

Granahan Investment Management, Inc.

PHILOSOPHY:

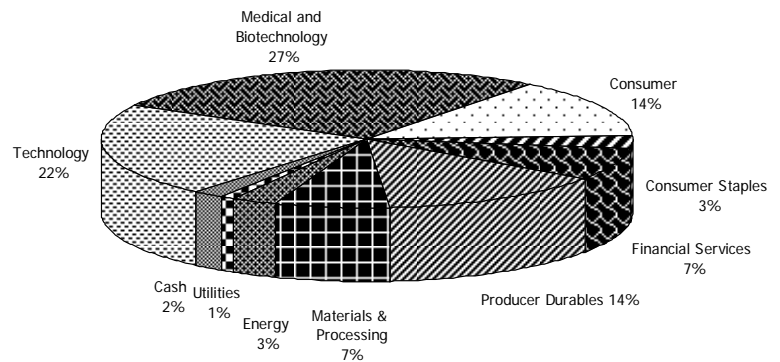
Small Cap Core Growth Product March 31, 2010

Granahan Investment Management ("GIM") believes that earnings drive stock prices, and that small dynamic companies with exceptional growth prospects provide the greatest potential for superior long-term performance. Over time, active management of the smaller cap sector has outperformed a passive approach. GIM believes this is because the smaller cap area of the market is not as well followed by the investment banking community; therefore, opportunities to "discover" companies when they are not fully valued are more abundant. A bottom-up, fundamental approach to research is the only method that can both uncover and appropriately value stocks in the small cap arena. At GIM, every research candidate is placed into one of three investment categories: Core Growth, Pioneer and Special Situation. The common thread among the categories of investments is a leadership position in the specific company's marketplace. GIM consciously diversifies the portfolio across the three investment categories to reflect our belief that growth stocks outperform over time, and to ensure that we both capitalize on dynamic emerging growth stocks and provide stability in the portfolio through investment in undervalued stocks with bright earnings growth prospects.

■ At A Glance

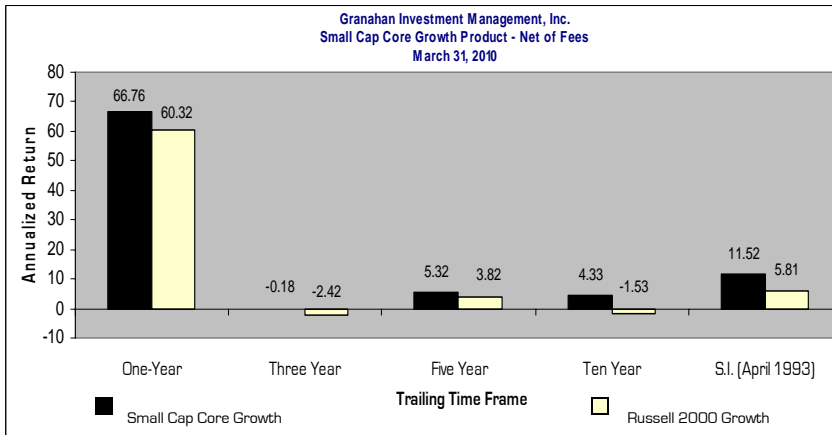
Product Assets: \$426.8 Million
Minimum Investment: \$10 Million
Status: Open
Inception Date: April 30, 1993
Benchmark: Russell 2000 Growth
Capitalization: Typically, \$200 Mil - \$1 Bil at purchase
Portfolio Managers: Jane M. White
 Gary C. Hatton
 Jack J. Granahan
 Susan E. McGarry

■ Sector Diversification

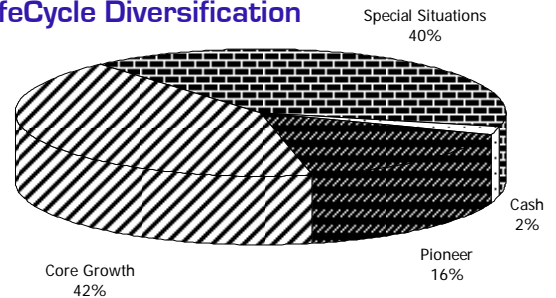


- Bottom-up research, individual stock selection.

■ Annualized Performance



■ LifeCycle Diversification



- LifeCycle Categories add stability to the portfolio.

Portfolio Characteristics

Median Market Cap	0.97 bil
Weighted Avg. Market Cap	1.44 bil
Estimated EPS Growth	16.3%
Forward P/E Ratio	20.3X
Annualized Turnover	51.9%
Dividend Yield	0.43%
Price/Book	2.5

Source: FactSet

Top Ten Holdings

Name	Lifecycle Category	%
Nektar Therapeutics	Pioneer	2.1
TIVO Inc.	Special Situation	1.8
Impax Labs	Special Situation	1.8
Ruddick Corp	Core Growth	1.7
QLT Inc.	Special Situation	1.5
Sensient Technologies	Core Growth	1.5
Bio-Rad Laboratories	Special Situation	1.3
Parexel International	Core Growth	1.3
Ladish Co.	Special Situation	1.3
Regeneron	Pioneer	1.2

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Small Cap Core Growth Composite

March 31, 2010

Date	Total Firm Assets (\$-Millions)	Composite Assets		Annual Performance Results			
		U.S. Dollars (\$-Millions)	Number of Accounts	Composite Gross	Composite Net	Russell 2000 Growth Index	Composite Dispersion
1Q10	\$2,818.9	\$426.8	<5	10.99%	10.95%	7.61%	-
2009	\$2,575.8	\$385.0	<5	43.89%	43.65%	34.47%	NA
2008	\$2,080.6	\$326.5	<5	-38.00%	-38.20%	-38.54%	NA
2007	\$3,870.6	\$807.1	14	5.16%	4.77%	7.05%	0.55
2006	\$3,908.5	\$922.6	17	11.33%	10.83%	13.35%	0.33
2005	\$3,507.4	\$991.8	19	2.97%	2.45%	4.15%	0.67
2004	\$3,323.9	\$1,214.9	21	16.75%	16.21%	14.31%	0.74
2003	\$2,883.6	\$1,098.9	22	39.54%	38.85%	48.54%	0.97
2002	\$2,016.2	\$724.7	20	-24.07%	-24.27%	-30.26%	0.74
2001	\$2,204.5	\$527.2	5	6.55%	6.34%	-9.23%	3.68
2000	\$2,092.9	\$479.2	<5	16.19%	15.96%	-22.43%	NA
1999	\$1,711.0	\$340.0	<5	61.29%	61.04%	43.09%	NA

NA - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

■ Composite Footnotes

Granahan Investment Management, Inc. ("GIM") has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). Granahan Investment Management, Inc. has been verified for the periods up to and including 6/30/2009 by Ashland Partners. A copy of the verification report is available upon request. GIM is an independent, SEC-registered investment firm that oversees small and mid-cap equity portfolios for large institutions and wealthy individuals. The Small Cap Core Growth product utilizes fundamental, bottom-up research and analysis to invest in companies in the small cap sector of the market. Composite consists of time-weighted total returns for all tax-exempt accounts managed by GIM in the Small Cap Core Growth style. The benchmark for the Small Cap Core Growth product is the Russell 2000 Growth. The composite, created in May 2000, is calculated by asset-weighting the performance of each account on a monthly basis. Accounts are included beginning with the first full month under management and terminated accounts are included in the composite. Performance calculations, expressed in U.S. dollars, produce a total return including cash and the reinvestment of dividends and interest. Standard Deviation is calculated using equal-weighted total gross-of-fee returns for accounts in the composite the entire year. Leverage is not utilized. Additional information regarding policies for calculating and reporting returns is available upon request. "Composite Gross" returns are gross of investment management fees, which when included, reduce investment returns. The fee for accounts managed in the Small Cap Core Growth style is payable quarterly in arrears and is calculated by applying the following ANNUAL percentages to the average value of the assets in an account on the last day of each month in the quarter: First \$15 million 1.00%, next \$35 million 0.80%, next \$50 million 0.60%, above \$100 million 0.73%. Fees are collected quarterly, which produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) \$10,000,000 investment, (b) portfolio return of 8% a year, and (c) 1.00% annual investment advisory fee would be \$104,164 in the first year, and cumulative effects of \$598,163 over five years and \$1,434,299 over ten years. "Composite Net" returns are net of management fees. Market value is based on trade date and security pricing is supplied by Telemet. A complete list and description of all of the firm's composites is available upon request. Past performance is no guarantee of future results.



SMALL CAP EQUITY SPECIALISTS

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