



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

### Wrightspeed Announces Partnership

Wrightspeed announced a partnership with AxleTech International, a heavy-duty specialty drivetrain manufacturer headquartered in Michigan. AxleTech will provide axles to Wrightspeed, which will incorporate its high-power drive gear for its Route REV powertrain.

Wrightspeed is one of the Fund's largest holdings, representing 7.5% of the portfolio as of June 30, 2017.



### New Investment in SVXR

The Fund initiated a position in Silicon Valley X-Ray (SVXR) in Q1. The company makes semiconductor inspection tools that are designed to have the resolution and speed necessary for high yields and high reliability. The company's technology offers several advantages over competitors, including extreme sensitivity to defects, faster inspection speeds, and a large field of view.



### Turn Acquisition Complete

The Turn acquisition was completed in April and the Fund has received approximately \$13.5 million in cash proceeds from the sale of the ad tech company to Amobee. The Fund's cost basis in Turn, an advertising technology company, was approximately \$15.6 million.

We expect to receive additional consideration at a later date and, if certain conditions are met, the Fund may break even or achieve a nominal gain on the investment. The closing of the sale of Turn marks the fourth M&A exit for the Fund since the beginning of 2016, following those of Gilt Groupe, Tapad, and Mattson Technology.

## Roku Readies IPO



The *Wall Street Journal* has reported that Internet TV giant Roku is preparing for an IPO later this year. Morgan Stanley and Citigroup are among the underwriters and Roku is rumored to be seeking a \$1 billion valuation.

The IPO news comes just as the company announced it had hit 15 million monthly active users in the first half of 2017 (two million more than the same period last year). Additionally, research firm eMarketer predicts Roku will be the most-used connected device in 2017—beating Google's Chromecast, Amazon's Fire TV, and Apple TV.

The Fund's position in Roku was initiated in 2015. As of June 30, 2017, the fair market value of our shares is approximately \$1.7 million.

## Cloudera IPO

Cloudera completed its initial public offering in late April. The IPO was priced at \$15 per share, which raised \$225 million for the big data software company. Shares closed up 20% on the first day of trading. The Fund's 20,000 shares of Cloudera are subject to a standard 180-day post-IPO lockup.

## 2017 Shareholder Meeting

**September 26, 2017**  
2:00 PM Pacific Time  
San Jose Hilton Hotel  
300 Almaden Blvd.  
San Jose, CA 95110

## Top Holdings As of 6/30/17

Company	% Preliminary Net Assets
Pivotal Systems Corp. ....	18.7%
IntraOp Medical Corp. ....	16.5%
QMAT, Inc. ....	10.3%
Wrightspeed, Inc. ....	7.5%
Nutanix, Inc. ....	6.6%

\* The Fund's preliminary net assets as of June 30, 2017 also include cash and cash equivalents of approximately \$1.48 per share. As of that date, the Fund's top five holdings constituted 59.6% of the Fund's preliminary net assets. Complete financial statements and a detailed schedule of investments for Q2 are available with the Fund's quarterly report filing on Form 10-Q. 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 Water Filtration

Rorus is an early-stage company based in Pittsburgh, Pennsylvania, that makes portable and household water filters that are cost effective and simple to use. The company's aim is to make clean drinking water available to everyone—including those in developing countries who cannot afford bottled water or expensive purifiers.

The Rorus Filter Pack (pictured) has a 20 liter carrying capacity and a cartridge life of 3,000 liters (enough to sustain a family of six for six months) and exceeds EPA and World Health Organization standards.

The Fund made its initial investment of \$50,000 during the fourth quarter of 2016.



# 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 6/30/17 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.



\* On July 13, 2017, we received a Notice of Assignment for the Benefit of Creditors from Aliphcom (dba Jawbone). The notice explains that Jawbone's assets are being liquidated and the company is being wound down.