



# FIRSTHAND TECHNOLOGY LEADERS FUND

Q3 '11 Data Sheet

## INVESTMENT STRATEGY

The Fund invests primarily in securities of high-technology companies that we believe hold dominant competitive positions in high-growth industries and tends to have the most concentrated portfolio of investments and the greatest exposure to large-cap technology companies.

## FUND FACTS

September 30, 2011

Co-manager .....	Kevin Landis
Tenure.....	Since inception
Co-manager .....	Nick Schwartzman
Tenure.....	Since 4/30/10
Inception.....	12/10/97
Ticker symbol.....	TLFQX
CUSIP.....	337941306
2010 gross expense ratio .....	1.86%
2010 net expense ratio .....	1.85%
Sales load.....	None
Redemption fee.....	None
Total net assets.....	\$ 28.2 million
Number of companies .....	18
2010 portfolio turnover .....	37%

**The Fund's total 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.

## TOTAL RETURNS

September 30, 2011

	FIRSTHAND TECHNOLOGY LEADERS FUND	S&P 500 INDEX	NASDAQ COMPOSITE INDEX
Q3 '11 (not annualized)	-3.98%	-13.87%	-12.69%
1-Year	0.42%	1.14%	2.99%
3-Year	5.02%	1.23%	5.99%
5-Year	-0.04%	-1.18%	2.30%
10-Year	3.30%	2.81%	5.67%
Since Inception (12/10/97)	4.99%	2.88%	3.57%

**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. Apple, Inc.
2. Microsoft Corp.
3. Intel Corp.
4. Symantec Corp.
5. SanDisk Corp.
6. Google, Inc.
7. QUALCOMM, Inc.
8. Cisco Systems, Inc.
9. Oracle Corp.
10. NVIDIA Corp.

### NET HOLDINGS BY INDUSTRY\*\*

Semiconductors.....	9.0%
Software .....	8.4%
Computer .....	7.4%
Communications Equipment.....	4.9%
Other .....	3.1%
Internet .....	2.7%
Semiconductor Equipment .....	2.3%
Networking .....	2.2%
Advanced Materials .....	1.8%
Net Cash .....	58.2%

**Percentage of net asset: 31.0%**

**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

The largest contributor to fund performance during the quarter was Apple (AAPL). Despite the loss of Steve Jobs, the company continued to outperform in Q3. Analysts had predicted close to \$25 billion in revenue, which Apple handily beat, reporting \$28.6 billion, with a net profit of \$7.79 per share, helping the stock finish up 13.6%.

Another positive contributor was Internet search giant Google (GOOG), which was up 1.71% during the quarter. Google's Q2 revenue was \$9 billion, a 32% increase over Q2 2010, and a new record for the company.

#### DETRACTORS FROM PERFORMANCE

One of the largest detractors from fund performance this quarter was LG Display (LPL). In July, the South Korean flat-panel display maker announced a quarterly loss and a downward revision of capital expenditures, which combined with weak demand from TV manufacturers to send the stock down 41.99%. Similarly, shares of glass panel manufacturer Corning (GLW) fell 31.67% in Q3, in large part due to the company slashing its forecast and warning that major manufacturers are concerned about weak holiday TV sales.

LM Ericsson (ERIC) saw strong results in its networking business but weak results in mobile phone segment. The company has continued to benefit from strong demand for mobile broadband, thanks to the growing popularity of smartphones and tablet computers. Nonetheless, the company has been cutting staff and reported in July that restructuring costs have been higher than anticipated and ended the quarter down 33.59%.

Weak DRAM prices helped send shares of memory maker Micron (MU) down in Q3, with the company reporting a \$135 million loss in their fiscal fourth quarter. Micron finished the quarter down 32.62%.

Despite announcing in July that fiscal 2012 Q1 earnings beat Street estimates, shares of computer security firm Symantec (SYMC) slid 17.34% in Q3. This was due in part to softer-than-expected corporate spending forecasts.

Firsthand Technology Leaders 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 sector (as described in the prospectus) could cause the Fund's share price to fluctuate dramatically. 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.

As of 9/30/11, the following companies were represented in Firsthand Fund portfolios: AAPL (7.42% of TLFQX, 4.30% of TEFQX), ERIC (2.15% of TEFQX, 1.35% of TLFQX), GLW (2.91% of ALTEX, 1.75% of TLFQX), GOOG (2.73% of TLFQX), LPL (1.15% of TLFQX), MU (1.34% of TLFQX), SYMC (2.89% of TLFQX). 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.

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