Firsthand Technology Value Fund, Inc.
Form POS AM
December 24, 2014

As filed with the Securities and Exchange Commission on December 24, 2014

Registration No. 333-186158

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

FORM N-2
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933 [X]

Pre-Effective Amendment No.
Post-Effective Amendment No. 1

FIRSTHAND TECHNOLOGY VALUE FUND, INC.
(Exact Name of Registrant as Specified in Charter)

150 Almaden Blvd., Suite 1250, San Jose, California 95113
(Address of Principal Executive Offices)
(408) 886-7096
(Registrant's Telephone Number, including Area Code)

Kevin M. Landis
Firsthand Capital Management, Inc.
150 Almaden Blvd., Suite 1250
San Jose, California 95113
(Name and Address of Agent for Service)

Copies to:

Kelvin K. Leung, Esq. Firsthand Capital Management, Inc. 150 Almaden Blvd., Suite 1250 San Jose, California 95113	David A. Hearth, Esq. Paul Hastings LLP 55 Second Street, 24th Floor San Francisco, California 94105	John F. Della Grotta, Esq. Paul Hastings LLP 695 Town Center Drive, 17th Floor Costa Mesa, California 92626

Approximate Date of Proposed Public Offering: From time to time after the effective date of this Registration Statement.

If any securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box. [X]

It is proposed that this filing will become effective (check appropriate box): [ ] when declared effective pursuant to section 8(c).

[X] This Post-Effective amendment designates a new effective date for a previously Filed Registration Statement.

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Stock Amount Being Registered (1)(2)	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Prices (3)	Amount of Registration Fee
Common Stock $.001 par value per share (4)				
Subscription Rights				
Total			$150,000,000	$20,460 (5)

(1) Subject to Note 3 below, there is being registered hereunder a presently indeterminate number of shares of common stock to be offered on an immediate, continuous or delayed basis.
(2) Subject to Note 3 below, there is being registered hereunder a presently indeterminate number of subscription rights as may be sold, from time to time, representing rights to purchase shares of common stock.
(3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933. In no event will the aggregate initial offering price of all securities offered from time to time pursuant to the prospectus included as a part of this Registration Statement exceed $150,000,000.
(4) Includes shares that the underwriters have the option to purchase solely to cover over-allotments, if any.
(5) On October 4, 2013, the Registrant registered the same number of shares of common stock and subscription rights, with the same Proposed Maximum Aggregate Offering Price as stated above. Since being declared effective on December 17, 2013, the Registrant has not made any offers or sales of the shares of common stock or subscription rights to subscribe for shares of common stock. The Filing Fee was previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus supplement is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion Dated December 24, 2014

BASE PROSPECTUS

$150,000,000

FIRSTHAND TECHNOLOGY VALUE FUND, INC.

Common Stock

Subscription Rights

Firsthand Technology Value Fund, Inc. ("we," "us," "our," the "Company," the "Fund," or "SVVC") is an externally managed closed-end, non-diversified management investment company organized as a Maryland corporation that has elected to be treated as a business development company under the Investment Company Act of 1940, as amended (the "1940 Act"). Our investment objective is to seek long-term growth of capital. There can be no assurance that we will achieve our investment objective. We invest at least 80% of our net assets in equity securities of technology companies (as defined below), including cleantech companies. We emphasize technology companies that we believe hold the greatest potential for capital appreciation. We focus our investments in private companies and in public companies with market capitalizations of less than $250 million. Our investment activities are managed by Firsthand Capital Management, Inc. ("FCM" or the "Investment Adviser").

We may offer, from time to time, shares of our common stock ($0.001 par value per share) or subscription rights, which we refer collectively, as the "securities," in one or more offerings. We may offer our common stock in amounts, at prices and on terms set forth in a prospectus supplement to this prospectus. You should read this prospectus and the related prospectus supplement carefully before you decide to invest in any of our securities.

We may offer and sell our securities to or through underwriters or dealers, "at the market" to or through an existing trading market or otherwise directly to one or more purchasers, including existing stockholders in a rights offering, or through agents or through a combination of methods of sale. If an offering of our common stock or subscription rights involves any underwriters, dealers or agents, then the applicable prospectus supplement will name the underwriters, dealers or agents and will provide information regarding any applicable purchase price, fee, commission or discount arrangements made with those underwriters, dealers or agents or the basis upon which such amount may be calculated. For more information about the manners in which we may offer our common stock, see "Plan of Distribution." We may not offer or sell our Securities through agents, underwriters or dealers without delivery of a prospectus supplement.

(continued on the following page)

Investing in our securities involves a high degree of risk. Before buying any shares, you should read the discussion of the material risks of investing in our securities, in "Risk Factors" beginning on page 13 of the prospectus. You should consider carefully these risks together with all of the other information contained in this prospectus and any prospectus supplement before making a decision to purchase our securities.

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

The date of this prospectus is ___ __, 201_

(continued from the preceding page)

Shares of our common stock are listed on the NASDAQ Global Market under the symbol "SVVC." The net asset value of our common stock as of September 30, 2014 was $29.70 per share and the last sale price per share as of that date was $24.01. See "Market and Net Asset Value Information."

Shares of closed-end investment companies and business development companies, like ours, frequently trade at a discount to their net asset value. If our common stock trades at a discount to our net asset value, the risk of loss may increase for purchasers of our common stock, especially for those investors who expect to sell their common stock in a relatively short period after purchasing shares in this offering. See "Risks Factors – Risks Related to Any Future Offering - Our common stock may trade at a discount/premium to our net asset value."

The market price of our common stock also may be affected by such factors such as distributions that we may make to our shareholders or significant trading in one or more of our portfolio securities immediately prior to their initial public offering, at times causing the market price to rise and, at times, causing the market price to decrease, upon the completion of a company's initial public offering; in each case, such events are, in turn, affected by expenses, the stability of our distributions, liquidity and market supply and demand. See "Risk Factors—Risks Related to Our Investments; - we may invest in micro-cap public companies and companies we may hope will have successful initial public offerings."; "Risks Relating to Our Business Structure – We may experience fluctuations in our quarterly results;" and "Risks Relating to Any Future Offerings - "- the market price of our common stock may fluctuate significantly.

This prospectus contains important information you should know before investing in our securities. Please read it before you invest and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission (the "SEC"). This information will be available free of charge by contacting us at 150 Almaden Boulevard, Suite 1250, San Jose, California 95113, by telephone at (408) 886-7096, or on our website at http://www.firsthandtvf.com. Information contained on our website is not incorporated herein by reference into this prospectus, and you should not consider that information to be part of this prospectus. The SEC also maintains a website at http://www.sec.gov. You also may e-mail requests for these documents to publicinfo@sec.gov or make a request in writing to the SEC's Public Reference Room, 100 F Street, N.E., Room 1580, Washington, D.C. 20549-0112.

This prospectus is part of a registration statement that we have filed with the SEC, using the "shelf" registration process. Under the shelf registration process, we may offer, from time to time, separately or together in one or more offerings the securities described in this prospectus. The securities may be offered at prices at prices and on terms described in one or more supplements to this prospectus. This prospectus provides you with a general description of the securities that we may offer. Each time we use this prospectus to offer securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement also may add, update or change information contained in this prospectus. This prospectus, together with any prospectus supplement, sets forth concisely the information about us that a prospective investor ought to know before investing. You should read this prospectus and the related prospectus supplement before deciding whether to invest and retain them for future reference.

Neither our common stock nor subscription rights represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and they are not federally insured by the Federal Deposit Insurance Corporation, the Federal Board or any other governmental agency.

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with additional information, or information different from that contained in this prospectus or to make representations to matters not stated in this prospectus. If anyone provides you with different or additional information, you should not rely on it. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus. Our business, financial condition, results of operations and prospectus may have changed since that date. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or to any person to whom it is not permitted to make such offer or sale.

PROSPECTUS SUMMARY

This summary highlights some of the information in this prospectus. It is not complete and may not contain all of the information that you may want to consider. You should read carefully the more detailed information set forth under “Risk Factors” and the other information included in this prospectus. Except where the context suggests otherwise, the terms “we,” “us,” “our,” the “Company,” the “Fund”, or “SVVC” refer to Firsthand Technology Value Fund, Inc.; “FCM” or “Investment Adviser” refer to Firsthand Capital Management, Inc.

Firsthand Technology Value Fund, Inc.

Firsthand Technology Value Fund, Inc. is an externally managed, closed-end, non-diversified management investment company organized as a Maryland corporation that has elected to be treated as a business development company under the 1940 Act. We intend to elect to be treated for tax purposes as a regulated investment company, or RIC, under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”) and to qualify annually thereafter.

SVVC was incorporated under the Maryland General Corporation Law in April 2010 and acquired its initial portfolio of securities through the reorganization (the “Reorganization”) of Firsthand Technology Value Fund (“TVF”), an open-end mutual fund and a series of Firsthand Funds, into SVVC. The Reorganization was completed on April 15, 2011 and SVVC commenced operations on April 18, 2011.

Investment Objective

Our investment objective is to seek long-term growth of capital. There can be no assurance that we will achieve our investment objective. Under normal circumstances, we will 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 and in the “cleantech” sector. Information technology companies include, but are not limited to, those focused on computer hardware, software, social networking, 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 total assets in privately held companies and public companies with market capitalizations of less than $250 million. We anticipate that our portfolio will be primarily composed of equity and equity derivative securities of technology and cleantech companies (as defined above). We expect that these investments will range between $1 million and $10 million each, although this 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.

Our current focus is on investing in late-stage private companies, particularly those with potential for near-term realizations by way of an IPO or acquisition. While our primary focus is to invest in illiquid private technology and cleantech companies, we may also invest in micro-cap publicly-traded companies. In addition, we may invest up to 30% 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. 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 Portfolio Investments

As of September 30, 2014, we held $197.9 million in investment securities, and held total gross assets of $284.1 million. Our top five equity holdings as of that date were:

	Company	Sector/Industry	Value	Percent of Total Gross Assets
1.	Twitter	Social Networking	$67,999,796	23.9%
2.	IntraOp Medical	Medical Devices	$21,937,080	7.7%
3.	Turn	Advertising Technology	$15,000,007	5.3%
4.	Aliphcom	Consumer Electronics	$12,653,330	4.5%
5.	Pivotal Systems	Semiconductor Equipment	$12,000,000	4.2%

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Investment Advisor

Founded in 2009, Firsthand Capital Management, Inc. ("FCM" or the "Adviser") is our investment adviser, responsible for implementing and administering our investment strategy. FCM, a California corporation, is registered with the SEC under the Investment Advisers Act of 1940, as amended (the "Adviser's Act"). The owner, President and Chief Investment Officer of FCM is Kevin Landis, our Chief Executive Officer. Mr. Landis has approximately 19 years of professional investment experience, including more than 14 years of investing in equity securities of private companies. Mr. Landis and his team has been involved in originating, structuring, negotiating, consummating, managing, and monitoring private company investments during its tenure at FCM and another investment adviser that Mr. Landis co-founded in 1994, also named Firsthand Capital Management, Inc. ("Old FCM"). During Mr. Landis's tenure with Old FCM, he and his team invested approximately $150 million in 26 private companies.

FCM has developed a network of financial sponsor relationships as well as relationships with management teams, investment bankers, attorneys and accountants that we believe will provide us with access to substantial investment opportunities. FCM also employs a team of investment research professionals to assist Mr. Landis in originating, analyzing, and managing investments. It also has a seasoned attorney on staff to assist with deal structure and negotiation.

Competitive Advantage

We believe that we have the following competitive advantages over other investors in the companies in which we seek to invest:

Management expertise

Kevin Landis has principal management responsibility for Firsthand Capital Management, Inc. as its Chief Executive Officer and Chief Investment Officer. Mr. Landis has approximately 20 years of experience in technology sector investing, and he dedicates a substantial portion of his time to managing SVVC and FCM.

FCM also employs a dedicated team of professionals to support Mr. Landis in his investing efforts. The team, led by Mr. Landis, has considerable experience in management positions within technology sector operating companies. Mr. Landis currently serves on the boards of directors (or holds observer seat positions) at several technology and cleantech start-up companies. Through their collective investment experience, we believe the team has developed a strong reputation in the capital markets. We believe that this experience, together with an expertise in investing in equity securities and managing investments in companies, affords SVVC a competitive advantage in identifying and investing in private technology and cleantech companies.

Disciplined investment approach

The Adviser employs a disciplined approach in selecting investments. Our investment philosophy focuses on ensuring that our investments have an appropriate return profile relative to risk. When market conditions make it difficult for us to invest according to our criteria, the Adviser intends to be highly selective in deploying our capital. We believe this approach will enable us to build an attractive investment portfolio that meets our return and value criteria over the long term.

We believe it is critical to conduct extensive due diligence on investment targets. In evaluating new investments we, through the Investment Adviser, intend to conduct a rigorous due diligence process that draws from the Adviser's investment experience, industry expertise, and network of contacts.

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Focusing on investments that can generate positive risk-adjusted returns

The Adviser will seek to maximize the potential for capital appreciation. In making investment decisions the Adviser will seek to pursue and invest in companies that meet several of the following criteria:

- outstanding technology,
- barriers to entry (i.e. patents and other intellectual property rights),
- experienced management team,
- established financial sponsors that have a history of creating value with portfolio companies,
- strong competitive industry position, and
- viable exit strategy

Assuming a potential investment meets most or all of our investment criteria, the Adviser intends to be flexible in adopting transaction structures that address the needs of prospective portfolio companies and their owners. Our investment philosophy is focused on internal rates of return over the life of an investment. Given our investment criteria and due diligence process, we expect to structure our investments so they correlate closely with the success of our portfolio companies.

Ability to source and evaluate transactions through the Adviser's research capability and established network

FCM's investment management team has overseen primary investments in dozens of private companies across various industries while employed by FCM or Old FCM since 1994. We believe the expertise of the Adviser's management team enables FCM to identify, assess, and structure investments successfully across all levels of a company's capital structure and to manage potential risk and return at all stages of the economic cycle.

We intend to identify potential investments both through active origination and through dialogue with numerous management teams, members of the financial community, and corporate partners with whom Mr. Landis has long-standing relationships. We believe that the team's broad network of contacts within the investment, commercial banking, private equity, and investment management communities in combination with their strong reputation in investment management, enables us to attract well-positioned prospective portfolio companies.

Longer investment horizon with attractive publicly traded model

Unlike many private equity and venture capital funds, we will not be subject to standard periodic capital return requirements. Such requirements typically stipulate that funds raised by a private equity or venture capital fund, together with any capital gains on such invested funds, can only be invested once and must be returned to investors after a pre-agreed time period. These provisions often force private equity and venture capital funds to seek returns on their investments through mergers, public equity offerings, or other liquidity events more quickly than they otherwise might, potentially resulting in both a lower overall long-term return to investors and an adverse impact on their portfolio companies. While we are required to distribute substantially all realized gains, we believe that our dividend reinvestment plan and our flexibility to make investments with a long-term view and without the capital return requirements of traditional private investment vehicles will provide us with the opportunity to generate returns on invested capital and at the same time enable us to be a better long-term partner for our portfolio companies.

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Operating and Regulatory Structure

Our investment activities are managed by FCM and supervised by our board of directors, the majority of whom are independent of the Adviser. FCM is an investment adviser that is registered with the SEC under the Investment Advisers Act of 1940, or the “Advisers Act.” Under our Investment Management Agreement, we have agreed to pay FCM an annual base management fee based on our gross assets as well as an incentive fee based on our investment performance. See “Management—Investment Management Agreement.”

As a business development company, we are required to comply with certain regulatory requirements. For example, we note that any affiliated investment vehicle currently in existence or formed in the future and managed by the Adviser may, notwithstanding different stated investment objectives, have overlapping investment objectives with our own and, accordingly, may invest in asset classes similar to those targeted by us. We will not initiate a new investment in any portfolio company in which such a fund has a pre-existing investment, although we may invest in new rounds of financing for such existing portfolio companies and we may co-invest with such affiliate on a concurrent basis, subject to compliance with existing regulatory guidance, applicable regulations, and our allocation procedures.

Our Corporate Information

Our offices are located at 150 Almaden Boulevard, Suite 1250, San Jose, California 95113. Our telephone number is (408) 886-7096.

The Offering

We may offer, from time to time, up to $150 million of our securities at prices and on terms to be set forth in one or more supplements to this prospectus.

We may offer and sell our securities to or through underwriters, through dealers or agents that we designate from time to time, directly to purchasers or through a combination of these methods. If an offering of common stock involves any underwriters, dealers or agents, then the applicable prospectus supplement will name the underwriters, dealers or agents and will provide information regarding any applicable purchase price, fee, commission or discount arrangements made with those underwriters, dealers or agents or the basis upon which such amount may be calculated. See “Plan of Distribution.” We may not sell any of our securities through agents, underwriters or dealers without delivery of a prospectus supplement describing the method and terms of the offering of our securities.

Use of Proceeds

Unless otherwise specific in a prospectus supplement, we plan to use the net proceeds of any sales of our securities pursuant to this prospectus to invest the cash and other liquid assets of SVVC in portfolio companies in accordance with our investment objective and the strategies described in this prospectus. Pending such investment, the proceeds of the offering will be invested primarily in cash, cash equivalents, U.S. government securities, and other high-quality debt investments that mature in one year or less from the date of investment. The supplement to this prospectus relating to an offering will more fully identify the use of proceeds from such offering. See “Use of Proceeds.”

Trading at a Discount/Premium

Shares of common stock closed-end investment companies and business development companies frequently trade at a discount to their net asset value (“NAV”). We cannot assure you that our common stock will trade at a price higher than or equal to our net asset value. Also, our net asset value will be reduced immediately following this offering by the underwriting discount and our offering costs.

The possibility that our shares may trade at a discount to our net asset value is separate and distinct from the risk that our common stock's net asset value per share may decline.

In addition to net asset value, the market price of our common stock may be affected by such factors such as distributions that we may make to our shareholders or significant trading in one or more of our portfolio securities immediately prior to their initial public offering, at times causing the market price to rise and, at times the completion of certain initial public offerings of shares that we own causing the market price to decrease; in each case, such events are, in turn, further affected by expenses, the stability of our distributions, liquidity and market supply and demand. Any issuance of additional shares of common stock may have an adverse effect on prices in the secondary market for our common stock by increasing the number of shares of common stock available, which may create downward pressure on the market price for our common stock. Although our shares have previously traded at a substantial premium to their net asset value, our shares of common stock also have traded at a substantial discount to their net asset value for various periods. We cannot predict whether our shares of common stock will trade above, at, or below their net asset value. See "Risk Factors— Risks Relating to Our Business Structure – We may experience fluctuations in our quarterly results;" "–Risks Related to Our Investments - Our common stock may trade at a discount/premium to our net asset value;" "- the market price of our common stock may fluctuate significantly;" and "-we may invest in micro-cap public companies and companies we may hope will have successful initial public offerings."

Distributions

To the extent we receive capital gains, income, or dividends that are required to be distributed to stockholders, we intend to make such distributions annually to our stockholders out of assets legally available for distribution.

Taxation

We intend to elect to be treated for federal income tax purposes as a RIC. As a RIC, we generally will not have to pay corporate-level federal income taxes on any ordinary income or capital gains that we distribute to our stockholders as distributions. To maintain our RIC status and obtain RIC tax benefits, we must meet specified source-of-income and asset diversification requirements and distribute annually at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, out of assets legally available for distribution. See "Distributions."

Dividend Reinvestment Plan

We have a dividend reinvestment plan for our stockholders. This is an "opt out" dividend reinvestment plan. As a result, if we declare a dividend or other distribution, then stockholders' cash distributions will be reinvested automatically in additional shares of our common stock, unless they specifically "opt out" of the dividend reinvestment plan, so as to receive cash dividends or other distributions. Stockholders who receive distributions in the form of shares of common stock will be subject to the same federal, state, and local tax consequences as stockholders who elect to receive their distributions in cash. See "Dividend Reinvestment Plan."

Investment Advisory Fees

We pay FCM a fee for its services under the Investment Management Agreement consisting of two components – a base management fee and an incentive fee. The base management fee is calculated at an annual rate of 2.00% of our gross assets. 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) and will equal our realized capital gains 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 capital gain incentive fees. See "Management—Investment Management Agreement."

Anti-Takeover Provisions

Our board of directors is divided into three classes of directors, each serving a staggered three-year term and until his or her successor is elected and qualifies. This structure is intended to increase the likelihood of continuity of management, which may be necessary for us to realize the full value of our investments. A staggered board of directors also may serve to deter hostile takeovers or proxy contests, as may certain other measures adopted by us. See "Description of Our Capital Stock."

Risk Factors

Investing in our common stock involves risk, including the risk that you may receive little or no return on your investment, or that you may lose part or all of your investment. Therefore, before investing in our common stock you should consider carefully the risks set forth in "Risk Factors" on page 13. We are designed primarily as a long-term investment vehicle, and our common stock is not an appropriate investment for a short-term trading strategy. An investment in our common stock should not constitute a complete investment program for any investor and involves a high degree of risk. Due to the uncertainty in all investments, there can be no assurance that we will achieve our investment objective.

Recent Developments

On May 1, 2014, we entered into an agreement (the "Bulldog Agreement") with Bulldog Investors, LLC, a Delaware limited liability company ("Bulldog") to withdraw the Bulldog shareholder proposals made in connection with our 2014 Annual Meeting of Stockholders (the "Annual Meeting"); discontinue its proxy solicitation related to the Annual Meeting; and (iii) promise that neither it nor any of its affiliated advisers would introduce any proposal or nomination at the Annual Meeting. Bulldog also agreed to be bound by certain "standstill" covenants with respect to the Fund until May 1, 2023 pursuant to a Standstill Agreement dated May 1, 2014.

Also in connection with our agreement with Bulldog, we agreed to liquidate all of our holdings in Facebook, Inc. and Twitter, Inc. and distribute the proceeds to our stockholders; establish an open-market purchase program to purchase up to $10 million of our common stock during certain periods in 2014 in which the market price of the common stock is below our NAV; and commence an issuer tender offer for up to $20 million of our shares of common stock at a purchase price per share equal to 95% of the Fund's net asset value per share ("NAV") as of the close of ordinary trading on the NASDAQ Global Market on December 31, 2014 (the "Offer").On December 5, 2014, we completed the open market purchase program offer after reaching its $10 million goal and on December 22, 2014, we commenced the Offer.

On November 6, 2014, we distributed to our shareholders $27.2 million or $2.998210 per share as a result our liquidation of our Facebook, Inc. shares; and on December 11, 2014, we distributed to our shareholders $26.0 million or $2.86156 per share as a result of our liquidation of our Twitter, Inc. shares.

As of September 30, 2014, we have purchased public and private securities with an aggregate cost of approximately $61.5 million and have sold public and private securities with an aggregate value of approximately $123.0 million.

FORWARD-LOOKING STATEMENTS

Some of the statements in this prospectus constitute forward-looking statements, which relate to future events or our future performance or financial condition. We use words such as “anticipates,” “believes,” “expects,” “plans,” “will,” “may,” “continues,” “believes,” “seeks,” “likely,” “intends,” and similar expressions to identify forward-looking statements. The forward-looking statements contained in this prospectus involve risks and uncertainties, including, without limitation, forward-looking 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,
- our contractual arrangements and relationships with third parties,
- the dependence of our future success on the general economy and its impact on the industries in which we invest,
- the ability of our prospective portfolio companies to achieve their objectives,
- our expected financings and investments,
- the adequacy of our cash resources and working capital, and
- the timing of cash flows, if any, from the operations of our prospective portfolio companies.

The factors identified above are believed to be important factors, but not necessarily all of the important factors, that could cause our actual results to differ materially from those expressed in any forward-looking statement.

Our actual results could differ materially from those projected in the forward-looking statements for any reason, including the factors set forth in “Risk Factors” and elsewhere in this prospectus. In addition, several factors that could materially affect our actual results are the ability of the portfolio companies in which we invest to achieve their objectives; our ability to source favorable private investments; changes in the securities markets, especially the markets for technology companies including those that may be early stage or micro-cap companies; the dependence of our future success of the general economy and its impact on the industries in which we invest and other factors discussed in our periodic filings with the SEC.

Unpredictable or unknown factors could also have material adverse effects on us. Since our actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements, we cannot give any assurance that any of the events anticipated by the forward-looking statements will occur, or, if any of them do, what impact they will have on our results of operations and financial condition. All forward-looking statements included in this prospectus are expressly qualified in their entirety by the foregoing cautionary statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this prospectus. You are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including our annual reports. We acknowledge that, notwithstanding the foregoing statement, the safe harbor for forward-looking statements under the Private Securities Litigation Reform Act of 1995 does not apply to business development companies such as us.

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FEES AND EXPENSES

The following table and example contains information about the costs and expenses that a common stockholder will bear directly or indirectly in an offering. We caution you that some of the percentages indicated in the table below are estimates and may vary. The following table should not be considered a representation of our future expenses. Actual expenses may be greater or less than shown. Except where the context suggests otherwise, whenever this prospectus contains a reference to fees or expenses paid by "you," "us," or "SVVC," or that "we" will pay fees or expenses, stockholders will indirectly bear such fees or expenses as investors in SVVC.

Stockholder Transaction Expenses:

Sales Load (as a percentage of offering price)	___		%(1)
Offering Expenses (as a percentage of offering price)	___		%(2)
Dividend Reinvestment Plan Fees		None	(3)
Total Stockholder Transaction Expenses (as a percentage of offering price)	___		%(4)

Annual Expenses (as a percentage of net assets attributable to common stock):

Management Fees	2.00		%(5)
Incentive Fees Payable under Investment Management Agreement (20% of "Incentive Fee Capital Gains")	0		%(6)
Other Expenses		1.13	%
Total Annual Expenses	3.13		%

(1) The sales load will apply only if the shares of common stock to which this prospectus relates are sold to or through underwriters. In such case, a corresponding prospectus supplement will disclose the applicable sales load.

(2) The related prospectus supplement will disclose the estimated amount of offering expenses, the offering price and the offering expenses as a percentage of the offering price.

(3) The expenses of administering our dividend reinvestment plan are included in "Other Expenses." You will pay brokerage charges if you direct BNY Mellon Investment Servicing (US) Inc., as agent for our common stockholders, to sell your common stock held in a dividend reinvestment account. See "Dividend Reinvestment Plan."

(4) The related prospectus supplement will disclose the offering price and the total stockholder transaction expenses as a percentage of the offering price.

(5) Our management fee under the Investment Management Agreement (as defined under "Discussion of Expected Operating Plans—Contractual Obligations") is based on our gross assets. "Gross assets" is an equivalent term to "total assets," the term used in our Statement of Assets and Liabilities in our Financial Statements. See "Management—Investment Management Agreement" and footnote 6 below.

(6) Currently, we do not have an estimate of the likelihood that incentive fees would need to be paid. The incentive fee consists of 20% of our Incentive Fee Capital Gains, if any. The Investment Management Agreement defines

"Incentive Fee Capital Gains" as our realized capital gains 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 capital gain incentive fees. The incentive fee is payable, in arrears, at the end of each calendar year (or upon termination of the investment advisory and management agreement, as of the termination date. This incentive fee would be estimated and accrued based on unrealized capital appreciation for purposes of calculating operating expenses and the Fund's net asset value. For a more detailed discussion of the calculation of this fee, see "Management—Investment Management Agreement."

The purpose of the table above and the example below is to help you understand all fees and expenses that you would bear directly or indirectly as a holder of our common stock. See "Management" and "Dividend Reinvestment Plan".

Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock. SVVC currently does not intend to utilize leverage or borrowing. Therefore, in calculating the following expense amounts, we have assumed we would have no indebtedness and that our annual operating expenses remain at the levels set forth in the table above.

	1 year	3 years	5 years	10 years
You would pay the following expenses on a $10,000 investment, assuming a 5% annual return	$ 315	$ 966	$ 1,640	$ 3,439

While the example assumes, as required by the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. This illustration assumes that this 5% return results entirely from net realized capital gains, making the entire 5% return subject to the 20% capital gains incentive fee. In addition, while the example assumes reinvestment of all dividends and other distributions at net asset value, participants in our dividend reinvestment plan will receive a number of shares of our common stock determined by dividing the total dollar amount of the distribution payable to a participant by the market price per share of our common stock at the close of trading on the valuation date for the distribution. See “Dividend Reinvestment Plan” for additional information regarding our dividend reinvestment plan.

This example should not be considered a representation of our future expenses, and actual expenses (including the cost of debt, if any, and other expenses) may be greater or less than those shown. IN THE EVENT THAT A SALES LOAD APPLIES, THE EXAMPLE WILL BE RESTATED IN A CORRESPONDING PROSPECTUS SUPPLEMENT TO SHOW THE EFFECT OF THE SALES LOAD.

MARKET AND NET ASSET VALUE INFORMATION

Shares of our common stock are listed on the NASDAQ Global Market under the symbol "SVVC." Our common stock commenced trading on the NASDAQ Global Market on April 18, 2011.

Our common stock has traded both at a premium and at a discount in relation to its net asset value. Although our common stock has traded at a premium to net asset value, we cannot assure that this will continue after the offering or that our common stock will not trade at a discount in the future. Any issuance of additional common stock may have an adverse effect on prices in the secondary market for our common stock by increasing the number of shares of common stock available, which may create downward pressure on the market price for our common stock. Shares of closed-end investment companies and business development companies frequently trade at a discount to net asset value. See "Risk Factors— Risks Relating to Our Business Structure – We may experience fluctuations in our quarterly results;" –Risks Related to Our Investments - Our common stock may trade at a discount/premium to our net asset value;" "- the market price of our common stock may fluctuate significantly;" and "-we may invest in micro-cap public companies and companies we may hope will have successful initial public offerings."

The market price of our common stock may be affected by such factors such as distributions that we may make to our shareholders or significant trading in one or more of our portfolio securities immediately prior to their initial public offering, at times causing the market price to rise and, at times, the completion of certain initial public offerings of shares that we own causing the market price to decrease; in each case, such events are, in turn, further affected by expenses, the stability of our distributions, liquidity and market supply and demand.

The following table sets forth for each of the fiscal quarters indicated the range of high and low closing sales price of our common stock and the quarter-end sales price, each as reported on the NASDAQ Global Market, the net asset value per share of common stock and the premium or discount to net asset value per share at which our shares were trading. Net asset value is generally determined on the last business day of each calendar month. See "Determination of Net Asset Value" for information as to the determination of our net asset value.

	Net Asset Value Per Share of Common Stock (1)	Quarterly Closing Sales Prices High	Quarterly Closing Sales Prices Low	Quarter End Sales Price	Premium/ (Discount) on High Closing Sale Price to Net Asset Value (2)	Premium/ (Discount) on Low Closing Sale Price to Net Asset Value (3)
Fiscal Year 2014						
Quarter Ended September 30, 2014	$29.70	$24.35	$20.42	$24.01	(18.01%)	(31.25%)
Quarter Ended June 30, 2014	$27.30	$21.63	$19.56	$21.25	(20.77%)	(28.35%)
Quarter Ended March 31, 2014	$27.43	$24.41	$21.06	$21.35	(11.01%)	(23.22%)
Fiscal Year 2013						
Quarter Ended December 31, 2013	$28.32	$26.16	$21.15	$23.17	(7.63%)	(25.32%)

Quarter Ended September 30, 2013	$26.20	$24.62	$20.19	$24.48	(6.03%)	(22.94%)
Quarter Ended June 30, 2013	$24.80	$20.19	$18.41	$19.86	(18.59%)	(25.77%)
Quarter Ended March 31, 2013	$23.26	$19.72	$17.59	$19.29	(15.22%)	(24.38%)
Fiscal Year 2012						
Quarter Ended December 31, 2012	$22.90	$18.27	$17.29	$17.44	(20.22%)	(24.50%)
Quarter Ended September 30, 2012	$22.91	$17.80	$15.75	$17.44	(22.31%)	(31.3%)
Quarter Ended June 30, 2012	$23.66	$45.88	$17.43	$17.66	93.9%(4)	(25.4%)
Quarter Ended March 31, 2012	$24.56	$40.50	$14.33	$39.50	64.9%(4)	(41.7%)
Quarter Ended December 31,	$23.92	$16.60	$14.25	$14.33	(30.6%)	(40.4%)
Fiscal Year 2011 (5)						
Quarter Ended December 31, 2011	$23.92	$16.60	$14.25	$14.33	(30.6%)	(40.4%)
Quarter Ended September 30, 2011	$24.76	$19.00	$14.30	$14.65	(23.3%)	(42.2%)
Period Ended June 30, 2011	$26.47	$27.99	$12.50	$15.20	5.7%	(52.8%)

(Footnotes on the following page)

(Footnotes from previous page)

(1) NAV per share is determined as of close of business on the last day of the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low closing sales prices, which may or may not fall on the last day of the quarter. NAV per share is calculated as described in “Determination of Net Asset Value.”

(2) Calculated by dividing the high closing sales price for the quarter divided by the quarter-end NAV minus 1.

(3) Calculated by dividing the low closing sales price for the quarter divided by the quarter-end NAV minus 1.

(4) During the fiscal quarter ended March 30, 2012, one of the Fund’s portfolio companies, Facebook, announced the launch of its initial public offering of its common stock and in the fiscal quarter, June 30, 2012, that same portfolio company launched its initial public offering of its common stock, which we believe was a principal cause for the temporary premium. See “Prospectus Summary – Trading at a Discount/Premium;” Risk Factor

(5) The Fund began operations on April 18, 2011 and its first fiscal year ended December 31, 2011.

On September 30, 2014, the last reported sales price of our common stock on the NASDAQ Global Market was $24.01, which represented a discount of approximately 19% to the NAV per share reported by us on that date.

As of September 30, 2014, we had approximately 9.1 million shares of common stock outstanding and we had net assets applicable to common stockholders of approximately $269 million.

USE OF PROCEEDS

Unless otherwise specified in a prospectus supplement, we intend to invest the net proceeds of any offering of our securities in accordance with our investment objective and policies as stated herein. The supplement to this prospectus relating to an offering will more fully identify the use of proceeds from such offering.

We currently anticipate that substantially all of the net proceeds from any offering of our securities will be used as described above within twelve months, but in no event longer than two years. Pending such uses and investment, we will invest the net proceeds primarily in cash, cash equivalents, U.S. government securities, and other high-quality debt investments that mature in one year or less from the date of investment. See "Risk Factors – Risks Relating to Any Future Offering - We may be unable to invest a significant portion of the net proceeds from an offering of our common stock on acceptable terms within an attractive timeframe;" – "we may hold a material portion of our portfolio in cash;" – "we may be unable to invest a significant portion of the net proceeds from an offering of our common stock on acceptable terms within an attractive timeframe;" –"we may hold a material portion of our portfolio in cash."

To date, our investments of proceeds have tended to follow the funding environment at the time. In 2012, we began with approximately $68 million in cash and invested approximately $60 million during the year. During the same year, we also raised an additional $137 million of new proceeds. In 2013, we invested approximately $74 million of proceeds, and we have invested approximately $39 million during the nine-month period ended September 30, 2014. Assuming no new proceeds are raised, we believe that our portfolio will be substantially invested within the next six months.

The Fund intends to comply with the goal to invest approximately 80% of the net proceeds in accordance with its investment objective and policies within one year of any offering; however, the Fund practically may not be able to invest proceeds at a rapid rate because a significant amount of its investments relate to private companies. Because many of the Fund's portfolio private companies hope to have successful initial public offerings, the Fund must hold a material portion of its portfolio in cash in reserve to be able to make subsequent investments in order to (i) avoid having its earlier investment become diluted in future financings; (ii) invest additional capital into such a company in case additional investment is necessary; or (iii) exercise warrants, options or convertible securities that were acquired as part of the earlier transaction. For those reasons, the Fund may hold more than 20% of the Fund's assets in cash for an extended period of time. See "Risk Factors – Risks Related to Our Investment - Our failure to make follow-on investments in our portfolio companies could impair the value of our portfolio." Given the current low return for short-term fixed income investments, and given the Fund's management fee and other expenses, the Fund may have lower returns or lose money until it becomes fully invested. The prospectus supplement for an offering also will provide information regarding an estimate of the length of time it is expected to take to invest a substantial portion of the proceeds.

We have not been able to fully invest our cash as quickly as we had initially anticipated for the following reasons: (i) a contraction in the secondary market for private securities since the completion of our last follow-on offering; (ii) a decline in the number of venture capital transactions in the U.S. in 2012 and early 2013; and (iii) increased risk in investing in late-stage private companies following the Facebook IPO in May 2012. This increased risk caused us to adopt a more cautious investment approach for the twelve months ended June 30, 2013.

RISK FACTORS

Before you invest in our shares, you should be aware of various risks, including those described below. You should carefully consider these risk factors, together with all of the other information included in this prospectus, before you decide whether to make an investment in our common stock. The risks set out below are not the only risks we face. If any of the following events occur, our business, financial condition, and results of operations could be materially adversely affected. In such case, our net asset value and the trading price of our common stock could decline, and you may lose all or part of your investment. For additional information about the risks associated with investing in our securities, see any risk factors included in the applicable prospectus supplement.

RISKS RELATING TO OUR BUSINESS AND STRUCTURE

We have a limited operating history.

We were incorporated in April 2010 and commenced operations on April 18, 2011. We are subject to all of the business risks and uncertainties associated with any business, including the risk that we will not achieve our investment objective and that the value of your investment could decline substantially. The net assets of SVVC, as of September 30, 2014, were approximately $269 million.

We are dependent upon FCM's key personnel for our future success.

If the Adviser is unable to hire and retain qualified personnel, or if it loses any key member of its management team, our ability to achieve our investment objective could be significantly impaired.

We depend on the diligence, skill, and access to the network of business contacts of the management of FCM, including primarily Mr. Landis, the owner, Chief Executive Officer and Chief Investment Officer of FCM. We also depend, to a significant extent, on FCM's access to the investment information and deal flow generated by Mr. Landis and any other investment professionals of FCM. Mr. Landis and other management personnel of FCM evaluate, negotiate, structure, close, and monitor our investments. Our future success depends on the continued service of Mr. Landis and other management personnel of FCM. The resignation of FCM, or the departure of Mr. Landis or any other key managers hired by FCM could have a material adverse effect on our ability to achieve our investment objective. In addition, we can offer no assurance that FCM will remain the Adviser.

The Adviser and its management have limited experience managing a business development company.

The 1940 Act imposes numerous constraints on the operations of business development companies. For example, business development companies are required to invest at least 70% of their total assets primarily in securities of private or micro-cap U.S. public companies, cash, cash equivalents, U.S. government securities, and other high quality debt investments that mature in one year or less. These constraints may hinder the Adviser's ability to take advantage of attractive investment opportunities and to achieve our investment objective. Under the 1940 Act, SVVC's ability to own publicly traded securities with market capitalizations in excess of $250 million is limited. While Mr. Landis has approximately 19 years of experience managing technology stock mutual fund investments and 14 years of experience managing private equity investments, Mr. Landis and FCM have only managed a business development company since April 2011, when they began managing SVVC. The investment philosophy and techniques used by Mr. Landis and FCM may differ from those of other funds. Accordingly, we can offer no assurance that SVVC will replicate the historical performance of other investment companies with which Mr. Landis has been affiliated, and we caution you that our investment returns could be substantially lower than the returns achieved by such other companies.

The Adviser and its management manage other funds.

In addition to managing SVVC, FCM is also the investment adviser to two open-end mutual funds in the Firsthand Funds family: Firsthand Technology Opportunities Fund, and Firsthand Alternative Energy Fund. Mr. Landis, who has primary responsibility for SVVC, also serves as portfolio manager of those two funds. This may reduce the time FCM and its investment management team has available to devote to the affairs of SVVC. The other funds managed by FCM have stated investment objectives which differ from our own. Accordingly, there may be times when the interests of FCM's management team differ from our interests.

The Adviser may not be able to achieve the same or similar returns to those achieved by its investment professionals while they were employed at prior jobs.

Although Mr. Landis has been a portfolio manager of a number of open-end mutual funds in the Firsthand Funds family, Mr. Landis's track record and achievements are not necessarily indicative of future results that will be achieved by FCM on our behalf. FCM and its investment professionals' skills and expertise may not be as well suited to our objectives, strategies and requirements as they are for certain other funds. FCM and many of its investment professionals are relatively inexperienced in managing closed end funds and our investment objectives, policies and regulatory limitations differ substantially from the other funds FCM and its investment professionals have managed. Similarly, while the research and operational professionals that support Mr. Landis in his management of Firsthand Funds are substantially the same individuals that will be supporting us, there is no assurance that they will be able to provide the same level of services to us as they did (or currently do) for Firsthand Funds.

Our financial condition and results of operation will depend on our ability to manage future growth effectively.

Our ability to achieve our investment objective will depend on our ability to grow, which will depend, in turn, on FCM's ability to identify, invest in, and monitor companies that meet our investment criteria.

Accomplishing this result on a cost-effective basis will be largely a function of FCM's structuring of the investment process, its ability to provide competent, attentive, and efficient services to us and our access to financing on acceptable terms. The management team of FCM will have substantial responsibilities under the Investment Management Agreement. In addition, the employees of FCM may also be called upon to provide managerial assistance to our portfolio companies as the principals of our administrator. Such demands on their time may distract them or slow our rate of investment. Any failure to manage our future growth effectively could have a material adverse effect on our business, financial condition, and results of operations.

We operate in a highly competitive market for investment opportunities.

A number of entities will compete with us to make the types of investments that we plan to make. We will compete with other venture capital firms and venture capital funds, various public and private investment funds, including hedge funds, other business development companies, commercial and investment banks, commercial financing companies, and various technology and alternative energy companies' internal venture capital arms. Many of our potential competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, some competitors may have a stronger network of contacts and better connections for deal flows or have access to funding sources that are not available to us. In addition, some of our competitors have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act will impose on us as a business development company. We cannot assure you that the competitive pressures we face will not have a material adverse effect on our business, financial condition and results of operations. Also, as a result of this competition, we may not be able to take advantage of attractive investment opportunities from time to time, and we can offer no assurance that we will be able to identify and make investments that are consistent with our investment objective.

Regulations governing our operation as a business development company will affect our ability to, and the way in which we, raise additional capital.

We are not generally able to issue and sell our common stock at a price below net asset value per share. We may, however, sell our common stock at a price below the current net asset value of the common stock, or sell warrants, options, or rights to acquire such common stock, at a price below the current net asset value of the common stock if our board of directors determines that such sale is in the best interests SVVC, and our stockholders approve SVVC's policy and practice of making such sales. Our stockholders have not approved a policy or practice of selling our common stock below our net asset value per share. However, our board of directors may in the future ask our stockholders to vote on such a policy at an upcoming stockholder meeting. We may also conduct an offering of our common stock at a price below the prevailing market price for that stock, which would have the immediate effect of reducing the market price of our stock. Our board of directors would consider, among other items, that effect in determining whether an offering and the proposed price are in the best interests of the Fund and its stockholders given the amount of any possible reduction and the amount of proceeds from the proposed offering, as well as its proposed uses. The Board and the Adviser are aware of the prohibition on selling shares at a price below net asset value except to the extent approved by the stockholders, and will ensure compliance with that requirement in connection with any future offering.

We intend to elect to be treated as a Regulated Investment Company (RIC), and we will be subject to corporate-level income tax if we are unable to qualify as a RIC.

To qualify as a RIC under the Code and obtain RIC tax benefits, we must meet certain income source, asset diversification, and annual distribution requirements. The annual distribution requirement for a RIC is satisfied if we distribute at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, to our stockholders on an annual basis. To qualify as a RIC, we must also meet certain asset diversification requirements at the end of each calendar quarter. Failure to meet these tests may result in our having to dispose of certain investments quickly in order to prevent the loss of RIC status. Any such dispositions could be made at disadvantageous prices and may result in losses. If we fail to qualify for RIC tax benefits for any reason and remain or become subject to corporate income tax, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distribution, and the amount of our distributions. Such a failure would have a material adverse effect on us and our stockholders.

Any failure on our part to maintain our status as a business development company would reduce our operating flexibility.

If we do not remain a business development company, we might be regulated as a closed-end investment company under the 1940 Act, which would subject us to substantially more regulatory restrictions under the 1940 Act and correspondingly decrease our operating flexibility and increase our cost of doing business. Furthermore, any failure to comply with the requirements imposed on business development companies by the 1940 Act could cause the SEC to bring an enforcement action against us or expose us to claims of private litigants.

If we do not invest a sufficient portion of our assets in qualifying assets, we could fail to qualify as a business development company or be precluded from investing according to our current business strategy.

As a business development company, we may not acquire any assets other than “qualifying assets” unless, at the time of and after giving effect to such acquisition, at least 70% of our total assets are qualifying assets. See “Regulation.”

We may be precluded from investing in what we believe are attractive investments if such investments are not qualifying assets for purposes of the 1940 Act. If we do not invest a sufficient portion of our assets in qualifying assets, we could lose our status as a business development company, which would have a material adverse effect on our business, financial condition, and results of operations. Similarly, these rules could prevent us from making follow-on investments in existing portfolio companies (which could result in the dilution of our position) or could require us to dispose of investments at inappropriate times in order to comply with the 1940 Act. If we need to dispose of such investments quickly, it would be difficult to dispose of such investments on favorable terms. For example, we may have difficulty in finding a buyer and, even if we do find a buyer, we may have to sell the investments at a substantial loss.

We are a non-diversified investment company within the meaning of the 1940 Act, and therefore we are not limited with respect to the proportion of our assets that may be invested in securities of a single issuer.

We are classified as a non-diversified investment company within the meaning of the 1940 Act, which means that we are not limited by the 1940 Act with respect to the proportion of our assets that we may invest in securities of a single issuer. To the extent that we assume large positions in the securities of a small number of issuers, our net asset value may fluctuate to a greater extent than that of a diversified investment company as a result of changes in the financial condition or the market’s assessment of the issuer. We may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company. Beyond our income tax diversification requirements, we do not have fixed guidelines for diversification, and our investments could be concentrated in relatively few portfolio companies.

We will need to raise additional capital to grow.

We will need additional capital to fund growth in our investments and we may issue equity securities in order to obtain this additional capital. A reduction in the availability of new capital could limit our ability to grow or pursue business opportunities. We will be required to distribute at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, to our stockholders to maintain our RIC status. As a result, if stockholders opt out of reinvesting those distributions back into SVVC, these earnings will not be available to fund new investments. If we fail to obtain additional capital to fund our investments, this could limit our ability to grow, which may have an adverse effect on the value of our securities.

Many of our portfolio investments will be recorded at fair value as determined in good faith by our board of directors. As a result, there will be uncertainty as to the value of our portfolio investments.

A large percentage of our portfolio investments will be in the form of equity 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 will value these securities quarterly at fair value according to our written valuation procedures and 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.

The lack of liquidity in our investments may adversely affect our business.

We primarily make investments in private companies. Substantially all of these securities will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. The illiquidity of our investments may make it difficult for us to sell such investments if the need arises. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we have previously recorded our investments. In addition, we may face other restrictions on our ability to liquidate an investment in a portfolio company to the extent that we have material non-public information regarding such portfolio company.

We may experience fluctuations in our quarterly results.

We could experience fluctuations in our quarterly operating results due to a number of factors, including the performance of the portfolio securities we hold; the level of our expenses; variations in, and the timing of the recognition of, realized and unrealized gains or losses; the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

There are significant potential conflicts of interest that could impact our investment returns.

Our executive officers and directors may serve as officers, directors or principals of entities that operate in the same or a related line of business as we do or of investment funds managed by affiliates of FCM that may be formed in the future. Accordingly, if this occurs, they may have obligations to investors in those entities, the fulfillment of which might not be in the best interests of us or our stockholders.

In the course of our investing activities, we will pay investment management and incentive fees to FCM, and will reimburse FCM for certain expenses it incurs. As a result, investors in our common stock will invest on a “gross” basis and receive distributions on a “net” basis after expenses, resulting in a lower rate of return than an investor might achieve through direct investments. Accordingly, there may be times when the management team of FCM has interests that differ from those of our stockholders, giving rise to a conflict.

Most members of the board of directors of the Company are also trustees of the Board of Trustees of Firsthand Funds. Of the four directors of the Company, Messrs. Landis, Burglin, and Lee all serve as both directors for the Company and trustees for Firsthand Funds. Mr. FitzGerald is the only director of the Company who is not also a trustee of Firsthand Funds. The Company believes such a commonality of the board brings continuity of oversight and allows the board of the Company to maintain the institutional knowledge and experience of overseeing illiquid securities and their pricing methods.

Our incentive fee may induce FCM to make speculative investments and these fees will, in effect, be borne by our common stockholders.

The incentive fee payable by us to FCM may create an incentive for FCM to make investments on our behalf that are risky or more speculative than would be the case in the absence of such compensation arrangement. The incentive fee payable to the Adviser is calculated based on a percentage of our return on invested capital. This may encourage the Adviser to invest in higher risk investments in the hope of securing higher returns.

We may invest, to the extent permitted by law, in the securities and instruments of other investment companies, including private funds, as well as other special purpose vehicles set up by third parties for investment in a particular private company. To the extent we so invest, we will bear our ratable share of any such investment company's expenses, including management and incentive fees. We will also remain obligated to pay investment advisory fees, consisting of a base management fee and incentive fees, to FCM with respect to the assets invested in the securities and instruments of other investment companies under the Investment Management Agreement (as defined under "Discussion of Expected Operating Plans—Contractual Obligations"). With respect to any such investments, each of our stockholders will bear his or her share of the investment advisory fees of FCM as well as indirectly bearing the investment advisory fees and other expenses of any investment companies in which we invest.

We may be required to pay FCM an incentive fee for performance in periods before investors purchased their shares of our common stock in an offering or in the open market. For that reason, new investors could in effect bear the expense of that incentive fee without having benefitted from any favorable performance that generated the incentive fee. In order to mitigate that risk, when calculating our NAV quarterly, we include a quarterly accrual of projected incentive fees (calculated on a hypothetical as-liquidated basis) even though any incentive fee would be paid only once a year. It is important to note that incentive fees are calculated based on realized gains net of realized losses and unrealized depreciation in the portfolio. In other words, realized losses and unrealized depreciation have the effect of reducing incentive fees payable by us to FCM.

Changes in laws or regulations governing our operations may adversely affect our business.

We and our portfolio companies will be subject to regulation by laws at the local, state, and federal levels. These laws and regulations, as well as their interpretation, may be changed from time to time. Accordingly, any change in these laws or regulations could materially and adversely affect our business.

Provisions of the Maryland General Corporation Law and of our charter and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.

The Maryland General Corporation Law, our charter, and our bylaws contain provisions that may discourage, delay or make more difficult a change in control of the Company or the removal of the Company's directors. We are subject to the Maryland Business Combination Act, the application of which is subject to any requirements of the 1940 Act. Our board of directors has adopted a resolution exempting from the Maryland Business Combination Act any business combination between us and any other person, subject to prior approval of such business combination by our board, including approval by a majority of our disinterested directors. If the resolution exempting business combinations is repealed or our board does not approve a business combination, the Maryland Business Combination Act may discourage third parties from trying to acquire control of us and increase the difficulty of consummating such an offer. Our bylaws exempt from the Maryland Control Share Acquisition Act acquisitions of our common stock by any person. If we amend our bylaws to repeal the exemption from the Maryland Control Share Acquisition Act, the Maryland Control Share Acquisition Act also may make it more difficult for a third party to obtain control of us and increase the difficulty of consummating such an offer.

We have also adopted other measures that may make it difficult for a third party to obtain control of us, including provisions in our charter classifying our board of directors in three classes with each director serving a staggered three-year term and until his or her successor is duly elected and qualifies. Our charter also authorizes our board of directors (without stockholder approval) to classify or reclassify shares of our stock in one or more classes or series and to cause the issuance of additional shares of our stock. Additionally, our charter permits a majority of the entire board (without stockholder approval) to amend our charter to increase or decrease the number of shares of stock or the number of shares of stock of any class or series that we have authority to issue. These provisions, as well as other provisions of our charter and bylaws, may delay, defer, or prevent a transaction or a change in control that might otherwise be in the best interests of our stockholders.

Our board of directors may change our investment objective, operating policies, and strategies without prior notice or stockholder approval.

Our board of directors has the authority to modify or waive certain of our operating policies and strategies without prior notice and without stockholder approval(except as required by the 1940 Act). However, absent stockholder approval, we may not change the nature of our business so as to cease to be, or withdraw our election as, a business development company. We cannot predict the effect any changes to our current operating policies and strategies would have on our business, operating results, and value of our stock. Nevertheless, the effects may adversely affect our business and impact our ability to make distributions.

RISKS RELATED TO OUR INVESTMENTS

Our investments in prospective portfolio companies may be risky, and you could lose all or part of your investment.

We make equity investments primarily in equity securities and equity derivatives (such as options, warrants, rights, etc.) of privately placed venture capital stage technology and alternative energy companies as well as publicly traded micro-cap companies (those with market capitalizations of less than $250 million). Our goal is ultimately to dispose of these equity interests and realize gains upon our disposition of such interests. However, the equity interests we receive may not appreciate in value and, in fact, may decline in value or lose all value. Accordingly, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience.

In addition, investing in privately placed technology and clean tech companies involves a number of significant risks, including that private companies generally have limited operating history and are not as well capitalized as public companies. In addition, private company valuations may fluctuate more dramatically than those of public companies and they frequently have less diverse product lines and smaller market presence than larger competitors. These factors could adversely affect our investment returns as compared to companies investing primarily in the securities of public companies.

We may invest in micro-cap public companies and companies we may hope will have successful initial public offerings.

Although micro-cap companies may have potential for rapid growth, they are subject to wider price fluctuations due to factors inherent in their size, such as lack of management experience and financial resources and limited trade volume and frequency. To make a large sale of securities of micro-cap companies that trade in limited volumes, SVVC may need to sell portfolio holdings at a discount or make a series of small sales over an extended period of time.

We have invested in, and we expect to continue to invest in, companies that we believe are likely to issue securities in initial public offerings (“IPOs”). Although there is a potential the pre-IPO securities that we buy may increase in value if the company does issue securities in an IPO, IPOs are risky and volatile and may cause the value of our securities to fall dramatically. Also, because securities of pre-IPO companies are generally not freely or publicly tradable, we may not have access to purchase securities in these companies in the amounts or at the prices we desire. Securities issued by these privately-held companies have no trading history, and information about such companies may be available for very limited periods. The companies that we anticipate holding successful IPOs may not ever issues shares in an IPO and a liquid market for their securities may never develop, which may negatively affect the price at which we can sell any such securities and make it more difficult to sell such securities, which could also adversely affect our liquidity.

We expect to purchase securities in IPOs, which involve significant risks for us, and we may not be able to participate in offerings to the extent desired or at all.

We may purchase securities of a company in the public market at the company’s IPO. Securities purchased in IPOs are often subject to the general risk associated with investments in companies with smaller market capitalizations, and typically to a heightened degree. Securities issued in IPOs have no trading history, and information about companies may be available for very limited periods. In addition, under certain market conditions, a relatively small number of companies may issue securities in IPOs. Our investment performance during periods when we are unable to invest significantly or at all in IPOs may be lower than during periods when we are able to do so.

IPO securities may be volatile, and we cannot predict whether investments in IPOs will be successful. If the Company grows, the possible positive effects of IPO investments on the Company may decrease.

In addition, as a business development company, we are subject to special securities laws and regulations so that 70% of our total assets must be comprised of securities of "eligible portfolio companies." In the case of the stocks of a publicly traded company, this requirement is met only if the market capitalization of that portfolio company is below $250 million at the time of our investment. Therefore, while publicly traded small-cap companies (those with a market capitalization of below $250 million) are considered eligible portfolio companies, large-cap or mid-cap companies are not.

Our investment in Securities with PIK Interest may Result in a Loss of Our Entire Investment Relating to Those Securities and May Also Result in Risks Relating to Our On-Going Operations

We have invested, and may invest in the future, in securities that provide for payment-in-kind, or PIK interest. Interest payable to us under such securities is accrued and added to outstanding principal (or, in some cases, is converted into other securities), acting as negative amortization which may increase credit risk exposure for that investment. In some cases, that may result in the loss of our entire investment.

In most cases, a company is required to include PIK interest as income on its financial statements before actual receipt. As a result, there may be circumstances when we may have difficulty paying required distributions if we recognize income before, or without, receiving cash representing such income.

PIK interest is included in the asset base upon which the Management Fee is paid. (See, “INVESTMENT MANAGEMENT AGREEMENT – Investment Management Fee”).

We have not yet identified all of the portfolio company investments we intend to acquire using the proceeds of an offering.

The Investment Adviser will select our investments subsequent to the closing of an offering, and our stockholders will have no input with respect to such investment decisions. These factors increase the uncertainty, and thus the risk, of investing in our shares.

Economic recessions or downturns could impair our portfolio companies and harm our operating results.

Many of our portfolio companies are susceptible to economic slowdowns or recessions and may fail or require additional capital investments from us during those periods. Therefore, our non-performing assets are likely to increase and the value of our portfolio is likely to decrease during these periods. These events could harm our operating results.

Our failure to make follow-on investments in our portfolio companies could impair the value of our portfolio.

Following an initial investment in a portfolio company, we may make additional investments in that portfolio company as “follow-on” investments, in order to:

- increase or maintain in whole or in part our equity ownership percentage; or
- exercise warrants, options, or convertible securities that were acquired in the original or subsequent financing.

We have the discretion to make any follow-on investments, subject to the availability of capital resources and the availability of securities in the applicable public company. We may elect not to make follow-on investments in a portfolio company and we may lack sufficient funds to make those investments. The failure to make follow-on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and our initial investment, or may result in a missed opportunity for us to increase our participation in a successful operation. Even if we have sufficient capital to make a desired follow-on investment, we may elect not to make a follow-on investment because we may not want to increase our concentration of risk, because we prefer other opportunities, or because we are inhibited by compliance with business development company requirements or the desire to maintain our tax status.

We frequently do not hold controlling equity interests in our portfolio companies and we may not be in a position to exercise control over our portfolio companies or to prevent decisions by management of our portfolio companies that could decrease the value of our investments.

Although we may do so occasionally, we do not anticipate routinely taking controlling equity positions in our portfolio companies. As a result, we will be subject to the risk that a portfolio company may make business decisions with which we disagree, and the stockholders and management of a portfolio company may take risks or otherwise act in ways that are adverse to our interests. Due to the lack of liquidity for the equity investments that we will typically hold in our portfolio companies, we may not be able to dispose of our investments in the event we disagree with the actions of a portfolio company, and may therefore suffer a decrease in the value of our investments.

An investment strategy focused primarily on privately held companies presents certain challenges, including the lack of available information about these companies, a dependence on the talents and efforts of only a few key portfolio company personnel, and a greater vulnerability to economic downturns.

We invest primarily in privately held companies. Generally, little public information exists about these companies, and we will be required to rely on the ability of FCM's investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies. If we are unable to uncover all material information about these companies, we may not make a fully informed investment decision, and we may lose money on our investments. Also, privately held companies frequently have less diverse product lines and a smaller market presence than larger competitors. These factors could adversely affect our investment returns as compared to companies investing primarily in the securities of public companies.

Some of our investments, particularly those in the solar industry, are sensitive to public policy decisions by U.S. and foreign governments.

One of the industries in which we make investments is the solar industry. In many countries, government incentives, in the form of subsidies and renewable energy mandates, are currently responsible for supporting customer demand for solar-generated electricity. If governments were to relax or eliminate these incentives, some of our portfolio companies could be adversely affected.

Our portfolio companies may issue additional securities or incur debt that ranks equal or senior to our investments in such companies.

We also invest primarily in equity securities issued by our portfolio companies. The portfolio companies may be permitted to issue additional securities or incur other debt that ranks equally with, or senior to, the equity securities in which we invest. By their terms, such other securities (especially if they are debt securities) may provide that the holders are entitled to receive payment of interest or principal before we are entitled to receive any distribution from the portfolio companies. Also, in the event of insolvency, liquidation, dissolution, reorganization, or bankruptcy of a portfolio company, holders of debt instruments ranking senior to our equity investment in that portfolio company would typically be entitled to receive payment in full before equity investors like us may receive any distribution in respect of our investment. After repaying such senior creditors, the portfolio company may not have any remaining assets to distribute to us.

We may invest in below investment grade debt securities or junk bonds.

In addition to making equity investments in our portfolio companies, we may also, from time to time, invest in debt securities (both convertible and non-convertible). Currently, we do not expect such investments to be a material portion of our portfolio. In the event we invest in these debt securities, they may be either unrated or, if rated, likely to be below investment grade (or called "junk bonds"). Unrated or junk status indicates that an issuer is less likely to be able to meet its debt obligations and, therefore, more likely to default compared to issuers of investment-grade debt. These investments are risky. If the issuer were to default, we could lose all of our investment.

We may purchase or sell options on securities and indexes, which may expose us, and your investment in our common stock, to certain risks.

We may on a very limited and incidental basis purchase or sell options on indexes or securities. The Fund would typically purchase options for the purpose of gaining current or future exposure to the equity of a company on what the Investment Adviser expects to be more attractive terms than a purchase of the underlying security. The Fund may also acquire options as one portion of an investment in a company. To a lesser extent, the Fund may purchase put options to hedge the risk on a current portfolio holding. Options on equity securities indexes may be used occasionally as a way to gain general equity or technology market exposure on a portion of the portfolio pending additional investments. In all cases, the use of these options, alone or in combination with other portfolio investments, would be for the purpose of achieving the Fund's objective of long term growth of capital. The use of options has risks and our ability to successfully use these techniques depends on our ability to predict pertinent market movements, which cannot be assured. The use of options may result in losses greater than if they had not been used, may require us to sell or purchase portfolio securities at inopportune times or for prices other than current market values, may limit the amount of appreciation we can realize on an investment or may cause us to hold a security we might otherwise sell.

Your interest in us may be diluted if you do not fully exercise your subscription rights in any rights offering. In addition, if the subscription price is less than our net asset value per share, then you will experience an immediate dilution of the aggregate net asset value of your shares.

In the event we issue subscription rights, stockholders who do not fully exercise their subscription rights should expect that they will, at the completion of a rights offering pursuant to this prospectus, own a smaller proportional interest in us than would otherwise be the case if they fully exercised their rights. We cannot state precisely the amount of any such dilution in share ownership because we do not know at this time what proportion of the shares will be purchased as a result of such rights offering.

In addition, if the subscription price is less than the net asset value per share of our common stock, then our stockholders would experience an immediate dilution of the aggregate net asset value of their shares as a result of the offering. The amount of any decrease in net asset value is not predictable because it is not known at this time what the subscription price and net asset value per share will be on the expiration date of a rights offering or what proportion of the shares will be purchased as a result of such rights offering. Such dilution could be substantial.

Our investments in foreign securities may involve significant risks in addition to the risks inherent in U.S. investments.

Our investment strategy involves potential investments in equity securities of foreign companies. Investing in foreign companies may expose us to additional risks not typically associated with investing in U.S. companies. These risks include changes in exchange control regulations; political and social instability; expropriation; imposition of foreign taxes; less liquid markets and less available information than is generally the case in the United States; higher transaction costs; less government supervision of exchanges, brokers and issuers; less developed bankruptcy laws; difficulty in enforcing contractual obligations; lack of uniform accounting and auditing standards; and greater price volatility.

Although most of our investments will be U.S. dollar-denominated, any investments denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments. We may employ hedging techniques to minimize these risks, but we can offer no assurance that we will, in fact, hedge currency risk, or, if we do, that such strategies will be effective.

RISKS RELATING TO ANY FUTURE OFFERING

There is a risk that you may not receive distributions or that our distributions may not grow over time.

We intend to make distributions annually to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a distribution. It is also likely that both the availability and amount of distribution will vary drastically from year to year. In addition, due to the asset coverage test applicable to us as a business development company, we may be limited in our ability to make distributions. Finally, if more stockholders opt to receive cash dividends and other distributions rather than participate in our dividend reinvestment plan, we may be forced to liquidate some of our investments and raise cash in order to make distribution payments.

Investing in our shares may involve an above average degree of risk.

The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and volatility or loss of principal. Our investments in portfolio companies may be highly speculative and aggressive, and therefore, an investment in our shares may not be suitable for someone with lower risk tolerance.

The market price of our common stock may fluctuate significantly.

The market price and liquidity of the market for shares of our common stock may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include:

- significant volatility in the market price and trading volume of securities of business development companies or other companies in our sector, which are not necessarily related to the operating performance of these companies;

- changes in regulatory policies or tax guidelines, particularly with respect to RICs or business development companies;

- any failure to qualify for, or loss of, RIC status;
- changes in earnings or variations in operating results;
- changes in the value of our portfolio of investments;
- any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts;
- the inability of the Adviser to employ experienced senior investment professionals or the departure of FCM's key personnel;
- operating performance of companies comparable to us; public perception of our portfolio companies that are privately held that may not release financial information to the public; and
- general economic trends and other external factors.

Our common stock may trade at a discount/premium to our net asset value.

Our common stock has traded both at a discount and at a premium to our net asset value. The last reported sale price of our common stock was $24.01 per share as of September 30, 2014. Our net asset value per share as of September 30, 2014 was $29.70, a 19.16% discount to NAV. There is no assurance that this discount will continue after the date of this prospectus. Shares of closed-end investment companies and business development companies frequently trade at a discount to their net asset value. This characteristic is a risk separate and distinct from the risk that our net asset value could decrease as a result of our investment activities and may be greater for investors expecting to sell their shares in a relatively short period following completion of an offering. Although the value of our net assets is generally considered by market participants in determining whether to purchase or sell shares, whether investors will realize gains or losses upon the sale of our common stock depends upon whether the market price of our common stock at the time of sale is above or below the investor's purchase price for our common stock. Because the market price of our common stock is affected by factors such as net asset value, dividend or distribution levels (which are dependent, in part, on expenses), supply of and demand for our common stock, stability of distributions, trading volume of our common stock, general market and economic conditions, and other factors beyond our control, we cannot predict whether our common stock will trade at, below or above net asset value or at, below or above the offering price of any future offering.

We may allocate the net proceeds from an offering in ways with which you may not agree.

We will have significant flexibility in investing the net proceeds of an offering. Accordingly, we may use the net proceeds from any future offering in ways with which you may not agree or for purposes other than those contemplated at the time of the offering.

We may be unable to invest a significant portion of the net proceeds from an offering of our common stock on acceptable terms within an attractive timeframe.

Until the net proceeds raised in an offering are fully invested, we may have lower returns or may be likely to lose money. We cannot assure you that we will be able to identify any investments that meet our investment objective or that any investment that we make will produce a positive return. We may be unable to invest the net proceeds of any offering on acceptable terms within the time period that we anticipate or at all, which could harm our financial condition and operating results. In addition, until such time as the net proceeds of an offering are invested in securities meeting our investment objective, the market price for our common stock may decline. Thus, the initial return on your investment may be lower than when, if ever, our portfolio is fully invested in securities meeting our investment objective.

Sales of substantial amounts of our common stock in the public market will likely have an adverse effect on the market price of our common stock.

With any future offerings to sell shares of our common stock, we could adversely affect the prevailing market price for our common stock. If this occurs and continues, it could impair our ability to raise additional capital through the sale of equity securities should we desire to do so.

We may hold a material portion of our portfolio in cash.

When we make a direct investment in a portfolio company (called a primary transaction), it will be to our advantage to hold sufficient cash in reserve so that we can make subsequent investments in that company in order to (a) avoid having our earlier investment become diluted in future dilutive financings, (b) invest additional capital into such a company in case additional investment is necessary and/or (c) exercise warrants, options or convertible securities that were acquired as part of the earlier transaction. For that reason, in the case of a primary transaction, we typically reserve cash in an amount at least equal to our initial investment for such follow-on opportunities. We may, therefore, hold more than 20% of our assets in cash, and could do so for an extended period of time. Cash held in reserve with respect to a particular investment should decline as the investment is held longer, and will typically not be needed once the portfolio company becomes public or we determine it is no longer in our best interest to make additional investments in such a portfolio company.

In addition, we believe it is in our best interest to be patient, diligent investors. The timing of attractive investment opportunities is unpredictable. We strive to maintain sufficient cash to take advantage of investment opportunities as they arise. Further, it would be difficult to rapidly deploy large amounts of cash, as it takes time to build a pipeline of high-quality potential investments.

FINANCIAL HIGHLIGHTS

These financial highlights should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Fund's Financial Statements and related notes thereto included elsewhere herein.

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

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014 (UNAUDITED)		FOR THE YEAR ENDED DECEMBER 31, 2013		FOR THE YEAR ENDED DECEMBER 31, 2012		FOR THE PERIOD ENDED DECEMBER 31, 2011(1)	
Net asset value at beginning of period	$ 28.32		$ 22.90		$ 23.92		$ 27.01	
Income from investment operations:								
Net investment loss	(0.92	)	(1.42	)	(0.39	)	(0.41	)
Net realized and unrealized gain (losses) on investments	2.30		7.16		(1.01	)	(2.68	)
Total from investment operations	1.38		5.74		(1.40	)	(3.09	)
Distributions from:								
Realized capital gains	—		(0.32	)	—		—	
Premiums from shares sold in offerings	—		—	(2)	0.38		—	
Net asset value at end of period	$ 29.70		$ 28.32		$ 22.90		$ 23.92	
Market value at end of period	$ 24.01		$ 23.17		$ 17.44		$ 14.33	
Total return								
Based on Net Asset Value	4.87	%(A)	25.30	%	(4.26	)%	(11.44	)%(A)
Based on Market Value	3.63	%(A)	34.61	%	21.70	%	(46.95	)%(A)
Net assets at end of period (millions)	$ 269.4		$ 256.9		$ 195.9		$ 83.63	
Ratio of total expenses to average net assets	5.36	%(3)(B)	6.52	%(3)	2.56	%	2.76	%(B)
Ratio of total expenses to average net assets, excluding incentive fees	3.13	%(B)	2.67	%	2.56	%	2.76	%(B)
Ratio of net investment loss to average net assets	(4.41	)%(B)	(5.96	)%	(2.12	)%	(2.28	)%(B)
Portfolio turnover rate	19	%(A)	17	%	10	%	18	%(A)

(1) For the period April 18, 2011 (inception) through December 31, 2011.
(2) Less than $0.005 per share.
(3)

Amount includes the incentive fee. For the nine months ended September 30, 2014 and the year ended December 31, 2013, the ratio of the incentive fee to average net assets was 2.25% and 3.85%, respectively.

(A) Not Annualized.

(B) Annualized.

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MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 have elected to be treated as a RIC under Subchapter M of the Code. 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 % 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 stock, and convertible/term debt. The fair value of our investment portfolio was approximately $197.9 million as of September 30, 2014 as compared to approximately $181.9 million as of December 31, 2013.

The following table summarizes the fair value of our investment portfolio by industry sector as of September 30, 2014 and December 31, 2013.

	September 30, 2014	December 31, 2013
Social Networking	25.2%	34.0%
Medical Devices	8.1%	7.9%
Semiconductor Equipment	7.5%	3.6%
Advertising Technology	7.2%	7.0%
Consumer Electronics	5.6%	5.4%
Cloud Computing	3.7%	0.0%
Mobile Computing	3.7%	0.0%
Advanced Materials	3.4%	3.6%
Automotive	2.8%	2.3%
Renewable Energy	2.4%	2.3%
Intellectual Property	2.1%	2.2%
Other Electronics	1.0%	1.6%
Internet	0.6%	0.7%
Medical Imaging	0.1%	0.0%
Services	0.0%	0.2%
Other Assets in Excess of Liabilities	26.6%	29.2%
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.

RESULTS OF OPERATIONS

Comparison of the three months ended September 30, 2014 to the three months ended September 30, 2013.

INVESTMENT INCOME

For the three months ended September 30, 2014, we had investment income of $875,846 primarily attributable to interest accrued on convertible/term note investments with Silicon Genesis Corporation, IntraOp Medical, Pivotal and Wrightspeed.

For the three months ended September 30, 2013, we had interest income of $307,396 primarily attributable to interest accrued on convertible note investments with Silicon Genesis Corporation.

The higher level of interest income in the three months ended September 30, 2014 compared to the three months ended September 30, 2013 was due to a significant increase in the principal amount of the outstanding notes with IntraOp Medical, Pivotal and Wrightspeed. Also, there was a significant increase in royalty income from Silicon Genesis Corp.

OPERATING EXPENSES

Operating expenses totaled approximately $1,738,313 during the three months ended September 30, 2014 and $1,391,369 during the three months ended September 30, 2013.

Significant components of gross operating expenses for the three months ended September 30, 2014, were management fee expense of $1,358,816 and professional fees (audit, legal, accounting, and consulting) of $155,463. Significant components of gross operating expenses for the three months ended September 30, 2013, were management fee expense of $1,107,158 and professional fees (audit, legal, accounting, and consulting) of $158,848.

The higher level of gross operating expenses for the three months ended September 30, 2014 compared to the three months ended September 30, 2013 is primarily attributable to an increase in our total assets, on which the investment advisory fees are based.

NET INVESTMENT LOSS

The net investment loss was $6,521,575 for the three months ended September 30, 2014 and $1,083,973 for the three months ended September 30, 2013.

The greater net investment loss in the three months ended September 30, 2014 compared to the three months ended September 30, 2013 is primarily due to the incentive fee adjustment. Each quarter that we are in a net realized/unrealized gain position, we must accrue for an incentive fee and adjust the fee quarterly based on investment appreciation/depreciation in that quarter. In the three months ended September 30, 2014, we increased our incentive fee accrual by $5,659,108 due to appreciation of our investments and realized gains during the quarter.

NET INVESTMENT REALIZED GAINS AND LOSSES AND UNREALIZED APPRECIATION AND DEPRECIATION

A summary of the net realized and unrealized gains and loss on investments for the three month periods ended September 30, 2014, and September 30, 2013, is shown below

	Three Months Ended September 30, 2014
Realized gains	$ 42,124,851
Net change in unrealized appreciation on investments	(13,837,171)
Net realized and unrealized gains on investments	$ 28,287,680

	As of September 30, 2014
Gross unrealized appreciation on portfolio investments	$ 37,984,639
Gross unrealized depreciation on portfolio investments	(20,098,507)
Net unrealized appreciation on portfolio investments	$ 17,886,132

	Three Months Ended September 30, 2013
Realized gains	$ 1,395,120
Net change in unrealized appreciation on investments	11,704,170
Net realized and unrealized gain on investments	$ 13,099,290

	As of September 30, 2013
Gross unrealized appreciation on portfolio investments	$ 19,508,918
Gross unrealized depreciation on portfolio investments	(12,300,709)
Net unrealized appreciation on portfolio investments	$ 7,208,209

During the three months ended September 30, 2014, we recognized net realized gains of approximately $42,124,851 from the sale of investments. Realized gains were substantially higher than those in the year-ago period due to the sale of our Facebook common stock during the quarter. We also realized gains during the quarter from the acquisition of INNOViON Corporation by West Peak Partners.

During the three months ended September 30, 2014, net unrealized appreciation on total investments decreased by $13,837,171. 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. The decrease in unrealized appreciation on total investments during the quarter is due primarily to the sale of Facebook securities, which had the effect of reducing unrealized appreciation and increasing realized gains for the Fund.

During the three months ended September 30, 2013, we recognized net realized gains of approximately $1,395,120 from the sale of Solar City common stock.

During the three months ended September 30, 2013, net unrealized appreciation on total investments increased by $11,704,170. 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 depreciation was primarily composed of an increase in the fair value of our portfolio companies, notably Facebook and Twitter.

INCOME AND EXCISE TAXES

It is our intent to continue to qualify as a RIC under Subchapter M of the Code; accordingly, the Company does not provide for income taxes. The Company does, however, recognize interest and penalties in income tax expense.

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

For the three months ended September 30, 2014, net increase in net assets resulting from operations totaled $21,766,105 and basic and fully diluted net change in net assets per share for the three months ended September 30, 2014 was $2.40.

For the three months ended September 30, 2013, net increase in net assets resulting from operations totaled $12,015,317 and basic and fully diluted net change in net assets per share for the three months ended September 30, 2013 was $1.40.

The larger increase in net assets resulting from operations for the three months ended September 30, 2014 as compared to the three months ended September 30, 2013, is due primarily to an increase in realized gains from investment transactions, most notably the sale of Facebook and Twitter securities.

Comparison of the nine months ended September 30, 2014 to the nine months ended September 30, 2013.

INVESTMENT INCOME

For the nine months ended September 30, 2014, we had investment income of $1,793,493 primarily attributable to interest accrued on convertible/term note investments with Silicon Genesis Corporation, IntraOp Medical, Pivotal and Wrightspeed.

For the nine months ended September 30, 2013, we had investment income of $870,048 primarily attributable to interest accrued on convertible note investments with Silicon Genesis Corporation.

The higher level of interest income in the nine months ended September 30, 2014 compared to the nine months ended September 30, 2013, was due to a significant increase in the principal amount of the outstanding notes with IntraOp Medical, Pivotal and Wrightspeed. Also, there was a significant increase in royalty income from Silicon Genesis Corp.

OPERATING EXPENSES

Gross operating expenses totaled approximately $5,921,181 during the nine months ended September 30, 2014 and $3,830,054 during the nine months ended September 30, 2013.

Significant components of operating expenses for the nine months ended September 30, 2014, were management fee expense of $3,929,151, settlement fee expense of $838,000 and professional fees (audit, legal, accounting, and consulting) of $651,689. Significant components of operating expenses for the nine months ended September 30, 2013, were management fee expense of $3,118,081 and professional fees (audit, legal, accounting, and consulting) of $349,187.

The higher level of operating expenses for the nine months ended September 30, 2014, compared to the nine months ended September 30, 2013, is primarily attributable to fees associated with the settlement of our proxy contest and an increase in our total assets, on which the investment advisory fees are based.

NET INVESTMENT LOSS

Net investment loss was $8,353,857 for the nine months ended September 30, 2014 and $2,960,006 for the nine months ended September 30, 2013.

The greater net investment loss in the nine months ended September 30, 2014 compared to the nine months ended September 30, 2013 is primarily due to the incentive fee adjustment. Each quarter that we are in a net realized/unrealized gain position, we must accrue for an incentive fee and adjust the fee quarterly based on investment appreciation/depreciation in that quarter. In the nine months ended September 30, 2014, we increased our incentive fee accrual by $4,226,169 due to appreciation of our investments during the nine months.

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, 2014, and September 30, 2013, is shown below.

	Nine Months Ended September 30, 2014
Realized gains	$ 42,124,983
Net change in unrealized appreciation on investments	(21,241,978)
Net realized and unrealized gain on investments	$ 20,883,005

	As of September 30, 2014
Gross unrealized appreciation on portfolio investments	$ 37,984,639
Gross unrealized depreciation on portfolio investments	(20,098,507)
Net unrealized appreciation on portfolio investments	$ 17,886,132

	Nine Months Ended September 30, 2013
Realized gains	$ 2,960,210
Net change in unrealized depreciation on investments	28,264,123
Net realized and unrealized gain on investments	$ 31,224,333

	As of September 30, 2013
Gross unrealized appreciation on portfolio investments	$ 19,508,918
Gross unrealized depreciation on portfolio investments	(12,300,709)
Net unrealized depreciation on portfolio investments	$ 7,208,209

Realized gains or losses are measured 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, and includes investments charged off during the period, net of recoveries. Net change in unrealized appreciation or depreciation primarily reflects the change in portfolio investment values during the reporting period, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

During the nine months ended September 30, 2014, we recognized net realized gains of approximately $42,124,983 from the sale of securities. During the nine months ended September 30, 2013, we recognized net realized gains of approximately $2,960,210 from the sale of securities. Realized gains were substantially higher than those during the nine months ended September 30, 2013 due to the sale of our Facebook and Twitter securities during the nine months ended September 30, 2014.

During the nine months ended September 30, 2014, net unrealized appreciation on total investments decreased by $21,241,978 compared to an increase of $28,264,123 in unrealized appreciation on the total investments during the nine months ended September 30, 2013. 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 as a result of the Facebook common stock sale, which transfers all the appreciation that Facebook had into realized gains during the nine months ended September 30, 2014 and an increase in the fair value of Facebook and Twitter during the nine months ended September 30, 2013.

INCOME AND EXCISE TAXES

It is our intent to continue to qualify as a RIC under Subchapter M of the Code; accordingly, the Company does not provide for income taxes. The Company does, however, recognize interest and penalties in income tax expense.

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

For the nine months ended September 30, 2014, the net increase in net assets resulting from operations totaled $12,529,148 and for the nine months ended September 30, 2013, the net increase in net assets resulting from operations totaled $28,264,327. Basic and fully diluted net change in net assets per share for the nine months ended September 30, 2014 was $1.38 and basic and fully diluted net change in net assets per share for the nine months ended September 30, 2013 was $3.30. The smaller increase in net assets for the nine months ended September 30, 2014, compared to the nine months ended September 30, 2014, was due primarily to a smaller increase in unrealized and realized gains from Facebook and Twitter.

The following table summarizes the fair value of our investment portfolio by industry sector as of December 31, 2013 and December 31, 2012.

	December 31, 2013	December 31, 2012
Social Networking	34.0%	16.7%
Medical Devices	7.9%	0.0%
Advertising Technology	7.0%	0.0%
Consumer Electronics	5.4%	0.0%
Advanced Materials	3.6%	3.1%
Semiconductor Equipment	3.6%	2.0%
Renewable Energy	2.3%	2.3%
Automotive	2.3%	0.0%
Intellectual Property	2.2%	3.2%
Other Electronics	1.6%	1.3%
Internet	0.7%	1.4%
Services	0.2%	0.2%
Other Assets in Excess of Liabilities	29.2%	69.8%
Net Assets	100.0%	100.0%

RESULTS OF OPERATIONS

Comparison for the year ended December 31, 2013, and December 31, 2012.

INVESTMENT INCOME

For the year ended December 31, 2013, we had investment income of $1,208,699 primarily attributable to interest accrued on convertible/term note investments with Silicon Genesis Corporation.

For the year ended December 31, 2012, we had investment income of $688,716 primarily attributable to interest accrued on convertible note investments with Silicon Genesis Corporation.

The higher level of interest income in the year ended December 31, 2013 compared to the year ended December 31, 2012 was due to a significant increase in the principal amount of the outstanding notes with Silicon Genesis Corporation.

OPERATING EXPENSES

Operating expenses totaled approximately $14,061,495 during the year ended December 31, 2013 and $3,997,855 during the year ended December 31, 2012.

Significant components of operating expenses for the year ended December 31, 2013, were an incentive fee (which was accrued but is not payable until gains in the portfolio are realized) of $8,311,199, management fee expense of $4,390,112 and professional fees (audit, legal, accounting, and consulting) of $831,387. Significant components of operating expenses for the year ended December 31, 2012, were management fee expense of $3,279,133 and professional fees (audit, legal, accounting, and consulting) of $355,976.

The higher level of operating expenses for the year ended December 31, 2013 compared to the year ended December 31, 2012 is primarily attributable to an increase in our total assets, on which the investment advisory fees are based and an accrual for an incentive fee which was not paid.

NET INVESTMENT LOSS

The net investment loss was $12,852,796 for the year ended December 31, 2013 and $3,309,139 for the year ended December 31, 2012.

The greater net investment loss in the year ended December 31, 2013 compared to the year ended December 31, 2012 is primarily due to the increase in management fees and an accrual for an incentive fee which was accrued but is not payable until gains in the portfolio are realized. As noted above, the increase in investment advisory fees is due to the expansion of our total 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 loss on investments for the years ended December 31, 2013, and December 31, 2012, is shown below.

	Year Ended December 31, 2013	
Realized gains	$	2,960,546
Net change in unrealized appreciation on investments	$	60,254,035
Net realized and unrealized gain on investments	$	63,214,581

	As of December 31, 2013	
Gross unrealized appreciation on portfolio investments	$	54,672,337
Gross unrealized depreciation on portfolio investments	$	(15,474,216)
Net unrealized appreciation on portfolio investments, warrants, and other assets	$	39,198,121

	Year Ended December 31, 2012	
Realized gains	$	1,072,729
Net change in unrealized depreciation on investments	$	(12,952,841)
Net realized and unrealized loss on investments	$	(11,880,112)

		As of December 31, 2012
Gross unrealized appreciation on portfolio investments	$	789,203
Gross unrealized depreciation on portfolio investments	$	(21,845,117)
Net unrealized depreciation on portfolio investments, warrants, and other assets	$	(21,055,914)

During the year ended December 31, 2013, we recognized net realized gains of approximately $2,960,546 from the sale of investments. Realized gains were substantially higher than those in the year-ago due to the sale of our SolarCity common stock during the year.

During the year ended December 31, 2013, net unrealized appreciation on total investments increased by $60,254,035. 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 composed of an increase in the fair value of our portfolio companies, notably Facebook and Twitter.

During the year ended December 31, 2012, we recognized net realized gains of approximately $1,072,729 from the sale of investments.

During the year ended December 31, 2012, net unrealized depreciation on total investments increased by $12,952,841. 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 depreciation was primarily composed of a decrease in the fair value of our portfolio companies, notably Facebook, SoloPower and Intevac.

INCOME AND EXCISE TAXES

It is our intent to continue to qualify as a RIC under Subchapter M of the Code; accordingly, the Company does not provide for income taxes. The Company does, however, recognize interest and penalties in income tax expense.

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

For the year ended December 31, 2013, net increase in net assets resulting from operations totaled $50,361,785 and basic and fully diluted net change in net assets per share for the year ended December 31, 2013 was $5.80.

For the year ended December 31, 2012, net decrease in net assets resulting from operations totaled $(15,189,251) and basic and fully diluted net change in net assets per share for the year ended December 31, 2012 was $(2.19).

The larger increase in net assets resulting from operations for the year ended December 31, 2013 as compared to the year ended December 31, 2012, is due primarily to an increase in realized gains and unrealized appreciation from investment transactions, most notably the sale of SolarCity common stock and the appreciation of Facebook and Twitter.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2013, we had investments in public and private securities totaling approximately $181.9 million. Also, at December 31, 2013, we had approximately $83.2 million in cash. We primarily invest cash on hand in a money market treasury portfolio. We expect the portion of our portfolio consisting of cash and cash equivalents to decrease as we become fully invested.

As of December 31, 2013, net assets totaled approximately $256.9 million, with an NAV per share of $28.32. Our primary use of funds will be investments in portfolio companies and payments of fees and other operating expenses we incur. Additionally, we expect to raise additional capital to support our future growth through future equity offerings. To the extent we determine to raise additional equity through an offering of our common stock at a price below NAV, existing investors will experience dilution.

For the fiscal year 2013, we made 8 new investments and many follow-on investments totaling approximately $74 million:

- On January 16, 2013, we acquired an additional 25,000 shares of Twitter at a cost of approximately $413k.
- On February 22, 2013, we made an initial investment of 140,024 shares of Tapad Series B-1 at a cost of approximately $1.5 million.
- On February 26, 2013, our investment in a Silicon Genesis warrant to purchase 94,339 shares of Series 1-E expired.
- On March 28, 2013, we were granted 10,000 shares of Silicon Genesis common stock.
- On April 11, 2013, we made an initial investment of 2,267,659 shares of Wrightspeed at a cost of approximately $6.0 million.
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On May 15, 2013, we acquired an additional 2,382,938 shares of Pivotal Systems Series A preferred stock and received a warrant to purchase another 1,588,468 shares of Pivotal Systems Series A preferred stock at a cost of approximately $2.0 million.

· On July 2, 2013, we made an initial investment of $300,000 par value in a Telepathy convertible note at a cost of approximately $300,000.

· On July 10, 2013, we made an initial investment of 512,820 shares of Sunrun common stock at a cost of approximately $5.0 million.

· On July 10, 2013, we acquired an additional 140,024 shares of Tapad Series B-1 at a cost of approximately $1.5 million.

· On July 12, 2013, we made an initial investment of 1,800,000 shares of IntraOp Medical Series A-1 at a cost of approximately $1.8 million.

- On July 15, 2013, we sold 85,300 shares of SolarCity with proceeds of approximately $3.4 million.
- On July 18, 2013, we sold 100 shares of SolarCity with proceeds of approximately $4,000.
- On July 19, 2013, we sold 340,600 shares of SolarCity with proceeds of approximately $13.9 million.
- On July 26, 2013, we sold 300 shares of SolarCity with proceeds approximately $12,000.
- On July 30, 2013, our investments in SoloPower (400,000 shares of Series A, 100,205 share of Series B, 100,000 shares of Series D, 190,476 shares of Series E-1 and a warrant to purchase 400,000 share of common stock) were all canceled.
- On August 7, 2013, we acquired an additional 5,000,000 shares of Telepathy Series A at a cost of approximately $5.0 million.
- On August 7, 2013, Telepathy repaid our $300,000 par value convertible note plus interest.
- On August 16, 2013, we acquired an additional 162,000 shares of Sunrun common stock at a cost of approximately $1.4 million.
- On August 20, 2013, we made an initial investment of 1,928,005 shares of Aliphcom common stock at a cost of approximately $9.2 million.
- On October 2, 2013, we acquired an additional 200,000 shares of Aliphcom common stock at a cost of approximately $1.0 million.
- On October 4, 2013, we acquired an additional 5,000,000 shares of IntraOp Medical Series A-1 at a cost of approximately $5.0 million.
- On October 4, 2013, we completed a private placement transaction and issued 515,552 shares of our $0.001 par value common stock at a price of $26.19 per share for 13,500,000 shares of IntraOp Series A-2 at a cost of approximately $13.5 million.
- On October 31, 2013, we made an initial investment of 55,328 shares of Mattson common stock at a cost of approximately $160,000.
- On November 1, 2013, we acquired an additional 970 shares of Mattson common stock at a cost of approximately $3,000.
- On November 4, 2013, we acquired an additional 43,702 shares of Mattson common stock at a cost of approximately $127,000.
- On November 5, 2013, we acquired an additional 55,000 shares of Mattson common stock at a cost of approximately $159,000.
- On November 6, 2013, we acquired an additional 124,624 shares of Mattson common stock at a cost of approximately $354,000.

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On November 6, 2013, Twitter completed the initial public offering of its common stock at a price of $26.00 per share. The company's stock commenced trading on the New York Stock Exchange on November 7, 2013 and the closing price on that day was $44.90.

- On November 7, 2013, we acquired an additional 67,190 shares of Mattson common stock at a cost of approximately $183,000.

- On November 8, 2013, we acquired an additional 32,786 shares of Mattson common stock at a cost of approximately $88,309.

- On November 11, 2013, we acquired an additional 20,400 shares of Mattson common stock at a cost of approximately $55,000.
- On December 2, 2013, we acquired an additional 2,571,600 shares of QMAT Series A at a cost of approximately $2.6 million.
- On December 17, 2013, we acquired an additional 32,000 shares of Mattson common stock at a cost of approximately $79,000.
- On December 19, 2013, we acquired a $2,000,000 par value convertible note of Pivotal at a cost of approximately $2.0 million.
- On December 30, 2013, we made an initial investment of 1,798,562 shares of Turn Series E at a cost of approximately $15.0 million.

PORTFOLIO INVESTMENTS

PRIVATE INVESTMENTS

We make investments in securities of both public and private companies. December 31, 2013, we had investments in the following private companies:

Aliphcom, Inc.

Aliphcom, Inc. (“Aliphcom”), San Francisco, California, designs and markets consumer electronics products under the Jawbone brand.

At December 31, 2013, our investment in Aliphcom consisted of 2,128,005 shares of common stock with an aggregate market value of approximately $10.3 million.

Gilt Groupe Holdings, Inc.

Gilt Groupe Holdings, Inc. (“Gilt Groupe”), New York, NY, is a leader in online “flash sales” of designer merchandise at discount prices.

At December 31, 2013, our investment in Gilt Groupe consisted of 198,841 shares of common stock with an aggregate market value of approximately $1.8 million.

INNOViON Corporation

INNOViON Corporation (“Innovion”), San Jose, California, provides foundry ion implant services to the microelectronics industry.

At December 31, 2013, our investments in INNOViON consisted of 324,948 shares of Series A-1 preferred stock, 168,804 shares of Series A-2 preferred stock, and one share of common stock, with a combined fair value of $491,699.

IntraOp Medical Corporation

IntraOp Medical Corporation ("IntraOp"), Sunnyvale, California, manufactures and markets the Mobetron, a medical device for delivering Intra Operative Electron Radiation Therapy to cancer patients.

At December 31, 2013, our investment in IntraOp consisted of 6,800,000 shares of Series A-1 preferred stock and 13,500,000 shares of Series A-2 preferred stock with an aggregate market value of approximately $20.3 million.

Pivotal Systems Corporation

Pivotal Systems, Corporation ("Pivotal Systems") provides monitoring and process control technologies for the semiconductor manufacturing industry.

At December 31, 2013, our investment in Pivotal Systems consisted of 7,148,814 shares of Series A preferred stock, warrants to purchase up to 4,765,403 shares of Series A preferred stock, and a $2 million par value convertible note, with a combined fair value of approximately $8.0 million.

QMAT, Inc.

QMAT, Inc. ("QMAT") is developing advanced materials technologies for applications in the electronics industry.

At December 31, 2013, our investment in QMAT consisted of 8,571,600 shares of Series A preferred stock and warrants to purchase up to 2,000,000 shares of Series A preferred stock with a combined fair value of approximately $8.6 million.

Silicon Genesis Corporation

Silicon Genesis Corporation ("SiGen"), San Jose, CA, provides engineered substrate process technology for the semiconductor, display, optoelectronics, and solar markets.

At December 31, 2013, our investments in SiGen consisted of 82,914 shares of Series 1-C preferred stock, 850,830 shares of Series 1-D preferred stock, 5,704,480 shares of Series 1-E preferred stock, 912,453 shares of Series 1-F preferred stock, 921,892 shares of common stock, warrants for 1,257,859 shares of Series 1-E preferred stock, warrants for 8,037,982 shares of common stock, a $1.25 million par value convertible note, a $500,000 par value convertible note, a $1.0 million par value convertible note, and a $3.0 million term note. The convertible notes each bear annual interest at a rate of 20% and the term note bears an annual interest at a rate of 10%. The convertible notes mature on December 31, 2014, and the term note matures on December 31, 2016. At December 31, 2013, the combined fair value of our SiGen securities was approximately $5.8 million.

Skyline Solar, Inc.

Skyline Solar, Inc. ("Skyline Solar"), Mountain View, CA, is a supplier of concentrated solar photovoltaic systems for utility-scale solar electricity generation projects.

At December 31, 2013, our investment in Skyline Solar consisted of 793,651 shares of Series C preferred stock, with a fair value of $0.

Sunrun, Inc.

Sunrun, Inc. ("Sunrun"), San Francisco, California, is a solar finance company offering "solar-as-a-service" to residential customers in the United States.

At December 31, 2013, our investments in Sunrun consisted of 674,820 shares of common stock with a combined fair value of approximately $6.0 million.

TapAd, Inc.

TapAd, Inc. (“TapAd”), New York, NY, is an advertising technology company that enables digital advertisers to deliver targeted advertisements to users across multiple devices (i.e., desktop, mobile, tablet).

At December 31, 2013, our investments in TapAd consisted of 280,048 shares of Series B-1 preferred stock, with a fair value of approximately $3.0 million.

Telepathy, Inc.

Telepathy, Inc. (“Telepathy”), Sunnyvale, California, is developing wearable consumer electronics products.

At December 31, 2013, our investment in Telepathy consisted of 5,000,000 shares of Series A preferred stock with a fair value of approximately $3.5 million.

Turn, Inc.

Turn, Inc. (“Turn”), San Francisco, California, is a leading provider of advertising technology for mobile, display, video, and Facebook advertising.

At December 31, 2013, our investment in Turn consisted of 1,798,562 shares of Series E preferred stock with a fair value of approximately $15.0 million.

UCT Coatings, Inc.

UCT Coatings, Inc. (“UCT”), Stuart, Florida, is a leader in the development of metal coatings that reduce friction and improve efficiency in mechanical systems.

At December 31, 2013, our investments in UCT consisted of 1,500,000 shares of common stock and warrants to purchase 172,270 shares of common stock, with a combined fair value of $735,467.

Wrightspeed, Inc.

Wrightspeed, Inc. (“Wrightspeed”), San Jose, California, is a supplier of electric drivetrains for medium-duty trucks.

At December 31, 2013, our investments in Wrightspeed consisted of 2,267,659 shares of Series C preferred stock, with a fair value of approximately $6.0 million.

PUBLIC INVESTMENTS

At December 31, 2013, we had investments in the following public securities:

Facebook, Inc.

Facebook, Inc. (“Facebook”), Menlo Park, CA, is an online social networking service with more than 1 billion active users worldwide. Facebook also develops technologies to facilitate information sharing and the digital mapping of social connections.

At December 31, 2013, our investment in Facebook consisted of 600,000 shares of common stock with a market value of approximately $32.8 million.

Intevac, Inc.

Intevac, Inc. (“Intevac”), Santa Clara, CA, is a leading provider of cost-effective, advanced equipment and products to the hard disk drive, solar, semiconductor, and photonics industries.

At December 31, 2013, our investment in Intevac consisted of 545,156 shares of common stock with a market value of approximately $4.1 million.

Mattson Technology, Inc.

Mattson Technology, Inc. (“Mattson”), Fremont, California, is a manufacturer of wafer processing equipment used in the production of semiconductors.

At December 31, 2013, our investment in Mattson consisted of 432,000 shares of common stock with a fair value of approximately $1.2 million.

Twitter, Inc.

Twitter, Inc. (“Twitter”), San Francisco, CA, is an online social networking service that lets users send and receive 140-character messages (“tweets”). The service has more than 140 million active users and more than 340 million daily tweets.

At December 31, 2013, our investment in Twitter consisted of 1,006,200 shares of common stock with a fair value of approximately $54.4 million. These shares are restricted from sale until May 2014.

DISTRIBUTION POLICY

Our board of directors will determine the timing and amount, if any, of our distributions. We intend to pay distributions on an annual basis out of assets legally available therefore. In order to qualify as a RIC and to avoid corporate-level tax on our income, we must distribute to our stockholders at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, on an annual basis. In addition, we also intend to distribute any realized net capital gains (i.e., realized net long-term capital gains in excess of realized net short-term capital losses) at least annually.

CONTRACTUAL OBLIGATIONS

We have entered into certain contracts under which we have material future commitments. We have entered into the Investment Management Agreement with our Adviser in accordance with the 1940 Act. Under the Investment Management Agreement, our Adviser will be responsible for sourcing, reviewing and structuring investment opportunities for us, underwriting and performing diligence regarding our investments, and monitoring our investment portfolio on an ongoing basis. For these services, we will pay (i) a base management fee equal to a percentage of our average adjusted gross assets and (ii) an incentive fee based on our performance. See “Management” – Investment Management Agreement – Management Services – Investment Management Fee.”

We also have entered into an Administrative and Accounting Services Agreement with BYN Mellon Investment Servicing (US) INC. (the “Administrative Agreement”) to provide administration and accounting services to the Fund. The Administrator shall keep all the books and records with respect to the Fund’s books of account; records of the Fund’s securities transactions; and all other books and records as the Administrator is required to maintain pursuant to pursuant to Rule 31a-1 of the 1940 Act in connection with the services provided under the Administrative Agreement. The Administrator shall also act as liaison with the Fund’s independent public accountants and shall provide account analyses, fiscal year summaries, and other audit-related schedules with respect to the Fund. See “Management Agreements – Administration Agreement.”

If any of the contractual obligations discussed above are terminated, our costs under any new agreements that we enter into may increase. In addition, we would likely incur significant time and expense in locating alternative parties to provide the services we expect to receive under the Investment Management Agreement and the Administrative Agreement. Any new Investment Management Agreement would also be subject to approval by our stockholders. Stockholder approval is not required to amend the Administration Agreement.

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 year on December 31, 2013, and through the date of the issuance of the financial statements included herein, a number of material events related to our portfolio of investments occurred, consisting primarily of purchased securities. Since that date, we have purchased public securities with an aggregate cost of approximately $4.2 million and private securities with an aggregate cost of approximately $3.0 million.

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, 2014, and through the date of the issuance of the financial statements included herein, a number of material events related to our portfolio of investments occurred, consisting primarily of purchased and sale of securities. Since that date, we have purchased public and private securities with an aggregate cost of approximately $61.5 million. Since that date we have also sold public and private securities with an aggregate value of approximately $123.0 million.

DISTRIBUTIONS

We intend to make annual distributions to our stockholders. Our board of directors determines the timing and amount of our distributions, if any. Any distributions to our stockholders will be declared out of assets legally available for distribution. As of December 31, 2013, we have not made any annual distributions since our inception.

On November 6, 2014, the Fund liquidated its entire position of its Facebook shares and on December 11, 2014, the Fund distributed to its shareholders $27.2 million or $2.998210 per share to its shareholders. In addition on October 23, 2014, the Fund liquidated its entire position of Twitter shares and on December 11, 2014, the Fund distributed to its shareholders $26.0 million or $2.86156 per share. See “Prospectus Summary -- Recent Developments.”

We intend to elect to be treated, and intend to qualify annually thereafter, as a RIC under Subchapter M of the Code. To obtain RIC tax benefits, we must distribute at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, out of the assets legally available for distribution. In order to avoid certain excise taxes imposed on RICs, we currently intend to distribute during each calendar year an amount at least equal to the sum of (1) 98% of our ordinary income for the calendar year, (2) 98.2% of our capital gains in excess of capital losses for the one-year period ending on October 31 of the calendar year, and (3) any ordinary income and net capital gains for preceding years that were not distributed during such years. In addition, although we currently intend to distribute realized net capital gains (i.e., net long-term capital gains in excess of short-term capital losses), if any, at least annually, out of the assets legally available for such distributions, we may in the future decide to retain such capital gains for investment. In such event, the consequences of our retention of net capital gains are as described under “Material U.S. Federal Income Tax Considerations.” We can offer no assurance that we will achieve results that will permit the payment of any cash distributions and, if we issue senior securities, we will be prohibited from making distributions if doing so causes us to fail to maintain the asset coverage ratios stipulated by the 1940 Act or if distributions are limited by the terms of any of our borrowings.

We intend to maintain an “opt out” dividend reinvestment plan for our common stockholders. As a result, if we declare a dividend or other distribution, then stockholders’ cash distributions will be automatically reinvested in additional shares of our common stock, unless they specifically “opt out” of the dividend reinvestment plan so as to receive cash distributions. See “Dividend Reinvestment Plan.”

BUSINESS

Firsthand Technology Value Fund, Inc.

Firsthand Technology Value Fund, Inc. is an externally managed, closed-end, non-diversified management investment company organized as a Maryland corporation that has elected to be treated as a business development company under the 1940 Act. In addition, for tax purposes the Fund expects to qualify annually as a RIC under Subchapter M of the Code.

SVVC was incorporated under the Maryland General Corporation Law in April 2010 and acquired its initial portfolio of securities through the Reorganization of TVF into the Company. The Reorganization was completed on April 15, 2011 and SVVC commenced operations on April 18, 2011.

Our investment objective is to seek long-term growth of capital. There can be no assurance that we will achieve our investment objective. Under normal circumstances, we will 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 and in the “cleantech” sector. Information technology companies include, but are not limited to, those focused on computer hardware, software, social networking, 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 total assets in privately held companies and public companies with market capitalizations of less than $250 million. We anticipate that our portfolio will be primarily composed of equity and equity derivative securities of technology and cleantech companies (as defined above). We expect that these investments will range between $1 million and $10 million each, although this 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.

Our current focus is on investing in late-stage private companies, particularly those with potential for near-term realizations by way of an IPO or acquisition.

While our primary focus is to invest in illiquid private technology and cleantech companies, we may also invest in micro-cap publicly traded companies. In addition, we may invest up to 30% of the portfolio in opportunistic investments that do not constitute the private companies and small public companies described above. These other investments may include investments in securities of public companies that are actively traded. 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.

About Firsthand Capital Management, Inc.

Our investment activities are managed by Firsthand Capital Management, Inc. (which we refer to as “FCM” or the “Adviser”). FCM was founded in 2009 under the name SiVest Group, Inc. and changed its name to Firsthand Capital Management on January 1, 2012. FCM is an investment adviser registered under the Investment Advisers Act of 1940, as amended. The owner, Chief Executive Officer and Chief Investment Officer of FCM is Kevin Landis. Mr. Landis has approximately 20 years of professional investment experience, including more than 15 years of investing in equity securities of private companies. The team has been involved in originating, structuring, negotiating, consummating, managing, and monitoring private company investments during its tenure at FCM and another investment adviser that Mr. Landis co-founded in 1994, also called Firsthand Capital Management, Inc. (“Old FCM”). During Mr. Landis’s tenure with Old FCM, he and his team invested approximately $150 million in 26 private companies.

FCM has managed a business development company or a closed-end fund since April 2011, when it began managing us. Mr. Landis, since his tenure at Old FCM, has managed investment companies since December 1994.

The team has developed a network of financial sponsor relationships as well as relationships with management teams, investment bankers, attorneys, and accountants that we believe will provide us with access to substantial investment opportunities.

The Adviser also employs a team of investment research professionals to assist Mr. Landis in originating, analyzing, and managing investments. It also has a seasoned attorney on staff to assist with deal structure and negotiation.

INVESTMENT OPPORTUNITY

SVVC invests primarily in equity securities of private technology companies in the United States. We believe that the growth potential exhibited by private technology companies, including cleantech technologies, creates an attractive investment environment for SVVC.

We also believe there are a number of powerful trends creating opportunities for innovative companies and investors alike. The dramatic growth of social networking, cloud computing, and powerful, connected mobile computing devices has enabled new ways of communicating, doing business, and accessing information anytime, anywhere. The Company was established to benefit from convergence of exciting technologies and the growth of private investment opportunities.

COMPETITIVE ADVANTAGES

We believe that we have the following competitive advantages over other capital providers in technology and cleantech companies:

Management expertise

Kevin Landis, our Chief Executive Officer and Chief Financial Officer, has principal management responsibility for Firsthand Capital Management, Inc. as its owner, President and Chief Investment Officer. Mr. Landis has approximately 20 years of experience in technology sector investing, and he dedicates a substantial portion of his time to managing Firsthand Technology Value Fund, Inc. and Firsthand Capital Management, Inc. Kevin Landis controls FCM and is a trustee of Firsthand Funds and a director of SVVC. Mr. Landis has served as Chief Investment Officer of Old FCM, since co-founding the firm in 1994.

Disciplined investment approach

The Adviser employs a disciplined approach in selecting investments. The Adviser’s investment philosophy focuses on ensuring that our investments have an appropriate return profile relative to risk. When market conditions make it difficult for us to invest according to our criteria, the Adviser intends to be highly selective in deploying our capital. We believe this approach will enable us to build an attractive investment portfolio that meets our return and value criteria over the long term.

We believe it is critical to conduct extensive due diligence on investment targets. In evaluating new investments we, through the Investment Adviser, intend to conduct a rigorous due diligence process that draws from the Adviser’s investment experience, industry expertise, and network of contacts.

Focusing on investments that can generate positive risk-adjusted returns

The Adviser seeks to maximize the potential for capital appreciation. In making investment decisions the Adviser seeks to pursue and invest in companies that meet several of the following criteria:

- outstanding technology,
- barriers to entry (i.e., patents and other intellectual property rights),
- experienced management team,
- established financial sponsors that have a history of creating value with portfolio companies,
- strong and competitive industry position, and
- viable exit strategy.

Assuming a potential investment meets most or all of our investment criteria, the Adviser intends to be flexible in adopting transaction structures that address the needs of prospective portfolio companies and their owners. Our investment philosophy is focused on internal rates of return over the life of an investment. Given our investment criteria and due diligence process, we structure our investments so they correlate closely with the success of our portfolio companies.

Ability to source and evaluate transactions through the Adviser's research capability and established network

FCM's investment management team has overseen primary investments in dozens of private companies across various industries while employed by FCM or Old FCM since 1994. We believe the expertise of the Adviser's management team enables FCM to identify, assess, and structure investments successfully across all levels of a company's capital structure and to manage potential risk and return at all stages of the economic cycle. We seek to identify potential investments both through active origination and through dialogue with numerous management teams, members of the financial community, and corporate partners with whom Mr. Landis has long-standing relationships. We believe that the team's broad network of contacts within the investment, commercial banking, private equity and investment management communities in combination with their strong reputation in investment management, enables us to attract well-positioned prospective portfolio companies.

Longer investment horizon with attractive publicly traded model

Unlike private equity and venture capital funds, we will not be subject to standard periodic capital return requirements. Such requirements typically stipulate that funds raised by a private equity or venture capital fund, together with any capital gains on such invested funds, must be returned to investors after a pre-agreed time period. These provisions often force private equity and venture capital funds to seek returns on their investments through mergers, public equity offerings, or other liquidity events more quickly than they otherwise might, potentially resulting in both a lower overall return to investors and an adverse impact on their portfolio companies. While we are required to distribute substantially all realized gains, we believe that with our dividend reinvestment plan and our flexibility to make investments with a long-term view and without the capital return requirements of traditional private investment vehicles provide us with the opportunity to generate returns on invested capital and enable us to be a better long-term partner for our portfolio companies.

OPERATING AND REGULATORY STRUCTURE

Our investment activities are managed by FCM and supervised by our board of directors, the majority of whom are independent of the Adviser. FCM is an investment adviser that is registered with the SEC under the Investment Advisers Act of 1940, or the "Advisers Act." Under our Investment Management Agreement, we have agreed to pay FCM an annual base management fee based on our total assets as well as an incentive fee based on our investment performance. See "Management—Investment Management Agreement."

We have also entered into an Administration Agreement under which we have agreed to pay BNY Mellon certain administration fees in return for administration services. See "Management — Administration Agreement."

As a business development company, we are required to comply with certain regulatory requirements. For example, we note that any affiliated investment vehicle currently in existence or formed in the future and managed by the Adviser may, notwithstanding different stated investment objectives, have overlapping investment objectives with our own and, accordingly, may invest in asset classes similar to those targeted by us. We will not invest in any portfolio company in which that fund has a pre-existing investment, although we may invest in new rounds of financing for such existing portfolio companies and we may co-invest with such affiliate on a concurrent basis, subject to compliance with existing regulatory guidance, applicable regulations, and our allocation procedures.

Proposed Reorganization

The Adviser may propose a reorganization of the Fund that would be subject to review and approval by the board of directors of the Fund. If proposed and approved, the reorganization would involve the tax-free contribution of some or all of the Fund's current portfolio into a newly-formed subsidiary of the Fund. The purpose of the reorganization would be primarily for tax purposes and, if implemented, would not increase the management fee or the incentive fee payable by the Fund and would not likely be expected to materially affect the operating expenses of the Fund. The Adviser may propose completion of the reorganization before the end of the Fund's 2014 fiscal year or may delay, revise or cancel its plans in this regard. Shareholders would be notified separately if the reorganization is implemented.

INVESTMENTS

FCM seeks to create a diversified portfolio of equity securities by investing approximately $1 to $10 million of capital, on average, in the securities of micro-cap public and private companies.

Our portfolio consists primarily of equity securities of private companies and cash and we expect that our portfolio will continue to consist primarily of, equity positions in private companies and cash. These investments include holdings in several private technology and cleantech companies. Moreover, we may acquire investments in the secondary market and, in analyzing such investments, we will employ the same analytical process as we use for our primary investments. For description of our current investments, see "Portfolio Companies."

We generally seek to invest in companies from the broad variety of industries in which the Adviser has expertise. The following is a representative list of the industries in which we may elect to invest.

Computer Hardware

Computer Software

Social Networking

Computer Peripherals

Solar Photovoltaics

Energy Efficiency

Solid-state Lighting

Water Purification

Wind-Generated Electricity

Fuel Cells

Biofuels

Electronic Components

Semiconductors

Telecommunications

Advanced Materials

We may invest in other industries if we are presented with attractive opportunities.

We may on a very limited and incidental basis purchase or sell options on indexes or securities. Any options that are sold will be on securities that we hold in our portfolio (i.e., covered calls). A call option is a contract that gives the holder of such call option the right to buy the security underlying the call option from the writer of such call option at a specified price at any time during the term of the option. These transactions would be used only to manage risks or otherwise protect the value of the portfolio. We also may use these strategies to a very limited extent on an opportunistic basis.

INVESTMENT SELECTION

The Adviser seeks to maximize the potential for capital appreciation.

Prospective portfolio company characteristics

We have identified several criteria that we believe are important in identifying and investing in prospective portfolio companies. These criteria provide general guidelines for our investment decisions; however, we caution you that no single portfolio company (or prospective portfolio company) will meet all of these criteria. Generally, we use our experience and access to market information generated to identify investment candidates and to structure investments quickly and effectively.

Outstanding Technology

Our investment philosophy places a premium on identifying companies that have developed disruptive technologies, that is, technologies with the potential to dramatically alter the economics or performance of a particular type of product or service.

Barriers to Entry

We believe having defensible barriers to entry, in the form of patents or other intellectual property rights, is critically important in technology industries, in which change happens very rapidly. We seek out companies that have secured protection of key technologies through patents, trademarks, or other means.

Experienced management and established financial sponsor relationship

We generally require that our portfolio companies have an experienced management team. We also require the portfolio companies to have in place proper incentives to induce management to succeed and to act in concert with our interests as investors, including having significant equity interests. In addition, we focus our investments in companies backed by strong financial sponsors that have a history of creating value and with whom members of our investment adviser have an established relationship.

Strong and defensible competitive market position in industry

We seek to invest in micro-cap public and private target companies that have developed leading market positions within their respective markets and are well positioned to capitalize on growth opportunities. We seek companies that demonstrate significant competitive advantages versus their competitors, which should help to protect their market position and profitability. Because we focus on narrow, specialized markets, many of such companies that have developed leading market positions within their respective markets.

Viable exit strategy

We seek to invest in companies that we believe will provide a steady stream of cash flow to reinvest in their respective businesses. In addition, we also seek to invest in companies whose business models and expected future cash flows offer attractive exit possibilities. These companies include candidates for strategic acquisition by other industry participants and companies that may repay our investments through an initial public offering of common stock or another capital market transaction.

Due Diligence

We believe it is critical to conduct extensive due diligence on investment targets. In evaluating new investments, we, through the Adviser, conduct a rigorous due diligence process that draws from the Adviser's investment experience, industry expertise, and network of contacts. The Adviser conducts extensive due diligence investigations in their investment activities. In conducting due diligence, that the Adviser uses publicly available information as well as information from its relationships with former and current management teams, consultants, competitors, and investment bankers.

Our due diligence typically includes:

- review of historical and prospective financial information;
- review of technology, product, and business plan;
- on-site visits;
- interviews with management, employees, customers, and vendors of the potential portfolio company;
- background checks; and
- research relating to the company's management, industry, markets, products and services, and competitors.

Upon the completion of due diligence, the Adviser's investment committee determines whether to pursue the potential investment. Additional due diligence with respect to any investment may be conducted on our behalf by outside consultants, experts, and/or advisers, as appropriate, prior to the closing of the investment. To the extent unaffiliated, third-party consultants, experts, and/or advisers are used, we will be responsible for those expenses.

Investment structure

Once we have determined that a prospective portfolio company is suitable for investment, we work with the management of that company and its other capital providers to structure an investment. We negotiate among these parties to agree on how our investment is expected to perform relative to the other capital in the portfolio company's capital structure.

Managerial assistance

As a business development company, we offer, and must provide upon request, managerial assistance to certain of our portfolio companies. This assistance could involve, among other things, monitoring the operations of our portfolio companies, participating in board and management meetings, consulting with and advising officers of portfolio companies, and providing other organizational and financial guidance. We may receive fees for these services. FCM will provide such managerial assistance on our behalf to portfolio companies that request this assistance. For a description of relationships between us and our portfolio companies, please see "Portfolio Companies."

Ongoing relationships with portfolio companies

Monitoring

FCM monitors our portfolio companies on an ongoing basis. Specifically, FCM monitors the financial trends of each portfolio company to determine if they are meeting their respective business plans and to assess the appropriate course of action for each company.

FCM has several methods of evaluating and monitoring the performance and fair value of our investments, which may include the following:

- Assessment of success in adhering to portfolio company's technology development, business plan and compliance with covenants;

- Periodic and regular contact with portfolio company management and, if appropriate, the financial or strategic sponsor, to discuss financial position, requirements, and accomplishments;
- Comparisons to other portfolio companies in the industry, if any;
- Attendance at and participation in board meetings; and
- Review of monthly and quarterly financial statements and financial projections for portfolio companies.

Valuation Process

The following is a description of the steps we take each quarter to determine the value of our portfolio. Investments for which market quotations are readily available are recorded in our financial statements at such market quotations. With respect to investments for which market quotations are not readily available, our board of directors undertakes a multi-step valuation process each quarter, as described below under "Determination of Net Asset Value."

We expect that all of our portfolio investments will be recorded at fair value as determined under the valuation process discussed above. As a result, there will be uncertainty with respect to the value of our portfolio investments.

COMPETITION

We compete for investments with a number of business development companies and other investment funds (including private equity funds and venture capital funds), reverse merger and special purpose acquisition company ("SPACs") sponsors, investment bankers that underwrite initial public offerings, hedge funds that invest in private investments in public equities (PIPEs), traditional financial services companies such as commercial banks, and other sources of financing. Many of these entities have greater financial and managerial resources than we do. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act will impose on us as a business development company. We believe we compete with these entities primarily on the basis of our willingness to make smaller, non-controlling investments, the experience and contacts of our investment professionals within our targeted industries, our responsive and efficient investment analysis and decision-making processes, and the investment terms that we offer. We do not seek to compete primarily on the deal terms we offer to potential portfolio companies. We use the industry information available to the Adviser to assess investment risks and determine appropriate pricing for our investments in portfolio companies. In addition, we believe that the relationships of Mr. Landis, and the other senior investment professionals the Adviser retains, enable us to learn about, and compete effectively for, financing opportunities with attractive companies in the industries in which we seek to invest. For additional information concerning the competitive risks we face, see "Risk Factors—Risks relating to our business and structure—We operate in a highly competitive market for investment opportunities."

STAFFING

Mr. Landis, our Chief Executive Officer, is the Adviser's owner, President and Chief Investment Officer. The Adviser currently employs a staff of 13, including investment, legal, and administrative professionals.

PROPERTIES

Our executive offices are located at 150 Almaden Boulevard, Suite 1250, San Jose, CA 95113. We believe that our office facilities are suitable and adequate for our business as it is contemplated to be conducted.

LEGAL PROCEEDINGS

Neither we nor the Adviser is currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us, or against the Adviser. From time to time, we or the Adviser may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of our rights under contracts with our portfolio companies.

PORTFOLIO COMPANIES

Our venture capital portfolio is composed of companies at varying maturities facing different types of risks. We have defined these levels of maturity as: (1) Early Stage, (2) Mid Stage and (3) Late Stage. Early-stage companies have a high degree of technical, market and execution risk, which is typical of initial investments by venture capital firms, including us. These companies often require substantial development of their technologies before they begin introducing products/services to market. Mid-stage companies are those that have overcome most of the technical risk associated with their products/services and are now focused on addressing the market acceptance for their products. Late-stage companies are those that have determined there is a market for their products/services, and they are now focused on sales execution and scale.

The following table sets forth certain information as of June 30, 2013, for each portfolio company in which we had a debt or equity investment. Other than these investments, our only formal relationships with our portfolio companies are the managerial assistance ancillary to our investments and the board observation or participation rights we may receive.

Name of Portfolio Company	Industry		Number of Shares Held*		Fair Value*
Aliphcom, Inc. San Francisco, CA	Consumer Electronics		2,128,005	$	12,653,330
Fidelity Institutional Money Market Funds Treasury Portfolio Boston, MA	Investment	$	67,532,302	$	67,532,302
Gilt Groupe Holdings, Inc. New York, NY	Internet		198,841	$	1,602,042
Hightail, Inc. Campbell, CA	Cloud Computing		2,268,602	$	9,999,998
Hiku Labs, Inc. San Jose, CA	Consumer Electronics		0	$	500,000
iCAD, Inc. Nashua, NH	Medical Imaging		20,000	$	197,000
Intevac, Inc. Santa Clara, CA	Other Electronics		408,614	$	2,725,455
IntraOp Medical Corp. Sunnyvale, CA	Medical Devices		20,300,000	$	21,937,080
Mattson Technology, Inc. Fremont, CA	Semiconductor		3,280,000	$	8,101,600
Phunware, Inc. Austin, TX	Mobile Computing		3,257,328	$	9,999,997
Pivotal Systems Corp. Pleasanton, CA	Semiconductor		19,857,028	$	12,000,000
QMAT San Jose, CA	Advanced Materials		8,571,600	$	8,571,600
Silicon Genesis Corp. San Jose, CA	Intellectual Property		8,472,569	$	5,750,000
Skyline Solar, Inc. Mountain View, CA	Renewable Energy		793,651	$	0
Sunrun, Inc. San Francisco, CA	Renewable Energy		674,820	$	6,437,783

TapAd, Inc. New York, NY	Advertising Technology	359,220	$	4,274,100
Telepathy, Inc. Sunnyvale, CA	Consumer Electronics	5,000,000	$	0
Telepathy Investors, Inc. Sunnyvale, CA	Consumer Electronics	7,619,000	$	2,000,000
Turn, Inc. Redwood City, CA	Advertising Technology	1,798,562	$	15,000,007
Twitter, Inc. San Francisco, CA	Social Networking	1,006,200	$	67,999,796
UCT Coatings Stuart, FL	Advanced Materials	1,500,000	$	637,473
Wrightspeed, Inc. San Jose, CA	Automotive	2,267,659	$	7,499,999

* Only includes common and preferred shares.

** The fair value includes the total value of all common and preferred shares, options, warrants and notes.

MANAGEMENT

Our business and affairs are managed under the direction of our board of directors. The board of directors currently consists of 4 members, 3 of whom are not “interested persons” of FCM as defined in Section 2(a)(19) of the 1940 Act. We refer to these individuals as our independent directors. Our board of directors elects our officers, who will serve at the discretion of the board of directors.

BOARD OF DIRECTORS

Under our charter, our directors will be divided into three classes. Each class of directors will hold office for a three-year term. However, the initial members of the three classes have (or had) initial terms of one, two and three years, respectively, and will continue to serve until their successors are duly elected and qualify. At each annual meeting of our stockholders, the successors to the class of directors whose terms expire at such meeting will be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. Each director will hold office for the term to which he or she is elected and until his or her successor is duly elected and qualifies.

Our directors have been divided into two groups—an interested director and three independent directors. A director is considered an interested director if such director is an “interested person” as defined in the Section 2(a)(19) of the 1940 Act. Kevin Landis, the chairman of our board of directors, is the interested director by virtue of his ownership and employment relationship with FCM, our investment adviser.

Our board of directors does not currently have a designated lead independent director. Instead, all of the independent directors play an active role on the board of directors. The independent directors compose a majority of our board of directors, and are closely involved in all our material deliberations. The board of directors believes that, with these practices, each independent director has an equal stake in the board’s actions and oversight role and equal accountability to us and our stockholders.

Directors

Information regarding the board of directors is as follows:

Name	Age	Position	Principal Occupation(s) During Past 5 Years	Director Since	Expiration of Term	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by Director during Past 5 Years
Interested Directors							
Kevin Landis	52	Chairman of the Board of Directors, President and Chief	From 2005 through August 2008, Mr. Landis also served as	2010	2017 (Class III)	3	Firsthand Funds from 1994 to present; Silicon Genesis Corporation from 2008 to present;

		Executive Officer. Director (to serve until the 2014 Annual Meeting of Stockholders), elected annually as an officer. Served since 2010.	a trustee of Black Pearl Funds, an open-end mutual fund family advised by an affiliate of FCM. From January 2008 through December 2010, Mr. Landis served as a director of SoloPower, Inc. From January 2008 through June 2011, Mr. Landis served as a director of UCT Coatings, Inc.				Pivotal Systems Corporation from 2013 to present; IO NewCo, Inc. from 2013 to present; QMAT Incorporated from 2012 to present; Telepathy Inc. from 2013 to present; Phunware, Inc. from 2014 to present; Wrightspeed, Inc. from 2013 to present. From 2005 through August 2008, Mr. Landis also served as a trustee of Black Pearl Funds, an open-end mutual fund family advised by an affiliate of FCM. From January 2008 through December 2010, Mr. Landis served as a director of SoloPower, Inc. From January 2008 through June 2011, Mr. Landis served as a director of UCT Coatings, Inc.
Independent Directors							
Greg Burglin	53	Director	Tax consultant for more than 5 years.	2010	2015 (Class I)	3	Current: Firsthand Funds from 2008 to present. From 2005 through August, 2008, Mr. Burglin also served as a trustee of Black Pearl Funds, an open-end mutual fund family advised by an affiliate of FCM.

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Name	Age	Position	Principal Occupation(s) During Past 5 Years	Director Since	Expiration of Term	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by Director during Past 5 Years
Mark FitzGerald	58	Director	Mr. FitzGerald retired in 2009; from 2000 to 2007, managing director and senior analyst in the Technology Group of Banc of America Securities LLC (investing); from 2007 to 2009, Managing Partner, Wilmont Investments (private technology investment fund).	2013	2016 (Class II)	3	Current: None
Kimun Lee	67	Director	Mr. Lee is a California-registered investment adviser. In addition, he has also conducted a consulting business under the name Resources Consolidated since January 1980. Since September 2009, Mr. Lee has served as a principal and director of iShares Delaware Trust Sponsor LLC, a commodity pool operator that operates iShares Diversified Alternatives Trust, a commodity pool.	2010	2017 (Class III)	1	Current: Firsthand Funds from 2013 to present; iShares Delaware Trust Sponsor LLC from 2009 to present.
Nicholas Petredis	63	Director	Mr. Petredis is an attorney, and has been principal of Petredis Law Offices	2014	2016 (Class II)	1	Current: None.

since 1994. He also serves as of counsel to Terra Law, LP (Sept. 2011 to present) and Moser Taboada (Nov. 2007 to present). He was the Chief Compliance officer for Firsthand Funds from 2008 to 2013 and Chief Compliance Officer of Firsthand Technology Value Fund, Inc. from 2010 to 2013.

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Name	Age	Position	Principal Occupation(s) During Past 5 Years	Director Since	Expiration of Term	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by Director during Past 5 Years
Rodney Yee	53	Director	Mr. Yee is a financial industry professional, operating as an independent consultant since September 2014. Mr. Yee was COO, CFO, and Treasurer of ASA Limited (a Bermuda-based SEC registered closed-end fund traded on the NYSE) from August 2010 to August 2014. He was COO and CCO at CCM Partners (a SEC-registered investment adviser) from November 2005 to August 2010. From 2004 to 2005, Mr. Yee served as CFO of Matthews International Capital Management (a SEC-registered investment adviser) and Treasurer of Matthews Asian	2014	2015 (Class I)	1	Current: None.

Funds.

The address for each director is 150 Almaden Boulevard, Suite 1250, San Jose, California 95113.

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Executive Officers

The Chief Executive Officer of SVVC is Kevin Landis, who is also a director of SVVC. The Chief Compliance Officer for SVVC is Nichole Mileski.

Information regarding our executive officers is as follows:

Name	Age	Position	Officer Since	Principal Occupation(s) During Past 5 Years	Other Directorships Held by Officer
Kevin Landis	53	Chairman of the Board and Chief Executive Officer	2010	President and Chief Investment Officer of FCM since 2009; President and Chief Executive Officer of Firsthand Funds since 1994; Manager of Firsthand Alternative Energy Fund since 2007, and of Firsthand Technology Opportunities Fund since 1999.	Firsthand Funds since 1994 Silicon Genesis Corporation from 2008 to 2013. IntraOp Medical Corp. from 2013 to present. Phunware, Inc. from 2014 to present. Pivotal Systems Corporation from 2013 to present. QMAT, Inc. from 2013 to present. Telepathy Investors, Inc. from 2013 to present. Wrightspeed, Inc. from 2013 to present.
Omar Billawalla		Chief Financial Officer		Chief Operating Officer and Chief Financial Officer of Firsthand Capital Management, Inc. from 1999 to present. Treasurer of Firsthand Funds from 2011 to present.	
Nichole Mileski	43	Chief Compliance Officer	2013	Corporate counsel of FCM since 2013; corporate paralegal of FCM since 2011. Bankruptcy paralegal at Law Office of Julian Roberts from 2009 to 2011. Extern at United States	

Bankruptcy Court Northern District of California San Jose Division from 2008 to 2009.

The address for each officer is 150 Almaden Boulevard, Suite 1250, San Jose, California 95113.

Biographical Information

Kevin Landis, 53, in addition to being President and Chief Investment Officer of FCM, is also the President and Chief Executive Officer of Firsthand Funds, which he co-founded in 1994. Mr. Landis is a well-known technology investor who serves as portfolio manager for Firsthand Alternative Energy Fund and Firsthand Technology Opportunities Fund. He currently serves on the boards of directors at IntraOp Medical Corporation, Silicon Genesis Corporation, Phunware, Inc., Pivotal System Corp., Telepathy Investors, Inc., QMAT, Inc. and Wrightspeed, Inc. He also serves as an observer on the boards of SoloPower, Inc. and TapAd, Inc. From 2005 through August 2008, Mr. Landis also served as a trustee of Black Pearl Funds, an open-end mutual fund family advised by an affiliate of FCM. From January 2008 through December 2010, Mr. Landis served as a director of SoloPower, Inc. From January 2008 through June 2011, Mr. Landis served as a director of UCT Coatings, Inc. Born and raised in Silicon Valley, Mr. Landis has over two decades of experience in engineering, market research, product management, and investing in the technology sector. Mr. Landis appears regularly on CNBC, CNBC Asia, and Bloomberg News, and has been featured in Forbes, Fortune, Smart Money, Time, and Money magazines. He is also a frequent guest lecturer at Santa Clara University's Leavey School of Business, sharing his advice not only on technology investments, but also on management and mentoring of technology entrepreneurs. Mr. Landis holds a bachelor's degree in electrical engineering and computer science from the University of California at Berkeley and an MBA from Santa Clara University.

Mark FitzGerald, 58, retired in 2009. From 2000 to 2007, Mr. FitzGerald was managing director and senior analyst in the Technology Group of Banc of America Securities LLC (investing). From 2007 to 2009, Mr. FitzGerald was a Managing Partner at Wilmont Investments (private technology investment fund). Mr. FitzGerald has 24 years of experience in the technology industry, in engineering, market research, equity analysis and fund management.

Greg Burglin, 53, is a tax consultant and has been for more than 5 years. Mr. Burglin has also served as Trustee to Firsthand Funds, a Delaware statutory trust, since November 2008.

Kimun Lee, 67, is a California registered investment adviser and has conducted his business under the name Resources Consolidated since January 1980. Mr. Lee is also a director and principal of iShares Delaware Trust Sponsor LLC, a commodity pool operator registered with the U.S. Commodity Futures Trading Commission. Until January 2005, Mr. Lee also served as a member of the board of directors of Fremont Mutual Funds, Inc., a mutual fund company.

Nicholas Petredis, 63, is a practicing attorney, has been principal of Petredis Law Offices since 1994 and has served as a director of Firsthand Funds since 2013. Mr. Petredis has been a director of iShares Delaware Trust Sponsor LLC from 2009 to present. He has been of counsel to Terra Law, LP from 2011 to the present and to Mosher Taboada from November 2007 to the present. He was the Chief Compliance Officer for Firsthand Funds from 2008 to 2013 and Chief Compliance Officer for Firsthand Technology Value Fund, Inc. from 2010 to 2013. Mr. Petredis holds a bachelor’s degree in Political Science from Salem College, a master’s degree in Planning and Public Administration from Pepperdine University, and a Juris Doctor from Temple University School of Law.

Rodney Yee, 53, is a financial industry professional operating as an independent consultant since September 2014. Mr. Yee was COO, CFO, and Treasurer of ASA Limited (a Bermuda based SEC registered closed-end fund traded on the NYSE) from August 2010 to August 2014, and before then Mr. Yee was COO and CCO of CCM Partners (an SEC registered investment adviser) from November 2005 to August 2010. From 2004 to 2005, Mr. Yee served as CFO of Matthews International Capital Management (an SEC registered investment adviser) and Treasurer of Mathews Asian Funds.

COMMITTEES OF THE BOARD OF DIRECTORS

Audit Committee

The members of the audit committee are Greg Burglin, Kimun Lee, Mark FitzGerald, Nicholas Petredis and Rodney Yee each of whom are independent for purposes of the NASDAQ Global Market corporate governance regulations and are not an “interested person” as defined in Section 2(a)(19) of the 1940 Act. Mr. Yee serves as chairman of the audit committee. The audit committee is responsible for approving our independent registered public accounting firm, reviewing with our independent accountants the plans and results of the audit engagement, approving professional services provided by our independent accountants, reviewing the independence of our independent accountants, and reviewing the adequacy of our internal accounting controls. During the fiscal year ended December 31, 2013, the audit committee met 4 times.

Valuation Committee

The members of the valuation committee are Greg Burglin, Kimun Lee, Mark FitzGerald, Nicholas Petredis, and Rodney Yee each of whom is independent for purposes of the NASDAQ Global Market corporate governance regulations and is not an “interested person” as defined in Section 2(a)(19) of the 1940 Act. Mr. Burglin serves as chairman of the valuation committee. The valuation committee is responsible for aiding our board of directors in fair value pricing debt and equity securities that are not publicly traded or for which current market values are not readily available. The board of directors and valuation committee will use the services of nationally recognized independent valuation firms to help them determine the fair value of these securities. During the fiscal year ended December 31, 2013, the valuation committee met 4 times.

Nominating and Corporate Governance Committee

The members of the nominating and corporate governance committee are Greg Burglin, Kimun Lee, Mark FitzGerald, Nicholas Petredis and Rodney Yee each of whom are independent for purposes of the NASDAQ Global Market corporate governance regulations and are not an “interested person” as defined in Section 2(a)(19) of the 1940 Act. Mr. Lee serves as chairman of the nominating and corporate governance committee. The nominating and corporate governance committee is responsible for selecting, researching and nominating directors for election by our stockholders, selecting nominees to fill vacancies on the Board or a committee of the Board, developing and recommending to the Board a set of corporate governance principles, and overseeing the evaluation of the Board and our management. During the fiscal year ended December 31, 2013, the nominating and corporate governance committee met 2 times.

Compensation Committee

The members of the compensation committee are Greg Burglin, Kimun Lee, Mark FitzGerald, Nicholas Petredis and Rodney Yee each of whom are independent for purposes of the NASDAQ Global Market corporate governance regulations and are not an "interested person" as defined in Section 2(a)(19) of the 1940 Act. The compensation committee is responsible for overseeing the discharge of, or assisting the Board in discharging, the Board's responsibilities relating to the Company's executive officers. During the fiscal year ended December 31, 2013, the nominating and corporate governance committee did not meet.

COMPENSATION OF DIRECTORS

The independent directors each receive total annual compensation of $20,000, consisting of a $10,000 annual retainer and a $2,500 quarterly fee, which includes regular and special board and committee meetings, plus reimbursement of reasonable out-of-pocket expenses incurred in connection with attending each regularly-scheduled in-person board meeting. In addition, we purchase directors' and officers' liability insurance on behalf of our directors and officers, who will be covered under the same policy that covers the Adviser and the mutual fund complex it advises. No compensation is expected to be paid to directors who are "interested persons."

COMPENSATION OF CHIEF EXECUTIVE OFFICER AND OTHER EXECUTIVE OFFICERS

The Chief Executive Officer, Chief Financial Officer and Chief Compliance Officer receive no compensation from us, their compensation is paid by the Adviser.

INVESTMENT MANAGEMENT AGREEMENT

Management Services

FCM has entered into an Investment Management Agreement with us whereby FCM provides investment management services. Subject to the overall supervision of our board of directors, the Adviser manages the day-to-day operations of, provides investment management services to, and serves as portfolio manager for us. Mr. Landis, FCM's President and Chief Investment Officer, has been primarily responsible for our portfolio management since our inception. Under the terms of the Investment Management Agreement, FCM will:

- determine the composition of our portfolio, the nature and timing of the changes to our portfolio, and the manner of implementing such changes;
- identify, evaluate and negotiate the structure of the investments we make (including performing due diligence on our prospective portfolio companies); and
- close and monitor the investments we make.

FCM's services under the Investment Management Agreement are not exclusive, and it is free to furnish similar services to other entities so long as its services to us are not impaired. FCM currently serves as investment manager to Firsthand Funds, a family of open-end mutual funds.

Investment Management Fee

Pursuant to the Investment Management Agreement, we pay FCM a fee for 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 purposes of determining the Fund's gross assets, the Fund values derivative instruments based on their respective current fair market value. 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 our gross assets at the end of the preceding calendar quarter; and 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), and equals 20% of our 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.

The investment advisory fee payable by us will not be reduced while our assets are invested in cash-equivalent securities. See "Regulation—Temporary Investments" for additional information about temporary investments we may make while waiting to make longer-term investments in pursuit of our investment objective.

Mathematically, the formula for computing the annual incentive fee can be written as:

Incentive fee= 20%	x	(	Cumulative realized gains	-	Cumulative realized losses	-	Unrealized depreciation	)	-	Previously paid incentive fees

For the purposes of calculating realized capital gains, the cost basis of each security acquired in the Reorganization shall be equal to the greater of the original purchase price of that security by Firsthand Funds or the fair market value of the security at the time of the Reorganization. This incentive fee would be estimated and accrued based on unrealized capital appreciation for purposes of calculating operating expenses and the Fund's net asset value.

Example Incentive Fee Calculation

Example: Incentive Fee on Capital Gains:

Assumptions

Year 1 = no net realized capital gains or losses

Year 2 = $50,000 realized capital gains and $20,000 realized capital losses and unrealized capital depreciation. Capital gain incentive fee = 20% x (realized capital gains for year computed net of all realized capital losses and unrealized capital depreciation at year end)

Calculation of Incentive Fee

Year 1 incentive fee	= 20% x (0)
	= 0
	= no incentive fee
Year 2 incentive fee	= 20% x ($50,000 - $20,000)
	= 20% x $30,000
	= $6,000

Payment of Our Expenses

All investment professionals of the Investment Adviser and their respective staffs when and to the extent engaged in providing investment advisory and management services, and the compensation and routine overhead expenses of such personnel allocable to such services, will be provided and paid for by FCM. We will bear all other costs and expenses of our operations and transactions, including (without limitation):

- the cost of calculating our net asset value, including the cost of any third-party valuation services;
- the cost of effecting sales and purchases of shares of our common stock and other securities such as through our dividend reinvestment plan or secondary offerings of additional shares;
- fees payable to third parties relating to, or associated with, making investments, including fees and expenses associated with performing due diligence reviews of prospective investments, outside legal counsel expenses in structuring the investments, and investment advisory fees;
- administration, accounting, stock transfer agent, and custodial fees;
- fees and expenses associated with marketing efforts;
- federal and state registration fees, any stock exchange listing fees;
- federal, state and local taxes;
- independent directors' fees and expenses;
- brokerage commissions;
- fidelity bond, directors and officers/errors and omissions liability insurance, and other insurance premiums;