BIG LOTS INC
Form 11-K
June 25, 2004

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

[**X**] ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended **December 31, 2003**

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Transition Period From to

Commission File Number 33-19309

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

BIG LOTS, INC. SAVINGS PLAN AND TRUST

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

BIG LOTS, INC.
300 Phillipi Road, P.O. Box 28512
Columbus, Ohio 43228-0512
(614) 278-6800

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Big Lots, Inc.
Savings Plan and Trust

Financial Statements as of and for the Years Ended
December 31, 2003 and 2002,
Supplemental Schedule as of December 31, 2003, and
Report of Independent Registered Public Accounting Firm

Big Lots, Inc.
Savings Plan and Trust

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* All other financial schedules required by Section 2520.103-10 of the U.S. Department of Labor s Annual Reporting and Disclosure Requirements under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Employee Benefits Committee of the Big Lots, Inc. Savings Plan and Trust
Columbus, Ohio

We have audited the accompanying statements of net assets available for benefits of the Big Lots, Inc. Savings Plan and Trust (the Plan) as of December 31, 2003 and 2002, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2003 and 2002, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan s management. This schedule has been subjected to the auditing procedures applied in our audit of the basic 2003 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte & Touche LLP
Dayton, Ohio
June 25, 2004

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Big Lots, Inc.
Savings Plan and Trust

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2003 AND 2002

	2003	2002
Assets		
Investments:		
Big Lots, Inc. common shares, at fair value	$ 32,638,977	$28,332,222
Mutual funds, at fair value	63,799,498	52,397,203
Participant loans, at contract value	6,050,179	5,128,412
Total investments	102,488,654	85,857,837
Receivables:		
Company contribution	4,543,550	4,297,807
Participant contributions	425,413	413,289
Total receivables	4,968,963	4,711,096
Cash		63,212
Total assets	107,457,617	90,632,145
Liabilities		
Administrative expenses payable	38,369	131,000
Total liabilities	38,369	131,000
Net assets available for benefits	**$107,419,248**	**$90,501,145**

The accompanying notes are an integral part of these financial statements.

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Big Lots, Inc.
Savings Plan and Trust

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2003 AND 2002

	2003	2002
Additions to net assets attributed to:		
Investment income:		
Net appreciation	$ 10,997,627	$ 4,586,795
Dividends	284,357	591,040
Interest	316,775	357,950
Total investment income	11,598,759	5,535,785
Contributions:		
Company	4,544,258	4,321,186
Participant	8,020,446	7,835,232
Rollover	604,347	487,069
Total contributions	13,169,051	12,643,487
Total additions	24,767,810	18,179,272
Deductions from net assets attributed to:		
Benefits paid to participants	7,588,175	33,418,853
Administrative expenses	261,532	266,644
Total deductions	7,849,707	33,685,497
Net increase (decrease)	16,918,103	(15,506,225)
Net assets available for benefits:		
Beginning of year	90,501,145	106,007,370
End of year	**$107,419,248**	**$ 90,501,145**

The accompanying notes are an integral part of these financial statements.

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Big Lots, Inc.
Savings Plan and Trust

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

A. PLAN DESCRIPTION

The following description of the Big Lots, Inc. Savings Plan and Trust (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan s provisions.

General The Plan is a defined contribution plan covering all employees who have completed one year of service and have completed 1,000 service hours within the eligibility computation period and have attained 21 years of age. Eligible employees may begin participation on the first day following satisfaction of eligibility requirements.

The purpose of the Plan is to encourage employee savings, to facilitate employee ownership, and to provide benefits during the employee s participation in the Plan upon retirement, death, disability, or termination of employment. The Plan is intended to be qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the Code), and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Trustee American Express Trust Company (the Trustee) serves as the trustee of the Plan.

Administration Big Lots, Inc. (the Company) has established an Employee Benefits Committee that is responsible for the general operation and administration of the Plan. The Company is the Plan sponsor and a fiduciary of the Plan as defined by ERISA. The Trustee provides recordkeeping services to the Plan.

Contributions Contributions to the Plan may consist of participant contributions, Company matching contributions, rollover contributions, and profit sharing contributions. Each year, participants may contribute up to 50 percent of pretax annual compensation (subject to certain limitations for highly compensated individuals), as defined in the Plan. Participants may also rollover amounts representing distributions from other qualified defined benefit or defined contribution plans. Contributions withheld by the Company are participant directed and are subject to certain limitations. The Company matching contribution is 100 percent of the first 2 percent and 50 percent of the next 4 percent of participant contributions. The Company matching contribution is invested directly in the Company s common shares and is allocated to each participant who (a) is an active participant and is employed by the Company on December 31 of the Plan year, or (b) terminated employment, is retired, became disabled, or died during the Plan year. Additional profit sharing amounts may be contributed at the option of the Company s Board of Directors. No profit sharing contributions were made in 2003 or 2002.

Participant Accounts Each participant account is credited with the participant s contribution and allocations of (a) the Company s matching contribution, and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account.

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Big Lots, Inc.
Savings Plan and Trust

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

Administrative Expenses The Company pays a portion of the expenses for administration of the Plan. All other administrative expenses are paid directly by the Plan.

Investments Participants may direct the investment of their contributions in 1 percent increments into various investment options offered by the Plan.

Vesting Participants are immediately vested in participant and rollover contributions, plus actual earnings thereon. Vesting in the Company matching contribution is based on years of service. A participant is 100 percent vested after five years of credited service as follows:

Years of Service	Vested Percentage
Less than 2	
At least 2 but less than 3	25
At least 3 but less than 4	50
At least 4 but less than 5	75
5 or more	100

Benefit Payments Upon termination, retirement, disability, or death, a participant may elect to receive a lump-sum amount equal to the vested interest value of their account (in cash or in kind), may elect an eligible rollover distribution, or may elect to defer distribution provided the participant has not attained age 70 1/2 and has a vested interest value of at least $5,000. The portion of the Company s matching contribution that is not fully vested will be forfeited at the time employment terminates. The Company has the right to terminate or amend the Plan at any time. In the event of termination, the Plan assets will be distributed to the participants, after payment of any expenses properly chargeable thereto, in proportion to their respective account balances. A significant portion of the benefit payments during the year ended December 31, 2002, related to participants of a discontinued operation.

Participant Loans Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. One loan per participant may be outstanding at any time, and the loan term may not exceed 5 years. Loans are secured by the balance in the participant s account. Loans bear interest at the Prime rate plus 1 percent using the rate stated in *The Wall Street Journal* on the first business day of the month. Loan repayments, including interest and applicable loan fees, are typically through regular payroll deductions. The loan balance may be paid off at any time without penalty.

Forfeited Accounts Forfeited nonvested contributions are used to reduce Company matching contributions and pay certain Plan expenses. At December 31, 2003, forfeited nonvested accounts totaled $140,902. In 2003 and 2002, employer contributions and Plan expenses were reduced by $130,000 and $221,886, respectively, from forfeited nonvested accounts.

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Big Lots, Inc.
Savings Plan and Trust

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ materially from those estimates.

Investments Plan investments, other than participant loans, are stated at fair value. Fair value is determined by the respective quoted market prices. Participant loans are valued at contract value plus accrued interest, which approximates fair value. The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of net assets available for benefits and statements of changes in net assets available for benefits.

Income Recognition Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest is recorded on the accrual basis.

Payment of Benefits Benefit payments are recorded when paid.

C. TAX STATUS

The Plan obtained its latest determination letter on August 4, 2003, in which the Internal Revenue Service stated that the Plan was designed in accordance with the applicable requirements of the Code. Therefore, the Plan administrator believes that the Plan continues to qualify under Section 401(a) of the Code and continues to be tax exempt as of December 31, 2003. No provision for income taxes has been included in the Plan s financial statements.

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Big Lots, Inc.
Savings Plan and Trust

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

D. INVESTMENTS

The fair value of individual investments that represent 5 percent or more of Plan net assets at December 31, 2003 and 2002 are as follows:

	2003	2002
Big Lots, Inc. common shares: 2,296,902 and 2,924,466 shares, respectively	$32,638,977	$28,332,222
American Express Trust Income Fund II: 1,242,890 and 1,211,654 shares, respectively	29,625,227	27,806,239
Davis New York Venture Fund: 375,324 and 368,855 shares, respectively	10,328,917	7,723,831
American Express Growth Fund: 259,447 and 235,312 shares, respectively	6,442,076	4,830,942

During 2003, the Plan s investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

Mutual funds	$ 7,277,095
Big Lots, Inc. common shares	3,720,532
Net appreciation	$10,997,627

E. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event the Company terminates or partially terminates the Plan, affected participants would become 100 percent vested in their account.

F. PARTIES-IN-INTEREST

Certain Plan investments are shares of mutual funds managed by the Trustee. In addition, the Plan holds common shares of the Company and makes loans to participants. These transactions qualify as party-in-interest transactions. Fees paid by the Plan to these parties-in-interest for the Plan years ended December 31, 2003 and 2002, were not material.

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G. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

Upon an event of default in a participant loan, to the extent a distribution to the participant is not permissible under the Plan, the amount due to the Plan on account of the loan will be treated as a deemed distribution. A loan that is a deemed distribution is treated as a distribution on Form 5500 and removed from Plan assets on Form 5500. However, in the Plan financial statements, and in accordance with the Plan, such deemed distributions remain part of the participant s account balance until a distributable event occurs for the participant.

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2003 and 2002, to Form 5500:

	2003	2002
Net assets available for benefits per the financial statements	$107,419,248	$90,501,145
Less: Certain deemed distributions of participant loans	(148,834)	
Net assets available for benefits per Form 5500	$107,270,414	$90,501,145

The following is a reconciliation of the increase in net assets per the financial statements for the year ended December 31, 2003, to Form 5500 net income:

Net increase in assets per the financial statements	$ 16,918,103
Less: Certain deemed distributions of participant loans	(148,834)
Net income per Form 5500	$ 16,769,269

The following is a reconciliation of benefits paid to participants per the financial statements for the year ended December 31, 2003, to Form 5500:

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Big Lots, Inc.
Savings Plan and Trust

FORM 5500, SCHEDULE H, PART IV, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR) DECEMBER 31, 2003

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
*	**Big Lots, Inc.**	Common shares: 2,296,902 shares	$21,237,709	$ 32,638,977
	Mutual funds:			
*	American Express Funds	Trust Income Fund II: 1,242,890 shares	27,819,188	29,625,227
	Davis New York Funds	Venture Fund: 375,324 shares	9,172,197	10,328,917
*	American Express Funds	Growth Fund: 259,447 shares	5,536,430	6,442,076
	Artisan Funds	International Fund: 259,344 shares	4,621,567	4,904,200
*	American Express Funds	Trust Balanced Fund II: 497,515 shares	4,366,554	4,588,084
*	American Express Funds	S&P 500 Index Fund: 729,114 shares	2,919,933	3,149,771
*	American Express Funds	Selective Fund: 263,580 shares	2,297,583	2,282,602
	Neuberger Berman	Focus Trust Fund: 32,664 shares	736,130	863,647
	RS Investments	Emerging Growth Fund: 17,102 shares	450,026	480,566
	Franklin Templeton Investments	Small-Mid Cap Growth Fund: 14,505 shares	366,749	438,339
*	American Express Funds	Money Market II Fund: 382,279 shares	382,279	382,279
	INVESCO Stock Funds, Inc.	Dynamics Fund: 21,288 shares	270,774	313,790
	Total mutual funds		58,939,410	63,799,498
*	**Participant loan fund**	Interest bearing at Prime plus 1 percent; maturing at various dates through 2008	5,901,345	5,901,345
	TOTAL ASSETS HELD FOR INVESTMENT PURPOSES		**$86,078,464**	**$102,339,820**

* Party-in-interest

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SIGNATURE

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

BIG LOTS, INC. SAVINGS PLAN AND TRUST

Dated: June 25, 2004

By: /s/ Brad A. Waite

Brad A. Waite
Executive Vice President

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>$18,822

Affiliated interest
63,014 110,411
TOTAL INVESTMENT INCOME
76,633 129,233
EXPENSES

Investment advisory fees (Note 5)
469,069 862,420
Administration and accounting fees
21,775 43,225
Custody fees
3,000 6,000
Transfer agent fees
14,984 30,017
Registration and filing fees
7,145 7,145
Printing fees
12,010 22,380
Trustees fees
9,923 19,777
Professional fees
84,767 160,234
Other fees
5,659 6,300
TOTAL EXPENSES
628,332 1,157,498
NET INVESTMENT LOSS
(551,699) (1,028,265)
Net Realized and Unrealized Loss on Investments:

Net realized gains from security transactions		
Unaffiliated	7,008	184,701
Net realized gains purchased option transactions (2)	99,785	99,785
Net change in unrealized depreciation on investments	(5,252,023)	(6,829,545)
Net change in unrealized depreciation purchased options (2)	(282,180)	(282,180)
Net Realized and Unrealized Loss on Investments	(5,427,410)	(6,827,239)
Net Decrease In Net Assets Resulting From Operations	$(5,979,109)	$(7,855,504)
Net Decrease In Net Assets Per Share Resulting From Operations	$(1.71)	$(2.25)

(1) For the period April 18, 2011 (inception) through September 30, 2011.
(2) Primary risk exposure is equity contracts.

See accompanying notes to financial statements

Form 10-Q

Firsthand Technology Value Fund, Inc.
Statement of Cash Flows
PERIOD ENDED SEPTEMBER 30, 2011 (UNAUDITED) (1)

CASH FLOWS FROM OPERATING ACTIVITIES	
Net decrease in Net Assets resulting from operations	$(7,855,504)
Adjustments to reconcile net decrease in Net Assets derived from operations to net cash provided by operating activities:	
Purchases of investments	(22,028,155)
Proceeds from disposition of investments	2,957,129
Proceeds from litigation settlements	42,255
Increase in dividends, interest, and reclaims receivable	(177,808)
Increase in segregated cash	(1,597,500)
Increase in payable to affiliates	637,665
Net realized gain from investments	(284,486)
Increase in other assets	(40,231)
Net unrealized appreciation/depreciation from investments	7,111,725
Net cash used in operating activities	(21,234,910)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from shares sold	94,434,607
Proceeds from shares redeemed	—
Net cash provided by financing activities	94,434,607
Net change in cash	73,199,697
Cash - beginning of period	—
Cash - end of period	$73,199,697

(1) For the period April 18, 2011 (inception) through September 30, 2011.

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

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Firsthand Technology Value Fund, Inc.
Statement of Changes in Net Assets
PERIOD ENDED SEPTEMBER 30, 2011 (UNAUDITED) (1)

FROM OPERATIONS	
Net investment loss	$(1,028,265)
Net realized gains from security transactions	284,486
Net change in unrealized depreciation on investments	(7,111,725)
Net decrease in net assets from operations	(7,855,504)
FROM COMMON STOCK TRANSACTIONS	
Issuance of common stock	94,434,607
Payment for shares redeemed	—
Net increase in net assets from Common Stock transactions	94,434,607
TOTAL INCREASE IN NET ASSETS	86,579,103
NET ASSETS	
Beginning of period	—
End of period	$86,579,103
Accumulated Net Investment Loss	$(1,028,265)
COMMON STOCK ACTIVITY	
Shares issued	3,496,480
Shares redeemed	—
Net increase in shares outstanding	3,496,480
Shares outstanding, beginning of period	—
Shares outstanding, end of period	3,496,480

(1) For the period April 18, 2011 (inception) through September 30, 2011.

See accompanying notes to financial statements

Form 10-Q

Firsthand Technology Value Fund, Inc.
Selected Per Share Data and Ratios
PERIOD ENDED SEPTEMBER 30, 2011 (UNAUDITED) (1)

Net asset value at beginning of period	$27.01	
Income from investment operations:		
Net investment loss	(0.29	)
Net realized and unrealized gains (losses) on investments	(1.96	)
Total from investment operations	(2.25	)
Net asset value at end of period	$24.76	
Market value at end of period	$14.65	
Total return		
Based on net asset value	(8.33	%)(A)
Based on stock price	(45.76	%)(A)
Net assets at end of period (millions)	$86.6	
Ratio of total expenses to average net assets	2.75	%(B)
Ratio of net investment loss to average net assets	(2.45	%)(B)
Portfolio turnover rate	3	%(A)

(1) For the period April 18, 2011 (inception) through September 30, 2011.
(A) Not Annualized
(B) Annualized

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

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Firsthand Technology Value Fund, Inc.
Schedule of Investments
SEPTEMBER 30, 2011 (UNAUDITED)

PORTFOLIO COMPANY	INDUSTRY	TYPE OF INVESTMENT		SHARES/ PAR VALUE ($)		VALUE
Silicon Genesis Corporation	Intellectual Property	Preferred Stock - Series 1-C * (1) (2)		82,914	$	1,070
		Preferred Stock - Series 1-D * (1) (2)		850,830		2,723
		Preferred Stock - Series 1-E * (1) (2)		5,704,480		1,184,250
		Preferred Stock - Series 1-F * (1) (2)		912,453		262,148
		Common Stock * (1) (2)		901,892		90
		Preferred Stock Warrants - Series 1-E * (1) (2)		94,339		0
		Preferred Stock Warrants - Series 1-E * (1) (2)		1,257,859		0
		Common Stock Warrants * (1) (2)		37,982		4
		Convertible Note (1) (2) Matures November 2011 Interest Rate 20%	$	1,250,000		1,462,125
Total Intellectual Property - 3.4%						2,912,410
IP Unity, Inc.	Networking	Preferred Stock - Series C * (1)		1,932,222		271
		Preferred Stock - Series E * (1)		193,042		27
Total Networking - 0.0%						298
Intevac, Inc.	Other Electronics	Common Stock *		545,156		3,810,640
Total Other Electronics - 4.4%						3,810,640
SoloPower, Inc.	Renewable Energy	Preferred Stock - Series A * (1) (2)		3,999,999		907,200
		Preferred Stock - Series B * (1) (2)		1,002,052		234,981
		Preferred Stock - Series D * (1) (2)		1,000,000		562,400
		Preferred Stock - Series E-1 * (1) (2)		1,904,761		1,458,666
		Common Stock Warrants * (1) (2)		3,999,999		826,800
Total Renewable Energy - 4.6%						3,990,047

See accompanying notes to financial statements

Form 10-Q

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Firsthand Technology Value Fund, Inc.
Schedule of Investments - continued
SEPTEMBER 30, 2011 (UNAUDITED)

PORTFOLIO COMPANY	INDUSTRY	TYPE OF INVESTMENT	CONTRACTS/ SHARES		VALUE
PowerShares QQQ Index Tracking Trust	Other	Put Options, Expiring October 2011, Strike Price $50.00	2,000	$	278,000
		Put Options, Expiring October 2011, Strike Price $53.00	1,000		251,000
		Put Options, Expiring October 2011, Strike Price $49.00	1,000		108,000
		Put Options, Expiring October 2011, Strike Price $54.00	1,000		311,000
		Put Options, Expiring October 2011, Strike Price $51.00	2,000		340,000
Total Other - 1.5%					1,288,000
Innovion Corp.	Services	Preferred Stock - Series A-1 1 (1)	324,948		199,648
		Preferred Stock - Series A-2 * (1)	168,804		489
		Common Stock * (1)	1		0
Total Services - 0.2%					200,137
UCT Coatings, Inc.	Advanced Materials	Common Stock * (1)	1,500,000		0
		Common Stock Warrants * (1)	136,986		0
		Common Stock Warrants * (1)	2,283		0
		Common Stock Warrants * (1)	33,001		0
Total Advanced Materials (0.0%)					0
TOTAL INVESTMENTS (COST $19,313,257) - 14.1%					12,201,532
OTHER ASSETS IN EXCESS OF LIABILITIES - 85.9%					74,377,571
NET ASSETS- 100.0%				$	86,579,103

*Non-income producing security

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

(2) Affiliated issuer

See accompanying notes to financial statements

Firsthand Technology Value Fund, Inc.

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NOTES TO FINANCIAL STATEMENTS (Unaudited)

NOTE 1. THE COMPANY

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

NOTE 2. INTERIM FINANCIAL STATEMENTS

Our interim financial statements have been prepared in accordance with Article 10 of Regulation S-X and in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to interim financial information. Accordingly, they do not include all information and disclosures necessary for a fair presentation of our financial position, results of operations and cash flows in conformity with GAAP. In the opinion of management, these interim financial statements reflect all adjustments, consisting of valuation adjustments and normal recurring accruals, necessary for a fair presentation of our financial position, results of operations and cash flows for such periods. The results of operations for any interim period are not necessarily indicative of the results for the full year. Since the Company only commenced operations on April 18, 2011, the Company will file its first Annual Report on Form 10-K for the period April 18, 2011, through December 31, 2011, following the fiscal year end of December 31, 2011.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

PORTFOLIO INVESTMENT VALUATIONS. Investments are stated at "value" as defined in the 1940 Act and in the applicable regulations of the Securities and Exchange Commission and in accordance with GAAP. Value, as defined in Section 2(a)(41) of the 1940 Act, is (i) the market value of those securities for which a market quotation is readily available and (ii) the fair value as determined in good faith by, or under the direction of, the board of directors for all other securities and assets. On September 30, 2011, our financial statements include venture capital investments valued at $7,102,892. The fair values of our venture capital investments were determined in good faith by, or under the direction of, the Board. Upon sale of these investments, the values that are ultimately realized may be different from what is presently estimated. The difference could be material.

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

RESTRICTED SECURITIES. On September 30, 2011, we held $7,102,892 in "Restricted securities."

MILESTONE AND CONTINGENT PAYMENTS FROM SALE OF INVESTMENT. As indicated in Note 1, Company acquired most of its existing portfolio through the reorganization of Firsthand Technology Value Fund, a series of Firsthand Funds, into the Company, which occurred on April 15, 2011. The assets transferred in the reorganization include a $40,231 contingent receivable originating from the sale of Solaicx to MEMC for an initial cash payment plus possible future cash payments if certain milestone and contingent criteria are met. This milestone payment is valued based on an estimate. There can be no assurances as to how much of this amount we will ultimately realize or when it will be realized, if at all.

INCOME RECOGNITION. Dividend income is recorded on the ex-dividend date. Interest income is accrued as earned. Discounts and premiums on securities purchased are amortized over the lives of the respective securities. Other non-cash dividends are recognized as investment income at the fair value of the property received. When debt securities are determined to be non-income producing, the Company ceases accruing interest and writes off any previously accrued interest. These write-offs are recorded as a debit to interest income. During the quarter ended September 30, 2011, the Company earned $13,619 in interest on interest-bearing accounts. During the quarter ended September 30, 2011, the Company recorded $63,014 of bridge note interest.

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

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

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

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

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

NOTE 4. BUSINESS RISKS AND UNCERTAINTIES

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

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

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

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

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

(1) each quarter the valuation process begins with each portfolio company or investment being initially valued by the investment professionals responsible for the portfolio investment;

(2) preliminary valuation conclusions are then documented and discussed with the Valuation Committee;

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

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

NOTE 5. INVESTMENT MANAGEMENT FEE

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

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

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

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NOTE 6. DEBT

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

NOTE 7. FAIR VALUE

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

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

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

Securities and other assets that do not have market quotations readily available are valued at their fair value as determined in good faith by the Board of Directors of the Company (the “Board”) in accordance with the Valuation Procedures adopted by the Valuation Committee, a committee of the Board.

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

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

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

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

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

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

- Income Approach (I): The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present value amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. Those valuation techniques include present value techniques; option-pricing models, such as the Black-Scholes-Merton formula (a closed-form model) and a binomial model (a lattice model), which incorporate present value techniques; and the multi-period excess earnings method, which is used to measure the fair value of certain assets.

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

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

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

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

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

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

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

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Company's net assets as of September 30, 2011:

	LEVEL 1 QUOTED PRICES	LEVEL 2 OTHER SIGNIFICANT OBSERVABLE INPUTS	LEVEL 3 SIGNIFICANT UNOBSERVABLE INPUTS
Common Stocks			
Advanced Materials	$—	$ —	$ —
Intellectual Property	—	—	90
Other Electronics	3,810,640	—	—
Total Common Stocks	3,810,640		90
Preferred Stocks			
Intellectual Property	$—	$ —	$ 1,450,191
Networking	—	—	298
Renewable Energy	—	—	3,163,247
Services	—	—	200,137
Total Preferred Stocks	—	—	4,813,873
Asset Derivatives *			
Equity Contracts	$—	$ 1,288,000	$ 826,804
Total Asset Derivatives		1,288,000	826,804
Convertible Bonds			
Intellectual Property	$—	$ —	$ 1,462,125
Total	$3,810,640	$ 1,288,000	$ 7,102,892

* Asset derivatives include warrants.

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At the end of each calendar quarter, management evaluates the Level 2 and Level 3 assets and liabilities for changes in liquidity, including but not limited to: whether a broker is willing to execute at the quoted price, the depth and consistency of prices from third party services, and the existence of contemporaneous, observable trades in the market. Additionally, management evaluates the Level 1 and Level 2 assets and liabilities on a quarterly basis for changes in listings or delistings on national exchanges. Transfers in and out of the levels are recognized at the value at the end of the period. There were no significant transfers between Levels 1 and 2 during the period since commencement of operations and ended September 30, 2011.

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

INVESTMENTS AT FAIR VALUE USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	BALANCE AS OF 4/18/11(1)	PURCHASES(2)	NET REALIZED GAINS (LOSSES)	NET UNREALIZED APPRECIATION (DEPRECIATION)	TRANSFERS IN (OUT) OF LEVEL 3	BALANCE AS OF 9/30/11
Common Stocks						
Advanced Materials	$ —	$ 662,235	$ —	$ (662,235)	$ —	$ —
Intellectual Property	—	169,045	—	(168,955)	—	90
Preferred Stocks						
Intellectual Property	—	4,071,014	—	(2,620,823)	—	1,450,191
Networking	—	298	—	—	—	298
Renewable Energy	—	3,846,713	—	(683,466)	—	3,163,247
Services	—	145,829	—	54,308	—	200,137
Warrants						
Equity Contracts	—	1,153,259	(10)	(326,445)	—	826,804
Convertible Bonds						
Intellectual Property	—	1,610,753	—	(148,628)	—	1,462,125
Total	$ —	$ 11,659,146	$ (10)	$ (4,556,244)	$ —	$ 7,102,892

(1) Commencement of operations.

(2) There was an expiration of an IP Unity Series E-1 Warrant. It expired on August 4, 2011, resulting in a $10 realized capital loss.

NOTE 8. FEDERAL INCOME TAXES

The Company has elected, and intends to qualify annually, for the special tax treatment afforded regulated investment companies under the Internal Revenue Code of 1986, as amended (the "Code"). As provided in the Code, in any fiscal year in which a BDC so qualifies and distributes at least 90% of its taxable net income, the BDC (but not the shareholders) will be relieved of federal income tax on the income distributed. Accordingly, no provision for income taxes has been made. To avoid imposition of the excise tax applicable to regulated investment companies, the Company intends to declare as dividends in each calendar year at least 98% of its net investment income (earned during the calendar year) and 98% of its net realized capital gains (earned during the 12 months ended October 31) plus undistributed amounts, if any, from prior years.

Firsthand Technology Value Fund, Inc.

NOTE 9. INVESTMENTS IN AFFILIATES

Under the 1940 Act, issuers 5% or more of whose outstanding voting securities are owned, controlled, or held with power to veto by the Company are affiliates of the Company. A summary of the Company's investments in affiliates for the period since commencement of operations and ended September 30, 2011, is noted below:

	SHARES/PAR ACTIVITY							
	BALANCE		SALES	BALANCE				
	AT	PURCHASES/	MATURITY/	AT	REALIZED GAIN	DIVIDENDS/	VALUE	ACQUISITION
AFFILIATE	4/18/11*	MERGER	EXPIRATION	9/30/11	(LOSS)	INTEREST	9/30/11	COST
Silicon Genesis Corp., Common	—	901,892	—	901,892	$ —	$ —	$ 90	$ 169,045
Silicon Genesis Corp., Convertible Note	—	1,250,000	—	1,250,000	—	—	1,462,125	1,610,753
Silicon Genesis Corp., Common Warrant	—	37,982	—	37,982	—	—	4	6,678
Silicon Genesis Corp., Series 1-C	—	82,914	—	82,914	—	—	1,070	109,518
Silicon Genesis Corp., Series 1-D	—	850,830	—	850,830	—	—	2,723	431,901
Silicon Genesis Corp., Series 1-E	—	5,704,480	—	5,704,480	—	—	1,184,250	2,946,535
Silicon Genesis Corp., Series 1-E Warrant	—	94,339	—	94,339	—	—	—	13,012
Silicon Genesis Corp., Series 1-E Warrant	—	1,257,859	—	1,257,859	—	—	—	173,500
Silicon Genesis								

Corp., Series 1-F	—	912,453	—	912,453	—	—	262,148	583,060
SoloPower, Series A	—	3,999,999	—	3,999,999	—	—	907,200	1,032,104
SoloPower, Series B	—	1,002,052	—	1,002,052	—	—	234,981	268,400
SoloPower, Series D	—	1,000,000	—	1,000,000	—	—	562,400	547,304
SoloPower, Series E-1	—	1,904,761	—	1,904,761	—	—	1,458,666	1,998,906
SoloPower Warrant	—	3,999,999	—	3,999,999	—	—	826,800	959,992
							$ 6,902,457	$ 10,850,708

* Commencement of operations.

As of September 30, 2011, Kevin Landis represents the Company and sits on the board of directors of Silicon Genesis Corporation. Serving on boards of directors of portfolio companies may cause conflicts of interest. The Adviser has adopted various procedures to ensure that the Company will not be unfavorably affected by these potential conflicts.

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

FORWARD-LOOKING STATEMENTS

The matters discussed in this report, as well as in future oral and written statements by management of Firsthand Technology Value Fund, Inc., that are forward-looking statements based on current management expectations that involve substantial risks and uncertainties which could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. Forward-looking statements related to future events or our future financial performance. We generally identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "p "potential," or "continue" or the negative of these terms or other similar words. Important assumptions include our ability to originate new investments, achieve certain margins and levels of profitability, and the availability of additional capital. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this report should not be regarded as a representation by us that our plans or objectives will be achieved. The forward-looking statements contained in this report include statements as to:

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

For a discussion of factors that could cause our actual results to differ from forward-looking statements contained in this report, please see the discussion under Item 1A – "Risk Factors" or Part II of this quarterly report on Form 10-Q. You should not place undue reliance on these forward-looking statements. The forward-looking statements made in this report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statement to reflect events or circumstances occurring after the date of this report.

The following discussion should be read in conjunction with our consolidated financial statements and related notes and other financial information appearing elsewhere in this report.

Firsthand Technology Value Fund, Inc.

OVERVIEW

We are a Maryland corporation and an externally-managed, non-diversified closed-end management investment company that has elected to be treated as a BDC under the 1940 Act. As a BDC, 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 U.S. companies, cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less.

Our investment objective is to achieve long-term capital appreciation through venture capital investments in equity-focused securities that we believe have exceptional growth potential. Our strategy is to evaluate and invest in a broad range of technology and cleantech companies. Under normal circumstances, we will invest at least 80% of our total 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 the so-called “cleantech” sector. Information technology companies include, but are not limited to, those focused on computer hardware, software, telecommunications, networking, Internet, and consumer electronics. While there is no standard definition of cleantech, it is generally regarded as including goods and services designed to harness renewable energy and materials, eliminate emissions and waste, and reduce the use of natural resources. In addition, under normal circumstances we will invest at least 80% of our assets in private venture capital companies and in public companies with market capitalizations less than $250 million. Capital that we provide directly to venture capital and private equity-backed technology and cleantech companies is generally used for growth and general working capital purposes as well as, in select cases, for acquisitions or recapitalizations. We are long-term investors. We seek to identify investment opportunities in industries and market that will be growth opportunities three to seven years from the date of our initial investment.

Once fully invested, we expect our portfolio to be primarily composed of equity and equity derivative securities of technology and cleantech companies (as defined above), both private venture capital-stage companies as well as publicly traded companies. Consistent with regulatory requirements, we invest primarily in United States-based companies and to a lesser extent in foreign companies.

RESULTS OF OPERATIONS

We commenced operations in April 2011, so there is no comparable period with which to compare results for the period from July 1, 2011 through September 30, 2011. The following information is for the three-month period ended September 30, 2011.

INVESTMENT INCOME

Interest income totaled $76,633 for the three-month period ended September 30, 2011. The interest income is primarily attributable to interest accrued on a convertible note investment with Silicon Genesis Corporation.

OPERATING EXPENSES

Operating expenses totaled approximately $628,332 during the period ended September 30, 2011.

Significant components of operating expenses for the quarter ended September 30, 2011 were management fee expense of $469,069 and professional fees (audit, legal, accounting, and consulting) of $106,542.

NET INVESTMENT INCOME BEFORE INVESTMENT GAINS AND LOSSES
The net investment loss was $551,699 for the quarter ended September 30, 2011.

NET INVESTMENT REALIZED GAINS AND LOSSES AND UNREALIZED APPRECIATION AND DEPRECIATION
Realized gains or losses are measured by the difference between the net proceeds from the repayment or sale and the cost basis of the investment without regard to unrealized appreciation or depreciation previously recognized, and includes investments charged off during the period, net of recoveries. Net change in unrealized appreciation or depreciation primarily reflects the change in portfolio investment values during the reporting period, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

During the quarter ended September 30, 2011, we recognized net realized gains of approximately $106,793 from the sale of publicly-traded securities.

During the quarter ended September 30, 2011, net unrealized depreciation on total investments increased by $5,534,203. The change in net unrealized appreciation and depreciation of our private investments is based on portfolio asset valuations determined in good faith by our Board of Directors. This change in net unrealized depreciation was primarily comprised of decreases in the fair value of our portfolio companies due to company performance and market conditions of approximately $5.3 million. A summary of the net realized and unrealized loss on investments for the three-month period ended September 30, 2011 is shown below.

THREE MONTHS ENDED SEPTEMBER 30,2011	
Realized gains	$106,793
Net change in unrealized depreciation on investments	(5,534,203)
Net realized and unrealized loss on investments	(5,427,410)

The following table itemizes the change in net unrealized depreciation of investments for the period ended September 30, 2011:

PERIOD ENDED SEPTEMBER 30,2011*	
Gross unrealized appreciation on portfolio investments	$129,659
Gross unrealized depreciation on portfolio investments	$(7,241,384)
Net increase in unrealized depreciation on portfolio investments	$(7,111,725)

* Represents period from April 18, 2011 through September 30, 2011.

INCOME AND EXCISE TAXES
We account for income taxes in accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification 740, Income Taxes, which requires that deferred income taxes be determined based upon the estimated future tax effects of differences between the financial statement and tax basis of assets and liabilities given the provisions of the enacted tax law. Valuation allowances are used to reduce the deferred tax assets to the amount likely to be realized.

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS AND CHANGE IN NET ASSETS PER SHARE
For the quarter ended September 30, 2011, the net decrease in net assets resulting from operations totaled $5,979,109. Basic and fully-diluted net change in net assets per share for the quarter ended September 30, 2011 was $(1.71).

FINANCIAL CONDITION, LIQUIDITY, AND CAPITAL RESOURCES

At September 30, 2011, we had investments in public and private securities totaling $12.2 million. Also, at September 30, 2011, we had approximately $73.2 million in cash and cash equivalents. We primarily invest cash on hand in interest-bearing deposit accounts. We expect the portion of our portfolio consisting of cash and cash equivalents to decrease as we become fully invested.

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As of September 30, 2011, net assets totaled $86.6 million, with a net asset value per share of $24.76. Our primary use of funds will be investments in portfolio companies and payments of fees and other operating expenses we incur. Additionally, we expect to raise additional capital to support our future growth through future equity offerings. To the extent we determine to raise additional equity through an offering of our common stock at a price below net asset value, existing investors will experience dilution.

PORTFOLIO INVESTMENTS

PRIVATE INVESTMENTS
We make investments in securities of both public and private companies. During the quarter ended September 30, 2011, we had investments in the following private companies:

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

At September 30, 2011 our investments in INNOViON consisted of 324,948 shares of Series A-1 preferred stock, 168,804 shares of Series A-2 preferred stock, and one share of common stock, with a combined fair value of $200,137.

Movius Corporation
Movius Corporation ("Movius"), Atlanta , Georgia, provides unified communications solutions for telecommunications carriers worldwide. Its applications include converged messaging, unified conferencing, and virtual telephony.

At September 30, 2011 our investment Movius consisted of multiple investments in IP Unity, Inc., a predecessor entity. At September 30, 2011 our investments in IP Unity consisted of 1,932,222 shares of Series C preferred stock, and 193,042 shares of Series E preferred stock, with a combined fair value of $298.

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

At September 30, 2011 our investments in SiGen consisted of 82,914 shares of Series 1-C preferred stock, 850,830 shares of Series 1-D preferred stock, 5,704,480 shares of Series 1-E preferred stock, 912,453 shares of Series 1-F preferred stock, 901,982 shares of common stock, warrants for 1,352,198 shares of Series 1-E preferred stock, warrants for 37,982 shares of common stock, and a $1.25 million par value convertible note. The note bears annual interest at a rate of 20% and matures on November 3, 2011. At September 30, 2011 the combined fair value of our SiGen securities was $2.9 million.

SoloPower, Inc.
SoloPower, Inc. ("SoloPower"), San Jose, CA, produces low-cost, high-power, flexible thin-film photovoltaic modules that offer a viable alternative to the electricity produced using traditional fossil fuels.

At September 30, 2011 our investments in SoloPower consisted of 3,999,999 shares of Series A preferred stock, 1,002,052 shares of Series B preferred stock, 1,000,000 shares of Series D preferred stock, 1,904,761 shares of Series

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E-1 preferred stock, and warrants to purchase 3,999,999 shares of common stock, with a combined fair value of $4.0 million.

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

At September 30, 2011 our investments in UCT consisted of 1,500,000 shares of common stock and warrants to purchase 172,016 shares of common stock, with a combined fair value of $0.

PUBLIC INVESTMENTS
On September 30, 2011, we had investments in the following public securities:

Intevac, Inc.
Intevac, Inc. (“Intevac”), Santa Clara, California, is a leading provider of cost-effective, advanced equipment and products to the hard disk drive, solar, semiconductor, and photonics industries. At September 30, 2011, our investment in Intevac consisted of 545,156 shares of common stock with an aggregate market value of $3.8 million.

PowerShares QQQ Index Tracking Trust
PowerShares QQQ Index Tracking Trust is an exchange traded fund (ETF) based on the Nasdaq-100 Index. The Fund will, under most circumstances, consist of all of the stocks in the Index. At September 30, 2011 our investment in PowerShares QQQ Index Tracking Trust consisted of put options of various strike prices and expirations on the shares of the Fund with an aggregate market value of approximately $1.3 million.

SUBSEQUENT INVESTMENTS
Subsequent to the close of the financial quarter on September 30, 2011, we made a number of additional investments.

On October 10, 2011, we acquired 100 contracts for put options on the PowerShares QQQ Index Tracking Trust at a cost of approximately $26,000.

As of September 30, 2011, we were in the final stages of acquiring an interest in Facebook, a private company. The acquisition was done in the secondary market and involved making a deposit in an escrow account until certain conditions were met, including the underlying company’s right of first refusal. As of the end of the quarter, we had approximately $1.6 million in such escrow deposits. The Facebook transaction closed on October 13, 2011.

On November 3, 2011, we made a $1 million investment in Skyline Solar, Inc., a private company that produces concentrated solar photovoltaic arrays for utility-scale electricity generation.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

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

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

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

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

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

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

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

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

CASH INVESTMENTS RISK
The Company recently commenced operations. Therefore, as of September 30, 2011, a large portion of the Company's assets (approximately 85%) are invested in cash and/or cash equivalents, which are expected to earn low yields. Given the current low interest rate environment, to the extent management fee expenses exceed interest income on the cash holdings of the Company, the Company may experience losses.

ITEM 4. CONTROLS AND PROCEDURES.

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

(b) Changes in Internal Control Over Financial Reporting	There have been no changes in our internal control over financial reporting that occurred during the fiscal quarter ended September 30, 2011, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Firsthand Technology Value Fund, Inc.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

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

ITEM 1A. RISK FACTORS.

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in the “Risk Factors” section of our current Registration Statement on Form N-2, as amended and supplemented, which could materially affect our business, financial condition, and/or operating results. As of September 30, 2011, there have not been any material changes from the risk factors previously disclosed in the “Risk Factors” section of our current Registration Statement on Form N-2. The risks described in our Registration Statement on Form N-2 are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition, and/or operating results.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. (REMOVED AND RESERVED).

ITEM 5. OTHER INFORMATION.

None.

ITEM 6 EXHIBITS.

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

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SIGNATURES

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

FIRSTHAND TECHNOLOGY VALUE FUND, INC.

Dated: November 8, 2011	By:	/s/ Kevin Landis Kevin Landis Chief Executive Officer and Chief Financial Officer (On behalf of the registrant and as the principal financial officer)

EXHIBIT INDEX

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