

Firsthand Tech Fund (SVVC) – Realizing Value

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In Mid-March, I wrote about Firsthand Technology Value Fund (SVVC) and a guaranteed return strategy I call the Hall of Mirrors trade ([note here](#)). The only way to get this guaranteed return, however, is to either (1) have a management team that's intelligent enough to recognize it and do something about it, or (2) get an activist involved that forces the value creation. In the case of SVVC, I noted that renowned activist Phil Goldstein would be that catalyst concluding, "It wouldn't surprise me if one day soon the valuation gap of SVVC completely disappears."

It looks like today SVVC is on the road to unlocking value for shareholders via the Hall of Mirrors trade:

The settlement also provides that the Fund's Board approve a plan for the Fund to repurchase up to \$10 million of common stock in open market purchases during 2014, and to conduct a self-tender offer for at least \$20 million worth of common stock at 95% of net asset value to be completed no later than January 31, 2015. Further, the Fund has agreed to liquidate its Facebook and Twitter holdings no later than September 30, 2014 and October 31, 2014, respectively, and to distribute any net realized gains from those holdings to shareholders within 60 days of completing those liquidations ([source](#)).

So Phil Goldstein and his Bulldog Investors record another win and shareholders get to ride along. Well done, Phil. As for you, Buyside Notes reader, some advice: read Phil's semiannual letters - it's a no lose trade ([find them here](#)).