Firsthand Funds' Poor Performance History

New York, New York City, May 4, 2021 (Issuewire.com) - Don Chambers, a shareholder of Firsthand Technology Value Fund, Inc. (Nasdaq: SVVC) today stated: "The disastrous returns that shareholders have received from investing in SVVC raise the question of whether the poor performance has been caused by the manager's bad luck or by the manager's lack of skill. "

Dr. Chambers continued: "In order to answer this question, I examined the returns of other Firsthand funds to see if SVVC's poor performance was an aberration. It appears that it wasn't an aberration."

Dr. Chambers continued "It appears, according to an SAI from 6/20/2005, that Firsthand Funds was previously known as "Interactive Investments Trust". Chambers said that his research based on "Firsthand Funds Report to Shareholders 2001" indicates that there were six Firsthand funds in existence than with well over $4 billion dollars in 12/31/2000 net assets:

Technology Value Fund: $3,030,769,282
Technology Leaders Fund: $ 517,231,353
Technology Innovators Fund: $ 300,438,528

The Communication Fund: $ 261,158,997
The e-Commerce Fund: $ 216,546,298
Global Technology Fund: $ 125,290,007

But then disaster hit as Firsthand's largest fund (Firsthand Technology Value Fund) posted a devastating -44.0% return for 2001 (when the NASDAQ dropped 20.8% and the S&P 500 dropped 11.9%). Losses at other Firsthand Funds included a -60.7% return for the Communication Fund, a -49.8% return for the e-Commerce Fund, and a -41.3% return for the Global Technology Fund.

Dr. Chambers continued: "Firsthand Fund's website (accessed 4/29/21) appears to show only three listed funds as being offered in 2021" with combined net assets of less than $0.5 billion – almost a 90% decline since 12/31/2000 :

- Firsthand Technology Value Fund (SVVC)
  2. Firsthand Technology Opportunities Fund (TEFQX)
  3. Firsthand Alternative Energy Fund (ALTEX)

  Dr. Chambers concludes "It appears likely that the decline in the number of listed Firsthand funds and the assets under management of those funds has been caused by poor performance." Dr. Chambers stated: "Firsthand's website appears to indicate that TEFQX's average annual return since inception through 3/31/2021 was only about 7%. ALTEX's average return was only about 3%."

  Chambers noted: "SVVC's performance has been even worse – much worse. SVVC's 2020 annual report indicates that, since SVVC's inception, the return from investing $10,000 would be a decline of about 78% to $2,190 -- over a time period in which $10,000 invested in the S&P 500 would rise to an estimated $34,747."

Chambers concludes: "Firsthand Funds' management has a history of chasing hot sectors, generating poor long-term performance, and creating new Fund names that appear to be attractive to investors. It appears that the problem is not bad luck – it is bad management".

Mr. Chambers noted: "Last year I submitted a shareholder proposal at SVVC's annual meeting requesting that SVVC's Board liquidate or terminate the Fund at or near its NAV. The proposal was overwhelmingly approved by shareholders, but it appears to have been ignored by SVVC. I have submitted a new shareholder proposal for the next annual meeting (scheduled for May 25, 2021) to terminate all investment advisory and management agreements between the Fund (SVVC) and Firsthand Capital Management, Inc."

Mr. Chambers concluded: "It appears that Firsthand Capital Management, Inc. has failed SVVC shareholders and that it is in the best interest of all shareholders to terminate the relationship between the Fund and Firsthand Capital Management. I intend to vote in favor of the proposal to terminate all investment advisory and management agreements between SVVC and Firsthand Capital Management. Termination of the existing contract seems to me to be the only path that will allow shareholders to reverse SVVC's devastating performance."

Mr. Chambers noted: "for more details on the numbers that I used in this press release, please visit the following web sites: https://firsthandfunds.com for recent data, for the SAI: https://www.sec.gov/Archives/edgar/data/917124/000100329705000193/firsthand1.htm and for the 2000-2001 data https://www.sec.gov/Archives/edgar/data/917124/000091205702008370/a2072229zn-30d.txt."

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Source : Concerned Firsthand Technology Value Fund (SVVC) shareholders

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