount equal to the premium received by the Company is recorded as a liability and is subsequently adjusted to the current fair value of the option written.

Premiums received from writing options that expire unexercised are treated by the Company on the expiration date as realized gains from investments. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or, if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security or currency in determining whether the Company has realized a gain or loss. The Company as writer of an option bears the market risk of an unfavorable change in the price of the security underlying the written option.

The average quarterly volume of the Company's derivatives during the nine months ended September 30, 2019 is as follows:

	PURCHASED OPTIONS (CONTRACTS)	WARRANTS (NOTIONAL VALUE)	WRITTEN OPTIONS (CONTRACTS)
Firsthand Technology Value Fund, Inc.	—	10,648,919	20

Firsthand Technology Value Fund, Inc.

Notes to Financial Statements - continued

SEPTEMBER 30, 2019 (UNAUDITED)

NOTE 3. BUSINESS RISKS AND UNCERTAINTIES

We plan to invest a substantial portion of our assets in privately-held companies, the securities of which are inherently illiquid. We also seek to invest in small publicly-traded companies that we believe have exceptional growth potential and to make opportunistic investments in publicly-traded companies, both large and small. In the case of investments in small publicly-traded companies, although these companies are publicly traded, their stock may not trade at high volumes, and prices can be volatile, which may restrict our ability to sell our positions. We may also be subject to contractual restrictions or securities law limits on our ability to sell portfolio holdings because of, for example, our affiliation with a portfolio company or the relative size of our holding in a company. These privately held and publicly traded businesses tend to lack management depth, have limited or no history of operations and typically have not attained profitability. Because of the speculative nature of our investments and the lack of public markets for privately held investments, there is greater risk of loss than is the case with traditional investment securities.

We do not choose investments based on a strategy of diversification. We also do not rebalance the portfolio should one of our portfolio companies increase in value substantially relative to the rest of the portfolio. Therefore, the value of our portfolio may be more vulnerable to events affecting a single sector, industry or portfolio company and, therefore, may be subject to greater volatility than a company that follows a diversification strategy.

Because there is typically no public or readily-ascertainable market for our interests in the small privately-held companies in which we invest, the valuation of those securities is determined in good faith by the Valuation Committee, comprised of all members of the Board who are not “interested persons” of the Company, as such term is defined in Section 2(a) (19) of the 1940 Act, in accordance with our Valuation Procedures and is subject to significant estimates and judgments. The determined value of the securities in our portfolio may differ significantly from the values that would be placed on these securities if a ready market for the securities existed. Any changes in valuation are recorded in our Statement of Operations as “Net increase (decrease) in unrealized appreciation on investments.” Changes in valuation of any of our investments in privately-held companies from one period to another may be volatile.

The Board has engaged an independent valuation firm to provide it with valuation assistance with respect to certain of our portfolio investments. The Company intends to continue to engage an independent valuation firm to provide us with assistance regarding our determination of the fair value of select portfolio investments each quarter unless directed by the Board to cancel such valuation services. The scope of the services rendered by an independent valuation firm is at the discretion of the Board. The Board is ultimately and solely responsible for determining the fair value of the Company’s investments in good faith.

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

- (1) each quarter the valuation process begins with each portfolio company or investment being initially valued by the Adviser Valuation Committee or the independent valuation firm;
- (2) the Valuation Committee of the Board on a quarterly basis reviews the preliminary valuation of the Adviser Valuation Committee and that of the independent valuation firms and makes the fair value determination, in good faith, based on the valuation recommendations of the Adviser Valuation Committee and the independent valuation firms; and

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- (3) at each quarterly Board meeting, the Board considers the valuations recommended by the Adviser Valuation Committee and the independent valuation firms that were previously submitted to the Valuation Committee of the Board and ratifies the fair value determinations made by the Valuation Committee of the Board.

NOTE 4. INVESTMENT MANAGEMENT FEE

The Company has entered into an investment management agreement (the “Investment Management Agreement”) with FCM pursuant to which the Company will pay FCM a fee for providing investment management services consisting of two components—a base management fee and an incentive fee.

The base management fee will be calculated at an annual rate of 2.00% of our gross assets. For services rendered under the Investment Management Agreement, the base management fee will be payable quarterly in arrears. The base management fee will be calculated based on the average of (1) the value of our gross assets at the end of the current calendar quarter and (2) the value of the Company’s gross assets at the end of the preceding calendar quarter; and will be appropriately adjusted for any share issuances or repurchases during the current calendar quarter. Base management fees for any partial month or quarter will be pro-rated.

The incentive fee is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Management Agreement, as of the termination date), commencing on April 15, 2011, and equals 20% of the Company’s realized capital gains, if any, on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid incentive fees, provided that the incentive fee determined as of December 31, 2018, will be calculated for a period of shorter than twelve calendar months to take into account any realized gains computed net of all realized capital losses and unrealized capital depreciation from inception. As of September 30, 2019, there was no incentive fee adjustment. As of September 30, 2018, there was an incentive fee adjustment for \$9,633,974.

NOTE 5. DEBT

The Company currently has no plan to use leverage and does not have any significant outstanding debt obligations (other than normal operating expense accruals).

NOTE 6. FAIR VALUE

Securities traded on stock exchanges, or quoted by NASDAQ, are valued according to the NASDAQ Stock Market, Inc. (“NASDAQ”) official closing price, if applicable, or at their last reported sale price as of the close of trading on the New York Stock Exchange (“NYSE”) (normally 4:00 P.M. Eastern Time). If a security is not traded that day, the security will be valued at its most recent bid price.

Securities traded in the over-the-counter market, but not quoted by NASDAQ, are valued at the last sale price (or, if the last sale price is not readily available, at the most recent closing bid price as quoted by brokers that make markets in the securities) at the close of trading on the NYSE.

Securities traded both in the over-the-counter market and on a stock exchange are valued according to the broadest and most representative market.

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Securities and other assets that do not have market quotations readily available are valued at their fair value as determined in good faith by the Board in accordance with the Valuation Procedures adopted by the Valuation Committee of the Board.

In pricing illiquid, privately placed securities, the Board of Directors is responsible for (1) determining overall valuation guidelines and (2) ensuring that the investments of the Company are valued within the prescribed guidelines.

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 the Adviser and an independent valuation firm.

The 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.

APPROACHES TO DETERMINING FAIR VALUE. GAAP 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). In effect, GAAP 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 asset-based approach. The choice of which approach to use in a particular situation depends on the specific facts and circumstances associated with the company, as well as the purpose for which the valuation analysis is being conducted. Firsthand and the independent valuation firm rely primarily on the market approach. We also considered the income and asset-based approaches in our analysis because certain of the portfolio companies do not have substantial operating earnings relative to the value of their underlying assets.

- Market Approach (M): The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. For example, the market approach often uses market multiples derived from a set of comparables. Multiples might lie in ranges with a different multiple for each comparable. The selection of where within the range each appropriate multiple falls requires the use of judgment in considering factors specific to the measurement (qualitative and quantitative).
- Income Approach (I): 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. 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.
- Asset-Based Approach (A): The asset-based approach examines the value of a company's assets net of its liabilities to derive a value for the equity holders.

FAIR VALUE MEASUREMENT. In accordance with the guidance from the Financial Accounting Standards Board on fair value measurements and disclosures under GAAP, the Company discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to

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valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements).

The guidance establishes three levels of the fair value hierarchy as follows:

- Level 1 -** Unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the date of measurement.
- Level 2 -** Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument in an inactive market, prices for similar instruments in an active or inactive market, interest rates, prepayment speeds, credit risks, yield curves, default rates, and similar data.
- Level 3 -** Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Company's own assumptions about the assumptions a market participant would use in valuing the asset or liability based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Company's net assets as of September 30, 2019:

ASSETS	LEVEL 1 QUOTED PRICES	LEVEL 2 OTHER SIGNIFICANT OBSERVABLE INPUTS	LEVEL 3 SIGNIFICANT UNOBSERVABLE INPUTS
Common Stocks			
Advanced Materials	\$ —	\$ —	\$ 718,350
Automotive	—	—	11,112
Equipment Leasing	—	—	23,490
Intellectual Property	—	—	737
Mobile Computing	997,795	—	—
Semiconductors	210,900	—	—
Semiconductors Equipment	—	—	76,402,433
Total Common Stocks	1,208,695	—	77,156,122

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ASSETS (continued)	LEVEL 1 QUOTED PRICES	LEVEL 2 OTHER SIGNIFICANT OBSERVABLE INPUTS	LEVEL 3 SIGNIFICANT UNOBSERVABLE INPUTS
Preferred Stocks			
Aerospace	\$ —	\$ —	\$ 3,025,062
Automotive	—	—	11,220,572
Equipment Leasing	—	—	2,221,440
Intellectual Property	—	—	1,562,116
Medical Devices	—	—	2,928,398
Semiconductor Equipment	—	—	5,857,106
Total Preferred Stocks	—	—	26,814,694
Asset Derivatives *			
Equity Contracts	—	—	7,938,547
Total Asset Derivatives	—	—	7,938,547
Convertible Notes			
Advanced Materials	—	—	100,000
Aerospace	—	—	1,000,000
Automotive	—	—	4,929,015
Medical Devices	—	—	17,261,129
Total Convertible Notes	—	—	23,290,144
Mutual Funds	12,272,927	—	—
Total	\$ 13,481,622	\$ —	\$ 135,199,507

* Asset derivatives include warrants.

At the end of each calendar quarter, management evaluates the Level 2 and Level 3 assets and liabilities for changes in liquidity, including but not limited to: whether a broker is willing to execute at the quoted price, the depth and consistency of prices from third party services, and the existence of contemporaneous, observable trades in the market. Additionally, management evaluates the Level 1 and Level 2 assets and liabilities on a quarterly basis for changes in listings or delistings on national exchanges. Transfers in and out of the levels are recognized at the value at the end of the period. There were no transfers between Levels 1 and 2 as of September 30, 2019.

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Following is a reconciliation of Level 3 assets (at either the beginning or the ending of the period) for which significant unobservable inputs were used to determine fair value.

INVESTMENTS AT FAIR VALUE USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	BALANCE AS OF 12/31/18	NET PURCHASES/ CONVERSIONS	NET SALES/ CONVERSIONS	NET REALIZED GAINS/ (LOSSES)	NET UNREALIZED APPRECIATION (DEPRECIATION) ⁽¹⁾	TRANSFERS IN (OUT) OF LEVEL 3	BALANCE AS OF 9/30/2019
Common Stocks							
Advanced Materials	\$ 748,950	\$ —	\$ —	\$ —	\$ (30,600)	\$ —	\$ 718,350
Automotive	—	7,460,851	—	—	(7,449,739)	—	11,112
Consumer Electronics	—	—	—	(15,000)	15,000	—	—
Equipment Leasing	36,470	—	—	—	(12,980)	—	23,490
Intellectual Property	4,517	—	—	—	(3,780)	—	737
Mobile Computing	19,121,150	—	(1,370,461)	(3,995,017)	(12,757,877)	(997,795)	—
Semiconductor							
Equipment	112,434,579	—	(14,689,087)	2,511,807	(23,854,866)	—	76,402,433
Preferred Stocks							
Advanced Materials	6,206,549	—	—	—	(6,206,549)	—	—
Aerospace	1,439,342	2,500,000	—	—	(914,280)	—	3,025,062
Automotive	983,685	11,148,889	(7,460,852)	—	6,548,850	—	11,220,572
Consumer Electronics	927,994	—	—	(2,250,000)	1,322,006	—	—
Equipment Leasing	3,491,600	—	(800,000)	—	(470,160)	—	2,221,440
Intellectual Property	3,179,944	—	—	—	(1,617,828)	—	1,562,116
Medical Devices	13,565,328	—	—	—	(10,636,930)	—	2,928,398
Semiconductor							
Equipment	5,923,206	—	—	—	(66,100)	—	5,857,106
Asset Derivatives							
Equity Contracts	12,481,143	—	—	—	(4,542,596)	—	7,938,547
Convertible Notes							
Advanced Materials	7,002,600	2,970,000	—	—	(9,872,600)	—	100,000
Aerospace	1,000,000	—	—	—	—	—	1,000,000
Automotive	242,088	8,229,015	(12,100,000)	—	8,557,912	—	4,929,015
Consumer Electronics	407,254	45,000	—	(2,745,000)	2,292,746	—	—
Medical Devices	15,961,129	1,300,000	—	—	—	—	17,261,129
Total	\$205,157,528	\$ 33,653,755	\$(36,420,400)	\$ (6,493,210)	\$(59,700,371)	\$ (997,795)	\$135,199,507

(1) The net change in unrealized appreciation (depreciation) from Level 3 instruments held as of September 30, 2019 was (\$58,892,793).

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The below chart represents quantitative disclosure about significant unobservable inputs for Level 3 fair value measurements at September 30, 2019:

	FAIR VALUE AT 9/30/19	VALUATION TECHNIQUES	UNOBSERVABLE INPUTS	RANGE (WEIGHTED AVG.)
Direct venture capital investments: Advanced Materials	\$0.8M	Market Comparable Companies Option Pricing Model	Revenue Multiple EBITDA Multiple Years to Maturity Volatility Risk-Free Rate Discount for Lack of Marketability Weighted Average Cost of Capital	0.9x - 1.3x (1.1x) 7.7x - 9.5x (8.6x) 5 years (5 years) 50.0% (50.0%) 1.88% (1.88%) 22.7% (22.7%) 23.1% (23.1%)
Direct venture capital investments: Aerospace	\$11.9M	Prior Transaction Analysis Option Pricing Model	Years to Maturity Volatility Risk-Free Rate	5 years (5 years) 60.0% (60.0%) 1.55% (1.55%)
Direct venture capital investments: Automotive	\$16.2M	Prior Transaction Analysis Option Pricing Model	Years to Maturity Volatility Risk-Free Rate	3 years (3 years) 50.0% (50.0%) 1.56% (1.56%)
Direct venture capital investments: Consumer Electronics	\$0.0M	Prior Transaction Analysis Option Pricing Model	Years to Maturity Volatility Risk-Free Rate	5 years (5 years) 70.0% (70.0%) 1.55% (1.55%)
Direct venture capital investments: Equipment Leasing	\$2.2M	Market Comparable Companies Discounted Cash Flow Option Pricing Model	EBITDA Multiple Weighted Average Cost of Capital Years to Maturity Volatility Risk-Free Rate	4.8x - 7.6x (5.5x) 20.0% (20.0%) 5 years (5 years) 50.0% (50.0%) 1.55% (1.55%)
Direct venture capital investments: Intellectual Property	\$1.6M	Prior Transaction Analysis Discounted Cash Flow Option Pricing Model	Weighted Average Cost of Capital Years to Maturity Volatility Risk-Free Rate Discount for Lack of Marketability Adjustment for Market Movement	10.0% (10.0%) 5 years (5 years) 55.0% (55.0%) 1.55% (1.55%) 0.0% - 24.3% (0.1%) -63.2% (-63.2%)
Direct venture capital investments: Medical Devices	\$20.2M	Market Comparable Companies Option Pricing Model	Revenue Multiple Years to Maturity Volatility Risk-Free Rate	3.1x - 4.0x (3.5x) 4 years (4 years) 50.0% (50.0%) 1.56% (1.56%)
Direct venture capital investments: Semiconductor Equipment	\$82.3M	Prior Transaction Analysis Option Pricing Model	Years to Maturity Volatility Risk-Free Rate Discount for Lack of Marketability	0 years - 5 years (0.8 years) 40.0% -50.0% (47.0%) 1.55% (1.55%) 0.0% - 12.1% (9.2%)

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NOTE 7. FEDERAL INCOME TAXES

Beginning in 2018, we were no longer able to qualify as a RIC under Subchapter M of the Code. The increase in value that resulted from the initial public offerings (IPOs) of Pivotal Systems and Revasum meant that we were no longer able to satisfy the diversification requirements for qualification as a RIC. As a result of this change, we were taxed as a corporation for our fiscal year ended December 31, 2018, and will continue to be taxed in that manner for future fiscal years, paying federal and applicable state corporate taxes on our taxable income, unless and until we are able to once again qualify as a RIC, based on changes in the composition of our portfolio. Consequently, at the close of each fiscal quarter beginning with the quarter ended June 30, 2018, we will record a deferred tax liability for any net realized gains and net ordinary income for the year-to-date period plus net unrealized gains as of the end of the quarter.

The reorganization described in Note 1 (the formation of FVI as a fully owned subsidiary for investment activities) was structured to avoid any adverse tax consequences for the Company and its shareholders. For the fiscal years which the Company operates as a RIC, we believe Company's engaging in investment activities through FVI did not, in our view, jeopardize the Company's ability to continue to qualify as a RIC under the Code at that time when the Company was eligible to be treated as a RIC.

The following information is based upon the U.S. federal income tax cost of portfolio investments as of September 30, 2019.

	FEDERAL INCOME TAX COST:
Gross unrealized appreciation	\$ 59,465,312
Gross unrealized depreciation	(78,966,107)
Net unrealized appreciation	<u>\$ (19,500,795)</u>
Federal income tax cost, Investments	<u>\$ 168,181,924</u>

The Company did not qualify as a regulated investment company pursuant to Subchapter M of the Internal Revenue Code, therefore it is taxed as a corporation. As a corporation, the Company is obligated to pay federal and state income tax on taxable income. The Company's net deferred tax asset balance was reduced, and continued to be completely offset, by the deferred tax liability. The Company is currently using an estimated tax rate of 21% for Federal and 6.98% for state taxes.

The Company's income tax provision consists of the following as of December 31, 2018

Deferred tax expense (benefit)	
Federal	\$ 5,922,998
State	1,969,708
Total deferred tax expense	<u>\$ 7,892,706</u>

The reconciliation between the federal statutory income tax rate of 21% and the effective tax rate on net investment income (loss) and realized and unrealized gain (loss) follows:

	AMOUNT	RATE
Application of statutory income tax rate	\$ 5,922,998	21.00%
State income taxes net of federal benefit	1,969,708	6.98%
Total income tax expense	<u>\$ 7,892,706</u>	<u>27.98%</u>

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Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Such temporary differences are principally: (i) taxes on unrealized gains/(losses), which are attributable to the temporary difference between fair market value and tax basis, (ii) the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes, and (iii) the net tax benefit of accumulated net operating losses and capital loss carryforwards. Deferred tax assets and liabilities are measured using effective tax rates expected to apply to taxable income in the years such temporary differences are realized or otherwise settled.

Components of the Company's deferred tax assets and liabilities as of December 31, 2018 are as follows:

	AMOUNT
Deferred tax assets:	
Net operating loss carryforward (tax basis)	\$ 505,388
Capital loss carryforward (tax basis)	1,397,685
Incentive fee adjustment (tax basis)	2,118,584
Total deferred tax assets	<u>4,021,657</u>
Deferred tax liabilities	
Net unrealized gains on investment securities (tax basis)	(11,914,362)
Total net deferred tax liability	<u>\$ (7,892,705)</u>

To the extent the Company has a deferred tax asset or if a portion of the deferred tax liability is offset by a tax asset resulting from net operating losses, consideration is given to whether or not a valuation allowance is required against the deferred tax asset amount. A valuation allowance is required if, based on the evaluation criterion provided by Accounting Standard Codification ("ASC") 740, Income Taxes (ASC 740), it is more-likely-than-not that some portion or all of the deferred tax asset will not be realized. Among the factors considered in assessing the Company's valuation allowance are: the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of the statutory carryforward periods, and the associated risks that operating and capital loss carryforwards may expire unused. Based on the Company's assessment, it has determined that in the future it is more likely than not that the Company will generate the necessary appropriate character of income within the carryforward periods to realize its deferred tax assets.

From time to time, and as new information becomes available, the Company will modify its forecasts, estimates or assumptions regarding its deferred tax liability or asset.

Modifications of the Company's estimates or assumptions regarding its deferred tax liability and/or asset balances and any applicable valuation allowance, changes in generally accepted accounting principles or related guidance or interpretations thereof, limitations imposed on net operating losses (if any), and changes in applicable tax law could result in increases or decreases in the Company's NAV, which could be material. Such changes could have a material impact on the Company's NAV and results of operations with respect to the Company's shareholders in the period it is recorded, even though the shareholders at such time might not have held shares in the Company at the time the deferred tax asset or liability had been established.

The Company's policy is to classify interest and penalties associated with underpayment of federal and state income taxes, if any, as income tax expense on its Statement of Operations. As of December 31, 2018, the Company did not have any interest or penalties associated with the underpayment of any income taxes.

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The Company files income tax returns in the U.S. federal jurisdiction and California. The Company has reviewed all major jurisdictions and concluded that there is no significant impact on the Company's net assets and no tax liability resulting from unrecognized tax benefits relating to uncertain tax positions expected to be taken on its tax returns. Furthermore, management of the Company is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next 12 months.

As of December 31, 2018, the Company had net operating loss carryforwards for federal and state of income tax purposes of \$1,806,014, which may be carried forward indefinitely:

As of December 31, 2018, the Company had net capital loss carryforwards for federal and state income tax purposes, which may be carried forward for 5 years, as follows:

EXPIRATION DATE	AMOUNT
12/31/23	\$ 4,994,658
Total	\$ 4,994,658

NOTE 8. INVESTMENT TRANSACTIONS

Investment transactions (excluding short-term investments) were as follows for the quarter ended September 30, 2019.

PURCHASES AND SALES

Purchases of investment securities	\$ 21,111,150
Proceeds from sales and maturities of investment securities	\$ (41,743,824)

NOTE 9. SHARE BUYBACKS

SHARE BUYBACKS. On April 26, 2016, the Board of Directors of the Fund approved a discretionary share repurchase plan (the "Plan"). Pursuant to the Plan, the Fund was authorized to purchase in the open market up to \$2 million worth of its common stock. The Plan allowed the Fund to acquire its own shares at certain thresholds below its NAV per share, in accordance with the guidelines specified in Rule 10b-18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The intent of the Plan was to increase NAV per share and thereby enhance shareholder value. The Fund completed the repurchase plan in September 2016, having repurchased and retired a total of 272,008 shares of stock, at a total cost of approximately \$2 million.

On November 10, 2017, the Board of Directors of the Fund approved a discretionary share purchase plan (the "Plan"). Pursuant to the Plan, the Fund was authorized to purchase in the open market up to \$2 million worth of its common stock. The Plan allowed the Fund to acquire its own shares in accordance with the guidelines specified in Rule 10b-18 of the Exchange Act. The intent of the Plan was to increase NAV per share and thereby enhance shareholder value. As of December 31, 2017, the Fund had repurchased and retired 128,551 shares of stock at a total cost of approximately \$1.1 million. The Fund had 7,302,146 shares outstanding as of December 31, 2017.

On August 31, 2018, the Fund announced a plan to repurchase up to \$2 million worth of SVVC stock in the open market by March 31, 2019. The Fund completed this open market repurchase plan on October 24, 2018. Through that date, the Fund repurchased 123,376 shares at an average price of \$16.21 per share, for total consideration of \$2.0 million. As of December 31, 2018, the Fund had 7,178,770 shares outstanding.

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TENDER OFFER. On December 22, 2014, pursuant to our agreement with a shareholder, the Fund commenced a tender offer to purchase up to \$20 million of its issued and outstanding common shares for cash at a price per share equal to 95% of the Company's NAV per share determined as of the close of ordinary trading on the NASDAQ Global Market on December 31, 2014 (\$23.2702 per share). The tender offer, which expired on January 22, 2015 at 12:00 midnight, New York City time, was oversubscribed. Because the number of shares tendered exceeded the maximum amount of its offer, the Fund purchased shares from tendering shareholders on a pro-rata basis based on the number of shares properly tendered. Of the 5,044,728 shares properly tendered, the Fund purchased 859,468 shares of common stock pursuant to the tender offer.

NOTE 10. INVESTMENTS IN AFFILIATES AND CONTROLLED INVESTMENTS

Under the 1940 Act, the Company is required to identify investments where it owns greater than 5% (but less than 25%) of the portfolio company's outstanding voting shares as an affiliate of the Company. Also, under the 1940 Act, the Company is required to identify investments where it owns greater than 25% of the portfolio company's outstanding voting shares as a controlled investment of the Company. A summary of the Company's investments in affiliates and controlled investments for the period from December 31, 2018, through September 30, 2019, is noted below:

AFFILIATE/ CONTROLLED INVESTMENTS*	VALUE AT 12/31/18	PURCHASES/ MERGER	INTEREST	SALES/ MATURITY/ EXPIRATION	REALIZED GAIN (LOSS)	CHANGE IN APPRECIATION/ DEPRECIATION	VALUE 9/30/19	SHARES HELD AT 9/30/19
EQX Capital, Inc. Common Stock*	\$ 36,470	\$ —	\$ —	\$ —	\$ —	\$ (12,980)	\$ 23,490	100,000
EQX, Inc. Preferred Stock - Series A*	3,491,600	—	—	(800,000)	—	(470,160)	2,221,440	3,200,000
Hera Systems, Inc. Series C Preferred*	—	1,000,000	—	—	—	(677,400)	322,600	1,000,000
Hera Systems, Inc. Series A Preferred*	207,977	—	—	—	—	223,638	431,615	3,642,324
Hera Systems, Inc. Convertible Note*	500,000	—	37,917	—	—	—	500,000	500,000
Hera Systems, Inc. Convertible Note*	500,000	—	37,917	—	—	—	500,000	500,000
Hera Systems, Inc. Series B Preferred*	1,231,365	1,500,000	—	—	—	(460,518)	2,270,847	7,039,203
Hera Systems, Inc. Series B Warrants*	155,540	—	—	—	—	70,245	225,785	700,000
Hera Systems, Inc. Series B Warrants*	1,380,956	—	—	—	—	623,667	2,004,623	6,214,922
Hera Systems, Inc. Series B Warrants*	2,721,950	—	—	—	—	1,229,287	3,951,237	12,250,000
Hera Systems, Inc. Series B Warrants*	—	—	—	—	—	1,693,387	1,693,387	5,250,000
IntraOp Medical Corp. Convertible Note*	—	1,300,000	43,274	—	—	—	1,300,000	1,300,000
IntraOp Medical Corp. Series C Preferred*	13,565,328	—	—	—	—	(10,636,930)	2,928,398	26,856,187

Firsthand Technology Value Fund, Inc.

Notes to Financial Statements - continued

SEPTEMBER 30, 2019 (UNAUDITED)

AFFILIATE/ CONTROLLED INVESTMENTS*	VALUE AT 12/31/18	PURCHASES/ MERGER	INTEREST	SALES/ MATURITY/ EXPIRATION	REALIZED GAIN (LOSS)	CHANGE IN APPRECIATION/ DEPRECIATION	VALUE 9/30/19	SHARES HELD AT 9/30/19
IntraOp Medical Corp. Term Note*	\$ 3,000,000	\$ —	\$ 179,507	\$ —	\$ —	\$ —	\$ 3,000,000	3,000,000
IntraOp Medical Corp. Term Note*	2,000,000	—	119,671	—	—	—	2,000,000	2,000,000
IntraOp Medical Corp. Convertible Note*	10,961,129	—	1,229,749	—	—	—	10,961,129	10,961,129
Phunware, Inc. Common Stock ⁽¹⁾	19,121,150	—	—	(1,370,462)	(3,995,017)	(12,757,876)	997,795	692,913
Pivotal Systems Common Stock*	53,825,978	—	—	(8,267,812)	1,116,173	(6,295,033)	40,379,306	45,090,506
QMAT, Preferred Stock Series A*	4,612,549	—	—	—	—	(4,612,549)	—	16,000,240
QMAT, Preferred Stock Series B*	1,594,000	—	—	—	—	(1,594,000)	—	2,000,000
QMAT, Series A Warrant*	112,000	—	—	—	—	(112,000)	—	2,000,000
QMAT, Preferred Stock Warrants - Series C*	81,381	—	—	—	—	(81,381)	—	4,932,208
QMAT, Convertible Note*	7,002,600	500,000	(27,627)	—	—	(7,502,600)	—	7,502,600
QMAT, Convertible Note	—	100,000	—	—	—	(100,000)	—	100,000
QMAT, Convertible Note	—	400,000	—	—	—	(400,000)	—	400,000
QMAT, Convertible Note	—	200,000	—	—	—	(200,000)	—	200,000
QMAT, Convertible Note	—	100,000	—	—	—	(100,000)	—	100,000
QMAT, Convertible Note	—	200,000	—	—	—	(200,000)	—	200,000
QMAT, Convertible Note	—	100,000	—	—	—	(100,000)	—	100,000
QMAT, Convertible Note	—	220,000	—	—	—	(220,000)	—	220,000
Revasum, Common Stock*	58,608,601	—	—	(6,421,275)	1,395,634	(17,559,833)	36,023,127	46,834,340
Silicon Genesis Corp., Common Stock *	4,517	—	—	—	—	(3,780)	737	921,892
Silicon Genesis Corp., Common Warrants*	84	—	—	—	—	(72)	12	37,982

Firsthand Technology Value Fund, Inc.

Notes to Financial Statements - continued

SEPTEMBER 30, 2019 (UNAUDITED)

AFFILIATE/ CONTROLLED INVESTMENTS*	VALUE AT 12/31/18	PURCHASES/ MERGER	INTEREST	SALES/ MATURITY/ EXPIRATION	REALIZED GAIN (LOSS)	CHANGE IN APPRECIATION/ DEPRECIATION	VALUE 9/30/19	SHARES HELD AT 9/30/19
Silicon Genesis Corp., Common Warrants*	\$ 2,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,000	5,000,000
Silicon Genesis Corp., Common Warrants*	1,200	—	—	—	—	—	1,200	3,000,000
Silicon Genesis Corp., Series 1-C Preferred*	25,463	—	—	—	—	(20,090)	5,373	82,914
Silicon Genesis Corp., Series 1-D Preferred*	68,918	—	—	—	—	(54,708)	14,210	850,830
Silicon Genesis Corp., Series 1-E Preferred*	1,233,878	—	—	—	—	(575,582)	658,296	5,704,480
Silicon Genesis Corp., Series 1-F Preferred*	270,816	—	—	—	—	(125,462)	145,354	912,453
Silicon Genesis Corp., Series 1-G Preferred*	1,443,530	—	—	—	—	(777,464)	666,066	48,370,793
Silicon Genesis Corp., Series 1-H Preferred*	137,339	—	—	—	—	(64,522)	72,817	837,942
SVXR, Inc., Preferred Stock Series A	4,923,206	—	—	—	—	(44,138)	4,879,068	8,219,454
Telepathy Investors, Inc. Convertible Note*	195,700	—	(728,400)	—	—	(195,700)	—	2,000,000
Telepathy Investors, Inc. Convertible Note*	29,355	—	(43,980)	—	—	(29,355)	—	300,000
Telepathy Investors, Inc. Convertible Note*	14,678	—	(36,677)	—	—	(14,678)	—	150,000
Telepathy Investors, Inc. Convertible Note*	48,925	—	(94,524)	—	—	(48,925)	—	500,000
Telepathy Investors, Inc. Convertible Note*	29,355	—	(86,523)	—	—	(29,355)	—	300,000

Firsthand Technology Value Fund, Inc.

Notes to Financial Statements - continued

SEPTEMBER 30, 2019 (UNAUDITED)

AFFILIATE/ CONTROLLED INVESTMENTS*	VALUE AT 12/31/18	PURCHASES/ MERGER	INTEREST	SALES/ MATURITY/ EXPIRATION	REALIZED GAIN (LOSS)	CHANGE IN APPRECIATION/ DEPRECIATION	VALUE 9/30/19	SHARES HELD AT 9/30/19
Telepathy Investors, Inc. Convertible Note*	\$ 48,925	\$ —	\$ (132,081)	\$ —	\$ —	\$ (48,925)	\$ —	500,000
Telepathy Investors, Inc. Convertible Note*	19,570	—	(3,144)	—	—	(19,570)	—	200,000
Telepathy Investors, Inc. Series A Preferred*	927,994	—	—	—	—	(927,994)	—	15,238,000
UCT Coatings, Inc. Common Stock	748,950	—	—	—	—	(30,600)	718,350	1,500,000
Vufine, Inc., Convertible Note*	11,526	—	(266,301)	—	(1,500,000)	1,488,474	—	—
Vufine, Inc., Convertible Note*	1,921	—	(36,329)	—	(250,000)	248,079	—	—
Vufine, Inc. Convertible Note*	2,305	—	(19,332)	—	(300,000)	297,695	—	—
Vufine, Inc. Convertible Note*	768	—	(3,616)	—	(100,000)	99,232	—	—
Vufine, Inc. Convertible Note*	1,537	—	(4,077)	—	(200,000)	198,463	—	—
Vufine, Inc., Convertible Note*	2,689	—	(38,548)	—	(350,000)	347,311	—	—
Vufine, Inc., Convertible Note	—	45,000	—	—	(45,000)	—	—	—
Vufine, Inc., Common Stock*	—	—	—	—	(15,000)	15,000	—	—
Vufine, Inc., Series A, Preferred Stock*	—	—	—	—	(2,250,000)	2,250,000	—	—
Wrightspeed, Inc., Common Stock*	—	7,460,851	—	—	—	(7,449,739)	11,112	69,102
Wrightspeed, Inc., Common Stock Warrants*	—	—	—	—	—	—	—	181
Wrightspeed, Inc., Convertible Note	—	4,929,015	190,589	—	—	—	4,929,015	4,929,015
Wrightspeed, Inc., Preferred Stock- Series AA*	—	11,145,889	—	—	—	74,683	11,220,572	39,096,067
Wrightspeed, Inc., Preferred Stock Warrants- Series AA*	—	—	—	—	—	60,303	60,303	609,742

Firsthand Technology Value Fund, Inc.

Notes to Financial Statements - continued

SEPTEMBER 30, 2019 (UNAUDITED)

AFFILIATE/ CONTROLLED INVESTMENTS*	VALUE AT 12/31/18	PURCHASES/ MERGER	INTEREST	SALES/ MATURITY/ EXPIRATION	REALIZED GAIN (LOSS)	CHANGE IN APPRECIATION/ DEPRECIATION	VALUE 9/30/19	SHARES HELD AT 9/30/19
Wrightspeed, Inc., Series C Preferred Stock*	\$ 494,803	\$ —	\$ —	\$(1,922,975)	\$ —	\$ 1,428,172	\$ —	—
Wrightspeed, Inc., Series D Preferred Stock*	310,806	—	—	(3,375,887)	—	3,065,081	—	—
Wrightspeed, Inc., Series E Preferred Stock*	136,732	—	—	(1,658,996)	—	1,522,264	—	—
Wrightspeed, Inc., Series F Preferred Stock*	41,344	3,000	—	(502,995)	—	458,651	—	—
Wrightspeed, Inc. Series F Warrants*	29	—	—	—	—	(29)	—	—
Wrightspeed, Inc. Convertible Note*	101,787	—	199,403	(3,700,000)	—	3,598,213	—	—
Wrightspeed, Inc. Convertible Note*	55,020	—	104,667	(2,000,000)	—	1,944,980	—	—
Wrightspeed, Inc. Convertible Note*	82,530	—	157,000	(3,000,000)	—	2,917,470	—	—
Wrightspeed, Inc. Convertible Note*	2,751	—	5,233	(100,000)	—	97,249	—	—
Wrightspeed, Inc. Convertible Note*	—	250,000	12,250	(250,000)	—	—	—	—
Wrightspeed, Inc. Convertible Note*	—	500,000	18,833	(500,000)	—	—	—	—
Wrightspeed, Inc. Convertible Note*	—	500,000	17,833	(500,000)	—	—	—	—
Wrightspeed, Inc. Convertible Note*	—	300,000	9,500	(300,000)	—	—	—	—
Wrightspeed, Inc. Convertible Note*	—	100,000	2,633	(100,000)	—	—	—	—
Wrightspeed, Inc. Convertible Note*	—	600,000	12,600	(600,000)	—	—	—	—
Wrightspeed, Inc. Convertible Note*	—	150,000	2,650	(150,000)	—	—	—	—
Wrightspeed, Inc. Convertible Note*	—	250,000	3,083	(250,000)	—	—	—	—
Wrightspeed, Inc. Convertible Note*	—	650,000	3,683	(650,000)	—	—	—	—
Wrightspeed, Inc. Preferred Stock Warrants - Series A*	90,980	—	—	—	—	(90,980)	—	—

Firsthand Technology Value Fund, Inc.

Notes to Financial Statements - continued

SEPTEMBER 30, 2019 (UNAUDITED)

AFFILIATE/ CONTROLLED INVESTMENTS*	VALUE AT 12/31/18	PURCHASES/ MERGER	INTEREST	SALES/ MATURITY/ EXPIRATION	REALIZED GAIN (LOSS)	CHANGE IN APPRECIATION/ DEPRECIATION	VALUE 9/30/19	SHARES HELD AT 9/30/19
Wrightspeed, Inc. Preferred Stock Warrants - Series F*	\$ 224	\$ —	\$ —	\$ —	\$ —	\$ (224)	\$ —	—
Wrightspeed, Inc. Preferred Stock Warrants - Series F*	22	—	—	—	—	(22)	—	—
Wrightspeed, Inc. Preferred Stock Warrants - Series F*	11	—	—	—	—	(11)	—	—
Wrightspeed, Inc. Preferred Stock Warrants - Series F*	3,366,260	—	—	—	—	(3,366,260)	—	—
Wrightspeed, Inc. Preferred Stock Warrants - Series F*	1,819,600	—	—	—	—	(1,819,600)	—	—
Wrightspeed, Inc. Preferred Stock Warrants - Series F*	2,729,400	—	—	—	—	(2,729,400)	—	—
Wrightspeed, Inc. Preferred Stock Warrants - Series F*	8,288	—	—	—	—	(8,288)	—	—
Wrightspeed, Inc. Preferred Stock Warrants - Series F*	4,480	—	—	—	—	(4,480)	—	—
Wrightspeed, Inc. Preferred Stock Warrants - Series F*	6,720	—	—	—	—	(6,720)	—	—
Wrightspeed, Inc. Preferred Stock Warrants - Series F*	18	—	—	—	—	(18)	—	—
Total Affiliates and Controlled Investments	<u>\$204,157,528</u>		<u>\$ 866,833</u>		<u>\$(2,498,193)</u>	<u>\$(45,870,531)</u>	<u>\$134,121,469</u>	
Total Affiliates	<u>34,045,111</u>		<u>—</u>		<u>—</u>	<u>(74,738)</u>	<u>5,597,418</u>	
Total Controlled Investments	<u>\$170,112,417</u>		<u>\$ 866,833</u>		<u>\$(2,498,193)</u>	<u>\$(45,795,793)</u>	<u>\$128,524,051</u>	

* *Controlled Investments.*

(1) *Phunware is no longer an affiliate as of September 30, 2019. The amounts are not included in the totals.*

Firsthand Technology Value Fund, Inc.

Notes to Financial Statements - continued

SEPTEMBER 30, 2019 (UNAUDITED)

As of September 30, 2019, Kevin Landis represented the Company and sat on the board of directors of Hera Systems, Inc.; IntraOp Medical, Inc.; Pivotal Systems, Inc.; QMAT, Inc.; Revasum, Inc.; Silicon Genesis Corp.; Telepathy Investors, Inc.; and Wrightspeed, Inc. Serving on boards of directors of portfolio companies may cause conflicts of interest. The Adviser has adopted various procedures to ensure that the Company will not be unfavorably affected by these potential conflicts.

NOTE 11. RECENT ACCOUNTING PRONOUNCEMENTS

New Rule Issuances—In August 2018, the Securities and Exchange Commission issued Final Rule Release No. 33 10532, Disclosure Update and Simplification, which in part amends certain financial statement disclosure requirements of Regulation S-X that have become redundant, duplicative, overlapping, outdated, or superseded, in light of other Commission disclosure requirements, GAAP, or changes in the information environment. The amendments are intended to facilitate the disclosure of information to investors and simplify compliance without significantly altering the total mix of information provided to investors. The amendments to Rule 6-04.17 of Regulation S-X (balance sheet) were amended to require presentation of the total, rather than the components of net assets, of distributable earnings on the balance sheet. Consistent with GAAP, funds will be required to disclose to distributable earnings. The amendments to Rule 6-09 of Regulation S-X (statement of changes in net assets) omit the requirement to separately state the sources of distributions paid as well as omit the requirement to parenthetically state the book basis amount of undistributed net investment income. Instead, consistent with GAAP, funds will be required to disclose the total amount of distributions paid, except that any tax return of capital must be separately disclosed. The requirements of the Final Rule Release are effective November 5, 2018 and the Fund's statement of Assets and Liabilities and the Statement of Changes in Net Assets for the current and prior reporting period have been modified accordingly.

New Accounting Pronouncements—In August 2018, the FASB issued Accounting Standards Update No. 2018-13 “Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement” (“ASU 2018-13”). ASU 2018-13 eliminates the requirement to disclose the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, the timing of transfers between levels of the fair value hierarchy, and the valuation process for Level 3 fair value measurements. ASU 2018-13 does not eliminate the requirement to disclose the range and weighted average used to develop significant unobservable inputs for Level 3 fair value measurements, and the changes in unrealized gains and losses for recurring Level 3 fair value measurements. ASU 2018-13 requires that information is provided about the measurement uncertainty of Level 3 fair value measurements as of the reporting date. The guidance is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Management has evaluated the impact of this change in guidance, and due to the permissibility of early adoption, modified the Funds' fair value disclosures for the current reporting period

NOTE 12. SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the Company through the date the financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

FORWARD-LOOKING STATEMENTS

The matters discussed in this report, as well as in future oral and written statements by management of the Company, include forward-looking statements based on current management expectations that involve substantial risks and uncertainties which could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. Forward-looking statements related to future events or our future financial performance. We generally identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential,” or “continue” or the negative of these terms or other similar words. Important assumptions include our ability to originate new investments and to achieve certain margins and levels of profitability and the availability of additional capital. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this report should not be regarded as a representation by us that our plans or objectives will be achieved. The forward-looking statements contained in this report include, without limitations, statements as to:

- our future operating results;
- our business prospects and the prospects of our prospective portfolio companies;
- the impact of investments that we expect to make;
- the impact of a protracted decline in the liquidity of the credit markets on our business;
- our informal relationships with third parties;
- the expected market for venture capital investments and our addressable market;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- our ability to access the equity market;
- the ability of our portfolio companies to achieve their objectives;
- our expected financings and investments;
- our regulatory structure and tax status;
- our ability to operate as a business development company and a regulated investment company;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operation of our portfolio companies;
- the timing, form, and amount of any dividend distributions;
- impact of fluctuation of interest rates on our business;
- valuation of any investments in portfolio companies particularly those having no liquid trading market; and
- our ability to recover unrealized losses.

You should not place undue reliance on these forward-looking statements. The forward-looking statements made in this report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statement to reflect events or circumstances occurring after the date of this report.

The following discussion should be read in conjunction with our consolidated financial statements and related notes and other financial information appearing elsewhere in this prospectus. In addition to historical information, the following discussion and other parts of this prospectus contain forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated by such forward-looking information due to the factors discussed under “Risk Factors” and “Forward-Looking Statements” appearing elsewhere herein.

OVERVIEW

We are an externally managed, closed-end, non-diversified management investment company organized as a Maryland corporation that has elected to be treated as a BDC under the 1940 Act. As such, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in “qualifying assets,”

including securities of private or micro-cap public U.S. companies, cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less. In addition, for tax purposes we are treated as a corporation and are subject to federal and state taxes on our income. FCM serves as our investment adviser and manages the investment process on a daily basis.

Our investment objective is to seek long-term growth of capital, principally by seeking capital gains on our equity and equity-related investments. There can be no assurance that we will achieve our investment objective. Under normal circumstances, we invest at least 80% of our net assets for investment purposes in technology companies. We consider technology companies to be those companies that derive at least 50% of their revenues from products and/or services within the information technology sector or in the “cleantech” sector. Information technology companies include, but are not limited to, those focused on computer hardware, software, telecommunications, networking, Internet, and consumer electronics. While there is no standard definition of cleantech, it is generally regarded as including goods and services designed to harness renewable energy and materials, eliminate emissions and waste, and reduce the use of natural resources. In addition, under normal circumstances we invest at least 70% of our total assets in privately held companies and public companies with market capitalizations of less than \$250 million. Our portfolio is primarily composed of equity and equity derivative securities of technology and cleantech companies (as defined above). These investments generally range between \$1 million and \$10 million each, although the investment size will vary proportionately with the size of our capital base. We acquire our investments through direct investments in private companies, negotiations with selling shareholders, and in organized secondary marketplaces for private securities.

While our primary focus is to invest in illiquid private technology and cleantech companies, we also may invest in micro-cap publicly traded companies. In addition, we may invest up to 30 percent of the portfolio in opportunistic investments that do not constitute the private companies and micro-cap public companies described above. These other investments may include investments in securities of public companies that are actively traded or in actively traded derivative securities such as options on securities or security indices. These other investments may also include investments in high-yield bonds, distressed debt, or securities of public companies that are actively traded and securities of companies located outside of the United States. Our investment activities are managed by FCM.

PORTFOLIO COMPOSITION

We make investments in securities of both public and private companies. Our portfolio investments consist principally of equity and equity-like securities, including common and preferred stock, warrants for the purchase of common and preferred stock, and convertible and term notes. The fair value of our investment portfolio was approximately \$148.7 million as of September 30, 2019, as compared to approximately \$209.9 million as of December 31, 2018.

The following table summarizes the fair value of our investment portfolio by industry sector as of September 30, 2019, and December 31, 2018.

	September 30, 2019	December 31, 2018
Semiconductor Equipment	54.1%	61.8%
Medical Devices	13.3%	15.4%
Automotive	10.7%	4.8%
Aerospace	7.8%	3.5%
Equipment Leasing	1.5%	1.8%
Intellectual Property	1.0%	1.7%
Mobile Computing	0.7%	10.0%
Advanced Materials	0.6%	7.4%
Semiconductor	0.1%	0.4%
Consumer Electronics	0.0%	2.5%
Exchange-Traded/Money Market Funds	8.0%	0.2%
Other Assets/(Liabilities)	2.2%	(9.5%)
Net Assets	100.0%	100.0%

MATURITY OF PRIVATE COMPANIES IN THE CURRENT PORTFOLIO

The Fund invests in private 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.

The illustration below describes typical characteristics of companies at each stage of maturity and where we believe our current portfolio companies fit within these categories. We expect some of our portfolio companies to transition between stages of maturity over time. The transition may be forward if the company is maturing and is successfully executing its business plan or may be backward if the company is not successfully executing its business plan or decides to change its business plan substantially from its original plan.

EARLY STAGE

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



MIDDLE STAGE

Established product, customers, business model; limited revenues.



LATE STAGE

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



RESULTS OF OPERATIONS

Comparison of the three months ended September 30, 2019 to the three months ended September 30, 2018.

INVESTMENT INCOME

For the three months ended September 30, 2019, we had investment income of \$400,405 primarily attributable to interest accrued on convertible/term note investments with IntraOp Medical and Wrightspeed.

For the three months ended September 30, 2018, we had investment income of \$975,350 primarily attributable to interest accrued on convertible/term note investments with Telepathy Investors, IntraOp Medical, Revasum, Hera, Vufine, Wrightspeed and QMAT.

The lower level of interest income in the three months ended September 30, 2019 compared to the three months ended September 30, 2018 was due primarily to the write-off of our QMAT notes.

OPERATING EXPENSES

Net operating expenses totaled approximately \$1,017,625 during the three months ended September 30, 2019 and \$11,054,177 during the three months ended September 30, 2018.

Significant components of net operating expenses for the three months ended September 30, 2019, were management fee expense of \$774,945 and professional fees (audit, legal, accounting, and consulting) of \$92,758. Significant components of net operating expenses for the three months ended September 30, 2018, were management fee expense of \$1,124,398, incentive fees (which were accrued but are not payable until gains in the portfolio are realized) of \$9,633,974 and professional fees (audit, legal, accounting, and consulting) of \$94,916.

The lower level of net operating expenses for the three months ended September 30, 2019, compared to the three months ended September 30, 2018, is primarily attributable to two factors: (1) a decrease in the incentive fee accrual in the three months ended September 30, 2019, which is a quarterly accrual based on what the incentive fee would be if the entire portfolio were liquidated at fair market value, and (2) a decrease in our total net assets, on which the investment advisory fees are based.

NET INVESTMENT LOSS

Net investment loss before taxes was \$617,220 for the three months ended September 30, 2019 versus a net investment loss before taxes of \$10,078,827 for the three months ended September 30, 2018.

The lower net investment loss before taxes in the three months ended September 30, 2019, compared to the three months ended September 30, 2018, is primarily attributable to two factors: (1) a decrease in the incentive fee accrual in the three months ended September 30, 2019, which is a quarterly accrual based on what the incentive fee would be if the entire portfolio were liquidated at fair market value, and (2) a decrease in our total net assets, on which the investment advisory fees are based.

NET INVESTMENT REALIZED GAINS AND LOSSES AND UNREALIZED APPRECIATION AND DEPRECIATION

A summary of the net realized and unrealized gains and losses on investments for the three-month period ended September 30, 2019, and September 30, 2018, is shown below.

	Three Months Ended September 30, 2019
Realized gains	\$ 1,404,809
Net change in unrealized depreciation on investments	(7,973,895)
Deferred tax benefit	<u>1,470,423</u>
Net realized and unrealized losses on investments, net of deferred taxes	<u>\$ (5,098,663)</u>

	As of September 30, 2019
Gross unrealized appreciation on portfolio investments	\$ 59,465,312
Gross unrealized depreciation on portfolio investments	(78,966,107)
Net unrealized depreciation on portfolio investments	\$ (19,500,795)
	Three Months Ended September 30, 2018
Realized losses	\$ (12,107,728)
Net change in unrealized appreciation on investments	60,459,559
Deferred tax	(10,153,906)
Net realized and unrealized gains on investments, net of deferred taxes	\$ 38,197,925
	As of September 30, 2018
Gross unrealized appreciation on portfolio investments	\$ 130,571,132
Gross unrealized depreciation on portfolio investments	(47,716,331)
Net unrealized appreciation on portfolio investments	\$ 82,854,801

During the three months ended September 30, 2019, we recognized net realized gains of approximately \$1,404,809. Realized gains were higher than those in the year-ago period, due primarily to the sale of investments, notably Pivotal Systems and Revasum.

During the three months ended September 30, 2019, net unrealized depreciation on total investments increased by \$7,973,895. The change in net unrealized appreciation and depreciation of our private investments is based on portfolio asset valuations determined in good faith by our Board of Directors. This change in net unrealized appreciation was primarily caused by a decrease in the valuations of our investments, particularly Silicon Genesis, QMAT, IntraOp Medical, Phunware and EQX Capital investments.

During the three months ended September 30, 2018, we recognized net realized losses of approximately \$12,107,728.

During the three months ended September 30, 2018, net unrealized appreciation on total investments increased by \$60,459,559. The change in net unrealized appreciation and depreciation of our private investments is based on portfolio asset valuations determined in good faith by our Board of Directors.

NET INCREASE/(DECREASE) IN ASSETS RESULTING FROM OPERATIONS AND CHANGE IN NET ASSETS PER SHARE

For the three months ended September 30, 2019, the net decrease in net assets resulting from operations (net of deferred taxes) totaled \$(5,543,185) and the basic and fully diluted net change in net assets per share for the three months ended September 30, 2019 was \$(0.78).

For the three months ended September 30, 2018, the net increase in net assets resulting from operations (net of deferred taxes) totaled \$26,707,685 and the basic and fully diluted net change in net assets per share for the three months ended September 30, 2018 was \$3.68.

The greater decrease in net assets resulting from operations for the three months ended September 30, 2019, as compared to the three months ended September 30, 2018, is due primarily to a decrease in the valuation of certain of our investments, particularly Silicon Genesis, QMAT, IntraOp Medical, Phunware and EQX Capital.

Comparison of the nine months ended September 30, 2019 to the nine months ended September 30, 2018.

INVESTMENT INCOME

For the nine months ended September 30, 2019, we had investment income of \$900,762 primarily attributable to interest accrued on convertible/term note investments with IntraOp Medical and Wrightspeed.

For the nine months ended September 30, 2018, we had investment income of \$2,354,260 primarily attributable to interest accrued on convertible/term note investments with Telepathy Investors, IntraOp Medical, Revasum, Hera, Vufine, Wrightspeed and QMAT.

The lower level of interest income in the nine months ended September 30, 2019 compared to the nine months ended September 30, 2018 was due to the write-off of our interest in our QMAT, Vufine and Telepathy Investors notes.

OPERATING EXPENSES

Net operating expenses totaled approximately \$(5,771,774) during the nine months ended September 30, 2019 and \$18,665,062 during the nine months ended September 30, 2018.

Significant components of net operating expenses for the nine months ended September 30, 2019, were management fee expense of \$2,716,206, incentive fees adjustment (which were accrued but are not payable until gains in the portfolio are realized) of \$(9,261,847) and professional fees (audit, legal, accounting, and consulting) of \$275,184. Significant components of net operating expenses for the nine months ended September 30, 2018, were management fee expense of \$2,972,059, incentive fees (which were accrued but are not payable until gains in the portfolio are realized) of \$14,808,766 and professional fees (audit, legal, accounting, and consulting) of \$288,557.

The lower level of net operating expenses for the nine months ended September 30, 2019, compared to the nine months ended September 30, 2018, is primarily attributable to two factors: (1) a decrease in the incentive fee accrual in the nine months ended September 30, 2019, which is a quarterly accrual based on what the incentive fee would be if the entire portfolio were liquidated at fair market value, and (2) a decrease in our total net assets, on which the investment advisory fees are based.

NET INVESTMENT LOSS

Net investment income/(loss) before taxes was \$6,672,536 for the nine months ended September 30, 2019 and \$(16,310,802) for the nine months ended September 30, 2018.

The greater net investment income in the nine months ended September 30, 2019, compared to the nine months ended September 30, 2018, is primarily attributable to two factors: (1) a decrease in the incentive fee accrual in the nine months ended September 30, 2019, which is a quarterly accrual based on what the incentive fee would be if the entire portfolio were liquidated at fair market value, and (2) a decrease in our total net assets, on which the investment advisory fees are based.

NET INVESTMENT REALIZED GAINS AND LOSSES AND UNREALIZED APPRECIATION AND DEPRECIATION

A summary of the gross and net realized and unrealized gains and losses on investments for the nine-month periods ended September 30, 2019, and September 30, 2018, is shown below.

	Nine Months Ended September 30, 2019
Realized gains	\$ 658,761
Net change in unrealized appreciation on investments	(62,077,026)
Deferred tax benefit	14,307,077
Net realized and unrealized losses on investments	\$ (47,111,188)

	As of September 30, 2019
Gross unrealized appreciation on portfolio investments	\$ 59,465,312
Gross unrealized depreciation on portfolio investments	(78,966,107)
Net unrealized depreciation on portfolio investments	\$ (19,500,795)

	Nine Months Ended September 30, 2018
Realized losses	\$ (11,234,818)
Net change in unrealized appreciation on investments	82,955,135
Deferred tax expense	(17,097,124)
Net realized and unrealized gains on investments	\$ 54,623,193

	As of September 30, 2018
Gross unrealized appreciation on portfolio investments	\$ 130,571,132
Gross unrealized depreciation on portfolio investments	(47,716,331)
Net unrealized appreciation on portfolio investments	\$ 82,854,801

During the nine months ended September 30, 2019, we recognized net realized gains of approximately \$658,761 from the sale/transfer of securities. During the nine months ended September 30, 2018, we recognized net realized losses of approximately \$11,234,818 from the sale/transfer of securities. Realized gains were more than those during the nine months ended September 30, 2018 due to the sale of our investments, primarily Revasum, Pivotal Systems and Roku.

During the nine months ended September 30, 2019, net unrealized appreciation on total investments decreased by \$62,077,026 compared to an increase of \$82,955,135 in unrealized appreciation on the total investments during the nine months ended September 30, 2018. The change in net unrealized appreciation and depreciation of our private investments is based on portfolio asset valuations determined in good faith by our Board of Directors. This decrease in net unrealized appreciation was primarily caused by a decrease in the valuations of our Phunware, IntraOp Medical, QMAT, Revasum and Wrightspeed investments.

NET INCREASE/(DECREASE) IN ASSETS RESULTING FROM OPERATIONS AND CHANGE IN NET ASSETS PER SHARE

For the nine months ended September 30, 2019, the net decrease in net assets resulting from operations (net of deferred taxes) totaled \$39,747,755 and for the nine months ended September 30, 2018, the net increase in net assets resulting from operations (net of deferred taxes) totaled \$38,760,599. The basic and fully diluted net change in net assets per share for the nine months ended September 30, 2019 was \$(5.54) and the basic and fully diluted net change in net assets per share for the nine months ended September 30, 2018 was \$5.33. The greater decrease in net assets resulting from operations for the nine months ended September 30, 2019, as compared to the nine months ended September 30, 2018, is due primarily to a decrease in the valuation of certain of our investments, primarily Phunware, IntraOp Medical, QMAT, Revasum and Wrightspeed.

DISTRIBUTION POLICY

Our board of directors will determine the timing and amount, if any, of our distributions. We are not required to pay any minimum level of distributions of our income or capital gains.

CONTRACTUAL OBLIGATIONS

The Fund does not have any Contractual Obligations that meet the requirements for disclosure under Item 303 of Regulation S-K.

OFF-BALANCE SHEET ARRANGEMENTS

The Fund does not have any Off-Balance Sheet Arrangements.

CRITICAL ACCOUNTING POLICIES

This discussion of our financial condition and results of operations is based upon our financial statements, which are prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. The preparation of these financial statements will require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Changes in the economic environment, financial markets, and any other parameters used in determining such estimates could cause actual results to differ. In addition to the discussion below, we will describe our critical accounting policies in the notes to our future financial statements.

Valuation of Portfolio Investments

As a business development company, we generally invest in illiquid equity and equity derivatives of securities of venture capital stage technology companies. Under written procedures established by our board of directors, securities traded on stock exchanges, or quoted by NASDAQ, are valued according to the NASDAQ Stock Market, Inc. ("NASDAQ") official closing price, if applicable, or at their last reported sale price as of the close of trading on the New York Stock Exchange ("NYSE") (normally 4:00 P.M. Eastern Time). If a security is not traded that day, the security will be valued at its most recent bid price. Securities traded in the over-the-counter market, but not quoted by NASDAQ, are valued at the last sale price (or, if the last sale price is not readily available, at the most recent closing bid price as quoted by brokers that make markets in the securities) at the close of trading on the NYSE. Securities traded both in the over-the-counter market and on a stock exchange are valued according to the broadest and most representative market. We obtain these market values from an independent pricing service or at the mean between the bid and ask prices obtained from at least two brokers or dealers (if available, otherwise by a principal market maker or a primary market dealer). In addition, a large percentage of our portfolio investments are in the form of securities that are not publicly traded. The fair value of securities and other investments that are not publicly traded may not be readily determinable. We value these securities quarterly at fair value as determined in good faith by our board of directors. Our board of directors may use the services of a nationally recognized independent valuation firm to aid it in determining the fair value of these securities. The methods for valuing these securities may include: fundamental analysis (sales, income, or earnings multiples, etc.), discounts from market prices of similar securities, purchase price of securities, subsequent private transactions in the security or related securities, or discounts applied to the nature and duration of restrictions on the disposition of the securities, as well as a combination of these and other factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time, and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. Our net asset value could be adversely affected if our determinations regarding the fair value of our investments were materially higher than the values that we ultimately realize upon the disposal of such securities.

Revenue Recognition

We record interest or dividend income on an accrual basis to the extent that we expect to collect such amounts. We do not accrue as a receivable interest on loans and debt securities if we have reason to doubt our ability to collect such interest. Loan origination fees, original issue discount, and market discount are capitalized, and we amortize any such amounts as interest income. Upon the prepayment of a loan or debt security, any unamortized loan origination is recorded as interest income. We will record prepayment premiums on loans and debt securities as interest income when we receive such amounts.

Net Realized Gains or Losses and Net Change in Unrealized Appreciation or Depreciation

We measure realized gains or losses by the difference between the net proceeds from the repayment or sale and the cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized. Net change in unrealized appreciation or depreciation reflects the change in portfolio investment values during the reporting period, including any reversal of previously recorded unrealized appreciation or depreciation, when gains or losses are realized.

Recently Issued Accounting Standards

From time to time, new accounting pronouncements are issued by the FASB or other standards setting bodies that are adopted by us as of the specified effective date. We believe that the impact of recently issued standards that are not yet effective will not have a material impact on our financial statements upon effectiveness.

Inflation

Inflation has not had a significant effect on our results of operations in any of the reporting periods presented herein. However, our portfolio companies have experienced, and may in the future experience, the impacts of inflation on their operating results.

SUBSEQUENT EVENTS

Subsequent to the close of the fiscal quarter on September 30, 2019, and through the date of the issuance of the financial statements included herein, a number of events related to our portfolio of investments occurred, consisting primarily of purchases of securities. Since that date, we have purchased private securities with an aggregate cost of approximately \$2.6 million.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company's business activities contain elements of risk. We consider the principal types of market risk to be valuation risk and small company investment risk.

VALUATION RISK

Value, as defined in Section 2(a)(41) of the 1940 Act, is (i) the market price for those securities for which market quotations are readily available and (ii) fair value as determined in good faith by, or under the direction of, the Board of Directors for all other assets.

Because there is typically no public market for our interests in the small privately-held companies in which we invest, the valuation of the securities in that portion of our portfolio is determined in good faith by our Board of Directors with the assistance of our Valuation Committee, comprised of the independent members of our Board of Directors, in accordance with our Valuation Procedures. In addition, the Board of Directors may use the services of a nationally recognized independent valuation firm to aid it in determining the fair value of some of these securities. In the absence of a readily ascertainable market value, the determined value of our portfolio of securities may differ significantly from the values that would be placed on the portfolio if a ready market for such securities existed. Determining fair value requires that judgment be applied to the specific facts and circumstances of each portfolio investment, although our valuation policy is intended to provide a consistent basis for determining fair value of the portfolio investments. The methods for valuing these securities may include: fundamental analysis (sales, income, or earnings multiples, etc.), discounts from market prices of similar securities, purchase price of securities, subsequent private transactions in the security or related securities, or discounts applied to the nature and duration of restrictions on the disposition of the securities, as well as a combination of these and other factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time, and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed.

Furthermore, changes in valuation of any of our investments in privately-held companies from one period to another may be volatile.

Investments in privately held, immature companies are inherently more volatile than investments in more mature businesses. Such immature businesses are inherently fragile and easily affected by both internal and external forces.

Our portfolio companies can lose much or all of their value suddenly in response to an internal or external adverse event. Conversely, these immature businesses can gain suddenly in value in response to an internal or external positive development.

The values assigned to our assets are based on available information and do not necessarily represent amounts that might ultimately be realized, as these amounts depend on future circumstances and cannot be reasonably determined until the individual investments are actually liquidated or become readily marketable. Upon sale of investments, the values that are ultimately realized may be different from what is presently estimated. This difference could be material.

PRIVATELY PLACED SMALL COMPANIES RISK

The Company invests in small companies, and its investments in these companies are considered speculative in nature. The Company's investments often include securities that are subject to legal or contractual restrictions on resale that adversely affect the liquidity and marketability of such securities. As a result, the Company is subject to risk of loss which may prevent our shareholders from achieving price appreciation, dividend distributions and return of capital.

WE CURRENTLY HOLD A PORTION OF OUR ASSETS IN CASH

As of September 30, 2019, a portion of the Company's assets was invested in cash and/or cash equivalents, which are expected to earn low yields. Given the current low interest rate environment, to the extent the management fee and other operating expenses exceed interest income on the cash holdings of the Company, the Company may experience losses. Furthermore, the investment advisory fee payable by us will not be reduced while our assets are invested in cash-equivalent securities.

In some cases, particularly for primary transactions, it is to our advantage to hold sufficient cash reserve so that we can make additional subsequent investments in these companies in order to (a) avoid having our earlier investments become diluted in future dilutive financings, (b) invest additional capital into existing portfolio companies in case additional investments are necessary, and/or (c) exercise warrants, options, or convertible securities that were acquired as part of the earlier transactions. For this reason, in the case of primary transactions (as opposed to secondary transactions where we do not buy the securities from the issuing companies but instead from existing stockholders), we typically reserve cash in an amount at least equal to our initial investment for such follow-on opportunities. Cash reserves held with respect to a particular investment should, therefore, decline as it is held longer, and will typically not be needed once that portfolio company becomes public or we determine it is no longer in our best interest to make investments in such portfolio company.

We may from time to time liquidate various investments. We are required to distribute substantially all of our net realized gains to stockholders on an annual basis and, therefore, will generally hold the proceeds of liquidated investments in cash pending its distribution.

ITEM 4. CONTROLS AND PROCEDURES.

(a) Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act, that occurred during the fiscal quarter ended September 30, 2018, that have materially affected, or are

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

We are not a party to any material pending legal proceeding, and no such proceedings are known to be contemplated.

ITEM 1A. RISK FACTORS.

There have been no material changes from risk factors as previously disclosed in our Form 10-K for the period ended December 31, 2018, in response to Item 1A of Part 1 of Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

None.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

EXHIBIT NUMBER	DESCRIPTION
31.1	Chief Executive Officer Certification Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Chief Financial Officer Certification Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.	Chief Executive Officer and Chief Financial Officer Certification Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FIRSTHAND TECHNOLOGY VALUE FUND, INC.
(Registrant)



Dated: November 8, 2019

Kevin Landis
Chief Executive Officer and Chief Financial Officer

EXHIBIT INDEX

EXHIBIT NUMBER	Description
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31.2	Chief Financial Officer Certification Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.	Chief Executive Officer and Chief Financial Officer Certification Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Certification of Chief Executive Officer
Pursuant to Exchange Act Rule 13a-14(a) or 15d-14(a)

I, Kevin Landis, certify that:

1. I have reviewed the Quarterly Report on Form 10-Q of Firsthand Technology Value Fund, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement or a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure control and procedures to be designed under our supervision, to ensure material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.



Name: Kevin Landis
Title: Chief Executive Officer
Dated: November 8, 2019

Certification of Chief Financial Officer
Pursuant to Exchange Act Rule 13a-14(a) or 15d-14(a)

I, Omar Billawala, certify that:

1. I have reviewed the Quarterly Report on Form 10-Q of Firsthand Technology Value Fund, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement or a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure control and procedures to be designed under our supervision, to ensure material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.



Name: Omar Billawala
Title: Chief Financial Officer
Dated: November 8, 2019

**Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,**

**As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Firsthand Technology Value Fund, Inc. (the "Company") for the quarter ended September 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Kevin Landis and Omar Billawala, as Chief Executive Officer and Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.



Name: Kevin Landis
Title: Chief Executive Officer
Dated: November 8, 2019



Name: Omar Billawala
Title: Financial Officer
Dated: November 8, 2019

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