

## INVESTMENT STRATEGY

The Fund invests in alternative energy and energy technology companies, both U.S. and international. Alternative energy includes solar, hydrogen, wind, geothermal, hydroelectric, tidal, biofuel, and biomass. Because there are no market capitalization restrictions on the Fund's investments, the Fund may purchase stocks of any capitalization.

## TOTAL RETURNS

As of June 30, 2017

	Firsthand Alternative Energy Fund	WilderHill Clean Energy Index	S&P 500 Index
Since Inception (10/29/07)	-4.81%	-16.22%	7.08%
5-Year	10.09%	0.01%	14.59%
3-Year	-6.92%	-14.03%	9.59%
1-Year	20.58%	14.02%	17.89%
Q2'17 (not annualized)	8.95%	8.54%	3.09%

**The performance data quoted represent past performance. Past performance cannot guarantee future results, and current performance may be lower or higher than the performance quoted. Performance information does not reflect the impact of taxes. Both the return from and the principal value of an investment in the Funds will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. To obtain performance as of the most recent month-end, please contact Firsthand Funds by calling 1.888.884.2675 or go to [www.firsthandfunds.com](http://www.firsthandfunds.com).**

## PORTFOLIO COMPOSITION

As of June 30, 2017

### Top 10 Holdings

1. Power Integrations, Inc.
2. Itron, Inc.
3. First Solar, Inc.
4. Vestas Wind Systems A/S
5. TerraForm Power, Inc.
6. SolarEdge Technologies, Inc.
7. Tesla Motors, Inc.
8. Honeywell International, Inc.
9. 3M Co.
10. Koninklijke (Royal) Philips Electronics N.V.

Percentage of net assets: 47.1%.

The top 10 holdings are current as of June 30, 2017, and may not be representative of current or future investments. Portfolio assets such as cash, treasuries, options, and warrants are not presented in the top 10 list.

### Holdings by Industry

Renewable Energy	35.4%
Energy Efficiency	11.4%
Other Electronics	10.3%
Semiconductors	7.5%
Industrials	6.9%
Advanced Materials	6.8%
Automotive	3.8%
Electrical Equipment	3.1%
Engineering Service	2.9%
Materials	2.8%
Waste & Environment Service	2.3%
Other	1.2%
Net Cash	5.6%

The holdings by industry are presented to illustrate examples of the industries in which the Fund has bought securities and may not be representative of the Fund's current or future industry investments.

## FUND FACTS

As of June 30, 2017

Portfolio manager	Kevin Landis	2016 gross expense ratio	2.14%
Portfolio manager tenure	Since inception	2016 net expense ratio	1.98%
Inception	10/29/07	Sales load	None
Ticker symbol	ALTEX	Redemption fee	None
CUSIP	337941827	Number of companies	35
Total net assets	\$5.6 million	2016 portfolio turnover	10%

**The Fund's total gross operating expenses are 2.14%. The Fund's total net operating expenses are 1.98%.** Under the Investment Advisory Agreement, the Investment Adviser has agreed to reduce its fees and/or make expense reimbursements so that the Fund's total annual operating expenses (excluding independent trustees' compensation, brokerage and commission expenses, short sale expenses, litigation costs and any extraordinary and non-recurring expenses) are limited to 1.98% of the Fund's average daily net assets up to \$200 million, 1.93% of such assets from \$200 million to \$500 million, 1.88% of such assets from \$500 million to \$1 billion, and 1.83% of such assets in excess of \$1 billion. The Investment Adviser has also agreed to donate a portion of its management fees collected, amounting to 0.20% of the Fund's average daily net assets, to various non-profit organizations as elected by Fund shareholders. The current expense waiver is in effect until 8/31/18.

**An investor should consider investment objectives, risks, charges, and expenses of the Funds carefully before investing. To obtain a prospectus, which contains this and other information, please call 1.888.884.2675 or visit [www.firsthandfunds.com](http://www.firsthandfunds.com). Read the prospectus carefully before investing or sending money.**

The Fund's performance information assumes reinvestment of all dividends and includes all Fund expenses, but does not reflect the impact of taxes.

## Q2 '17 PORTFOLIO REVIEW

### Contributors to Performance

First Solar (FSLR) was the top contributor to Fund performance during Q2. Shares of the solar systems manufacturer rose 47.16% in Q2 thanks in part to the company's significantly outperforming analysts' revenue and earnings estimates for Q1. The company also raised Q2 revenue and gross margin guidance in anticipation of total-year shipments of 2.4 to 2.6 gigawatts.

Sunpower (SPWR) was another strong contributor to performance, up 53.11% during the quarter, despite reporting hefty losses in Q1 and projecting more of the same for Q2. The panel maker is in the midst of a major shift in its business model, as it shuts down a significant portion of its production capacity and moves away from power plant development and toward selling power plant components to other developers.

Shares of electric car maker Tesla (TSLA) rose 29.94% during the second quarter following record revenue for Q1, although the company posted a significant miss on earnings. Tesla reiterated its plan to deliver 47,000-50,000 cars during the first half of 2017. In May, CEO Elon Musk also announced the company's solar roof tiles would go into production during Q2.

### Detractors from Performance

Covanta (CVA) was the largest detractor from Fund performance during the quarter, finishing Q2 down 14.40%. The waste management company has faced a couple of setbacks lately, with some high-rate long-term contracts expiring and fires at two of their facilities.

Despite a Q1 revenue and earnings beat and improved full-year guidance, thin-film equipment maker Intevac (IVAC) finished Q2 down 11.20% and was another drag on Fund performance for the quarter. Similarly, energy contracting company Quanta Services (PWR) also reported better-than-expected revenues and earnings for the first quarter of 2017, but nonetheless finished the second quarter down 11.29%.

LED manufacturer Cree (CREE) was another poor performer for the Fund, down 7.78% following disappointing Q1 earnings. Cree is still feeling the impact of the termination of its planned sale of its radio-frequency (RF) division to Infineon (no U.S. symbol). The company is now working to reintegrate the RF division.

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### RISKS

Firsthand Alternative Energy Fund is subject to greater risk than more diversified funds because of its investments in fewer securities and because of its concentration of investments in the alternative energy and energy technology sectors. Specific risks associated with these investments could cause the Fund's share price to fluctuate dramatically. The Fund's investments in small-cap companies present greater risk than investments in larger companies. The Fund invests in several industries within the alternative energy and energy technology sectors and the relative weightings of these industries in the Fund's portfolio may change at any time. Equity investing involves risks, including the potential loss of the principal amount invested. Firsthand Funds are subject to greater risk than more diversified funds.

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As of 6/30/17: CREE (3.49% of ALTEX), CVA (2.34% of ALTEX), FSLR (4.95% of ALTEX), IVAC (3.11% of ALTEX), POWI (7.49% of ALTEX), PWR (2.92% of ALTEX), SEDG (3.90% of ALTEX), SPWR (3.30% of ALTEX), TSLA (3.84% of ALTEX), 3.79% of TEFQX). A complete list of portfolio holdings for Firsthand Funds is available on [www.firsthandfunds.com](http://www.firsthandfunds.com) and is updated 45 days after the end of the every calendar quarter. The portfolio holdings discussed are subject to change. Please visit [www.firsthandfunds.com](http://www.firsthandfunds.com) for a complete list of holdings.

The Standard & Poor's 500 Index (S&P 500) represents an unmanaged, broad-based basket of stocks and is typically used as a benchmark for overall market performance. The WilderHill Clean Energy Index is a market-weighted index of 53 companies in the cleaner fuel, energy conversion, energy storage, greener utilities, power delivery and conservation, and renewable energy harvesting sectors. The indices' performance figures assume the reinvestment of all dividends (except where noted), but do not reflect the impact of taxes. Additionally, because an investor cannot invest in an index directly, indices' performance figures do not reflect the expenses associated with the management of an actual mutual fund portfolio.

The information provided should not be considered a recommendation to purchase or sell a particular security and there is no assurance that, as of the date of publication, the securities purchased remain in a Fund's portfolio or that securities sold have not been repurchased. Also, you should note that the securities discussed, even if they have been purchased by a Fund, do not represent a Fund's entire portfolio and, in the aggregate, may represent only a small percentage of that Fund's holdings. There can be no assurance that any Firsthand Funds will buy, sell, or hold any particular security after the date referred to in the discussion.