BIOCRYST PHARMACEUTICALS INC
Form S-3
August 19, 2008

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As filed with the United States Securities and Exchange Commission on August 19, 2008

Registration No. 333-

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

FORM S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

BioCryst Pharmaceuticals, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**62-1413174**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification Number)*

2190 Parkway Lake Drive
Birmingham, Alabama 35244
(205) 444-4600

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Jon P. Stonehouse
President and Chief Executive Officer
2190 Parkway Lake Drive
Birmingham, Alabama 35244
(205) 444-4600

(Name, address, including zip code and telephone number, including area code, of agent for service)

With a copy to:

Brian Lane, Esq.
Gibson, Dunn & Crutcher LLP
1050 Connecticut Avenue, NW
Washington, DC 20036
(202) 955-8500

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement, as determined by market conditions.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box: o

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box: þ

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a registration statement pursuant to General Instruction I.D. or a post effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. o

If this form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check

the following box. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o Accelerated filer þ Non-accelerated filer o Smaller Reporting Company o
(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(2)	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common stock, $0.01 par value(1)	175,513	$ 3.12(3)	$ 547,601(3)	$ 21.52
Common stock, $0.01 par value, underlying warrants(1)	3,159,895	$ 10.25(4)	$ 32,388,924(4)	$ 1,272.88
Warrants to purchase common stock	3,159,895	(5)	(5)	(5)
Total	3,335,408		$ 32,936,525	$ 1,294.41

(1) Each share of common stock includes the right to purchase one one-thousandth of a share of our Series B Junior Participating Preferred Stock.

(2) Pursuant to Rule 416 under the Securities Act, the securities being registered hereunder include such indeterminate number securities as may be issuable with respect to the securities being registered hereunder as a result of stock splits, stock

dividends or similar transactions.

(3) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457 under the Securities Act. The price per share and aggregate offering price are based on the average of the high and low sales prices of the registrant s common stock on August 15, 2008, as reported on the Nasdaq Global Market.

(4) Pursuant to Rule 457(g) under the Securities Act, the registration fee has been calculated on the basis of the proposed maximum price at which the warrants may be exercised.

(5) Pursuant to Rule 457(g) under the Securities Act, no additional registration fee is required.

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 Commission,

acting pursuant to said Section 8(a), may determine.

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SUBJECT TO COMPLETION, DATED AUGUST 19, 2008

The information in this prospectus is not complete and may be changed. The selling stockholders may not sell these securities until the Registration Statement filed with the Securities and Exchange Commission becomes effective. This prospectus is not an offer to sell these securities and it is not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

PROSPECTUS

3,335,408 Shares of Common Stock
3,159,895 Warrants to Purchase Common Stock

This prospectus relates to the disposition from time to time of up to (i) 3,335,408 shares of our outstanding common stock in the aggregate, 175,513 of which are owned by the selling stockholders named on page 22 of this prospectus on the date hereof, and 3,159,895 of which are issuable upon exercise of warrants to purchase shares of our common stock (the warrants) owned by the selling stockholders on the date hereof, (ii) the disposition from time to time of up to 3,159,895 warrants owned by the selling stockholders on the date hereof, and (iii) the initial issuance of shares of our common stock upon the exercise of the warrants acquired from the selling stockholders pursuant to this prospectus.

We will not be paying any underwriting discounts or commissions in this offering. All of our securities offered hereby are being sold by the selling stockholders named in this prospectus. We will not receive any proceeds from sale of the securities included in this prospectus. To the extent that any of the warrants to purchase common stock are exercised, we will receive the exercise price paid for the shares of common stock purchased thereunder. The exercise price of the warrants is $10.25 per share.

Our common stock, par value $0.01 per share, trades on the Nasdaq Global Market under the symbol BCRX. On August 18, 2008, the reported last sale price of our common stock on the Nasdaq Global Market was $3.25 per share.

The selling stockholders or their pledges, assignees or successors-in-interest may offer and sell or otherwise dispose of the shares of common stock and warrants described in this prospectus from time to time through public or private transactions at prevailing market prices, at prices related to prevailing market prices or at privately negotiated prices. See Plan of Distribution beginning on page 24 for more information about how the selling stockholders may sell or dispose of their shares of common stock and warrants.

The selling stockholders may resell the common stock and warrants to or through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, concessions or commissions. The selling stockholders will bear all commissions and discounts, if any, attributable to the sales of shares. We will bear all costs, expenses and fees in connection with the registration of the shares.

Investing in these securities involves a high degree of risk. See Risk Factors beginning on page 6 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities regulators have approved or disapproved of these securities, or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2008.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the SEC, using a shelf registration or continuous offering process. Under this shelf process, certain selling stockholders may from time to time sell the shares of common stock and warrants described in this prospectus in one or more offerings.

All references to Company we, our or us refer solely to BioCryst Pharmaceuticals, Inc. and not to the persons w manage us or sit on our Board of Directors. Reference to selling stockholders refers to those stockholders listed herein under Selling Stockholders beginning on page 22 of this prospectus, who may sell shares from time to time as described in this prospectus. All trade names used in this prospectus are either our registered trademarks or trademarks of their respective holders.

You should rely only on the information contained or incorporated by reference into this prospectus or any applicable prospectus supplement. We have not, and the selling stockholders have not, authorized anyone to provide you with different information. The selling stockholders are offering to sell, and seeking offers to buy, shares of our common stock and warrants only in jurisdictions where it is lawful to do so. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of our common stock or warrants.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere or incorporated by reference into this prospectus. Because it is a summary, it does not contain all of the information that you should consider before investing in our securities. You should read this entire prospectus carefully, including the section entitled Risk Factors and the documents that we incorporate by reference into this prospectus, before making an investment decision.

Business of BioCryst Pharmaceuticals, Inc.

Overview

BioCryst Pharmaceuticals, Inc. is a biotechnology company that designs, optimizes and develops novel drugs that block key enzymes involved in cancer, viral infections, and autoimmune diseases. We integrate the necessary disciplines of biology, crystallography, medicinal chemistry and computer modeling to effectively use structure-based drug design to discover and develop small molecule pharmaceuticals.

Our business strategy is to maximize sustainable value by moving our drug candidate portfolio through clinical development, registration and ultimately to the market. We believe this is best achieved by retaining full product rights to our drug candidates within specialty markets, while relying on collaborative arrangements with third parties for drug candidates within larger markets or outside our area of expertise.

Clinical Development Projects

Currently we have a well advanced and relatively full pipeline. We have one pivotal trial and four other phase II trials currently ongoing. In addition we have a number of potential preclinical candidates to be evaluated for clinical study.

Peramivir

Peramivir, a neuraminidase inhibitor, is in development for the treatment of influenza with two parenteral formulations, intramuscular (i.m.) and intravenous (i.v.).

We completed a double-blind placebo-controlled Phase II clinical trial with i.m. peramivir testing two different dose levels of peramivir (150mg and 300mg) versus placebo in adults with acute uncomplicated influenza. While the trial did not demonstrate statistically significant differences for its primary endpoint of time to alleviation of symptoms, the preliminary analysis of the virologic data indicated that peramivir demonstrated statistically significant reductions in influenza virus shedding in both peramivir treatment groups compared to placebo, with greater reductions in the 300mg dose. With this information and the additional pharmacokinetic information we have obtained subsequent to the trial, we initiated a Phase II placebo-controlled trial of 600 mg i.m. peramivir for the treatment of seasonal influenza. This trial uses a new, more concentrated 150 mg/ml formulation of peramivir. In addition, in July 2007, we announced the initiation of a Phase II clinical trial in hospitalized patients using an i.v. formulation of peramivir to compare the efficacy and safety of i.v. peramivir to orally administered oseltamivir in patients who require hospitalization due to acute influenza. This trial is currently enrolling patients in the Southern Hemisphere and we expect to provide an update on its status by the end of 2008.

In January 2007, we announced the United States Department of Health and Human Services, or HHS, had awarded us a $102.6 million, four-year contract for the advanced development of peramivir. In January 2008, we announced that the development costs of our peramivir program to anticipated product approval would cost in excess of the $102.6 million contract since the development plan for peramivir had changed from that outlined in the original proposal to HHS. HHS has indicated that they will fund certain elements of our revised program, including the ongoing Phase II i.v. study evaluating peramivir in hospitalized subjects, the planning and conduct of the planned Phase II study of i.m. peramivir and the manufacturing and toxicology components of the program. Each of these elements has specific HHS funding limits and any costs outside the amounts approved by HHS may be the responsibility of the Company. The original contract of $102.6 million and the four year term remain unchanged.

In March 2007, we announced our collaboration with Shionogi for the development and commercialization of peramivir in Japan. This exclusive license agreement for Japan included an upfront payment of $14 million and future clinical event milestone payments of up to $21 million. Shionogi & co., Ltd. recently completed a Phase II study of intravenous (i.v.) peramivir administered via a single dose injection in the outpatient setting for treatment of seasonal influenza. This trial met its

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primary endpoint of improvement in the median time to alleviation of symptoms in subjects with confirmed, acute, uncomplicated influenza infection, compared to placebo alone. The data will be submitted for presentation at an upcoming medical conference.

Forodesine HCl

Forodesine HCl is a transition-state analog inhibitor of the enzyme purine nucleoside phosphorylase, or PNP. In February 2006, we announced an exclusive licensing agreement with Mundipharma to develop and commercialize forodesine HCl in markets across Europe, Asia and Australia for use in oncology. We have retained full development and commercialization rights in the rest of the world, including North America.

An oral formulation of the compound is currently in a Phase IIb trial, which is planned to be a pivotal trial, for patients with Cutaneous T-cell Lymphoma, commonly called CTCL. The trial is being conducted under a special protocol assessment negotiated with the United States Food and Drug Administration, or the FDA. Additionally, forodesine HCl is currently being studied in a Phase II trial with an oral formulation in Chronic Lymphocytic Leukemia, commonly called CLL.

Forodesine HCl has been granted Orphan Drug status by the FDA for three indications:

T-cell non-Hodgkin lymphoma, including CTCL;

CLL and related leukemias including T-cell prolymphocytic leukemia, adult T-cell leukemia, and hairy cell leukemia; and

B-cell acute lymphoblastic leukemia, commonly called B-ALL.

In December 2007, we announced the presentation of data related to the Phase I/II clinical study of forodesine HCl in subjects with refractory CTCL and a poster detailing the in vitro activity of forodesine HCl as a single agent and the synergistic in vitro activity of forodesine HCl in combination with bendamustine in primary cells from 29 patients with CLL. These data were presented at the 2007 American Society of Hematology meeting. Use of single agent forodesine HCl is being explored in various cancer settings, and combination studies are being planned.

BCX-4208

BCX-4208 is another PNP inhibitor in clinical development. In November 2005, BioCryst announced it was entering into an exclusive worldwide development and commercialization agreement with Roche. In the third quarter of 2007, we announced that Roche had initiated a Phase II clinical trial with oral doses of BCX-4208/R3421, which is designed to evaluate the drug candidate in patients with moderate to severe plaque psoriasis. In May 2008, we received notice that Roche was exercising the no cause termination right under the license agreement for BCX-4208. Roche and the Company have agreed to complete the ongoing Phase IIa trial. We will determine the future development plans of BCX-4208 after reviewing data from the ongoing psoriasis trial.

Additional Products

In addition to our clinical programs shown above, we also retain exclusive world wide rights to potent inhibitors of hepatitis C nucleoside polymerase, parainfluenza neuraminidase, and additional PNP inhibitors. We will continue to evaluate and test each of these compounds to determine which should be taken into clinical testing.

Because none of our products have been approved by regulatory authorities, we may not be able to generate significant revenue or attain profitability. Since our inception, we have not generated any product sales from our drug discovery and development efforts and we have a history of significant losses. Given that we expect to incur substantial net losses to develop our potential products, it is unclear when, if ever, we will become profitable. See Risk Factors for a full discussion of these and other risks relating to our business and owning our capital stock.

Alliances

As our part of our strategy we will consider potential third party alliances in large primary care markets and in areas where do not have the resource or expertise to move candidates forward on our own. These alliances could include preclinical development, clinical development, regulatory approval, marketing, sales and distribution of our drug candidates.

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We have established collaborative relationships for development and commercialization of product candidates in their respective territories as follows:

Mundipharma Internal Holdings Limited, for forodesine HCl in Europe, Asia and Australia;

Shionogi & Co. Ltd. and

Green Cross Corporation.

The process of establishing and implementing collaborative relationships is difficult, time-consuming and involves significant uncertainty. See Risk Factors for further details.

Summary of 2007 Private Placement

On August 9, 2007, we sold to a group of existing stockholders in a private placement:

8,315,513 shares of the Company s common stock at a purchase price of $7.80 per share, the closing Nasdaq composite bid price on August 3, 2007, the last trading date prior to the agreement reached prior to the opening of trading on August 6, 2007; and

warrants (exercisable at $10.25 per share) to purchase 3,159,895 shares of the Company s common stock, for a purchase price of $0.125 per warrant share.

The aggregate purchase price was approximately $65.3 million. The investors included funds managed by Baker Brothers Investments, Kleiner Perkins Caufield & Byers, EHS Holdings, OrbiMed Advisors, TPG Biotechnology, and Stephens Investment Management, all of whom are current stockholders.

We relied upon the exemptions from registration provided by Section 4(2) of the Securities Act and Regulation D promulgated under that section. Each investor represented that it was an accredited investor, as such term is defined in Regulation D under the Securities Act, and that it was acquiring the common stock and warrants for its own account and not with a view to or for sale in connection with any distribution thereof, and appropriate legends are affixed to the common stock and warrants.

We have filed with the SEC all of our agreements regarding the private placement with the selling stockholders, with our Current Report on Form 8-K filed August 7, 2007 and our Quarterly Report on Form 10-Q filed August 9, 2007. We made no other agreements, plans or arrangements with the selling stockholders in connection with the private placement.

We paid no investment banking fees or commissions in connection with the private placement. We estimate the aggregate market value of our common stock held by non-affiliates (based upon the Nasdaq Global Market closing sales price on August 15, 2008) was approximately $61.3 million.

The shares and warrants included in the private placement were not registered under the Securities Act of 1933, as amended. Under the purchase agreement for the private placement, we agreed to register for resale under the Securities Act the shares, the warrants and the shares issuable upon exercise of the warrants sold to the selling stockholders. If registration statements covering such shares, warrants and shares issuable upon exercise of the warrants are not filed by us or declared effective by the SEC within the periods specified in the purchase agreement, or if effectiveness of a registration statement is suspended for longer than the periods specified in the purchase agreement, we must pay to each investor, as liquidated damages and not as a penalty, a cash payment equal to 1.5% of the aggregate purchase price per month, up to a maximum of 12%, paid by such investor to us with respect to the shares then held by such selling stockholder which are not then registered under an effective registration statement, until such event has been cured. No such amounts shall be payable by us in respect of the warrants or the shares issuable upon exercise of the warrants. We have agreed to maintain the effectiveness of the registration statements covering such securities for each selling stockholder until the earlier of August 9, 2009, the date all of such shares, including shares underlying the warrants, may be sold by the selling stockholder without restriction by the volume limitations of Rule 144(e) of the Securities Act or the date all of such shares have been sold pursuant to the registration statement.

On August 22, 2007, we filed a registration statement covering the resale of 8,140,000 shares of common stock as required by the purchase agreement, which was declared effective on August 30, 2007.

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This registration statement covers the resale by the selling stockholders of the balance of 175,513 shares of common stock purchased, the warrants to buy approximately 3,159,895 shares of common stock, and the 3,159,895 shares to be issued upon exercise of the warrants. We will not receive any proceeds from the resale of the common stock or warrants by the investors.

The private placement:

- increases our concentration of stock ownership, which could limit the influence of other stockholders and delay, defer or prevent a change in our control;
- upon registration of the shares covered by this prospectus, increases the number of shares of our common stock eligible for sale, which could depress our stock price and adversely affect the trading market for our stock; and
- exercise of the warrants above their exercise price of $10.25 will result in dilution to our other stockholders and more shares eligible for sale, which could depress our stock price.

Please review the risk factors under the heading Risks Relating to Our Common Stock for more information on these risks.

BioCryst is a Delaware corporation originally founded in 1986. Our principal offices are located at 2190 Parkway Lake Drive, Birmingham, Alabama 35244, and our telephone number is (205) 444-4600. Our web site is located at http://www.biocryst.com. The information on our web site is not incorporated by reference into this prospectus.

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The Offering

Issuer	BioCryst Pharmaceuticals, Inc.
Selling Stockholders	The selling stockholders identified in the table on page 22. They purchased our common stock and warrants in August 2007.
Securities Offered	up to 3,335,408 shares of our common stock, including 3,159,895 shares issuable upon exercise of the warrants; up to 3,159,895 warrants to purchase our common stock; and the initial issuance of shares of our common stock upon the exercise of the warrants acquired from the selling stockholders pursuant to this prospectus.
Use of Proceeds	We will not receive any proceeds from sales of the shares of common stock sold from time to time under this prospectus by the selling stockholders. We will not receive any proceeds from the resale of the warrants, including the sale of the shares of common stock issuable upon exercise of the warrants. To the extent that any of the warrants to purchase common stock are exercised, we will receive the exercise price paid for the shares of common stock purchased thereunder.
Risk Factors	An investment in our common stock involves a high degree of risk. See Risk Factors beginning on page 6 for a discussion of certain factors that you should consider when evaluating an investment in our common stock.
Nasdaq Global Market Symbol	BCRX

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RISK FACTORS

An investment in our securities involves a high degree of risk. You should consider carefully the following risks, along with all of the other information included in or incorporated by reference into this prospectus and any prospectus supplement, before deciding to buy our securities. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also impair our business operations. If we are unable to prevent events that have a negative effect from occurring, then our business may suffer. Negative events are likely to decrease our revenue, increase our costs, make our financial results poorer and/or decrease our financial strength, and may cause our stock price to decline. In that case, you may lose all or a part of your investment in our securities.

Risks Relating to Our Business

We have incurred substantial losses since our inception in 1986, expect to continue to incur such losses, and may never be profitable.

Since our inception in 1986, we have not been profitable. We expect to incur additional losses for the foreseeable future, and our losses could increase as our research and development efforts progress. To become profitable, we must successfully manufacture and develop drug product candidates, receive regulatory approval, and successfully commercialize or enter into profitable agreements with other parties. It could be several years, if ever, before we receive royalties from any current or future license agreements or revenues directly from product sales.

Because of the numerous risks and uncertainties associated with developing our product candidates and their potential for commercialization, we are unable to predict the extent of any future losses. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. If we are unable to achieve and sustain profitability, the market value of our common stock will likely decline.

Our success depends upon our ability to advance our products through the various stages of development, especially through the clinical trial process.

To receive the regulatory approvals necessary for the sale of our product candidates, we or our partners must demonstrate through preclinical studies and clinical trials that each product candidate is safe and effective. The clinical trial process is complex and uncertain. Because of the cost and duration of clinical trials, we may decide to discontinue development of product candidates that are unlikely to show good results in the trials, unlikely to help advance a product to the point of a meaningful collaboration, or unlikely to have a reasonable commercial potential. We may suffer significant setbacks in pivotal clinical trials, even after earlier clinical trials show promising results. Clinical trials may not be adequately designed or executed, which could affect the potential outcome and analysis of study results. Any of our product candidates may produce undesirable side effects in humans. These side effects could cause us or regulatory authorities to interrupt, delay or halt clinical trials of a product candidate. These side effects could also result in the FDA or foreign regulatory authorities refusing to approve the product candidate for any targeted indications. We, our partners, the FDA or foreign regulatory authorities may suspend or terminate clinical trials at any time if we or they believe the trial participants face unacceptable health risks. Clinical trials may fail to demonstrate that our product candidates are safe or effective and have acceptable commercial viability.

Our ability to successfully complete clinical trials is dependent upon many factors, including but not limited to:

- our ability to find suitable clinical sites and investigators to enroll patients;
- the availability of and willingness of patients to participate in our clinical trials;
- difficulty in maintaining contact with patients to provide complete data after treatment;
- our product candidates may not prove to be either safe or effective;
- clinical protocols or study procedures may not be adequately designed or followed by the investigators;
- manufacturing or quality problems could affect the supply of drug product for our trials; and

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delays or changes in requirements by governmental agencies.

Clinical trials are lengthy and expensive. We or our partners incur substantial expense for, and devote significant time to, preclinical testing and clinical trials, yet cannot be certain that the tests and trials will ever result in the commercial sale of a product. For example, clinical trials require adequate supplies of drug and sufficient patient enrollment. Delays in patient enrollment can result in increased costs and longer development times. Even if we or our partners successfully complete clinical trials for our product candidates, we or our partners might not file the required regulatory submissions in a timely manner and may not receive regulatory approval for the product candidate.

Our later stage clinical trials may not adequately show our drugs are safe or effective.

Progression of our drug products through the clinical development process is dependent upon our trials indicating our drugs have adequate safety profiles and show positive therapeutic effects in the patients being treated by achieving pre-determined endpoints according to the trial protocols. Failure to achieve either of these could result in delays in our trials or even require the performance of additional unplanned trials. This could result in delays in the development of our drug candidates and could result in significant unexpected costs.

If we fail to obtain additional financing, we may be unable to complete the development and commercialization of our product candidates or continue our research and development programs.

As our clinical programs continue to grow and patient enrollment increases, our costs will increase. Our current and planned clinical trials plus the related development, manufacturing, regulatory approval process requirements, and additional personnel resources and testing required for supporting the development of our drug candidates will consume significant capital resources. Our expenses, revenues and burn rate could vary significantly depending on many factors, including our ability to raise additional capital, the development progress of our collaborative agreements for our drug candidates, the amount of funding we receive from HHS for peramivir, the amount of funding or assistance, if any, we receive from other governmental agencies or other new partnerships with third parties for the development of our drug candidates, the progress and results of our current and proposed clinical trials for our most advanced drug products, the progress made in the manufacturing of our lead products and the progression of our other programs.

We expect that we will be required to raise additional capital to complete the development and commercialization of our current product candidates. Additional funding, whether through additional sales of securities or collaborative or other arrangements with corporate partners or from other sources, including governmental agencies, in general and from the HHS contract specifically, may not be available when needed or on terms acceptable to us. The issuance of preferred or common stock or convertible securities, with terms and prices significantly more favorable than those of the currently outstanding common stock, could have the effect of diluting or adversely affecting the holdings or rights of our existing stockholders. In addition, collaborative arrangements may require us to transfer certain material rights to such corporate partners. Insufficient funds may require us to delay, scale-back or eliminate certain of our research and development programs.

If HHS were to eliminate, reduce or delay funding from our contract or dispute some of our incurred costs, this would have a significant negative impact on our revenues, cash flows and the development of peramivir.

Our projections of revenues and incoming cash flows are substantially dependent upon HHS reimbursement for the costs related to our peramivir program. If HHS were to eliminate, reduce or delay the funding for this program or disallow some of our incurred costs, we would have to obtain additional funding for development of this drug candidate or significantly reduce or stop the development effort. For example, in January 2008, we announced the development cost of our peramivir program to product approval would cost in excess of the $102.6 million contract since the development plan for peramivir has changed from that outlined in the original proposal to HHS. HHS has indicated that they will fund certain elements of our revised program, including the ongoing Phase II i.v. study in hospitalized subjects, planning and conduct of the planned Phase II i.m. study, manufacturing and toxicology. Each of these elements has specific HHS funding limits and costs outside the approved amounts by HHS may be the responsibility of the Company. In January 2008, we disclosed that we would not pursue the Phase III i.m. program in peramivir for the current influenza season, but would move forward in evaluating higher doses than used in previous studies. In July 2008, HHS indicated that it does not intend to reimburse us all of the costs incurred related to these terminated Phase III studies. We will continue to pursue reimbursement of these costs. During the second quarter of

2008, we recorded a $4.9 million reserve against revenue for amounts we previously expected to receive from HHS related to the costs incurred in this program. Approximately $4.6 million of the reserve relates to revenues recognized in the first quarter of 2008, while approximately $0.3 million of the reserve relates to revenues recognized in 2007.

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In contracting with HHS, we are subject to various U.S. government contract requirements, including general clauses for a cost-reimbursement research and development contract, which may limit our reimbursement or if we are found to be in violation could result in contract termination. U.S. government contracts typically contain unfavorable termination provisions and are subject to audit and modification by the government at its sole discretion. The U.S. government may terminate its contract with us either for its convenience or if we default by failing to perform in accordance with the contract schedule and terms, which would have a significant negative impact on our cash flows and operations.

Our contract with HHS has special contracting requirements, which create additional risks of reduction or loss of funding.

We have entered into a contract with HHS for the advanced development of our neuraminidase inhibitor, peramivir. In contracting with HHS, we are subject to various U.S. government contract requirements, including general clauses for a cost-reimbursement research and development contract. U.S. government contracts typically contain unfavorable termination provisions and are subject to audit and modification by the government at its sole discretion, which subjects us to additional risks. These risks include the ability of the U.S. government to unilaterally:

terminate or reduce the scope of our contract; and

audit and object to our contract-related costs and fees, including allocated indirect costs.

The U.S. government may terminate its contract with us either for its convenience or if we default by failing to perform in accordance with the contract schedule and terms. Termination for convenience provisions generally enable us to recover only our costs incurred or committed, and settlement expenses and profit on the work completed prior to termination. Termination for default provisions does not permit these recoveries.

As a U.S. government contractor, we are required to comply with applicable laws, regulations and standards relating to our accounting practices and are subject to periodic audits and reviews. As part of any such audit or review, the U.S. government may review the adequacy of, and our compliance with, our internal control systems and policies, including those relating to our purchasing, property, estimating, compensation and management information systems. Based on the results of its audits, the U.S. government may adjust our contract-related costs and fees, including allocated indirect costs. In addition, if an audit or review uncovers any improper or illegal activity, we may be subject to civil and criminal penalties and administrative sanctions, including termination of our contracts, forfeiture of profits, suspension of payments, fines and suspension or prohibition from doing business with the U.S. government. We could also suffer serious harm to our reputation if allegations of impropriety were made against us. In addition, under U.S. government purchasing regulations, some of our costs may not be reimbursable or allowed under our contracts. Further, as a U.S. government contractor, we are subject to an increased risk of investigations, criminal prosecution, civil fraud, whistleblower lawsuits and other legal actions and liabilities as compared to private sector commercial companies.

If we fail to successfully commercialize or establish collaborative relationships to commercialize certain of our drug product candidates or if any partner terminates or fails to perform its obligations under agreements with us, potential revenues from commercialization of our product candidates could be reduced, delayed or eliminated.

Our business strategy is to increase the asset value of our drug candidate portfolio. We believe this is best achieved by retaining full product rights or through collaborative arrangements with third parties as appropriate. As needed, potential third party alliances could include preclinical development, clinical development, regulatory approval, marketing, sales and distribution of our drug product candidates.

Currently, we have established collaborative relationships with four pharmaceutical companies, Roche, Mundipharma, and both Shionogi and Green Cross for the development and commercialization of BCX-4208, forodesine HCl and peramivir, respectively. The process of establishing and implementing collaborative relationships is difficult, time-consuming and involves significant uncertainty, including:

our partners may seek to renegotiate or terminate their relationships with us due to unsatisfactory clinical results, a change in business strategy, a change of control or other reasons;

our contracts for collaborative arrangements may expire;

our partners may choose to pursue alternative technologies, including those of our competitors;

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we may have disputes with a partner that could lead to litigation or arbitration;

we do not have day to day control over the activities of our partners and have limited control over their decisions;

our ability to generate future event payments and royalties from our partners depends upon their abilities to establish the safety and efficacy of our drug candidates, obtain regulatory approvals and achieve market acceptance of products developed from our drug candidates;

we or our partners may fail to properly initiate, maintain or defend our intellectual property rights, where applicable, or a party may utilize our proprietary information in such a way as to invite litigation that could jeopardize or potentially invalidate our proprietary information or expose us to potential liability;

our partners may not devote sufficient capital or resources towards our product candidates; and

our partners may not comply with applicable government regulatory requirements.

If any partner fails to fulfill its responsibilities in a timely manner, or at all, our commercialization efforts related to that collaboration could be reduced, delayed or terminated, or it may be necessary for us to assume responsibility for activities that would otherwise have been the responsibility of our partner. If we are unable to establish and maintain collaborative relationships on acceptable terms, we may have to delay or discontinue further development of one or more of our product candidates, undertake commercialization activities at our own expense or find alternative sources of funding. Any delay in the development or commercialization of our compounds would severely affect our business, because if our compounds do not progress through the development process or reach the market in a timely manner, or at all, we may not receive additional future event payments and may never receive product or royalty payments.

For example, in May 2008, we received notice that Roche was exercising the no cause termination right under the license agreement for BCX-4208. Upon the effective date of termination, we will regain worldwide rights to BCX-4208. We will determine the future development plans of BCX-4208 after receiving top line data from all subjects in the Phase IIa trial due later in 2008.

We are currently in dispute with Mundipharma regarding the contractual obligations of the parties with respect to certain costs related to the manufacturing and development of forodesine HCl. Notwithstanding, we do not believe that we are responsible for any of the disputed amounts. We are engaged in ongoing discussion to resolve this dispute. The maximum potential exposure to us is estimated to be approximately $2.5 million. Because of the preliminary nature of the discussions, no amounts have been accrued as of June 30, 2008.

We have not commercialized any products or technologies and our future revenue generation is uncertain.

We have not commercialized any products or technologies, and we may never be able to do so. We currently have no marketing capability and no direct or third-party sales or distribution capabilities and may be unable to establish these capabilities for products we plan to commercialize. In addition, our revenue from collaborative agreements is dependent upon the status of our preclinical and clinical programs. If we fail to advance these programs to the point of being able to enter into successful collaborations, we will not receive any future event or other collaborative payments.

Our ability to receive revenue from products we commercialize presents several risks, including:

we or our collaborators may fail to successfully complete clinical trials sufficient to obtain FDA marketing approval;

many competitors are more experienced and have significantly more resources and their products could be more cost effective or have a better efficacy or tolerability profile than our product candidates;

we may fail to employ a comprehensive and effective intellectual property strategy which could result in decreased commercial value of our company and our products;

we may fail to employ a comprehensive and effective regulatory strategy which could result in a delay or failure in commercialization of our products;

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our ability to successfully commercialize our products are affected by the competitive landscape, which cannot be fully known at this time;

reimbursement is constantly changing which could greatly affect usage of our products; and

any future revenue directly from product sales would depend on our ability to successfully complete clinical studies, obtain regulatory approvals, manufacture, market and commercialize any approved drugs.

If our development collaborations with third parties, such as our development partners and contract research organizations, fail, the development of our drug product candidates will be delayed or stopped.

We rely heavily upon other parties for many important stages of our drug development programs, including but not limited to:

discovery of compounds that cause or enable biological reactions necessary for the progression of the disease or disorder, called enzyme targets;

licensing or design of enzyme inhibitors for development as drug product candidates;

execution of some preclinical studies and late-stage development for our compounds and product candidates;

management of our clinical trials, including medical monitoring and data management;

execution of additional toxicology studies that may be required to obtain approval for our product candidates; and

manufacturing the starting materials and drug substance required to formulate our drug products and the drug products to be used in both our clinical trials and toxicology studies.

Our failure to engage in successful collaborations at any one of these stages would greatly impact our business. If we do not license enzyme targets or inhibitors from academic institutions or from other biotechnology companies on acceptable terms, our product development efforts would suffer. Similarly, if the contract research organizations that conduct our initial or late-stage clinical trials, conduct our toxicology studies, manufacture our starting materials, drug substance and drug products or manage our regulatory function breached their obligations to us or perform their services inconsistent with industry standards and not in accordance with the required regulations, this would delay or prevent the development of our product candidates.

If we lose our relationship with any one or more of these parties, we could experience a significant delay in both identifying another comparable provider and then contracting for its services. We may be unable to retain an alternative provider on reasonable terms, if at all. Even if we locate an alternative provider, it is likely that this provider may need additional time to respond to our needs and may not provide the same type or level of service as the original provider. In addition, any provider that we retain will be subject to current Good Laboratory Practices (cGLP), current Good Manufacturing Practices (cGMP), or current Good Clinical Practices (cGCP), and similar foreign standards and we do not have control over compliance with these regulations by these providers. Consequently, if these practices and standards are not adhered to by these providers, the development and commercialization of our product candidates could be delayed.

Our development of both intravenous and intramuscular dosing of peramivir for avian and seasonal influenza is subject to all disclosed drug development and potential commercialization risks and numerous additional risks. Any potential revenue benefits to us are highly speculative.

Further development and potential commercialization of peramivir is subject to all the risks and uncertainties disclosed in our other risk factors relating to drug development and commercialization. In addition, potential commercialization of peramivir is subject to further risks, including but not limited to the following:

the injectable versions of peramivir are currently in Phase II clinical development and have been tested in a limited number of humans and may not be safe or effective;

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necessary government or other third party funding and clinical testing for further development of peramivir may not be available timely, at all, or in sufficient amounts;

the avian flu prevention or treatment concerns may not materialize at all, or in the near future;

advances in flu vaccines could substantially replace potential demand for an antiviral such as peramivir;

any substantial demand for avian flu treatments may occur before peramivir can be adequately developed and tested in clinical trials;

injectable forms of peramivir may not prove to be accepted by patients and physicians as a treatment for seasonal influenza compared to the other currently marketed antiviral drugs, which would limit revenue from non-governmental entities;

numerous large and well-established pharmaceutical and biotech companies will be competing to meet the market demand for avian flu drugs and vaccines;

regulatory authorities may not make needed accommodations to accelerate the drug testing and approval process for peramivir; and

in the next few years, it is expected that a limited number of governmental entities will be the primary potential customers for peramivir and if we are not successful at marketing peramivir to these entities for any reason, we will not receive substantial revenues from stockpiling orders from these entities.

If any or all of these and other risk factors occur, we will not attain significant revenues or gross margins from peramivir and our stock price will be adversely affected.

Because we have limited manufacturing experience, we depend on third-party manufacturers to manufacture our drug product candidates and the materials for our product candidates. If we cannot rely on third-party manufacturers, we will be required to incur significant costs and potential delays in finding new third-party manufacturers.

We have limited manufacturing experience and only a small scale manufacturing facility. We currently rely upon third-party manufacturers to manufacture the materials required for our drug product candidates and most of the preclinical and clinical quantities of our product candidates. We depend on these third-party manufacturers to perform their obligations in a timely manner and in accordance with applicable governmental regulations. Our third-party manufacturers may encounter difficulties with meeting our requirements, including but not limited to problems involving:

inconsistent production yields;

product liability claims;

difficulties in scaling production to commercial and validation sizes;

interruption of the delivery of materials required for the manufacturing process;

scheduling of plant time with other vendors or unexpected equipment failure;

potential catastrophes that could strike their facilities;

potential impurities in our drug substance or drug products that could affect availability of product for our clinical trials or future commercialization;

poor quality control and assurance or inadequate process controls; and

lack of compliance with regulations and specifications set forth by the FDA or other foreign regulatory agencies.

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These contract manufacturers may not be able to manufacture the materials required or our drug product candidates at a cost or in quantities necessary to make them commercially viable. We also have no control over whether third-party manufacturers breach their agreements with us or whether they may terminate or decline to renew agreements with us. To date, our third party manufacturers have met our manufacturing requirements, but they may not continue to do so. Furthermore, changes in the manufacturing process or procedure, including a change in the location where the drug is manufactured or a change of a third-party manufacturer, may require prior review and approval in accordance with the FDA s cGMPs, and comparable foreign requirements. This review may be costly and time-consuming and could delay or prevent the launch of a product. The FDA or similar foreign regulatory agencies at any time may also implement new standards, or change their interpretation and enforcement of existing standards for manufacture, packaging or testing of products. If we or our contract manufacturers are unable to comply, we or they may be subject to regulatory action, civil actions or penalties.

If we are unable to enter into agreements with additional manufacturers on commercially reasonable terms, or if there is poor manufacturing performance on the part of our third party manufacturers, we may not be able to complete development of, or market, our product candidates.

Our raw materials, drug substances, and drug products are manufactured by a limited group of suppliers and some at a single facility. If any of these suppliers were unable to produce these items, this could significantly impact our supply of drugs for further preclinical testing and clinical trials.

If we or our partners do not obtain and maintain governmental approvals for our products under development, we or our partners will not be able to sell these potential products, which would significantly harm our business because we will receive no revenue.

We or our partners must obtain regulatory approval before marketing or selling our future drug products. If we or our partners are unable to receive regulatory approval and do not market or sell our future drug products, we will never receive any revenue from such product sales. In the United States, we or our partners must obtain FDA approval for each drug that we intend to commercialize. The process of preparing for and obtaining FDA approval may be lengthy and expensive, and approval is never certain. Products distributed abroad are also subject to foreign government regulation. Neither the FDA nor foreign regulatory agencies have approved any of our drug product candidates. Because of the risks and uncertainties in biopharmaceutical development, our product candidates could take a significantly longer time to gain regulatory approval than we expect or may never gain approval. If the FDA delays regulatory approval of our product candidates, our management s credibility, our company s value and our operating results may suffer. Even if the FDA or foreign regulatory agencies approve a product candidate, the approval may limit the indicated uses for a product candidate and/or may require post-marketing studies.

The FDA regulates, among other things, the record keeping and storage of data pertaining to potential pharmaceutical products. We currently store most of our preclinical research data, our clinical data and our manufacturing data at our facility. While we do store duplicate copies of most of our clinical data offsite and a significant portion of our data is included in regular backups of our systems, we could lose important data if our facility incurs damage. If we get approval to market our potential products, whether in the United States or internationally, we will continue to be subject to extensive regulatory requirements. These requirements are wide ranging and govern, among other things:

- adverse drug experience reporting regulations;
- product promotion;
- product manufacturing, including good manufacturing practice requirements; and
- product changes or modifications.

Our failure to comply with existing or future regulatory requirements, or our loss of, or changes to, previously obtained approvals, could have a material adverse effect on our business because we will not receive product or royalty revenues if we or our partners do not receive approval of our products for marketing.

In June 1995, we notified the FDA that we submitted incorrect data for our Phase II studies of BCX-34 applied to the skin for CTCL and psoriasis. In November 1995, the FDA issued a List of Inspectional Observations,

Form FDA 483, which cited our failure to follow good clinical practices. The FDA also inspected us in June 1996. The focus was on the two 1995 Phase II dose-ranging studies of topical BCX-34 for the treatment of CTCL and psoriasis. As a result of the investigation, the

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FDA issued us a Form FDA 483, which cited our failure to follow good clinical practices. We are no longer developing BCX-34; however, as a consequence of these two investigations, our ongoing and future clinical studies may receive increased scrutiny, which may delay the regulatory review process.

We face intense competition, and if we are unable to compete effectively, the demand for our products, if any, may be reduced.

The biotechnology and pharmaceutical industries are highly competitive and subject to rapid and substantial technological change. We face, and will continue to face, competition in the licensing of desirable disease targets, licensing of desirable drug product candidates, and development and marketing of our product candidates from academic institutions, government agencies, research institutions and biotechnology and pharmaceutical companies. Competition may also arise from, among other things:

other drug development technologies;

methods of preventing or reducing the incidence of disease, including vaccines; and

new small molecule or other classes of therapeutic agents.

Developments by others may render our product candidates or technologies obsolete or noncompetitive.

We and our partners are performing research on or developing products for the treatment of several disorders including T-cell mediated disorders (T-cell cancers, transplant rejection, psoriasis and other autoimmune indications), oncology, influenza, and hepatitis C. We expect to encounter significant competition for any of the pharmaceutical products we plan to develop. Companies that complete clinical trials, obtain required regulatory approvals and commence commercial sales of their products before their competitors may achieve a significant competitive advantage. Such is the case with Eisai s Targretin for CTCL and the current neuraminidase inhibitors marketed by Glaxo Smith Kline and Roche for influenza. In addition, several pharmaceutical and biotechnology firms, including major pharmaceutical companies and specialized structure-based drug design companies, have announced efforts in the field of structure-based drug design and in the fields of PNP, influenza, hepatitis C, and in other therapeutic areas where we have discovery efforts ongoing. If one or more of our competitors products or programs are successful, the market for our products may be reduced or eliminated.

Compared to us, many of our competitors and potential competitors have substantially greater:

capital resources;

research and development resources, including personnel and technology;

regulatory experience;

preclinical study and clinical testing experience;

manufacturing and marketing experience; and

production facilities.

Any of these competitive factors could reduce demand for our products.

If we fail to adequately protect or enforce our intellectual property rights or secure rights to patents of others, the value of those rights would diminish.

Our success will depend in part on our ability and the abilities of our partners to obtain, protect and enforce viable intellectual property rights including but not limited to trade name, trade mark and patent protection for our company and its products, methods, processes and other technologies we may license or develop, to preserve our trade secrets, and to operate without infringing the proprietary rights of third parties both domestically and abroad. The patent position of biotechnology and pharmaceutical companies is generally highly uncertain, involves complex legal and factual questions and has recently been the subject of much litigation. Neither the United States Patent and Trademark Office (USPTO), the Patent Cooperation Treaty offices, nor the courts of the United States and other

jurisdictions have consistent policies nor predictable rulings

regarding the breadth of claims allowed or the degree of protection afforded under many biotechnology and pharmaceutical patents. The validity, scope, enforceability and commercial value of these rights, therefore, is highly uncertain.

Our success depends in part on avoiding the infringement of other parties patents and other intellectual property rights as well as avoiding the breach of any licenses relating to our technologies and products. In the U.S., patent applications filed in recent years are confidential for 18 months, while older applications are not published until the patent issues. As a result, avoiding patent infringement may be difficult and we may inadvertently infringe third-party patents or proprietary rights. These third parties could bring claims against us, our partners or our licensors that even if resolved in our favor, could cause us to incur substantial expenses and, if resolved against us, could additionally cause us to pay substantial damages. Further, if a patent infringement suit were brought against us, our partners or our licensors, we or they could be forced to stop or delay research, development, manufacturing or sales of any infringing product in the country or countries covered by the patent we infringe, unless we can obtain a license from the patent holder. Such a license may not be available on acceptable terms, or at all, particularly if the third party is developing or marketing a product competitive with the infringing product. Even if we, our partners or our licensors were able to obtain a license, the rights may be nonexclusive, which would give our competitors access to the same intellectual property.

If we or our partners are unable or fail to adequately, initiate, protect, defend or enforce our intellectual property rights in any area of commercial interest or in any part of the world where we wish to seek regulatory approval for our products, methods, processes and other technologies, the value of the drug product candidates to produce revenue would diminish. Additionally, if our products, methods, processes, and other technologies or our commercial use of such products, processes, and other technologies, including but not limited to any tradename, trademark or commercial strategy infringe the proprietary rights of other parties, we could incur substantial costs. The USPTO and the patent offices of other jurisdictions have issued to us a number of patents for our various inventions and we have in-licensed several patents from various institutions. We have filed additional patent applications and provisional patent applications with the USPTO. We have filed a number of corresponding foreign patent applications and intend to file additional foreign and U.S. patent applications, as appropriate. We have also filed certain trademark and tradename applications worldwide. We cannot assure you as to:

- the degree and range of protection any patents will afford against competitors with similar products;
- if and when patents will issue;
- if patents do issue we can not be sure that we will be able to adequately defend such patents and whether or not we will be able to adequately enforce such patents; or
- whether or not others will obtain patents claiming aspects similar to those covered by our patent applications.

If the USPTO or other foreign patent office upholds patents issued to others or if the USPTO grants patent applications filed by others, we may have to:

13,723

20,076

26,831

37,480

TOTAL GROSS EXPENSES

1,828,963

2,362,222

3,118,771

4,182,868

Incentive fee adjustments (Note 4)

(401,080
)

242,048

353,696

(1,432,939
)
TOTAL NET EXPENSES

1,427,883

2,604,270

3,472,467

2,749,929

NET INVESTMENT LOSS

(877,474
)

(2,099,832
)

(2,347,640
)

(1,832,282
)
Net Realized and Unrealized Gains (Losses) on Investments:

Net realized gains (losses) from security transactions

Non-affiliated and other assets

121,642

—

1,290,832

132

Net realized gains from written option transactions (1)

473,497

—

624,994

—

Net change in unrealized depreciation on investments

(2,603,977
)

(2,810,222
)

(294,886
)

(8,330,700
)
Net change in unrealized appreciation (depreciation) on warrants transactions (1)

3,435

346,405

(5,772
)

(2,423,314
)
Net change in unrealized appreciation on purchased options (1)

—

3,324,453

—

3,324,453

Net change in unrealized appreciation on written options (1)

—

24,754

—

24,754

Net Realized and Unrealized Gains (Losses) on Investments

(2,005,403
)

885,390

1,615,168

(7,404,675
)
Net Decrease In Net Assets Resulting From Operations

$
(2,882,877
)

$
(1,214,442
)

$
(732,472
)
$
(9,236,957
)
Net Decrease In Net Assets Per Share Resulting From Operations (2)

$
(0.37
)

$
(0.13
)

$
(0.10
)
$
(1.02
)

(1) Primary risk exposure is equity contracts.
(2) Per share results are calculated based on weighted average shares outstanding for each period.

See accompanying notes to financial statements

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

	FOR THE SIX MONTHS ENDED JUNE 30, 2015	FOR THE SIX MONTHS ENDED JUNE 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net decrease in Net Assets resulting from operations	$(732,472)	$(9,236,957)
Adjustments to reconcile net increase (decrease) in Net Assets derived from operations to net cash provided by (used in) operating activities:		
Purchases of investments	(24,176,276)	(35,180,659)
Proceeds from disposition of investments	33,152,358	—
Net purchases from short-term investments	(2,350,000)	—
Net proceeds from written options	624,994	264,754
Net proceeds from purchased options	—	(1,792,932)
Proceeds from litigation claim	7,782	132
Increase in dividends, interest, and reclaims receivable	(682,731)	(586,986)
Decrease in payable for investment purchased	(38,253,718)	—
Increase (decrease) in payable to affiliates	(323,110)	6,315
Decrease in incentive fees payable	(10,884,758)	(1,432,939)
Decrease (increase) in other assets	4,699	(153,121)
Decrease in accrued expenses and other payables	(151,922)	(410,738)
Net realized gain from investments	(1,290,832)	(132)
Net realized gain from written options	(624,994)	—
Net unrealized appreciation (depreciation) from investments, purchased and written options and warrants transactions	300,658	7,404,807
Net cash provided by (used in) operating activities	(45,380,322)	(41,118,456)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cost from shares redeemed	(19,999,992)	—
Net cash provided (used) by financing activities	(19,999,992)	—
Net decrease in cash	(65,380,314)	(41,118,456)
Cash - beginning of period	69,014,110	83,179,168
Cash - end of period	$3,633,796	$42,060,712

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.
Statements of Changes in Net Assets

	FOR THE SIX MONTHS ENDED JUNE 30, 2015 (UNAUDITED)	FOR THE YEAR ENDED DECEMBER 31, 2014
FROM OPERATIONS:		
Net investment loss	$ (2,347,640)	$ (10,777,461)
Net realized gains from security transactions and written and purchased options	1,915,826	67,052,857
Net change in unrealized depreciation on investments, and warrants transactions	(300,658)	(40,291,286)
Net increase (decrease) in net assets from operations	(732,472)	15,984,110
FROM DISTRIBUTIONS		
From realized gains on investments	—	(53,158,463)
TOTAL DISTRIBUTIONS	—	(53,158,463)
FROM CAPITAL SHARE TRANSACTIONS		
Value of shares repurchased	(19,999,992)	(9,999,991)
Net decrease in net assets from capital share transactions	(19,999,992)	(9,999,991)
TOTAL DECREASE IN NET ASSETS	(20,732,464)	(47,174,344)
NET ASSETS:		
Beginning of period	209,730,071	256,904,415
End of period	$ 188,997,607	$ 209,730,071
Accumulated Net Investment Income	$ 3,485,354	$ 5,832,994
COMMON STOCK ACTIVITY:		
Shares repurchased	(859,468)	(509,859)
Net decrease in shares outstanding	(859,468)	(509,859)
Shares outstanding, beginning of period	8,562,173	9,072,032
Shares outstanding, end of period	7,702,705	8,562,173

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.
Financial Highlights
Selected per share data and ratios for a share outstanding throughout each period

	FOR THE SIX MONTHS ENDED JUNE 30, 2015 (UNAUDITED)	FOR THE YEAR ENDED DECEMBER 31, 2014	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	$ 24.49	$ 28.32	$ 22.90	$ 23.92	$ 27.01
Income from investment operations:					
Net investment loss	(0.30)	(1.26)	(1.42)	(0.39)	(0.41)
Net realized and unrealized gains (losses) on investments	0.35	3.04	7.16	(1.01)	(2.68)
Total from investment operations	0.05	1.78	5.74	(1.40)	(3.09)
Distributions from:					
Realized capital gains	—	(5.86)	(0.32)	—	—
Premiums from shares sold in offerings	—	—	— (2)	0.38	—
Anti-dilutive effect from capital share transactions	—	0.25	—	—	—
Net asset value at end of period	$ 24.54	$ 24.49	$ 28.32	$ 22.90	$ 23.92
Market value at end of period	$ 12.90	$ 18.65	$ 23.17	$ 17.44	$ 14.33
Total return					
Based on Net Asset Value	0.20 %(A)	12.54 %	25.30 %	(4.26)%	(11.44)%(A)
Based on Market Value	(30.83)%(A)	4.76 %	34.61 %	21.70 %	(46.95)%(A)
Net assets at end of period (millions)	$ 189.0	$ 209.7	$ 256.9	$ 195.9	$ 83.63
Ratio of total expenses to average net assets	3.58 %(B)(3)	5.29 %(3)	6.52 %(3)	2.56 %	2.76 %(B)
Ratio of total expenses to average net assets, excluding incentive fees	3.22 %(B)	3.12 %	2.67 %	2.56 %	2.76 %(B)
Ratio of net investment loss to average net assets	(2.42)%(B)	(4.31)%	(5.96)%	(2.12)%	(2.28)%(B)
Portfolio turnover rate	13 %(A)	95 %	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 six months ended June 30, 2015, the year ended December 31, 2014, and the year ended December 31, 2013, the ratio of the incentive fee to average net assets was 0.36%, 2.17%, and

3.85%, respectively.
(A) Not Annualized.
(B) Annualized.

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.
Schedule of Investments
JUNE 30, 2015 (UNAUDITED)

PORTFOLIO COMPANY (% OF NET ASSETS) AND INDUSTRY	TYPE OF INVESTMENT	SHARES/PAR VALUE ($)	COST BASIS	VALUE
ALIPHCOM, INC. (5.4%)				
Consumer Electronics	Common Stock *(1)	2,128,005	$10,108,024	$ 10,147,668
CLOUDERA, INC. (0.3%)				
Software	Common Stock *(1)	20,000	580,000	561,778
GILT GROUPE HOLDINGS, INC. (1.7%)				
Internet	Common Stock *(1)	198,841	4,558,112	3,284,277
HERA SYSTEMS, INC. (0.1%)	Convertible Note (1) Matures December 2015			
Aerospace	Interest Rate 5%	250,000	250,000	250,000
HIGHTAIL, INC. (5.2%)				
Cloud Computing	Preferred Stock - Series E *(1)	2,268,602	9,999,998	9,895,869
HIKU LABS, INC. (0.3%)	Convertible Note (1) Matures September 2015			
Consumer Electronics	Interest Rate 5%	600,000	600,000	600,000
INTEVAC, INC. (0.8%)				
Other Electronics	Common Stock *	243,883	2,721,734	1,426,716
INTRAOP MEDICAL CORP. (12.6%)	Preferred Stock - Series A-1 *(1)(2)	6,800,000	6,800,000	5,760,552
	Preferred Stock - Series A-2			
Medical Devices	*(1)(2)	13,500,000	13,499,940	11,436,390
	Term Note (1)(2) Matures February 2016 Interest Rate 8%	3,000,000	3,000,000	3,000,000
	Convertible Note (1)(2) Matures July 2016 Interest Rate 15%	1,000,000	1,000,000	1,000,000
	Preferred Stock - Series B *(1)(2)	3,000,000	3,000,000	2,541,420
				23,738,362
INVENSENSE, INC. (4.0%)				
Semiconductors	Common Stock *	500,000	8,003,882	7,550,000
MATTSON TECHNOLOGY, INC. (5.8%)	Common Stock *	3,280,000	8,239,200	10,988,000

Semiconductor Equipment				
NUTANIX, INC. (2.1%)				
Networking	Preferred Stock - Series A *(1)	227,272	3,999,987	3,999,987

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.
Schedule of Investments - continued
JUNE 30, 2015 (UNAUDITED)

PORTFOLIO COMPANY (% OF NET ASSETS) AND INDUSTRY	TYPE OF INVESTMENT	SHARES/PAR VALUE ($)	COST BASIS	VALUE
PHUNWARE, INC. (5.1%)				
Mobile Computing	Preferred Stock - Series E *(1)	3,257,328	$9,999,997	$ 9,652,440
PIVOTAL SYSTEMS CORP.	Preferred Stock - Series C *			
(10.9%)	(1)(2)	2,291,260	2,657,862	2,657,862
Semiconductor Equipment	Preferred Stock - Series B *(1)(2)	7,942,811	4,000,000	6,371,961
	Preferred Stock - Series A *(1)(2)	11,914,217	6,000,048	9,557,942
	Convertible Note (1)(2)			
	Matures March 2016			
	Interest Rate 10%	2,000,000	2,000,000	2,000,000
				20,587,765
QMAT, INC. (6.3%)	Preferred Stock Warrants -			
Advanced Materials	Series A *(1)(2)	2,000,000	0	562,128
	Preferred Stock - Series A *(1)(2)	12,000,240	12,000,240	11,438,112
				12,000,240
QUALCOMM, INC. (3.3%)				
Communications Equipment	Common Stock	100,000	7,496,400	6,263,000
ROKU, INC. (0.2%)				
Consumer Electronics	Common Stock *(1)	250,000	437,500	437,500
SILICON GENESIS CORP. (2.8%)	Preferred Stock - Series 1-F			
**	*(1)(2)	912,453	583,060	0
Intellectual Property	Common Stock Warrants *(1)(2)	37,982	6,678	0
	Common Stock *(1)(2)	921,892	169,045	0
	Preferred Stock - Series 1-D			
	*(1)(2)	850,830	431,901	0
	Preferred Stock - Series 1-C			
	*(1)(2)	82,914	109,518	0
	Preferred Stock - Series 1-E			
	*(1)(2)	5,704,480	2,946,535	0
	Term Note (1)(2)			
	Matures December 2016			
	Interest Rate 12%	3,000,000	3,000,000	3,000,000
	Convertible Note (1)(2)	1,250,000	1,610,753	1,250,000
	Common Stock Warrants *(1)(2)	5,000,000	0	0
	Convertible Note (1)(2)	1,000,000	1,000,000	1,000,000
	Common Stock Warrants *(1)(2)	3,000,000	0	0
				5,250,000
SUNRUN, INC. (4.8%)	Common Stock *(1)	674,820	6,417,495	9,031,791

Renewable Energy				
TAPAD, INC. (5.5%)	Preferred Stock - Series B-2 *(1)	492,244	7,149,992	7,149,992
Advertising Technology	Preferred Stock - Series B-1 *(1)	280,048	2,999,986	3,187,114
				10,337,106

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.
Schedule of Investments - continued
JUNE 30, 2015 (UNAUDITED)

PORTFOLIO COMPANY (% OF NET ASSETS) AND INDUSTRY	TYPE OF INVESTMENT	SHARES/PAR VALUE ($)	COST BASIS	VALUE
TELEPATHY INVESTORS, INC. (3.2%)	Preferred Stock - Series A *(1)(3)	15,238,000	$3,999,999	$4,000,000
	Convertible Note (1)(3) Matures June 2017			
Consumer Electronics	Interest Rate 10%	2,000,000	2,000,000	2,000,000
				6,000,000
TURN INC. (8.0%)	Preferred Stock - Series E *(1)	1,798,562	15,000,007	15,114,396
Advertising Technology				
TWITTER, INC. (1.9%)	Common Stock	100,000	4,000,540	3,622,000
Social Networking				
UCT COATINGS, INC. (0.2%)	Common Stock Warrants *(1)	136,986	0	0
Advanced Materials	Common Stock *(1)	1,500,000	662,235	434,400
	Common Stock Warrants *(1)	33,001	0	0
	Common Stock Warrants *(1)	2,283	67	0
				434,400
	Preferred Stock - Series A			
VUFINE. INC. (0.3%)	*(1)(2)	5,000,000	500,000	500,000
Consumer Electronics	Common Stock *(1)(2)	750,000	15,000	20,100
				520,100
WESTERN DIGITAL CORP. (1.7%)	Common Stock	40,000	4,484,379	3,136,800
Peripherals				
	Preferred Stock - Series C			
WRIGHTSPEED, INC. (5.9%)	*(1)(3)	2,267,659	5,999,999	7,276,464
	Preferred Stock - Series D			
Automotive	*(1)(3)	1,100,978	3,375,887	3,915,518
				11,191,982
TOTAL INVESTMENTS (Cost $187,416,000) —98.4%				186,022,177
OTHER ASSETS IN EXCESS OF LIABILITIES — 1.6%				2,975,430
NET ASSETS — 100.0%				$188,997,607

*Non-income producing security.
**

On February 17, 2015, Silicon Genesis Corp. filed a Voluntary Petition for Chapter 11 protection under the U.S. Bankruptcy Code. The Fund currently is the sole secured creditor of Silicon Genesis.

(1) Restricted security. Fair Value is determined by or under the direction of the Company's Board of Directors (See note 3).

(2) Controlled investments.

(3) Affiliated issuer.

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc. (the “Company”)
Notes to Financial Statements
JUNE 30, 2015 (UNAUDITED)

NOTE 1. THE COMPANY

Firsthand Technology Value Fund, Inc. (the “Company,” “us,” “our,” and “we”) is a Maryland corporation and an externally managed, non-diversified, closed-end management investment company that has elected to be treated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). The Company acquired its initial portfolio of securities through the reorganization of Firsthand Technology Value Fund, a series of Firsthand Funds, into the Company. The reorganization was completed on April 15, 2011. The Company commenced operations on April 18th, 2011. Under normal circumstances, the Company will invest at least 80% of its net assets for investment purposes in technology companies, which are considered to be those companies that derive at least 50% of their revenues from products and/or services within the information technology sector or the “cleantech” sector. Information technology companies include, but are not limited to, those focused on computer hardware, software, telecommunications, networking, Internet, and consumer electronics. While there is no standard definition of cleantech, it is generally regarded as including goods and services designed to harness renewable energy and materials, eliminate emissions and waste, and reduce the use of natural resources. In addition, under normal circumstances we will invest at least 70% of our total assets in privately held companies and in 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 the Company’s capital base. The Company’s shares are listed on the NASDAQ Global Market under the symbol “SVVC.”

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

INTERIM FINANCIAL STATEMENTS. Interim financial statements are condensed and should be read in conjunction with the Company’s latest annual financial statements. Interim disclosures generally do not repeat those of the annual statements.

PORTFOLIO INVESTMENT VALUATIONS. Investments are stated at “value” as defined in the 1940 Act and in the applicable regulations of the Securities and Exchange Commission and in accordance with GAAP. Value, as defined in Section 2(a)(41) of the 1940 Act, is (i) the market value of those securities for which a market quotation is readily available and (ii) the fair value as determined in good faith by, or under the direction of, the board of directors for all other securities and assets. On June 30, 2015, our financial statements include venture capital investments valued at approximately $153.0 million. The fair values of our venture capital investments were determined in good faith by, or under the direction of, the Board of Directors of the Company (the “Board” or the “Board of Directors”). Upon sale of these investments, the values that are ultimately realized may be different from what is presently estimated. The difference could be material. Also see Note 6 regarding the fair value of the Company’s investments.

CASH AND CASH EQUIVALENTS. The Company considers liquid assets deposited with a bank, investments in money market funds, and certain short-term debt instruments with maturities of three months or less to be cash

equivalents. These investments represent amounts held with financial institutions that are readily accessible to pay our expenses or purchase investments. Cash and cash equivalents are valued at cost plus accrued interest, which approximates market value.

Firsthand Technology Value Fund, Inc.
Notes to Financial Statements - continued
JUNE 30, 2015 (UNAUDITED)

RESTRICTED SECURITIES. At June 30, 2015, we held $153,035,661 in restricted securities.

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

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

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

INCOME TAXES. As we intend to continue to qualify as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"), the Company does not provide for income taxes. The Company recognizes interest and penalties in income tax expense.

FOREIGN CURRENCY TRANSLATION. The accounting records of the Company are maintained in U.S. dollars. All assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the rate of exchange of such currencies against U.S. dollars on the date of valuation.

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

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

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

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

of the security underlying the written option.

The Company did not have any written options as of June 30, 2015. The net realized gains/(loss) from written options and the net change in unrealized appreciation (depreciation) on written options for the quarter ended June 30, 2015 can be found on the Statement of Operations.

Firsthand Technology Value Fund, Inc.
Notes to Financial Statements - continued
JUNE 30, 2015 (UNAUDITED)

The number of option contracts written and the premiums received during the three months ended June 30, 2015 were as follows:

	CONTRACTS	RECEIVED
Options outstanding, beginning of year	—	$—
Options written during period	8,100	1,384,952
Options closed during period	(1,000)	(98,668)
Options expired during period	(5,032)	(541,326)
Options exercised during period	(2,068)	(744,958)
Options outstanding, end of period	—	$—

The average volume of the Fund's derivatives during the three months ended June 30, 2015 is as follows:

	Purchased Options (Contracts)	Warrants (Shares)	Written Options (Contracts)
Firsthand Technology Value Fund, Inc.	—	10,210,252	—

NOTE 3. BUSINESS RISKS AND UNCERTAINTIES

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

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

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

The Board may, from time to time, engage an independent valuation firm to provide it with valuation assistance with respect to certain of our portfolio investments. The Company intends to continue to engage an independent valuation

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

Firsthand Technology Value Fund, Inc.
Notes to Financial Statements - continued
JUNE 30, 2015 (UNAUDITED)

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

(1) each quarter the valuation process begins with each portfolio company or investment being initially valued by the Valuation Committee of the Advisor (as defined below) (the "Adviser Valuation Committee") or the independent valuation firm;

(2) the Valuation Committee of the Board on a quarterly basis reviews the preliminary valuation of the Adviser Valuation Committee and that of the independent valuation firms and makes the fair value determination, in good faith, based on the valuation recommendations of the Adviser Valuation Committee and the independent valuation firms; and

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

NOTE 4. INVESTMENT MANAGEMENT FEE

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

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

The incentive fee is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Management Agreement, as of the termination date), commencing on April 15, 2011, and equals 20% of the Company's realized capital gains, if any, on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid incentive fees, provided that the incentive fee determined as of December 31, 2015, will be calculated for a period of shorter than twelve calendar months to take into account any realized gains computed net of all realized capital losses and unrealized capital depreciation from inception. As of June 30, 2015, accrued incentive fees totaled $2,831,900.

NOTE 5. DEBT

The Company does not currently have any significant outstanding debt obligations (other than normal operating expense accruals).

Firsthand Technology Value Fund, Inc.
Notes to Financial Statements - continued
JUNE 30, 2015 (UNAUDITED)

NOTE 6. FAIR VALUE

Securities traded on, or quoted by, the NASDAQ Stock Market, Inc. (“NASDAQ”) are valued according to the NASDAQ official closing price. Securities traded on other stock exchanges, including the New York Stock Exchange (“NYSE”), are valued at their last reported sale price as of the close of trading of that exchange (normally 4:00 P.M. Eastern Time for the NYSE). 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.

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

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

The Valuation Committee of the Board is responsible for determining the valuation of the Company’s assets within the guidelines established by the Board of Directors. The Valuation Committee of the Board receives information and recommendations from the Adviser and an independent valuation firm.

The values assigned to these investments are based on available information and do not necessarily represent amounts that might ultimately be realized when that investment is sold, as such amounts depend on future circumstances and cannot reasonably be determined until the individual investments are actually liquidated or become readily marketable.

APPROACHES TO DETERMINING FAIR VALUE. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). In effect, GAAP applies fair value terminology to all valuations whereas the 1940 Act applies market value terminology to readily marketable assets and fair value terminology to other assets.

The main approaches to measuring fair value utilized are the market approach, the income approach, and the asset-based approach. The choice of which approach to use in a particular situation depends on the specific facts and circumstances associated with the Company, as well as the purpose for which the valuation analysis is being conducted. FCM and the independent valuation firm rely primarily on the market and income approaches. We also considered the asset-based approach in our analysis because certain of the portfolio companies do not have substantial operating earnings relative to the value of their underlying assets.

Firsthand Technology Value Fund, Inc.
Notes to Financial Statements - continued
JUNE 30, 2015 (UNAUDITED)

- Market Approach (M): The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. For example, the market approach often uses market multiples derived from a set of comparables. Multiples might lie in ranges with a different multiple for each comparable. The selection of where within the range each appropriate multiple falls requires the use of judgment in considering factors specific to the measurement (qualitative and quantitative).

- Income Approach (I): The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present value amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. Those valuation techniques include present value techniques and the multi-period excess earnings method, which is used to measure the fair value of certain assets.

- Asset-Based Approach (A): The asset-based approach examines the value of a company's assets net of its liabilities to derive a value for the equity holders.

FAIR VALUE MEASUREMENT. In accordance with the guidance from the Financial Accounting Standards Board on fair value measurements and disclosures under GAAP, the Company discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements).

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

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the date of measurement.

- Level 2 Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument in an inactive market, prices for similar instruments in an active or inactive market, interest rates, prepayment speeds, credit risks, yield curves, default rates, and similar data.

- Level 3 Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Company's own assumptions about the assumptions a market participant would use in valuing the asset or liability based on the best information available.

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

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

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Firsthand Technology Value Fund, Inc.
Notes to Financial Statements - continued
JUNE 30, 2015 (UNAUDITED)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Company's net assets as of June 30, 2015:

	LEVEL 1 QUOTED PRICES	LEVEL 2 OTHER SIGNIFICANT OBSERVABLE INPUTS	LEVEL 3 SIGNIFICANT UNOBSERVABLE INPUTS
Assets			
Common Stocks			
Advanced Materials	$—	$ —	$ 434,400
Communications Equipment	6,263,000	—	—
Consumer Electronics	—	—	10,605,268
Internet	—	—	3,284,277
Other Electronics	1,426,716	—	—
Peripherals	3,136,800	—	—
Renewable Energy	—	—	9,031,791
Semiconductor Equipment	10,988,000	—	—
Semiconductors	7,550,000	—	—
Social Networking	3,622,000	—	—
Software	—	—	561,778
Total Common Stocks	32,986,516	—	23,917,514
Preferred Stocks			
Advanced Materials	—	—	11,438,112
Advertising Technology	—	—	25,451,502
Automotive	—	—	11,191,982
Cloud Computing	—	—	9,895,869
Consumer Electronics	—	—	4,500,000
Medical Devices	—	—	19,738,362
Mobile Computing	—	—	9,652,440
Networking	—	—	3,999,987
Semiconductor Equipment	—	—	18,587,765
Total Preferred Stocks	—	—	114,456,019
Asset Derivatives *			
Equity Contracts	—	—	562,128
Total Asset Derivatives	—	—	562,128
Convertible Notes			
Aerospace	—	—	250,000
Consumer Electronics	—	—	2,600,000
Intellectual Property	—	—	5,250,000
Medical Devices	—	—	4,000,000
Semiconductor Equipment	—	—	2,000,000
Total Convertible Notes	—	—	14,100,000
Total	$32,986,516	$ —	$ 153,035,661

* Asset derivatives include warrants.

At the end of each calendar quarter, management evaluates the Level 2 and Level 3 assets and liabilities for changes in liquidity, including, but not limited to: whether a broker is willing to execute at the quoted price, the depth and consistency of prices from third-party services, and the existence of contemporaneous, observable trades in the market. Additionally, management evaluates the Level 1 and Level 2 assets and liabilities on a quarterly basis for changes in listings or delistings on national exchanges. Transfers in and out of the levels are recognized at the value at the end of the quarter. There were no transfers between Levels 1 and 2 as of June 30, 2015.

Firsthand Technology Value Fund, Inc.
Notes to Financial Statements - continued
JUNE 30, 2015 (UNAUDITED)
Following is a reconciliation of Level 3 assets (at either the beginning or the ending of the quarter) for which significant unobservable inputs were used to determine fair value.

INVESTMENTS AT FAIR VALUE USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	BALANCE AS OF 12/31/14	NET PURCHASES	NET SALES	NET REALIZED GAINS	NET UNREALIZED APPRECIATION (DEPRECIATION)(1)	TRANSFERS IN (OUT) OF LEVEL 3	BALANCE AS OF 6/30/15
Common Stocks							
Advanced Materials	$607,650	$—	$ —	$ —	$ (173,250)	$ —	$434,400
Consumer Electronics	11,820,642	452,500	—	—	(1,667,874)	—	10,605,268
Internet	2,547,272	—	—	—	737,005	—	3,284,277
Renewable Energy	5,061,960	—	—	—	3,969,831	—	9,031,791
Software	—	580,000	—	—	(18,222)	—	561,778
Preferred Stocks							
Advanced Materials	11,432,476	—	—	—	5,636	—	11,438,112
Advertising Technology	19,323,228	5,999,995	—	—	128,279	—	25,451,502
Automotive	10,916,840	—	—	—	275,142	—	11,191,982
Cloud Computing	9,999,998	—	—	—	(104,129)	—	9,895,869
Consumer Electronics	4,000,000	500,000	—	—	—	—	4,500,000
Medical Devices	15,986,250	3,000,000	—	—	752,112	—	19,738,362
Mobile Computing	9,999,997	—	—	—	(347,557)	—	9,652,440
Networking	—	3,999,987	—	—	—	—	3,999,987
Semiconductor Equipment	18,682,483	—	—	—	(94,718)	—	18,587,765
Asset Derivatives							
Equity Contracts	567,900	—	—	—	(5,772)	—	562,128
Convertible Notes							
Aerospace	—	250,000	—	—	—	—	250,000
Consumer Electronics	500,000	2,100,000	—	—	—	—	2,600,000
Intellectual Property	5,250,000	—	—	—	—	—	5,250,000
Medical Devices	4,000,000	—	—	—	—	—	4,000,000
Semiconductor Equipment	2,000,000	—	—	—	—	—	2,000,000
Total	$132,696,696	$16,882,482	$ —	$ —	$ 3,456,483	$ —	$153,035,661

(1) The net change in unrealized depreciation from Level 3 instruments held as of June 30, 2015 was $3,456,483.

Firsthand Technology Value Fund, Inc.
Notes to Financial Statements - continued
JUNE 30, 2015 (UNAUDITED)

The below chart represents quantitative disclosure about significant unobservable inputs for Level 3 fair value measurements at June 30, 2015:

	FAIR VALUE AT 6/30/15	VALUATION TECHNIQUES	UNOBSERVABLE INPUTS	RANGE (WEIGHTED AVG.)
Direct venture capital investments: Advanced Materials	$12.4M	Market Comparable Companies	EBITDA Multiple	5.6x - 7.7x
		Prior Transaction Analysis	Revenue Multiple	0.9x - 1.3x
			Volatility	47.49% - 54.68%
			Risk-Free Rate	1.62%
			Discount for Lack of Marketability	28.5% - 32.3%
Direct venture capital investments: Advertising Technology	$25.5M	Market Comparable Companies	Revenue Multiple	0.7x
		Prior Transaction Analysis	Volatility	53.59%
			Risk-Free Rate	0.64%
			Discount for Lack of Marketability	0.0%
Direct venture capital investments: Aerospace	$0.2M	Prior Transaction Analysis	Discount for Lack of Marketability	0.0%
Direct venture capital investments: Automotive	$11.2M	Prior Transaction Analysis	Volatility	63.92%
			Risk-Free Rate	1.00%
			Discount for Lack of Marketability	0.0%
Direct venture capital investments: Cloud Computing	$9.9M	Prior Transaction Analysis	Volatility	39.63%
			Risk-Free Rate	0.27%
			Discount for Lack of Marketability	0.0%
Direct venture capital investments: Consumer Electronics	$17.7M	Prior Transaction Analysis	Volatility	45.94% - 61.73%
			Risk-Free Rate	0.27% - 1.62%
			Discount for Lack of Marketability	0.0% - 28.6%
Direct venture capital investments: Intellectual Property	$5.3M	Market Comparable Companies	Revenue Multiple	1.0x - 1.3x
			Volatility	47.38%
			Risk-Free Rate	0.11%
			Discount for Lack of Marketability	0.0%
Direct venture capital investments: Internet	$3.3M	Prior Transaction Analysis	Volatility	43.38%

			Risk-Free Rate	0.27%
			Discount for Lack of Marketability	13.4%
	$23.7M	Market Comparable Companies	Revenue Multiple	2.0x - 2.4x
			Volatility	75.05%
Direct venture capital investments: Medical Devices		Prior Transaction Analysis	Risk-Free Rate	1.31%
			Discount for Lack of Marketability	0.0%
	$9.6M	Market Comparable Companies	Revenue Multiple	1.4x - 1.8x
			Volatility	80.09%
Direct venture capital investments: Mobile Computing		Prior Transaction Analysis	Risk-Free Rate	0.64%
			Discount for Lack of Marketability	0.0%

Firsthand Technology Value Fund, Inc.
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	FAIR VALUE AT 6/30/15	VALUATION TECHNIQUES	UNOBSERVABLE INPUTS	RANGE (WEIGHTED AVG.)
Direct venture capital investments: Networking	$4.0M	Prior Transaction Analysis	Volatility	26.44%
			Risk-Free Rate	0.27%
			Discount for Lack of Marketability	8.2%
Direct venture capital investments: Renewable Energy	$9.0M	Prior Transaction Analysis	Volatility	75.75%
			Risk-Free Rate	0.01%
			Discount for Lack of Marketability	11.8%
Direct venture capital investments: Semiconductor Equipment	$20.6M	Prior Transaction Analysis	Volatility	41.36%
			Risk-Free Rate	1.00%
			Discount for Lack of Marketability	0.0%
Direct venture capital investments: Software	$0.6M	Prior Transaction Analysis	Volatility	57.10%
			Risk-Free Rate	0.28%
			Discount for Lack of Marketability	0.0%

NOTE 7. FEDERAL INCOME TAXES

The Company has elected, and intends to qualify annually, for the special tax treatment afforded RICs under the Code. As provided in the Code, in any fiscal year in which a BDC so qualifies and distributes at least 90% of its taxable net income, the BDC (but not the shareholders) will be relieved of federal income tax on the income distributed. Accordingly, no provision for income taxes has been made. To avoid imposition of the excise tax applicable to regulated investment companies, the Company intends to declare as dividends in each calendar year at least 98% of its net investment income (earned during the calendar year) and 98.2% of its net realized capital gains (earned during the 12 months ended October 31) plus undistributed amounts, if any, from prior years.

The Company is subject to tax provisions that establish a minimum threshold for recognizing, and a system for measuring, the benefits of a tax position taken or expected to be taken in a tax return. Taxable years ending 2011, 2012, and 2013 remain open to federal and state audit. As of December 31, 2014, management has evaluated the application of these provisions to the Company and has determined that no provision for income tax is required in the Company’s financial statements for uncertain tax provisions.

NOTE 8. INVESTMENT TRANSACTIONS

Investment transactions (excluding short-term investments) were as follows for the three months ended June 30, 2015.

PURCHASES AND SALES	
Purchases of investment securities	$24,176,276

Proceeds from sales and maturities of investment securities	$33,152,358

Firsthand Technology Value Fund, Inc.
Notes to Financial Statements - continued
JUNE 30, 2015 (UNAUDITED)

NOTE 9. INVESTMENTS IN AFFILIATES AND CONTROLLED INVESTMENTS

Under the 1940 Act, the Company is required to identify investments where it owns greater than 5% (but less than 25%) of the portfolio company's outstanding voting shares as an affiliate of the Company. Also, under the 1940 Act, the Company is required to identify investments where it owns greater than 25% of the portfolio company's outstanding voting shares as a controlled investment of the Company. A summary of the Company's investments in affiliates and controlled investments for the period from December 31, 2014 through June 30, 2015, is noted below:

AFFILIATE/ CONTROLLED INVESTMENT*	SHARES/PAR ACTIVITY BALANCE AT 12/31/14	PURCHASES/ MERGER	SALES/ MATURITY/ EXPIRATION	BALANCE AT 6/30/15	REALIZED GAIN (LOSS)	INTEREST	VALUE 6/30/15	ACQUISITION COST
IntraOp Medical Corp. Series A-1 Preferred*	6,800,000	—	—	6,800,000	$ —	$ —	$5,760,552	$6,800,000
IntraOp Medical Corp. Series A-2 Preferred*	13,500,000	—	—	13,500,000	—	—	11,436,390	13,499,940
IntraOp Medical Corp. Series B Preferred*	—	3,000,000	—	3,000,000	—	—	2,541,420	3,000,000
IntraOp Medical Corp. Term Note*	1,000,000	—	—	1,000,000	—	74,384	1,000,000	1,000,000
IntraOp Medical Corp. Convertible Note*	3,000,000	—	—	3,000,000	—	119,014	3,000,000	3,000,000
Pivotal Systems, Series A Preferred*	11,914,217	—	—	11,914,217	—	—	9,557,942	6,000,048
Pivotal Systems, Series B Preferred*	7,942,811	—	—	7,942,811	—	—	6,371,961	4,000,000
Pivotal Systems, Series C Preferred*	2,291,260	—	—	2,291,260	—	—	2,657,862	2,657,862
Pivotal Systems, Convertible Note*	2,000,000	—	—	2,000,000	—	109,123	2,000,000	2,000,000
QMAT, Preferred Stock Series A*	12,000,240	—	—	12,000,240	—	—	11,438,112	12,000,240
QMAT, Series A Warrant*	2,000,000	—	—	2,000,000	—	—	562,128	—
Silicon Genesis Corp., Common*	921,892	—	—	921,892	—	—	—	169,045
Silicon Genesis Corp., Convertible Note*	1,250,000	—	—	1,250,000	—	290,141	1,250,000	1,610,753
Silicon Genesis Corp., Convertible Note*	1,000,000	—	—	1,000,000	—	180,776	1,000,000	1,000,000

Silicon Genesis Corp., Term Note*	3,000,000	—	—	3,000,000	—	169,581	3,000,000	3,000,000
Silicon Genesis Corp., Common Warrant*	37,982	—	—	37,982	—	—	—	6,678
Silicon Genesis Corp., Common Warrant*	5,000,000	—	—	5,000,000	—	—	—	—
Silicon Genesis Corp., Common Warrant*	3,000,000	—	—	3,000,000	—	—	—	—

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AFFILIATE/ CONTROLLED INVESTMENT*	SHARES/PAR ACTIVITY BALANCE AT 12/31/14	PURCHASES/ MERGER	SALES/ MATURITY/ EXPIRATIONS	BALANCE AT 6/30/15	REALIZED GAIN (LOSS)	INTEREST	VALUE 6/30/15	ACQUISITION COST
Silicon Genesis Corp., Series 1-C Preferred*	82,914	—	—	82,914	$ —	$ —	$ —	$ 109,518
Silicon Genesis Corp., Series 1-D*	850,830	—	—	850,830	—	—	—	431,901
Silicon Genesis Corp., Series 1-E Preferred*	5,704,480	—	—	5,704,480	—	—	—	2,946,535
Silicon Genesis Corp., Series 1-F Preferred*	912,453	—	—	912,453	—	—	—	583,060
Telepathy Investors, Inc. Convertible Note	—	2,000,000	—	2,000,000	—	4,444	2,000,000	2,000,000
Telepathy Investors, Inc. Series A Preferred	15,238,000	—	—	15,238,000	—	—	4,000,000	3,999,999
Vufine, Inc. Series A Preferred*	—	5,000,000	—	5,000,000	—	—	500,000	500,000
Vufine, Inc. Common*	—	750,000	—	750,000	—	—	20,100	15,000
Wrightspeed, Inc. Series C Preferred	2,267,659	—	—	2,267,659	—	—	7,276,464	5,999,999
Wrightspeed, Inc. Series D Preferred	1,100,978	—	—	1,100,978	—	—	3,915,518	3,375,887
Total Affiliates and Controlled Investments							$ 79,288,449	$ 79,706,465
Total Affiliates							$ 17,191,982	$ 15,375,885
Total Controlled Investments							$ 62,096,467	$ 64,330,580

*Controlled investment.

As of June 30, 2015, Kevin Landis represents the Company and sits on the board of directors of IntraOp Medical, Inc.; Phunware, Inc.; Pivotal Systems, Inc.; QMAT, Inc.; Silicon Genesis Corporation; Telepathy Investors, Inc.; Vufine, Inc.; and Wrightspeed, Inc. Serving on boards of directors of portfolio companies may cause conflicts of interest. The Adviser has adopted various procedures to ensure that the Company will not be unfavorably affected by these potential conflicts.

NOTE 10. TENDER OFFER

TENDER OFFER

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

Firsthand Technology Value Fund, Inc.
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NOTE 11. SILICON GENESIS BANKRUPTCY FILING

SILICON GENESIS
On February 17, 2015, Silicon Genesis Corp. filed a Voluntary Petition for Chapter 11 protection under the U.S. Bankruptcy Code. The Company currently is the only secured creditor of Silicon Genesis.

NOTE 12. SUBSEQUENT EVENTS
On May 8, 2015, the Board of Directors of Firsthand Technology Value Fund, Inc. ("SVVC") approved the formation of a fully owned subsidiary of SVVC named Firsthand Venture Investors ("FVI"). SVVC will contribute substantially all of its assets to FVI in return for ownership interest in FVI. The transaction was completed on July 1, 2015. Following the closing of the transaction, SVVC will have all or substantially all of its investment activities conducted through FVI. The Board believes this new structure has the potential to improve the operational and tax efficiency of SVVC.

On August 4, 2015, Sunrun completed the initial public offering of its common stock, at a price of $14.00 per share. The company's stock began trading under the symbol "RUN" on August 5, 2015.

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

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

our future operating results;
our business prospects and the prospects of our prospective portfolio companies;
the impact of investments that we expect to make;
the impact of a protracted decline in the liquidity of the credit markets on our business;
our informal relationships with third parties;
the expected market for venture capital investments and our addressable market;
the dependence of our future success on the general economy and its impact on the industries in which we invest;
our ability to access the equity market;
the ability of our portfolio companies to achieve their objectives;

our expected financings and investments;
our regulatory structure and tax status;
our ability to operate as a business development company and a regulated investment company;
the adequacy of our cash resources and working capital;
the timing of cash flows, if any, from the operation of our portfolio companies;
the timing, form, and amount of any dividend distributions;
impact of fluctuation of interest rates on our business;
valuation of any investments in portfolio companies particularly those having no liquid trading market; and
our ability to recover unrealized losses.

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

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

OVERVIEW

We are an externally managed, closed-end, non-diversified management investment company organized as a Maryland corporation that has elected to be treated as a BDC under the 1940 Act. As such, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in “qualifying assets,” including securities of private or micro-cap public U.S. companies, cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less. In addition, for tax purposes we 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 percent of the portfolio in opportunistic investments that do not constitute the private companies and micro-cap public companies described above. These other investments may include investments in securities of public companies that are actively traded or in actively traded derivative securities such as options on securities or security indices. These other investments may also include

investments in high-yield bonds, distressed debt, or securities of public companies that are actively traded and securities of companies located outside of the United States. Our investment activities are managed by FCM.

PORTFOLIO COMPOSITION

We make investments in securities of both public and private companies. Our portfolio investments consist principally of equity and equity-like securities, including common and preferred stock, warrants for the purchase of common and stock, and convertible debt. The fair value of our investment portfolio was approximately $186.0 million as of June 30, 2015 as compared to approximately $191.7 million as of December 31, 2014.

The following table summarizes the fair value of our investment portfolio by industry sector as of June 30, 2015 and December 31, 2014.

	June 30, 2015	December 31, 2014
Semiconductor Equipment	16.7%	19.0%
Advertising Technology	13.5%	9.3%
Medical Devices	12.6%	9.5%
Consumer Electronics	9.4%	7.7%
Advanced Materials	6.5%	6.0%
Automotive	5.9%	5.2%
Cloud Computing	5.2%	4.8%
Mobile Computing	5.1%	4.8%
Renewable Energy	4.8%	2.4%
Semiconductors	4.0%	5.3%
Communications Equipment	3.3%	3.5%
Intellectual Property	2.8%	2.5%
Networking	2.1%	0.0%
Social networking	1.9%	0.0%
Peripherals	1.7%	2.1%
Internet	1.7%	4.5%
Other Electronics	0.8%	0.9%
Software	0.3%	3.9%
Aerospace	0.1%	0.0%
Other Assets in Excess of Liabilities	1.6%	8.6%
Net Assets	100.0%	100.0%

MATURITY OF PRIVATE COMPANIES IN THE CURRENT PORTFOLIO

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

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

EARLY STAGE	MIDDLE STAGE	LATE STAGE
Developing product or service for market, high level of research and development, little or no revenue.	Established product, customers, business model; limited revenues.	Appreciable revenue; may be break-even or profitable; IPO or acquisition candidate.

RESULTS OF OPERATIONS

Comparison of the three months ended June 30, 2015 to the three months ended June 30, 2014.

INVESTMENT INCOME
For the three months ended June 30, 2015, we had investment income of $550,409 primarily attributable to interest accrued on convertible/term note investments with Silicon Genesis Corporation, Pivotal Systems, and IntraOp Medical Corp.

For the three months ended June 30, 2014, we had interest income of $504,438 primarily attributable to interest accrued on convertible/term note investments with Silicon Genesis Corporation and IntraOp Medical Corp.

The higher level of interest income in the three months ended June 30, 2015 compared to the three months ended June 30, 2014 was due to new convertible note investments in IntraOp Medical Corp. and Pivotal Systems.

OPERATING EXPENSES

Gross operating expenses totaled approximately $1,828,963 during the three months ended June 30, 2015 and $2,362,222 during the three months ended June 30, 2014.

Significant components of gross operating expenses for the three months ended June 30, 2015, were management fee expense of $971,371, and professional fees (audit, legal, and consulting) of $711,361. Significant components of operating expenses for the three months ended June 30, 2014, were management fee expense of $1,278,346, settlement fees expense of $838,000 and professional fees (audit, legal, and consulting) of $95,987.

The lower level of gross operating expenses for the three months ended June 30, 2015 compared to the three months ended June 30, 2014 is primarily attributable to fees associated with the settlement of our proxy contest in the three months ended June 30, 2014 and a decrease in our total net assets, on which the investment advisory fees are based.

NET INVESTMENT LOSS

The net investment loss was $877,474 for the three months ended June 30, 2015 and $2,099,832 for the three months ended June 30, 2014.

The lesser net investment loss in the three months ended June 30, 2015 compared to the three months ended June 30, 2014 is primarily due to fees associated with the settlement of our proxy contest in the three months ended June 30, 2014 and an 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 June 30, 2015, we decreased our incentive fee accrual by $401,080 due to depreciation of our investments 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 June 30, 2015, and June 30, 2014, is shown below.

	Three Months Ended June 30, 2015
Realized gains	$595,139
Net change in unrealized appreciation on investments	(2,600,542)
Net realized and unrealized loss on investments	$(2,005,403)

	As of June 30, 2015
Gross unrealized appreciation on portfolio investments	$14,017,439
Gross unrealized depreciation on portfolio investments	(15,411,262)
Net unrealized depreciation on portfolio investments	$(1,393,823)

	Three Months Ended June 30, 2014

Realized gains	$0
Net change in unrealized appreciation on investments	885,390
Net realized and unrealized gain on investments	$885,390

	As of June 30, 2014
Gross unrealized appreciation on portfolio investments	$50,972,251
Gross unrealized depreciation on portfolio investments	(19,203,691)
Net unrealized appreciation on portfolio investments	$31,768,560

During the three months ended June 30, 2015, we recognized net realized gains of $595,139. Realized gains were higher than those in the year-ago period due to no sales of securities during the three months ended June 30, 2014.

During the three months ended June 30, 2015, net unrealized appreciation on total investments decreased by $2,600,542. 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 Mattson and Aliphcom.

During the three months ended June 30, 2014, we did not recognize any net realized gains.

During the three months ended June 30, 2014, net unrealized appreciation on total investments increased by $885,390. 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.

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, if any, as an income tax expense.

NET INCREASE/(DECREASE) IN ASSETS RESULTING FROM OPERATIONS AND CHANGE IN NET ASSETS PER SHARE
For the three months ended June 30, 2015, the net decrease in net assets resulting from operations totaled $2,882,877 and basic and fully diluted net change in net assets per share for the three months ended June 30, 2015 was $(0.37).

For the three months ended June 30, 2014, the net decrease in net assets resulting from operations totaled $1,214,442 and basic and fully diluted net change in net assets per share for the three months ended June 30, 2014 was $(0.13).

The larger decrease in net assets resulting from operations for the three months ended June 30, 2015 as compared to the increase in net assets resulting from operations for the three months ended June 30, 2014, is due primarily to a slower growth in our unrealized appreciation on investments.

The following information is a comparison for the six months ended June 30, 2015, and the six months ended June 30, 2014.

INVESTMENT INCOME
For the six months ended June 30, 2015, we had investment income of $1,124,827 primarily attributable to interest accrued on convertible/term note investments with Silicon Genesis Corporation, Pivotal Systems and IntraOp Medical Corp.

For the six months ended June 30, 2014, we had investment income of $917,647 primarily attributable to interest accrued on convertible/term note investments with Silicon Genesis Corporation and IntraOp Medical Corp.

The higher level of interest income in the six months ended June 30, 2015 compared to the six months ended June 30, 2014 was due primarily to new convertible note investments in IntraOp Medical Corp. and Pivotal Systems.

OPERATING EXPENSES
Gross operating expenses totaled approximately $3,118,771 during the six months ended June 30, 2015 and $4,182,868 during the six months ended June 30, 2014.

Significant components of gross operating expenses for the six months ended June 30, 2015, were management fee expense of $1,994,761 and professional fees (audit, legal, and consulting) of $846,435. Significant components of operating expenses for the six months ended June 30, 2014, were management fee expense of $2,570,335, settlement fees expense of $838,000 and professional fees (audit, legal, and consulting) of $496,226.

The lower level of gross operating expenses for the six months ended June 30, 2015 compared to the six months ended June 30, 2014 is primarily attributable to fees associated with the settlement of our proxy contest in the six months ended June 30, 2014 and an decrease in our total net assets, on which the investment advisory fees are based.

NET INVESTMENT LOSS

The net investment loss was $2,347,640 for the six months ended June 30, 2015 and $1,832,282 for the six months ended June 30, 2014.

The higher net investment loss in the six months ended June 30, 2015 compared to the six months ended June 30, 2014 is primarily due to an 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 six months ended June 30, 2015, we increased our incentive fee accrual by $353,696 due to gains realized on our investments during the six months ended June 30, 2015.

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 six month periods ended June 30, 2015, and June 30, 2014, is shown below.

	Six Months Ended June 30, 2015
Realized gains	$1,915,826
Net change in unrealized appreciation on investments	(300,658)
Net realized and unrealized gains on investments	$1,615,168

	As of June 30, 2015
Gross unrealized appreciation on portfolio investments	$14,017,439
Gross unrealized depreciation on portfolio investments	(15,411,262)
Net unrealized appreciation on portfolio investments	$(1,393,823)

	Six Months Ended June 30, 2014
Realized gains	$132
Net change in unrealized depreciation on investments	(7,404,807)
Net realized and unrealized gain on investments	$(7,404,675)

	As of June 30, 2014
Gross unrealized appreciation on portfolio investments	$50,972,251
Gross unrealized depreciation on portfolio investments	(19,203,691)
Net unrealized depreciation on portfolio investments	$31,768,560

During the six months ended June 30, 2015, we recognized net realized gains of $1,915,826 from the sale of investments. Realized gains were substantially higher than those in the year-ago period because there were no sales of investments during the six months ended June 30, 2014.

During the six months ended June 30, 2015, net unrealized appreciation on total investments decreased by $300,658. 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 a decrease in the fair value of our portfolio companies, notably Aliphcom.

During the six months ended June 30, 2014, we recognized net realized gains of $132 from a class action settlement.

During the six months ended June 30, 2014, net unrealized appreciation on total investments decreased by $7,404,807. 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 a decrease in the fair value of our portfolio companies, notably 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, if any, as an income tax expense.

NET INCREASE/(DECREASE) IN ASSETS RESULTING FROM OPERATIONS AND CHANGE IN NET ASSETS PER SHARE
For the six months ended June 30, 2015, the net decrease in net assets resulting from operations totaled $732,472 and basic and fully diluted net change in net assets per share for the six months ended June 30, 2015 was $(0.10).

For the six months ended June 30, 2014, the net decrease in net assets resulting from operations totaled $9,236,957 and basic and fully diluted net change in net assets per share for the six months ended June 30, 2014 was $(1.02).

The lesser decrease in net assets resulting from operations for the six months ended June 30, 2015 as compared to the increase in net assets resulting from operations for the six months ended June 30, 2014, is due primarily to the realized gain from investments, most notably Workday and Arm Holdings.

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

OFF-BALANCE SHEET ARRANGEMENTS
The Fund does not have any Off-Balance Sheet Arrangements.

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

Valuation of Portfolio Investments
As a business development company, we generally invest in illiquid equity and equity derivatives of securities of venture capital stage technology companies. Under written procedures established by our board of directors, securities traded on stock exchanges, or quoted by NASDAQ, are valued according to the NASDAQ Stock Market, Inc.

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

Revenue Recognition

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

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

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

Recently Issued Accounting Standards

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

Inflation

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

SUBSEQUENT EVENTS

Subsequent to the close of the fiscal quarter on June 30, 2015, 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 private securities with an aggregate cost of approximately $300,000 and sold public securities with an aggregate value of approximately $3.5 million.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

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

VALUATION RISK

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

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

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

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

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

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

PRIVATELY PLACED SMALL COMPANIES RISK

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

WE CURRENTLY HOLD A PORTION OF OUR ASSETS IN CASH

As of June 30, 2015, a portion of the Company’s assets (approximately 2%) is invested in cash and/or cash equivalents, which are expected to earn low yields. Given the current low interest rate environment, to the extent the management fee and other operating expenses exceed interest income on the cash holdings of the Company, the Company may experience losses. Furthermore, the investment advisory fee payable by us will not be reduced while our assets are invested in cash-equivalent securities.

In some cases, particularly for primary transactions, it is to our advantage to hold sufficient cash reserve so that we can make additional subsequent investments in these companies in order to (a) avoid having our earlier investments become diluted in future dilutive financings, (b) invest additional capital into existing portfolio companies in case

additional investments are necessary, and/or (c) exercise warrants, options, or convertible securities that were acquired as part of the earlier transactions. For this reason, in the case of primary transactions (as opposed to secondary transactions where we do not buy the securities from the issuing companies but instead from existing stockholders), we typically reserve cash in an amount at least equal to our initial investment for such follow-on opportunities. Cash reserves held with respect to a particular investment should, therefore, decline as it is held longer, and will typically not be needed once that portfolio company becomes public or we determine it is no longer in our best interest to make investments in such portfolio company.

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

ITEM 4. CONTROLS AND PROCEDURES.

(a) Evaluation of Disclosure Controls and Procedures	As of the end of the period covered by this Quarterly Report on Form 10-Q, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)). Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.
(b) Changes in Internal Control Over Financial Reporting	There have been no changes in our internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act, that occurred during the fiscal quarter ended March 31, 2015, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

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ITEM 1. LEGAL PROCEEDINGS.

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

ITEM 1A. RISK FACTORS.

There have been no material changes from risk factors as previously disclosed in our Form 10-K for the period ended December 31, 2014 in response to Item 1A of Part 1 of Form 10-K.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

None.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

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

SIGNATURES

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

FIRSTHAND
TECHNOLOGY VALUE
FUND, INC.

Dated: August 10, 2015

By: /s/ Kevin Landis
Kevin Landis
Chief Executive Officer

Dated: August 10, 2015

By: /s/ Omar Billawala
Omar Billawala
Chief Financial Officer

EXHIBIT INDEX

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