

Firsthand Technology Opportunities Fund

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 12/31/17

	Firsthand Technology Opportunities Fund	NASDAQ Composite Index	S&P 500 Index
Since inception (9/30/99)	2.50%	6.20%	6.12%
10-Year	12.81%	11.35%	8.48%
5-Year	19.87%	19.50%	15.77%
3-Year	19.78%	14.83%	11.40%
1-Year	55.45%	29.73%	21.82%
Q4 '17 (not annualized)	9.91%	6.57%	6.64%

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.

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.

Fund Facts as of 12/31/17

Portfolio Manager	Kevin Landis	2017 Gross Expense Ratio	1.86%
Manager Tenure	Since Inception	2017 Net Expense Ratio	1.85%
Inception	9/30/99	Sales Load	None
Ticker	TEFQX	Redemption Fee	None
Cusip	337941504	Number of Companies	28
Net Assets	\$ 124.5M	2017 Portfolio Turnover	19%

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 as of 12/31/17

Top 10

1. Arista Networks, Inc.	13.3%
2. Tencent Holdings Ltd.	10.2%
3. Nutanix, Inc.	7.1%
4. Facebook, Inc.	6.4%
5. Netflix, Inc.	5.4%
6. Alibaba Group Holding Ltd.	4.9%
7. Amazon.com, Inc.	4.7%
8. Equinix, Inc.	3.7%
9. Alphabet, Inc.	3.4%
10. Guidewire Software, Inc.	3.3%

Percentage of net assets	62.4%
---------------------------------	--------------

By Industry

Internet	33.9%
Networking	23.9%
Software	10.4%
Social Networking	7.9%
Communications	4.1%
Semiconductors	3.9%
Automotive	2.5%
Other	4.4%
Net Cash	9.0%

The top 10 holdings are current as of December 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. 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.

Portfolio Commentary for Q4 2017

Contributors

Firsthand Technology Opportunities Fund (TEFQX) outperformed its primary benchmarks, returning 9.91% for the third quarter, compared with 6.57% and 6.64% gains for the Nasdaq Composite and the S&P 500 indices, respectively. Nutanix (NTNX) was the Fund's top contributor in Q4 thanks to fiscal first-quarter financials that beat Wall Street expectations. Revenue for the hyperconverged infrastructure provider was up 46% year-over-year. Nutanix added several major customers during its fiscal Q1, including ConocoPhillips, Scholastic, and Toyota Motor North America. Shares of Nutanix finished Q4 up 57.57%.

Arista Networks (ANET) trounced analyst expectations, with earnings and revenues up 94.1% and 50.8% year-over-year, respectively, in Q3. The network switching provider is seeing strong demand for its 100-gigabit routing/switching products as it continues to take market share from Cisco (CSCO). Arista shares gained 24.24% during the fourth quarter.

Tencent Holdings (TCEHY) also soundly beat Wall Street expectations for Q3 with profits up 69% year-over-year. The company's gaming business was largely responsible for the growth--Honour of Kings was one of the top-grossing mobile apps in 2017. Additionally, the company's WeChat and QQ messaging apps combined to reach 980 million monthly users. Tencent shares finished Q4 up 20.75%.

Detractors

Streaming music company Pandora (P) was the largest detractor from Fund performance in Q4. Although subscription revenue grew 50% year-over-year, the company saw its shares slide on a Q3 earnings and revenue miss. Shares of Pandora fell 37.40% in Q4.

Cloud communications platform Twilio (TWLO) was another drag on Fund performance during the quarter, with shares down 20.94%. The company reported Q3 financials that exceeded expectations but earnings were down significantly year-over-year.

Tesla Motors (TSLA) was another disappointing performer in Q4, as the electric car maker struggled with production bottlenecks on the Model 3 sedan. The company also reported larger-than-expected losses for Q3. During the fourth quarter, Tesla terminated several hundred employees and is facing a United Auto Workers complaint as a result. Shares of Tesla finished the quarter down 8.72%.

Chinese online giant Baidu (BIDU) was also a detractor from Fund performance, finishing the quarter down 5.44%. The company reported a Q3 revenue miss and lowered Q4 guidance.

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

Equity investing involves risks, including the potential loss of the principal amount invested. Firsthand Funds are subject to greater risk than more diversified funds.

As of 12/31/17: AMZN (4.70% of TEFQX), ANET (13.25% of TEFQX), BIDU (2.82% of TEFQX), NTNX (7.09% of TEFQX), P (0.77% of TEFQX), TCEHY (10.23% of TEFQX), TSLA (2.50% of TEFQX), TWLO (1.71% of TEFQX). As of 12/31/17, CSCO, COP, SCHL, and TM were not held in any Firsthand Funds portfolio. A complete list of portfolio holdings for Firsthand Funds is available on 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 for a complete list of holdings.

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.

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. Read the prospectus carefully before investing or sending money.