

Granahan Investment Management, Inc.

PHILOSOPHY:

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.

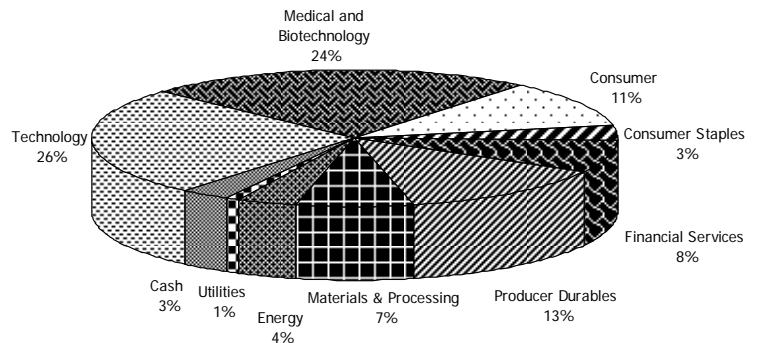
Small Cap Explorer Product March 31, 2010

At A Glance

Product Assets: \$2,352.7 Million
Minimum Investment: \$10 Million
Status: Open
Inception Date: June 30, 1985
Benchmark: Russell 2000 Growth
Capitalization: Typically, \$500 Mil - \$3 Bil at purchase

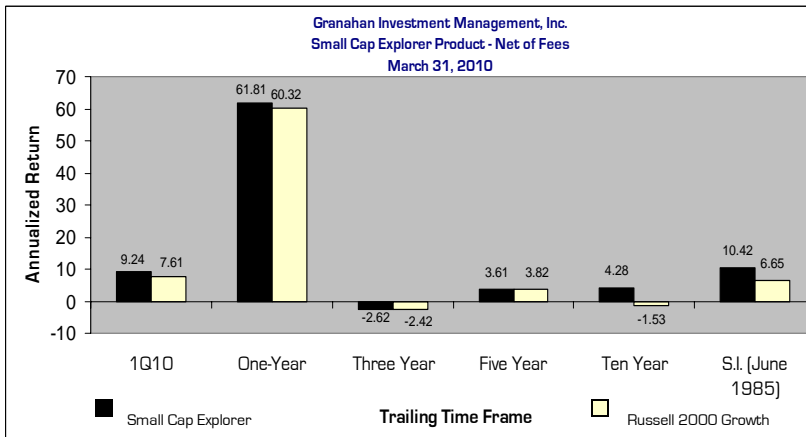
Portfolio Managers: Jane M. White
 Gary C. Hatton
 Jack J. Granahan
 Susan E. McGarry
 Robert F. Granahan

Sector Diversification

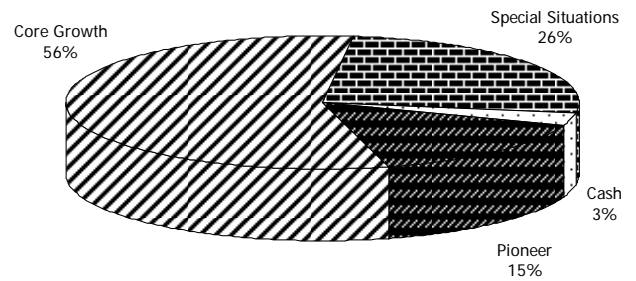


- Bottom-up research, individual stock selection.

Annualized Performance



LifeCycle Diversification



- LifeCycle Categories add stability to the portfolio.

Portfolio Characteristics

Median Market Cap	1.33 bil
Weighted Avg. Market Cap	2.12 bil
Estimated EPS Growth	16%
Forward P/E Ratio	20.2X
Annualized Turnover	50.1%
Dividend Yield	0.48%
Price/Book	2.6

Source: FactSet

Top Ten Holdings

Name	Lifecycle Category	%
Sensient Technologies	Core Growth	2.1
Ruddick Corp.	Core Growth	1.7
Nektar Therapeutics	Pioneer	1.7
Sourcefire	Pioneer	1.6
Edwards Lifesciences	Core Growth	1.6
FactSet Research Systems	Core Growth	1.5
Qiagen	Core Growth	1.5
Henry Schein	Core Growth	1.5
Cash America	Core Growth	1.4
MSC Industrial	Core Growth	1.3

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Small Cap Explorer 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	Russell 2500 Growth Index	Composite Dispersion
1Q10	\$2818.9	\$2,385.1	-	-9.30%	9.24%	7.61%	8.81%	-
2009	\$2,575.6	\$2,185.0	<5	40.59%	40.30%	34.47%	41.66%	NA
2008	\$2,080.5	\$1,751.3	<5	-39.28%	-39.41%	-38.54%	-41.50%	NA
2007	\$3,870.6	\$3,058.5	5	2.86%	2.64%	7.05%	9.69%	0.20
2006	\$3,908.5	\$2,977.4	6	10.16%	9.91%	13.35%	12.26%	0.26
2005	\$3,507.4	\$2,508.3	5	6.73%	6.55%	4.15%	8.17%	0.41
2004	\$3,323.9	\$2,104.8	<5	15.65%	15.39%	14.31%	14.59%	NA
2003	\$2,883.6	\$1,784.7	<5	38.62%	38.24%	48.54%	46.31%	NA
2002	\$2,016.2	\$1,291.5	<5	-22.90%	-23.11%	-30.26%	-29.10%	NA
2001	\$2,204.5	\$1,664.6	<5	3.83%	3.57%	-9.23%	-10.83%	NA
2000	\$2,092.9	\$1,613.7	<5	18.41%	18.19%	-22.43%	-16.09%	NA
1999	\$1,713.4	\$1,371.4	<5	30.92%	30.63%	43.09%	55.48%	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 Explorer product utilizes fundamental, bottom-up research and analysis to invest in companies in the small and mid cap sectors of the market. The composite, created in May 2000, includes all accounts managed in the Small Cap Explorer style for at least one month. The benchmark for the Small Cap Explorer product is the Russell 2000 Growth; a secondary benchmark is the Russell 2500 Growth. Presented are time-weighted total returns, expressed in U.S. dollars, that are calculated by asset-weighting the performance of each account on a monthly basis, and include cash and the reinvestment of dividends. "Composite Gross" returns are gross of investment management fees, which if included, would reduce investment returns. All fees are detailed in the firm's Form ADV. 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. Standard Deviation is calculated using equal-weighted total gross-of-fee returns for accounts in the composite the entire year. Leverage is not utilized. Market value is based on trade date and pricing is supplied by Telemet. Additional information regarding policies for calculating and reporting returns is available upon request. 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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