

## INVESTMENT STRATEGY

The Fund invests primarily in equity securities of high-technology companies in the industries and markets that we believe hold the most growth potential within the technology sector. Due to the Fund's focus on emerging opportunities within the technology sector, its investments tend to include younger companies with market capitalizations in the small- or mid-cap categories.

## TOTAL RETURNS

As of June 30, 2017

	Firsthand Technology Opportunities Fund	NASDAQ Composite Index	S&P 500 Index
Since Inception (9/30/99)	1.39%	5.65%	5.65%
10-Year	10.70%	10.24%	7.17%
5-Year	16.75%	17.47%	14.59%
3-Year	11.47%	13.11%	9.59%
1-Year	42.34%	28.40%	17.89%
Q2'17 (not annualized)	8.41%	4.21%	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. Arista Networks, Inc.
2. Tencent Holdings Ltd.
3. Facebook, Inc.
4. Alibaba Group Holding Ltd.
5. Netflix, Inc.
6. Alphabet, Inc.
7. Amazon.com, Inc.
8. Equinix, Inc.
9. Nutanix, Inc.
10. Workday, Inc.

Percentage of net assets: 65.6%

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.

## FUND FACTS

As of June 30, 2017

Portfolio manager..... Kevin Landis	<b>2016 gross expense ratio..... 1.86%</b>
Portfolio manager tenure..... Since inception	2016 net expense ratio..... 1.85%
Inception..... 9/30/99	Sales load..... None
Ticker symbol..... TEFQX	Redemption fee..... None
CUSIP..... 337941504	Number of companies..... 29
Total net assets..... \$ 95.3 million	2016 portfolio turnover..... 18%

The Fund's total gross operating expenses are 1.86%. The Fund's total net operating expenses are 1.85%. Under the Investment Advisory Agreements, the Investment Adviser has agreed to reduce its fees and/or make expense reimbursements so that the Fund's total operating expenses (excluding independent trustees' compensation, brokerage and commission expenses, litigation costs and any extraordinary and non-recurring expenses) are limited to 1.85% of the Fund's average daily net assets up to \$200 million, 1.80% of such assets from \$200 million to \$500 million, 1.75% of such assets from \$500 million to \$1 billion, and 1.70% of such assets in excess of \$1 billion. The current expense waiver is in effect until 8/31/18.

### Holdings by Industry

Internet .....	39.4%
Networking.....	20.3%
Social Networking .....	11.6%
Software .....	7.9%
Communications .....	5.1%
Automotive.....	3.8%
Semiconductors .....	2.6%
Advertising Technology .....	1.9%
Other .....	2.7%
Net Cash.....	4.7%

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.

**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

The top contributor to Fund performance for the second quarter was Chinese Internet giant, Tencent Holdings (TCEHY). Shares of Tencent finished the second quarter up 24.74% following record Q1 sales and profits. The company has more than 1 billion users on its WeChat and QQ platforms, and it continues to add gaming titles as well as create original programming. Tencent is also venturing into movies, helping to finance the recent blockbuster *Wonder Woman*.

Despite a Q1 earnings miss, Alibaba (BABA) was another strong contributor to performance during the quarter. Like Amazon (AMZN), Alibaba's core business is e-commerce, but also like its American counterpart, the Chinese online marketplace giant is expanding into cloud computing, big data, and entertainment. The company also announced a \$6 billion share buyback over the next two years and finished Q2 up 30.67%.

Another top performer for the Fund was Arista Networks (ANET), which posted better-than-expected revenue and earnings for Q1. The cloud networking company's revenue was up 38.5% year-over-year, news that helped shares finish the second quarter up 13.25%.

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

Marketing platform provider Rocket Fuel (FUEL) was the largest detractor from Fund performance in Q2, with shares falling 48.69%. In May the company reported lower-than-expected revenue for the first quarter as it transitions clients from its "Media Services" business to its "Platform Solutions" business.

Streaming music company Pandora (P) was another detractor from performance for Q2. The company announced disappointing Q1 revenues, although its reported losses were lower than anticipated. Despite announcing during the quarter that it received \$150 million in new investment money from venture capital giant KKR, shares of Pandora finished the second quarter down 24.47%.

Chip maker Ambarella (AMBA) reported fiscal Q1 2018 results in early June, with revenue and earnings topping estimates. However, the company's forward guidance fell below expectations for Q2 and shares finished the quarter down 11.26%.

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### RISKS

Firsthand Technology Opportunities 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 certain industries in the technology sector. Specific risks associated with investments in the technology industries (as described in the Fund's Prospectus) 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 technology sector 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.

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As of 6/30/17: AMBA (2.04% of TEFQX), AMZN (5.08% of TEFQX), ANET (11.79% of TEFQX), BABA (5.91% of TEFQX), FUEL (1.90% of TEFQX), P (1.87% of TEFQX), TCEHY (9.95% of TEFQX), TSLA (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 NASDAQ Composite Index (NASDAQ), and the Standard & Poor's 500 Index (S&P 500) each represent an unmanaged, broad-based basket of stocks and are typically used as benchmarks for overall market performance. 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.

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