



The Quarterly Newsletter of Firsthand Technology Value Fund, Inc.

Turn Acquisition Announced

In late February, Turn announced it had agreed to be acquired by Amobee, a subsidiary of Singtel, one of the largest mobile network operators in Singapore. The acquisition represents the Fund's fourth M&A exit in the past year, following Gilt Groupe, Tapad, and Mattson in 2016.

Turn is an advertising technology company and a leader in platform-based mobile, video, display, and Facebook advertising. It's one of the Fund's largest investments, representing 6.9% of the portfolio as of December 31, 2016.

The Fund's initial investment in Turn was made in December 2013 and its total investment in the company is approximately \$15.6 million. Amobee is purchasing Turn for \$310 million. The Fund's final proceeds from the sale have not yet been determined; the transaction is subject to regulatory approval and standard closing conditions and is expected in the first half of this year.

We currently expect that the Fund may realize a nominal gain on the investment.



Record Year for Roku

Television streaming pioneer Roku continues to solidify its position as the dominant video streaming platform in the industry, announcing a record 9 billion hours of video and music streaming in 2016. The company also experienced record growth, with nearly \$400 million in revenue for the year.

According to Nielsen, Roku accounts for nearly half (48%) of all active streaming players in the United States, as of December 2016.

As of December 31, 2016, the Fund holds 1.5 million shares of Roku with a fair market value of approximately \$1.7 million.



Cloudera Nearing IPO?

According to media reports, big-data company Cloudera has hired underwriters for an initial public offering. While details have not been announced, Bloomberg and other outlets are reporting that sources say the offering could happen this year.

As of December 31, 2016, the Fund holds 20,000 shares of Cloudera common stock with a fair market value of approximately \$250,000.

2017 Shareholder Meeting

The Fund's annual shareholder meeting will be held on Tuesday, May 23, at the Hilton San Jose Hotel at 300 Almaden Blvd. in San Jose, California. The meeting will begin at 2:00 p.m. Pacific Time.

Shareholders will receive the Fund's 2016 Annual Report as well as proxy materials in mid-April. Materials will also be available on the Fund's website (www.firsthandtvf.com) in late March.

Your vote is important to us. Please cast your vote in a timely manner by following the instructions on the proxy card enclosed with your Annual Report.



Top Holdings

As of 2/28/17*

Company

% Est.

IntraOp Medical Corp.	20.2%
Pivotal Systems, Inc.	16.4%
QMAT, Inc.	8.7%
Nutanix, Inc.	8.2%
Wrightspeed, Inc.	7.0%

* Estimated net assets as of February 28, 2017, represent net assets of approximately \$149 million as of December 31, 2016, plus the net change in unrealized appreciation/depreciation and realized gains/losses on publicly traded and private securities since December 31, 2016. 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 December 31, 2016, fair value of each security, as determined under procedures approved 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.

New Investment in Revasum

The Fund made an initial investment of approximately \$2.2 million in semiconductor equipment manufacturer Revasum in November 2016. The company will focus on development of CMP (a polishing process) and grinding technology used primarily for wafers sizes of 200mm and below.

The Internet of Things (IoT), power conversion, radio frequency communications, micro-electrical-mechanical systems (MEMS), and LEDs are all contributing to a resurgence in demand for 200mm equipment.

We believe that semiconductor equipment and materials lie at the core of the global electronics industry and feel that Revasum is in the right place at the right 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 12/31/16 and does not include public companies.

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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