

## 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 March 31, 2017

	Firsthand Alternative Energy Fund	WilderHill Clean Energy Index	S&P 500 Index
Since Inception (10/29/07)	-5.79%	-17.34%	6.93%
5-Year	4.70%	-5.59%	13.26%
3-Year	-8.50%	-16.99%	10.34%
1-Year	3.64%	-0.13%	17.16%
Q1'17 (not annualized)	7.75%	8.99%	6.07%

**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 March 31, 2017

### Top 10 Holdings

1. Power Integrations, Inc.
2. Itron, Inc.
3. Exar Corp.
4. Honeywell International, Inc.
5. TerraForm Power, Inc.
6. Vestas Wind Systems A/S.
7. Cree, Inc.
8. Intevac, Inc.
9. 3M Co.
10. First Solar, Inc.

Percentage of net assets: 47.6%.

The top 10 holdings are current as of March 31, 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	32.6%
Energy Efficiency	12.3%
Semiconductors	12.1%
Other Electronics	11.2%
Industrials	6.8%
Advanced Materials	6.4%
Engineering Service	3.5%
Automotive	3.1%
Electrical Equipment	3.1%
Waste & Environment Service	3.0%
Materials	2.8%
Other	1.3%
Net Cash	1.8%

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 March 31, 2017

Portfolio manager	Kevin Landis	<b>2016 gross expense ratio</b>	<b>2.14%</b>
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	37
Total net assets	\$5.3 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.

## Q1 '17 PORTFOLIO REVIEW

### Contributors to Performance

Photonics company Intevac (IVAC) was the largest contributor to Fund performance for Q1. The company reported solid growth in its thin-film equipment orders, with backlog growth of 139%. Intevac also reported modest growth in its core hard drive business, and its stock finished the quarter up 46.20%.

Electric car company Tesla (TSLA) was another strong performer, reporting a revenue beat for Q4—jumping 88% year-over-year to \$2 billion. Although the company delivered fewer cars than the previous quarter, the total was still up 27% from the year-ago quarter. Tesla also reported record orders for the quarter and its stock finished Q1 up 30.24%. We received shares of Tesla in November 2016 when it acquired residential solar installer SolarCity, and we sold roughly half of those shares during Q1.

Vestas Wind Systems (VWSYF) rounds out the top three performers for the Fund. The turbine maker reported fourth quarter earnings that were in line with expectations, although it warned that total 2017 revenue could be lower than last year. Vestas initially signaled a potential slowdown after the election of Donald Trump, given his support of fossil fuels but the company's stock finished the quarter up 25.57%.

### Detractors from Performance

Solar panel maker First Solar (FSLR) was the biggest detractor from Fund performance during the quarter, with shares down 15.55%. The company reported Q4 results that, while significantly outperforming expectations, represented a steep decline from the year-ago quarter. First Solar reported lower sales in the fourth quarter combined with hefty restructuring costs. The company is reconfiguring its product mix, with an emphasis on a new, larger solar module, which it hopes to begin selling by the end of 2017.

Another detractor was analog circuit designer Power Integrations (POWI). The company reported better-than-anticipated earnings and 16% year over year growth, but issued guidance for flat Q1 revenue and its shares finished the first quarter down 3.10%.

Smart metering company Itron (ITRI) was also a drag on Fund performance, with Q4 earnings that outperformed the year-ago quarter, while year-over-year revenue remained flat. The company announced a \$50 million share buyback late in February, while continuing its restructuring efforts and shares were down 3.42% in Q1.

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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 3/31/17: FSLR (3.58% of ALTEX), ITRI (6.37% of ALTEX), IVAC (3.72% of ALTEX), POWI (7.19% of ALTEX), TSLA (3.23% of TEFQX, 3.15% of ALTEX), ULVAC (2.37% of ALTEX), VWSYF (4.64% of ALTEX). 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.