



The Quarterly Newsletter of Firsthand Technology Value Fund, Inc.

TAPAD

Tapad Announces Record Year, 94% Growth in Q1

Tapad closed out 2014 with record revenues and client growth and started 2015 with a stellar Q1 that beat Q1 '14 by 94%. Tapad is poised to capitalize on that growth with its latest funding round—\$18.5 million to help it expand its product offering and increase its licensing business. Firsthand Technology Value Fund participated in the financing round, alongside FirstMark Capital, Avalon Ventures, Blue Cloud Ventures, Silicon Valley Bank, and others.

Tapad also recently announced a partnership with location analytics leader Placed, whose software helps measure the impact of digital ads on in-store visits. In addition to providing data on the conversion rate associated with online ads, Placed offers location-based data to improve ad targeting.



San Diego's Scripps Health has begun using IntraOp's Mobetron for treating certain types of breast cancer. The Mobetron delivers electron radiation therapy during surgery, which delivers one week's worth of radiation in as little as one minute. As of May 31, 2015, IntraOp represented 12.9% of the Fund's portfolio.

Fund Adds Three Late-Stage Companies

SVVC has recently added three late-stage technology companies to its venture portfolio: Cloudera, Nutanix, and Roku. These portfolio additions complement existing late-stage companies, including Gilt Groupe, Jawbone, Sunrun, and Turn (see chart on page 3), and provide the Fund with additional near-term exit opportunities. Each of the new portfolio additions is profiled on page 2.



RECENT PORTFOLIO ADDITIONS



Cloudera is a leader in “big data” software-- software that is used to store, process, and analyze extremely large data sets. The company’s platform is based on Apache Hadoop, which is open-source software designed to handle the avalanche of data being created and stored today. Cloudera recently reported that total revenues for its 2015 fiscal year (ended January 31, 2015) were in excess of \$100 million. This figure is more than double the \$46 million in calendar year 2014 revenues reported by publicly traded Hortonworks (NASDAQ: HDP), one of Cloudera’s largest competitors in the Hadoop market.

During fiscal 2015, Cloudera’s subscription software revenue grew more than 100%, and enterprise subscription software customers grew by more than 85% to 525. Cloudera’s current customers include Disney, eBay, Experian, Master Card, Samsung, and Western Union.

Nutanix is a provider of so-called “hyperconverged” data center equipment that merges computing, storage, and networking capabilities into a single piece of equipment. The company’s products offer corporate customers access to technologies similar to those used by Google, Amazon, and Facebook in their own data centers. The company’s many customers include: AT&T, Best Buy, ebay, Honda, New York Life, PWC, and the U.S. Army.



Recently, market research firm IDC named Nutanix the worldwide market share leader in this fast-growing segment of the equipment market, with a 52% share of hyperconverged revenue in the first half of 2014. The company disclosed in February 2015 an annualized bookings run rate of more than \$300 million, based on the results from its fiscal second quarter ended January 31, 2015. In April 2015, Reuters reported that Nutanix was in talks to hire underwriters for an initial public offering (IPO) later this year.

With the ranks of consumers shunning cable and satellite TV growing by the day, Roku is on a roll. The company makes Internet streaming devices that enable consumers to access streaming content through their television. Roku channels offer both free and premium programming, and current offerings include PBS, YouTube, Netflix, Hulu Plus, Amazon Instant Video, HBO Go, Sling TV, and others.



In September 2014, the company announced that cumulative U.S. sales of Roku players had reached 10 million. And in March 2015, Roku received the Frost & Sullivan Market Leadership Award for excellence in capturing the highest market share within its industry. According to the Frost & Sullivan’s research, Roku accounts for more than 33% of global Internet streaming devices sold. While the company has not announced plans to go public, IPO rumors have surrounded the company for quite some time.

STAGES OF INVESTMENT

The Fund invests in companies at various stages of maturity. As our portfolio companies mature, they move from the “early / development stage” to the “middle / revenue stage” and then to the “late stage.” We expect that this continuous progression may create a pipeline of potential exit opportunities through initial public offerings (IPOs) or acquisitions. Of course, some companies do not progress. This chart represents holdings as of 5/31/15.

Early Stage

Developing product or service for market, high level of research and development, little or no revenue.



Middle Stage

Established product, customers, business model; limited revenues.



Late Stage

Appreciable revenue; break-even or profitable; IPO or acquisition candidate.





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Sunrun Planning an IPO?

In March, the *Wall Street Journal* reported that Sunrun was preparing for an IPO, reportedly with the help of with Credit Suisse Group AG and Goldman Sachs Group. The *Wall Street Journal* had previously reported that Sunrun was valued at \$1.3 billion as of March 2014. The IPO news came on the heels of a January announcement that Sunrun had secured \$195 million in financing that will be used to support the continued growth of Sunrun’s residential solar business.

Sunrun is often compared to SolarCity, an earlier holding of the Fund that went public in 2012. The Fund realized a 157% realized gain when it exited its position in July 2013.

Top Holdings As of 5/31/15*

IntraOp Medical Corp.	12.9%
Pivotal Systems, Inc.	10.7%
Turn, Inc.	7.8%
Mattson Technology, Inc.	6.6%
QMAT, Inc.	6.2%

* *Estimated net assets as of May 31, 2015 represent preliminary net assets of approximately \$192 million as of March 31, 2015 plus the net change in realized and unrealized gains/losses on publicly traded securities since March 31, 2015. For the purposes of calculating the percentage of net assets represented by each investment, the value of each holding is determined by the most recent of: (1) the purchase price, (2) the market value for public securities, less any discounts taken due restrictions on the stock, or (3) the March 31, 2015 fair value of each security, as determined by our Board of Directors. Not all investments have been or will be as profitable as those discussed. Investing in SVVC’s shares involve considerable risk of loss. Please carefully read SVVC’s public filings before investing. The portfolio company news reported in this newsletter does not mean that SVVC’s investments will be profitable or avoid a loss.*



SVVC Launches Twitter Presence

The Fund is on Twitter [@FirsthandSVVC](#). Follow us to keep up with the latest Fund news, including holdings updates, and the latest on our portfolio companies.

Red Herring’s Top 100 Private Companies

Red Herring released its list of the Top 100 Private Companies of North America on June 1 and two Fund holdings were recognized: semiconductor technology company Pivotal Systems and multiscreen-as-a-service pioneer Phunware.

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