



# FIRSTHAND ALTERNATIVE ENERGY FUND

Q3 '11 Data Sheet

## 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.

## FUND FACTS

September 30, 2011

Portfolio manager .....	Kevin Landis
Portfolio manager tenure.....	Since inception
Inception.....	10/29/07
Ticker symbol.....	ALTEX
CUSIP.....	337941827
2010 gross expense ratio .....	2.10%
2010 net expense ratio .....	1.98%
Sales load.....	None
Redemption fee.....	None
Total net assets.....	\$ 4.0 million
Number of companies .....	38
2010 portfolio turnover .....	58%

**The Fund's total 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.

## TOTAL RETURNS

September 30, 2011

	FIRSTHAND ALTERNATIVE ENERGY FUND	S&P 500 INDEX	WILDERHILL CLEAN ENERGY INDEX
Q3 '11 (not annualized)	-37.36%	-13.87%	-39.21%
1-Year	-37.28%	1.14%	-44.19%
3-Year	-18.00%	1.23%	-27.88%
Since Inception (10/29/07)	-17.91%	-5.50%	-32.51%

**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

September 30, 2011

### TOP TEN HOLDINGS\*

1. Meyer Burger Technology AG
2. GT Advanced Technologies, Inc.
3. Power Integrations, Inc.
4. Honeywell International, Inc.
5. ADA-ES, Inc.
6. Echelon Corp.
7. Intevac, Inc.
8. Hanwha SolarOne, Ltd.
9. SunPower Corp.
10. Corning, Inc.

**Percentage of net asset: 39.2%**

### NET HOLDINGS BY INDUSTRY\*\*

Renewable Energy .....	39.8%
Energy Efficiency.....	9.2%
Advanced Materials .....	7.4%
Other Electronics.....	5.3%
Semiconductors.....	4.4%
Environmental Services .....	3.6%
Other .....	3.4%
Battery.....	2.6%
Industrials.....	2.3%
Power Conversion/Supply Equipment	1.8%
Net Cash .....	20.2%

**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.

\* The top 10 holdings are current as of September 30, 2011, 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.

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## Q3 PORTFOLIO REVIEW

### CONTRIBUTORS TO PERFORMANCE

It was a difficult quarter for solar stocks. The Solyndra bankruptcy announcement at the end of August came as a shock to many investors and the entire solar industry felt the hit, with the WilderHill Clean Energy Index sliding to a -39.21% return for the quarter. While some portfolio holdings performed better than the benchmark, none managed a positive return.

### DETRACTORS FROM PERFORMANCE

GT Solar (GTAT) was one of the largest detractors from fund performance, down 56.67% for the period. There was some good news, with the announcement of the purchase of Confluence Solar. The company hopes the acquisition will help lower the production costs of its monocrystalline solar ingots. Nonetheless, weak demand and pricing cuts in the solar industry are taking a toll on solar stocks across the board.

JA Solar (JASO) was another underperformer. The weak industry demand combined with worse-than-expected Q2 losses led shares of the PV module maker down 67.93%.

Trina Solar (TSL) suffered along with the entire industry during Q3, but there was extra downward pressure on Chinese solar stocks on the news of possible trade enforcement action against China by the United States. This, along with lower-than-expected Q2 results and a lowered full-year outlook helped send shares down 72.88%. Similar earnings trouble led Hanwha Solar (HSOL) to finish the quarter down 62.23%. While Chinese solar module maker JinkoSolar (JKS) reported surging second-quarter revenues and profits, a toxic chemical leak at one of the company's plants had a devastating impact and helped lead shares down 81.67%.

Wafer equipment manufacturer Meyer Burger Technology AG (MBTN.SW) has struggled in the face of declining demand for solar capital equipment. The company finished the quarter down 37.01%.

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.

As of 9/30/11, the following companies were represented in Firsthand Fund portfolios: GTAT (5.57% of ALTEX), HSOL (3.02% of ALTEX), JASO (2.88% of ALTEX), JKS (0.97% of ALTEX), MBTN.SW (6.42% of ALTEX), TSL (2.21% 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 58 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.

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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