

RENN Global Entrepreneurs Fund, Inc.
Form N-Q
May 31, 2011

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-22299

RENN GLOBAL ENTREPRENEURS FUND, INC.
(Exact name of registrant as specified in charter)

8080 N. Central Expressway, Suite 210, Dallas, TX

75206
(Zip Code)

(Address of principal executive offices)

Russell Cleveland
8080 N. Central Expressway, Suite 210 LB 59
Dallas, TX 75206

(Name and address of agent for service)

Registrant's telephone number, including area code: (214) 891-8294

Date of fiscal year end: December 31

Date of reporting period: March 31, 2011

RENN Global Entrepreneurs Fund, Inc.
Portfolio of Investments
First Quarter Report
March 31, 2011 (unaudited)

SCHEDULE OF INVESTMENTS

Unaffiliated Investments

| Shares or Principal Amount | Company | Cost | Market Value |
|----------------------------------|--|-------------|-----------------|
| | CONVERTIBLE BONDS – 12.42% (6) | | |
| | Data Processing and Outsourced Services – 2.99% | | |
| \$ 569,000 | Pipeline Data, Inc. 10% Maturity June 29, 2011 | \$ 569,000 | \$ 369,850 |
| | Electrical Components and Equipment – 5.15% | | |
| \$ 1,000,000 | Dynamic Green Energy Limited 7% Maturity June 10, 2011 (1) | 1,000,000 | 637,535 |
| | Internet Software and Services – 2.02% | | |
| \$ 500,000 | iLinc Communications, Inc. 12% Maturity March 29, 2012 | 500,000 | 250,000 |
| | Oil and Gas Exploration and Production – 2.26% | | |
| \$ 1,000,000 | PetroHunter Energy Corporation 8.5% Maturity November 5, 2012 | 1,000,000 | 280,000 |
| | Total Unaffiliated Convertible Bonds | \$3,069,000 | \$ 1,537,385 |
| | COMMON EQUITIES – 77.10% (3)(6) | | |
| | Advertising – 1.48% | | |
| 100,000 | SearchMedia Holdings Ltd (3)(5) | 780,994 | 183,000 |
| | Application Software – 6.55% | | |
| 428,647 | SinoHub, Inc. (3)(5) | 1,038,180 | 810,143 |
| | Biotechnology – 1.08% | | |
| 1,335,714 | Hemobiotech (3) | 1,360,117 | 133,571 |
| | Business Process Outsourcing – 0.64% | | |
| 18,349 | Business Process Outsourcing, Ltd. (1)(3) | 20,000 | 79,268 |
| | Communications Equipment – 13.05% | | |
| 200,000 | COGO Group, Inc. (3)(5) | 836,019 | 1,614,000 |
| | Computer Programming Services – 1.67% | | |
| 100,000 | Kingtone Wirelessinfo Solution Holding (3) | 400,000 | 206,000 |
| | Consumer Electronics – 1.40% | | |
| 166,667 | Aurasound, Inc. (3) | 1,000,000 | 173,334 |

Edgar Filing: RENN Global Entrepreneurs Fund, Inc. - Form N-Q

| | | | |
|-----------|--|-----------|---------|
| | Consumer Finance – 3.42% | | |
| 953,333 | Global Access Corporation (3) | 1,261,666 | 423,280 |
| | Diversified Commercial and Professional Services – 4.53% | | |
| 2,687,500 | Murdoch Security & Investigations, Inc. (1)(3) | 1,250,000 | 559,896 |

RENN Global Entrepreneurs Fund, Inc.
Portfolio of Investments
First Quarter Report
March 31, 2011 (unaudited)

SCHEDULE OF INVESTMENTS
Unaffiliated Investments (continued)

| Shares or Principal Amount | Company | Cost | Market Value |
|-------------------------------------|---|--------------|-----------------|
| | COMMON EQUITIES (continued) | | |
| | Electronic Equipment and Instruments – 5.64% | | |
| 58,500 | Hollysys Automation Technologies Ltd (3)(5) | \$ 449,957 | \$ 698,250 |
| | Healthcare Equipment – 12.59% | | |
| 502,500 | Bovie Medical Corporation (3)(5) | 972,922 | 1,557,750 |
| | Healthcare Facilities – 13.34% | | |
| 625,000 | PHC, Inc. (3)(5) | 642,500 | 1,650,000 |
| | Internet Software and Services – 6.53% | | |
| 90,000 | Points International, Ltd. (3)(5) | 492,000 | 807,300 |
| | Oil and Gas Exploration and Production – 0.18% | | |
| 808,445 | PetroHunter Energy Corporation (3) | 101,056 | 22,636 |
| | Packaged Food and Meats – 1.77% | | |
| 49,650 | SkyPeople Fruit Juice Inc. New (3)(5) | 148,950 | 218,957 |
| | Pharmaceutical – 1.12% | | |
| 24,000 | Skystar Bio-Pharmaceutical Company (3) | 155,760 | 138,000 |
| | Retail Drug Stores and Proprietary Stores – 2.11% | | |
| 100,000 | China Jo-Jo Drugstores Inc. (3) | 500,000 | 261,000 |
| | Total Unaffiliated Common Equities | 11,410,121 | 9,536,385 |
| | MISCELLANEOUS SECURITIES – 0.73% (3)(6) | | |
| | Consumer Electronics – 0.73% | | |
| 166,667 | Aurasound Inc. warrant to buy (2)(3)(7) | 0.00 | 90,000 |
| | Total Unaffiliated Miscellaneous Securities | 0.00 | 90,000 |
| | TOTAL UNAFFILIATED INVESTMENTS | \$14,479,121 | \$11,163,770 |

| | |
|---|----------------|
| Aggregate Gross Unrealized Appreciation of all Unaffiliated Securities | \$3,192,2388 |
| Aggregate Gross Unrealized Depreciation of all Unaffiliated Securities | (\$6,507,5888) |
| Net Unrealized Appreciation/Depreciation of all Unaffiliated Securities | (\$3,315,3500) |
| Aggregate Cost of All Unaffiliated Securities for Income Tax Purposes | \$14,479,1211 |

RENN Global Entrepreneurs Fund, Inc.
Portfolio of Investments
First Quarter Report
March 31, 2011 (unaudited)

SCHEDULE OF INVESTMENTS

Affiliated Investments

| Shares or Principal Amount | Company | Cost | Market Value |
|----------------------------------|---|---------------|-----------------|
| | OTHER SECURITIES – 0.008% (2)(3)(6) CONVERTIBLE PREFERRED EQUITIES Business Process Outsourcing – 0.00% | | |
| | | \$ 2,000,000 | \$ 0 |
| 1,685,887 | BPO Management Services, Inc. Preferred B (2)(3) | | |
| | Electronic Equipment and Instruments – 0.008% | | |
| | | 75,000 | 937 |
| 3,750 | Integrated Security Systems, Inc. Preferred D (2)(3)(10) | | |
| | Total Affiliated Other Securities | 2,075,000 | 937 |
| | COMMON EQUITIES – 16.01% (2)(3)(6) Electronic Equipment and Instruments – 9.01% | | |
| 1,113,793 | Integrated Security Systems, Inc. (2)(3)(10) | 9,056,721 | 1,113,793 |
| 372,420 | Managed Healthcare – 6.62% Access Plans Inc. (2)(3) | 2,209,925 | 819,324 |
| | Systems Software – 0.38% | | |
| | | 5,696,853 | 47,412 |
| 43,659,545 | CMSF Corp. (formerly CaminoSoft Corp.) (2)(3)(4)(10) | | |
| | Total Affiliated Common Equities | 16,963,499 | 1,980,529 |
| | MISCELLANEOUS SECURITIES – 0.04% (2)(3)(6) Managed Healthcare – 0.04 % | | |
| 2,234 | Access Plans Inc., options to buy (2)(3)(8) | 0.00 | 3,016 |
| 1,492 | Access Plans Inc., options to buy (2)(3)(9) | 0.00 | 1,895 |
| | Total Affiliated Miscellaneous Securities | 0.00 | 4,911 |
| | TOTAL AFFILIATED INVESTMENTS | 19,038,499 | 1,986,377 |
| | TOTAL UNAFFILIATED INVESTMENTS | 14,479,121 | 11,163,770 |
| | TOTAL INVESTMENTS | \$ 33,517,620 | \$ 13,150,147 |

| | |
|------------------------------|---------------|
| OTHER ASSETS AND LIABILITIES | (779,279) |
| TOTAL NET ASSETS | \$ 12,370,868 |

RENN Global Entrepreneurs Fund, Inc.
First Quarter Report
March 31, 2011 (unaudited)

INFORMATION REGARDING AFFILIATED/RESTRICTED SECURITIES (2)(3)(6)

| | Date(s) | Cost at | Cost at | Value | Fair | % of |
|--|----------------|-------------|-------------|-----------|------|--------|
| | | | | | | Net |
| Affiliated /Restricted Security(2)(3) | Acquired | 12/31/10 | 3/31/11 | 3/31/11 | | Assets |
| Access Plans Inc. (2)(3) | 8/31/01 | | | | | |
| Common Equity (3) | to 3/25/11 | \$2,206,493 | \$2,209,925 | \$819,324 | | 6.62% |
| Options to buy @ \$0.85 Access Plans Inc. (2)(3)(8) | 4/1/09 | 0.00 | 0.00 | 3,016 | | 0.02 |
| Options to buy @ \$0.93 Access Plans Inc. (2)(3)(9) | 8/2/10 | 0.00 | 0.00 | 1,895 | | 0.02 |
| BPO Management Services, Inc. | 6/12/07 | | | | | |
| Preferred B Equity (2)(3) | to 12/31/08 | 2,000,000 | 2,000,000 | 0.00 | | 0.00 |
| Total Affiliated /Restricted Securities | | \$4,206,493 | \$4,209,925 | \$824,235 | | 6.66% |

INFORMATION REGARDING CONTROLLED AFFILIATED/RESTRICTED SECURITIES (10)

| | Date(s) | Cost at | Cost at | Value | Fair | % |
|--|-------------|--------------|--------------|-------------|------|--------|
| | | | | | | of |
| Controlled Affiliated /Restricted Security (2)(3)(10) | Acquired | 12/31/10 | 3/31/11 | 3/31/11 | | Net |
| CMSF Corp. (2)(3)(4)(10) | 9/23/94 to | | | | | Assets |
| Common Equity | 3/31/11 | \$5,677,610 | \$5,696,853 | \$47,412 | | 0.38 |
| Integrated Security Systems, Inc. (2)(3)(10) | | | | | | |
| Preferred D Equity | 10/13/99 | 75,000 | 75,000 | 937 | | .01 |
| Integrated Security Systems, Inc. (2)(3)(10) | 12/31/96 | | | | | |
| Common Equity | to 12/31/10 | 9,056,721 | 9,056,721 | 1,113,791 | | 9.01 |
| Total Controlled Affiliated /Restricted Securities | | \$14,809,331 | \$14,828,574 | \$1,162,140 | | 9.40% |

(1) Securities in a privately owned company.

(2)

Affiliated securities due to the Fund having a director on issuer's board and/or number of shares owned by the Fund.

- (3) Non-Income-Producing.
- (4) The Fund purchased 1,924,493 shares of CMSF common at a cost of \$19,243 in the three months ended March 31, 2011. Security exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be sold in transactions exempt from registration, normally to qualified institutional buyers. At March 31, 2011 the aggregate value of the restricted securities was \$45,873 representing 0.037% of net assets. These shares were purchased in numerous transactions between April 10, 2009 and March 31, 2011. These shares have discounts ranging from 0% to 14.7%. The Fund owns 153,986 shares of CMSF Corporation which are not restricted. At December 31, 2010 the aggregate value of the unrestricted securities was \$1,507 representing 0.02% of net assets.
- (5) These securities or a portion of these securities are pledged as collateral against the due-to-broker balance (margin loan).
- (6) Percentage is calculated as a percentage of net assets.
- (7) These warrants represent the ability to purchase 166,667 shares of common stock of AuraSound, Inc. at \$0.50 per share. These warrants expire on 6/12/2014.
- (8) These options represent the ability to purchase 2,234 shares of common stock of Access Plans Inc. at \$0.85 per share. These options were issued as compensation to Russell Cleveland for service as a Director of Access Plans Inc. Mr. Cleveland disclaims any beneficial ownership. These options will expire 3 months after he ceases to be on the Board of Directors.
- (9) These options represent the ability to purchase 1,492 shares of common stock of Access Plans, Inc. at \$0.93 per share. These options were issued as compensation for the services to Russell Cleveland as a Director of Access Plans Inc. Mr. Cleveland disclaims any beneficial ownership. These options expire 8/2/2015.
- (10) Controlled due to the number of shares owned by the Fund (and/or affiliated funds).

RENN Global Entrepreneurs Fund, Inc.
 First Quarter Report
 March 31, 2011 (unaudited)

Fair Value Measurements

Investments are carried in the statements of assets and liabilities at fair value, as determined in good faith by the RENN Capital Group, Inc., subject to the approval of the Fund's Board of Directors. The convertible debt securities held by the Fund generally have maturities between five and seven years and are convertible (at the discretion of the Fund) into the common stock of the issuer at a set conversion price. The common stock underlying these securities is generally unregistered and thinly-to-moderately traded. Generally, the Fund negotiates registration rights at the time of purchase and the portfolio companies are required to register the shares within a designated period, and the cost of registration is borne by the portfolio company. Interest on the convertible securities is generally payable quarterly. The convertible debt securities generally contain embedded call options giving the issuer the right to call the underlying issue. In these instances, the Fund has the right of redemption or conversion. The embedded call option will generally not vest until certain conditions are achieved by the issuer. Such conditions may require that minimum thresholds be met relating to the market price of underlying common stock, liquidity, and other factors.

The Fund follows the provisions of Accounting Standards Codification ASC 820, Fair Value Measurements, under which, the Fund has established a fair value hierarchy that prioritizes the sources ("inputs") used to measure fair value into three broad levels: inputs based on quoted market prices in active markets (Level 1 inputs); observable inputs based on corroboration with available market data (Level 2 inputs); and unobservable inputs based on uncorroborated market data or a reporting entity's own assumptions (Level 3 inputs).

The following table shows a summary of investments measured at fair value on a recurring basis classified under the appropriate level of fair value hierarchy as of March 31, 2011:

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------|--------------|-------------|-------------|--------------|
| Convertible Bonds | \$ 0 | \$ 369,850 | \$1,167,535 | \$1,537,385 |
| Convertible Preferred Equities | 0 | 937 | 0 | 937 |
| Common stock | 9,543,211 | 1,752,957 | 220,746 | 11,516,914 |
| Miscellaneous Securities | 0 | 4,911 | 90,000 | 94,911 |
| | | | | \$13,150,147 |
| Total Investments | \$ 9,543,211 | \$2,128,655 | \$1,478,281 | |

The Fund classifies all assets in Level 1, 2 and 3 and makes the appropriate changes at the end of each period. The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value:

Level 3

| | | |
|-------------------------------------|----|-------------|
| Beginning Balance – January 1, 2011 | \$ | 1,887,332 |
| Purchase of Securities | | 0 |
| Transfers into Level 3 | | 637,535 |
| Transfers out of Level 3 | | (1,137,366) |
| Changes in unrealized gain or loss | | 90,780 |
| Ending Balance – March 31, 2011 | \$ | 1,478,281 |

The Fund has adopted a policy of recording any transfers of investment securities between the different levels in the fair value hierarchy as of the end of the year. The transfers into Level 3 and out of Level 3 identified above were due to changes in the observability of the inputs used by the Fund to estimate the fair value of certain securities.

ITEM 2. CONTROLS AND PROCEDURES.

(a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30-13(c) under the Investment Company Act of 1940, as amended) are effective at the reasonable assurance level based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no significant changes in the registrant's internal control over financial reporting that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

ITEM 3. EXHIBITS.

The following exhibits are attached to this Form N-Q:

EXHIBIT DESCRIPTION OF EXHIBIT

NO.

1 (a) (1) Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

1 (a) (2) Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant): RENN Global Entrepreneurs Fund, Inc.

By: /s/ Russell Cleveland
Russell Cleveland
Chief Executive Officer
and President

Date: May 31, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Russell Cleveland
Russell Cleveland
Chief Executive
Officer and President

Date: May 31, 2011

By: /s/ Barbe Butschek

Edgar Filing: RENN Global Entrepreneurs Fund, Inc. - Form N-Q

Barbe Butschek
Chief Financial Officer

Date: May 31, 2011

