

Firsthand Technology Value Fund, Inc.  
Form N-2/A  
December 13, 2013

As filed with the Securities and Exchange Commission on December 13, 2013

Registration No. 333-186158

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

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FORM N-2  
REGISTRATION STATEMENT  
UNDER

THE SECURITIES ACT OF 1933

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Pre-Effective Amendment No. 3  
Post-Effective Amendment No.

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

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

Kevin M. Landis

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

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Copies to:

Kelvin K. Leung, Esq.  
Firsthand Capital Management, Inc.  
150 Almaden Blvd., Suite 1250  
San Jose, California 95113

David A. Hearth, Esq.  
Paul Hastings LLP  
55 Second Street, 24th Floor  
San Francisco, California 94105

John F. Della Grotta, Esq.  
Paul Hastings LLP  
695 Town Center Drive, 17th Floor  
Costa Mesa, California 92626

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

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

the following box.

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

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CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

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

(1) Subject to Note 3 below, there is being registered hereunder a presently indeterminate number of shares of common stock to be offered on an immediate, continuous or delayed basis.

(2) Subject to Note 3 below, there is being registered hereunder a presently indeterminate number of subscription rights as may be sold, from time to time, representing rights to purchase shares of common stock.

(3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933. In no event will the aggregate initial offering price of all securities offered from time to time pursuant to the prospectus included as a part of this Registration Statement exceed \$150,000,000.

(4) Includes shares that the underwriters have the option to purchase solely to cover over-allotments, if any.

(5) Fee previously paid.

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

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

Subject to Completion Dated December 13, 2013

BASE PROSPECTUS

\$150,000,000

FIRSTHAND TECHNOLOGY VALUE FUND, INC.

Common Stock

Subscription Rights

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

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

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

(continued on the following page)

Investing in our securities involves a high degree of risk. Before buying any shares, you should read the discussion of the material risks of investing in our securities, in “Risk Factors” beginning on page 14 of the prospectus. You should consider carefully these risks together with all of the other information contained in this prospectus and any prospectus supplement before making a decision to purchase our securities.

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

The date of this prospectus is \_\_\_\_ \_\_, 201\_\_

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Shares of our common stock are listed on the NASDAQ Global Market under the symbol "SVVC." The net asset value of our common stock as of September 30, 2013 was \$26.20 per share and the last sale price per share as of that date was \$24.48. See "Market and Net Asset Value Information."

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

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

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

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

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

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with additional information, or information different from that contained in this prospectus or to make representations to matters not stated in this prospectus. If anyone provides you with different or additional information, you should



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

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## PROSPECTUS SUMMARY

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

Firsthand Technology Value Fund, Inc.

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

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

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

Our current focus is on investing in late-stage private companies, particularly those with potential for near-term realizations by way of an IPO or acquisition. While our primary focus is to invest in illiquid private technology and cleantech companies, we may also invest in micro-cap publicly-traded companies. In addition, we may invest up to 30% of the portfolio in opportunistic investments that do not constitute the private companies and micro-cap public companies described above. These other investments may include investments in securities of public companies that are actively traded. These other investments may also include investments in high-yield bonds, distressed debt or securities of public companies that are actively traded, and securities of companies located outside of the United States.

## Our Portfolio Investments

As of September 30, 2013, we held \$109.7 million in investment securities, and held total gross assets of \$225.4 million. Our top five equity holdings as of that date were:

	Company	Sector/Industry	Value	Percent of Total Gross Assets
1.	Facebook	Social Networking	\$30,144,000	13.4%
2.	Twitter	Social Networking	\$24,550,274	10.9%
3.	Aliphcom	Consumer Electronics	\$9,158,024	4.1%
4.	Sunrun	Renewable Energy	\$6,413,962	2.8%
5.	Pivotal Systems	Semiconductor Equipment	\$6,000,000	2.7%
6.	QMAT	Advanced Materials	\$6,000,000	2.7%

## About Firsthand Capital Management, Inc.

Our investment activities are managed by Firsthand Capital Management, Inc. (which we refer to as “FCM” or the “Investment Adviser”). FCM was founded in 2009 and is an investment adviser registered under the Investment Advisers Act of 1940, as amended. The owner, President and Chief Investment Officer of FCM is Kevin Landis, our Chief Executive Officer and Chief Financial Officer. Mr. Landis has approximately 19 years of professional investment experience, including more than 14 years of investing in equity securities of private companies. The team has been involved in originating, structuring, negotiating, consummating, managing, and monitoring private company investments during its tenure at FCM and another investment adviser that Mr. Landis co-founded in 1994, also called Firsthand Capital Management, Inc. (“Old FCM”). During Mr. Landis’s tenure with Old FCM, he and his team invested approximately \$150 million in 26 private companies.

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

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

## Competitive Advantage

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

### Management expertise

Kevin Landis has principal management responsibility for Firsthand Capital Management, Inc. as its Chief Executive Officer and Chief Investment Officer. Mr. Landis has approximately 19 years of experience in technology sector investing, and he dedicates a substantial portion of his time to managing SVVC and FCM.

FCM also employs a dedicated team of professionals to support Mr. Landis in his investing efforts. The team, led by Mr. Landis, has considerable experience in management positions within technology sector operating companies. Mr. Landis currently serves on the boards of directors (or holds observer seat positions) at several technology and cleantech start-up companies.

Through their collective investment experience, we believe the team has developed a strong reputation in the capital markets. We believe that this experience, together with an expertise in investing in equity securities and managing investments in companies, affords SVVC a competitive advantage in identifying and investing in private technology and cleantech companies.

#### Disciplined investment approach

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

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

#### Focusing on investments that can generate positive risk-adjusted returns

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

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

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

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

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

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



### Longer investment horizon with attractive publicly traded model

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

### Operating and Regulatory Structure

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

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

### Our Corporate Information

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

### Recent Developments

#### Exchange Agreement

On October 4, 2013, we entered into an Exchange Agreement (the “Exchange Agreement”) with holders of debentures of IntraOp Medical Corporation (“IntraOp”) and factoring lenders to IntraOp (collectively, the “Lender/Purchasers”) to facilitate the acquisition of the assets of IntraOp in a Section 363 proceeding under the United States Bankruptcy Code (the “363 Proceeding”). IntraOp is the manufacturer of the Mobetron, a medical device that is used to deliver intra-operative radiation to cancer patients.

Pursuant to the Exchange Agreement, the Company issued 515,552 shares of its restricted common stock to the Lender/Purchasers (the “SVVC Shares”) in exchange for the outstanding IntraOp debentures and factoring lender debt (collectively, the “IntraOp Debt”). The aggregate purchase price paid by the Company was \$13.5 million, or \$26.19/share, a price based upon the Company’s NAV per share on October 2, 2013.

In connection with Exchange Agreement, at the direction of the Company, the Lender/Purchasers contributed the IntraOp Debt to IO Newco, a newly-formed subsidiary of the Company. Such IntraOp Debt was used to acquire the assets of IntraOp in the 363 Proceeding. As a result, IntraOp was reorganized as a subsidiary of the Company and renamed IntraOp Medical, Inc.

In connection with the 363 Proceeding, the Company provided \$1.3 million in debtor-in-possession financing and contributed approximately \$5.5 million in cash for working capital purposes to IO Newco. Following the closing of the transaction, the Company owns 82.3% of IntraOp Medical, Inc. (70.0% on a fully-diluted basis).

In connection with the consummation of the Exchange Agreement, the Company and the Lender/Purchasers entered into the following ancillary agreements: (i) a Registration Rights Agreement; (ii) a Voting Agreement for non-Lacuna Parties; (iii) a Voting Agreement for Lacuna Parties; (iv) a Lock-Up Agreement for non-Lacuna Parties; and (v) a Lock-Up Agreement for non-Lacuna Parties. See “Description of our Capital Stock – Exchange Agreement” for a description of these agreements.

#### The Offering

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

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



## Use of Proceeds

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

## Trading at a Discount/Premium

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

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

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

## Distributions

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

## Taxation

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



#### Dividend Reinvestment Plan

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

#### Investment Advisory Fees

We pay FCM a fee for its services under the Investment Management Agreement consisting of two components – a base management fee and an incentive fee. The base management fee is calculated at an annual rate of 2.00% of our gross assets. The incentive fee is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Management Agreement, as of the termination date) and will equal our realized capital gains on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees. See “Management—Investment Management Agreement.”

#### Anti-Takeover Provisions

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

#### Risk Factors

Investing in our common stock involves risk, including the risk that you may receive little or no return on your investment, or that you may lose part or all of your investment. Therefore, before investing in our common stock you should consider carefully the risks set forth in “Risk Factors” on page 14. We are designed primarily as a long-term investment vehicle, and our common stock is not an appropriate investment for a short-term trading strategy. An investment in our common stock should not constitute a complete investment program for any investor and involves a high degree of risk. Due to the uncertainty in all investments, there can be no assurance that we will achieve our investment objective.

## FORWARD-LOOKING STATEMENTS

Some of the statements in this prospectus constitute forward-looking statements, which relate to future events or our future performance or financial condition. We use words such as “anticipates,” “believes,” “expects,” “plans,” “will,” “may,” “continues,” “believes,” “seeks,” “likely,” “intends,” and similar expressions to identify forward-looking statements. The forward-looking statements contained in this prospectus involve risks and uncertainties, including, without limitation, forward-looking statements as to:

- our future operating results,
- our business prospects and the prospects of our prospective portfolio companies,
- the impact of investments that we expect to make,
- our contractual arrangements and relationships with third parties,
- the dependence of our future success on the general economy and its impact on the industries in which we invest,
- the ability of our prospective portfolio companies to achieve their objectives,
- our expected financings and investments,
- the adequacy of our cash resources and working capital, and
- the timing of cash flows, if any, from the operations of our prospective portfolio companies.

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

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

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



FEES AND EXPENSES

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

Stockholder Transaction Expenses:

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

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

Management Fees	2.00	%	(5)
Incentive Fees Payable under Investment Management Agreement (20% of “Incentive Fee Capital Gains”)	0	%	(6)
Other Expenses		0.56%	
Total Annual Expenses	2.56	%	

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

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

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

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

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

(6) Currently, we do not have an estimate of the likelihood that incentive fees would need to be paid. The incentive fee consists of 20% of our Incentive Fee Capital Gains, if any. The Investment Management Agreement defines “Incentive Fee Capital Gains” as our realized capital gains on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees. The incentive fee is payable, in arrears, at the end of each calendar year (or upon termination of the investment advisory and management agreement, as of the termination date. This incentive fee would be estimated and accrued based on unrealized capital appreciation for purposes of calculating operating expenses and the Fund’s net asset value. For a more detailed discussion of the calculation of this fee, see “Management—Investment Management Agreement.”

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

#### Example

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

	1 year	3 years	5 years	10 years
You would pay the following expenses on a \$10,000 investment, assuming a 5% annual return	\$ 359	\$ 1,091	\$ 1,845	\$ 3,827

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

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

## FINANCIAL HIGHLIGHTS

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

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

	FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013		FOR THE YEAR ENDED DECEMBER 31, 2012		FOR THE PERIOD ENDED DECEMBER 31, 2011 (1)	
Net asset value at beginning of period	\$ 22.90		\$ 23.92		\$ 27.01	
Income from investment operations:						
Net investment loss	(0.22 )		(0.39 )		(0.41 )	
Net realized and unrealized gains (losses) on investments	2.12		(1.01 )		(2.68 )	
Total from investment operations	1.90		(1.40 )		(3.09 )	
Premiums from shares sold in offerings	-		0.38		-	
Net asset value at end of period	\$ 24.80		\$ 22.90		\$ 23.92	
Market value at end of period	\$ 19.86		\$ 17.44		\$ 14.33	
Total return						
Based on Net Asset Value	8.30	% (A)	(4.26	)%	(11.44	)% (A)
Based on Stock Price	13.88	% (A)	21.70	%	(46.95	)% (A)
Net assets at end of period (millions)	\$ 212.2		\$ 195.9		\$ 83.63	
Ratio of total expenses to average net assets	2.44	% (B)	2.56	%	2.76	% (B)
Ratio of net investment loss to average net assets	(1.88	)% (B)	(2.12	)%	(2.28	)% (B)
Portfolio turnover rate	00	% (A)	10	%	18	% (A)

(1) For the period April 18, 2011 (inception) through December 31, 2011.

(A) Not Annualized

(B) Annualized



### MARKET AND NET ASSET VALUE INFORMATION

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

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

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

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

	Net Asset Value Per Share of Common Stock (1)	Quarterly Closing Sales Prices		Quarter End Sales Price	Premium/ (Discount) on	Premium/ (Discount) on
		High	Low		High Closing Sale Price to Net Asset Value (2)	Low Closing Sale Price to Net Asset Value (3)
Fiscal Year 2013						
Quarter Ended September 30, 2013	\$26.20	\$24.62	\$20.19	\$24.48	(6.03%)	(22.94%)
Quarter Ended June 30, 2013	\$24.80	\$20.19	\$18.41	\$19.86	(18.59%)	(25.77%)
Quarter Ended March 31, 2013	\$23.26	\$19.72	\$17.59	\$19.29	(15.22%)	(24.38%)
Fiscal Year 2012						
Quarter Ended December 31, 2012	\$22.90	\$18.27	\$17.29	\$17.44	(20.22%)	(24.50%)
Quarter Ended September 30, 2012	\$22.91	\$17.80	\$15.75	\$17.44	(22.31%)	(31.3%)
Quarter Ended June 30, 2012	\$23.66	\$45.88	\$17.43	\$17.66	93.9%(4)	(25.4%)
Quarter Ended March 31, 2012	\$24.56	\$40.50	\$14.33	\$39.50	64.9%(4)	(41.7%)



Fiscal Year 2011 (5)						
Quarter Ended	\$23.92	\$16.60	\$14.25	\$14.33	(30.6%)	(40.4%)
December 31, 2011						
Quarter Ended	\$24.76	\$19.00	\$14.30	\$14.65	(23.3%)	(42.2%)
September 30, 2011						
Period Ended June 30,	\$26.47	\$27.99	\$12.50	\$15.20	5.7%	(52.8%)
2011						

(Footnotes from previous page)

- (1) NAV per share is determined as of close of business on the last day of the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low closing sales prices, which may or may not fall on the last day of the quarter. NAV per share is calculated as described in “Determination of Net Asset Value.”
- (2) Calculated by dividing the high closing sales price for the quarter divided by the quarter-end NAV minus 1.
- (3) Calculated by dividing the low closing sales price for the quarter divided by the quarter-end NAV minus 1.
- (4) During the fiscal quarter ended March 30, 2012, one of the Fund’s portfolio companies, Facebook, announced the launch of its initial public offering of its common stock and in the fiscal quarter, June 30, 2012, that same portfolio company launched its initial public offering of its common stock, which we believe was a principal cause for the temporary premium. See “Prospectus Summary – Trading at a Discount/Premium;” Risk Factor
- (5) The Company began operations on April 18, 2011 and its first fiscal year ended December 31, 2011.

On June 30, 2013, the last reported sales price of our common stock on the NASDAQ Global Market was \$19.86, which represented a premium of approximately 20% to the NAV per share reported by us on that date.

As of June 30, 2013, we had approximately 8.6 million shares of common stock outstanding and we had net assets applicable to common stockholders of approximately \$212 million.

## USE OF PROCEEDS

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

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

To date, our investments of proceeds have tended to follow the funding environment at the time. In 2012, we began with approximately \$68 million in cash and invested approximately \$60 million during the year. During the same year, we also raised an additional \$137 million of new proceeds. In 2013, we invested approximately \$24 million of proceeds. Assuming no new proceeds are raised, we believe that our portfolio will be substantially invested within the next six months.

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

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

## RISK FACTORS

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

### RISKS RELATING TO OUR BUSINESS AND STRUCTURE

We have a limited operating history.

We were incorporated in April 2010 and commenced operations on April 18, 2011. We are subject to all of the business risks and uncertainties associated with any business, including the risk that we will not achieve our investment objective and that the value of your investment could decline substantially. The net assets of SVVC, as of September 30, 2013, were approximately \$224 million.

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

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

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

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

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



The Investment Adviser and its management manage other funds.

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

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

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

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

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

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

We operate in a highly competitive market for investment opportunities.

A number of entities will compete with us to make the types of investments that we plan to make. We will compete with other venture capital firms and venture capital funds, various public and private investment funds, including hedge funds, other business development companies, commercial and investment banks, commercial financing companies, and various technology and alternative energy companies' internal venture capital arms. Many of our potential competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, some competitors may have a stronger network of contacts and better connections for deal flows or have access to funding sources that are not available to us. In addition, some of our competitors have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act will impose on us as a business development company. We cannot assure you that the competitive pressures we face will not have a material adverse effect on our business, financial condition and results of operations. Also, as a result of this competition, we may not be able to take advantage of attractive investment

opportunities from time to time, and we can offer no assurance that we will be able to identify and make investments that are consistent with our investment objective.



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

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

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

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

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

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

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

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

We may be precluded from investing in what we believe are attractive investments if such investments are not qualifying assets for purposes of the 1940 Act. If we do not invest a sufficient portion of our assets in qualifying

assets, we could lose our status as a business development company, which would have a material adverse effect on our business, financial condition, and results of operations. Similarly, these rules could prevent us from making follow-on investments in existing portfolio companies (which could result in the dilution of our position) or could require us to dispose of investments at inappropriate times in order to comply with the 1940 Act. If we need to dispose of such investments quickly, it would be difficult to dispose of such investments on favorable terms. For example, we may have difficulty in finding a buyer and, even if we do find a buyer, we may have to sell the investments at a substantial loss.

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

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

We will need to raise additional capital to grow.

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

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

A large percentage of our portfolio investments will be in the form of equity securities that are not publicly traded. The fair value of securities and other investments that are not publicly traded may not be readily determinable. We will value these securities quarterly at fair value according to our written valuation procedures and as determined in good faith by our board of directors. Our board of directors may use the services of a nationally recognized independent valuation firm to aid it in determining the fair value of these securities. The methods for valuing these securities may include: fundamental analysis (sales, income, or earnings multiples, etc.), discounts from market prices of similar securities, purchase price of securities, subsequent private transactions in the security or related securities, or discounts applied to the nature and duration of restrictions on the disposition of the securities, as well as a combination of these and other factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time, and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. Our net asset value could be adversely affected if our determinations regarding the fair value of our investments were materially higher than the values that we ultimately realize upon the disposal of such securities.

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

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



We may experience fluctuations in our quarterly results.

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

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

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

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

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

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

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

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

We may be required to pay FCM an incentive fee for performance in periods before investors purchased their shares of our common stock in an offering or in the open market. For that reason, new investors could in effect bear the expense of that incentive fee without having benefitted from any favorable performance that generated the incentive

fee. In order to mitigate that risk, when calculating our NAV quarterly, we include a quarterly accrual of projected incentive fees (calculated on a hypothetical as-liquidated basis) even though any incentive fee would be paid only once a year. It is important to note that incentive fees are calculated based on realized gains net of realized losses and unrealized depreciation in the portfolio. In other words, realized losses and unrealized depreciation have the effect of reducing incentive fees payable by us to FCM.

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

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

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

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

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

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

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

## RISKS RELATED TO OUR INVESTMENTS

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

We have the discretion to make any follow-on investments, subject to the availability of capital resources and the availability of securities in the applicable public company. We may elect not to make follow-on investments in a portfolio company and we may lack sufficient funds to make those investments. The failure to make follow-on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and our initial

investment, or may result in a missed opportunity for us to increase our participation in a successful operation. Even if we have sufficient capital to make a desired follow-on investment, we may elect not to make a follow-on investment because we may not want to increase our concentration of risk, because we prefer other opportunities, or because we are inhibited by compliance with business development company requirements or the desire to maintain our tax status.

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

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

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

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

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

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

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

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

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

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

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

We may on a very limited and incidental basis purchase or sell options on indexes or securities. The Fund would typically purchase options for the purpose of gaining current or future exposure to the equity of a company on what the Investment Adviser expects to be more attractive terms than a purchase of the underlying security. The Fund may also acquire options as one portion of an investment in a company. To a lesser extent, the Fund may purchase put

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

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

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

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

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

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

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

#### RISKS RELATING TO ANY FUTURE OFFERING

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

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

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

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

The market price of our common stock may fluctuate significantly.

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

- significant volatility in the market price and trading volume of securities of business development companies or other companies in our sector, which are not necessarily related to the operating performance of these companies;
- changes in regulatory policies or tax guidelines, particularly with respect to RICs or business development companies;
  - any failure to qualify for, or loss of, RIC status;
  - changes in earnings or variations in operating results;
  - changes in the value of our portfolio of investments;
- any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts;
- the inability of the Investment Adviser to employ experienced senior investment professionals or the departure of FCM's key personnel;
- operating performance of companies comparable to us; public perception of our portfolio companies that are privately held that may not release financial information to the public; and
  - general economic trends and other external factors.

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

Our common stock has traded both at a premium and at a discount to our net asset value. The last reported sale price as of September 30, 2013 was \$24.48 per share. Our net asset value per share and percentage discount to net asset value per share of our common stock as of September 30, 2013 was \$26.20 and 6.56%, respectively. There is no assurance that this premium will continue after the date of this prospectus or that our common stock will not again trade at a discount. Shares of closed-end investment companies and business development companies frequently trade at a discount to their net asset value. This characteristic is a risk separate and distinct from the risk that our net asset value could decrease as a result of our investment activities and may be greater for investors expecting to sell their shares in a relatively short period following completion of an offering. Although the value of our net assets is generally considered by market participants in determining whether to purchase or sell shares, whether investors will realize gains or losses upon the sale of our common stock depends upon whether the market price of our common stock at the time of sale is above or below the investor's purchase price for our common stock. Because the market

price of our common stock is affected by factors such as net asset value, dividend or distribution levels (which are dependent, in part, on expenses), supply of and demand for our common stock, stability of distributions, trading volume of our common stock, general market and economic conditions, and other factors beyond our control, we cannot predict whether our common stock will trade at, below or above net asset value or at, below or above the offering price of any future offering.



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

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

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

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

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

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

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

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

In addition, we believe it is in our best interest to be patient, diligent investors. The timing of attractive investment opportunities is unpredictable. We strive to maintain sufficient cash to take advantage of investment opportunities as they arise. Further, it would be difficult to rapidly deploy large amounts of cash, as it takes time to build a pipeline of high-quality potential investments. Over time, our pace of investment has generally accelerated as we have built our pipeline of potential investments. In our first quarter of operation, we deployed only \$500,000; in our most-recent quarter ended September 30, 2013, we deployed more than \$23 million. However, there can be no assurance that this pace of investment will continue, which could result our holding a significant portion of our assets in cash for an extended period.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

### OVERVIEW

We are an externally managed, closed-end, non-diversified management investment company organized as a Maryland corporation that has elected to be treated as a BDC under the 1940 Act. As such, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in "qualifying assets," including securities of private or micro-cap public U.S. companies, cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less. In addition, for tax purposes we have elected to be treated as a RIC under Subchapter M of the Code. FCM serves as our investment adviser and manages the investment process on a daily basis.

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

While our primary focus is to invest in illiquid private technology and cleantech companies, we also may invest in micro-cap publicly traded companies. In addition, we may invest up to 30 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 \$85.7 million as of June 30, 2013 as compared to \$59.2 million as of December 31, 2012. The net asset value of our common stock was \$24.80 per share as of June 30, 2013 as compared to \$22.90 per share as of December 31, 2012.

The following table summarizes the fair value of our investment portfolio by industry sector as of June 30, 2013 and December 31, 2012.

	June 30, 2013	December 31, 2012
Social Networking	17.9%	16.7%
Renewable Energy	7.6%	2.3%
Intellectual Property	3.0%	3.2%
Advanced Materials	3.0%	3.1%
Semiconductor Equipment	2.8%	2.0%
Automotive	2.8%	0.0%
Other Electronics	1.5%	1.3%
Internet	1.0%	1.4%
Advertising Technology	0.7%	0.0%
Services	0.1%	0.2%
Cash and cash equivalents	59.7%	69.8%
Liabilities in Excess of Other Assets	(0.1%)(1)	0%
Net Assets	100.0%	100.0%

(1) This percentage includes interest receivable, other assets, written options at value, payables to affiliates, consulting fees payable, accrued expenses and other payables.

## RESULTS OF OPERATIONS

Comparison of the three months ended June 30, 2013 to the three months ended June 30, 2012.

## INVESTMENT INCOME

For the three months ended June 30, 2013, we had interest income of \$296,552, of which \$22,170 was cash interest from our investment in the Fidelity Institutional Money Market Treasury Portfolio, \$75,000 cash interest from Silicon Genesis Corporation and the remainder payment-in-kind, or PIK interest, attributable from convertible notes of Silicon Genesis Corporation.

For the three months ended June 30, 2012, we had interest income of \$166,275, of which \$2,376 was cash interest from our investment in the Fidelity Institutional Money Market Treasury Portfolio and the remainder PIK interest attributable from convertible notes of Silicon Genesis Corporation.

The higher level of interest income in the three months ended June 30, 2013 compared to the three months ended June 30, 2012, was due to an approximately \$35,000 increase in the amount of PIK interest attributable to the Silicon Genesis Corporation convertible notes held by us. All amounts of PIK interest increased the principal amount of such convertible notes.

## OPERATING EXPENSES

Operating expenses totaled approximately \$1,286,065 during the three months ended June 30, 2013 and \$1,027,722 during the three months ended June 30, 2012.

Significant components of operating expenses for the three months ended June 30, 2013, were management fee expense of \$1,031,777 and professional fees (audit, legal, accounting, and consulting) of \$150,161. Significant components of operating expenses for the three months ended June 30, 2012, were management fee expense of \$855,190 and professional fees (audit, legal, accounting, and consulting) of \$92,662.

The higher level of operating expenses for the three months ended June 30, 2013 compared to the three months ended June 30, 2012 is primarily attributable to an increase in our total assets, on which the investment advisory fees are based.

## NET INVESTMENT LOSS

The net investment loss was \$989,513 for the three months ended June 30, 2013 and \$861,447 for the three months ended June 30, 2012.

The greater net investment loss in the three months ended June 30, 2013 compared to the three months ended June 30, 2012 is primarily due to the increase in management fees. As noted above, the increase in investment advisory fees is due to the expansion of our total assets, on which the investment advisory fees are based.

## NET INVESTMENT REALIZED GAINS AND LOSSES AND UNREALIZED APPRECIATION AND DEPRECIATION

A summary of the net realized and unrealized gains and loss on investments for the three month periods ended June 30, 2013, and June 30, 2012, is shown below.

	Three Months Ended June 30, 2013
Realized gains	\$ 387,654
Net change in unrealized depreciation on investments	\$ 13,772,670
Net realized and unrealized gain on investments	\$ 14,160,324
	As of June 30, 2013
Gross unrealized appreciation on portfolio investments	\$ 15,872,720
Gross unrealized depreciation on portfolio investments	\$ (20,344,852 )