



## The Quarterly Newsletter of Firsthand Technology Value Fund, Inc.

### Record Revenue and New Funding Round for Pivotal Systems



Pivotal Systems, a Fund holding since 2012, reported record revenues and bookings for the third quarter of 2016, thanks to the accelerating adoption of the company's Gas Flow Controller™ (GFC) technology by leading semiconductor companies. The company also noted that it already has received multiple repeat orders for its new line of High Flow Controllers, signifying rapid customer acceptance of the new products.

"While the numbers for the most recent quarter are impressive, we believe Pivotal has only scratched the surface; the market for mass flow controllers is widely reported to be in the hundreds of millions of dollars per year," noted Kevin Landis, the Fund's CEO. "The company's business has reached an inflection point and the new high-flow products have effectively doubled the size of the potential market for GFCs."

In October, Pivotal also announced the closing of an \$8 million investment round, which the Fund participated in. Pivotal will use part of the proceeds from the funding to expand the company's manufacturing capacity with a new facility in Asia.

### Nutanix IPO

Hyperconverged data center equipment company Nutanix (NTNX) completed its initial public offering (IPO) on September 30, 2016. The IPO was priced at \$16 per share and closed its first day of trading at \$37.

"In what has been a challenging environment for tech IPOs, we are excited about the successful public debut for Nutanix," stated Kevin Landis, Firsthand's CEO. "This marks the 7th IPO for our fund since its inception in 2011 and follows the successful exits of Mattson and Tapad earlier this year."

The Fund holds 459,772 shares of Nutanix common stock as of September 30, 2016, at an approximate average cost of \$16.04 per share. The Fund's shares are subject to a customary 180-day lockup provision.

### Fund Completes Share Repurchase

In September 2016, the Fund completed the share repurchase plan approved by the Fund's Board of Directors in April of this year.

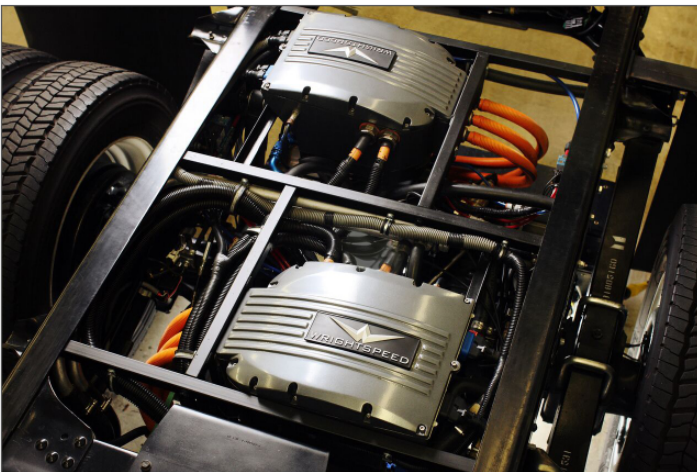
The Fund repurchased and retired a total of 272,008 shares of stock, at a total cost of approximately \$2 million. As of September 30, 2016, the Fund had 7,430,697 shares outstanding.

# PORTFOLIO UPDATES

## Wrightspeed Expands Exec Team

In October, Wrightspeed announced an expansion of its executive team, hiring four industry veterans as it seeks to expand its market reach. The new team includes chief business officer Tim Dummer, Greg Anderson as VP of manufacturing, supply chain director Erin Sawyer, and Vlad Kalika as director of engineering.

In early November, Wrightspeed delivered its first electric refuse truck to the Ratto Group, a waste collection and recycling company in northern California. The company has a contract to deliver an additional 15 vehicles over the next 12 months.



## Top Holdings As of 10/31/16\*

Company	% Est. Net Assets
IntraOp Medical Corp. ....	18.3%
Pivotal Systems, Inc. ....	16.7%
Wrightspeed, Inc. ....	7.6%
Nutanix, Inc. ....	6.5%
Turn Inc.....	5.9%

\* Estimated net assets as of October 31, 2016, represent net assets of approximately \$155 million as of September 30, 2016, plus the net change in unrealized appreciation/depreciation and realized gains/losses on publicly traded and private securities since September 30, 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 September 30, 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.

## IntraOp Medical Announces Improved Outcomes in Pancreatic Cancer Treatment

A recently article in the *American Journal of Clinical Oncology* described the results of a study by Harvard and Massachusetts General Hospital researchers on the effects of electron intraoperative radiation therapy (also known as electron IORT) on pancreatic cancer outcomes. The study compared outcomes using surgery plus IORT versus surgery alone. Results of the study showed that IORT was associated with improved median overall survival rates: 35.1 months compared with 24.5 months, respectively.

IntraOp CEO Bruce Khouri notes that "As chemotherapy and other systemic treatments continue to evolve, we expect electron IORT to play a larger role as a critical adjunct during surgery. We remain confident that a multimodality, multidisciplinary approach to treatment will result in improved survival rates and quality of life for patients struggling with cancer."



# 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 9/30/16 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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