

Microcap Growth Strategy

March 31, 2022

At a Glance

- Product Assets:** \$17 Million
- Minimum Investment :** \$3 Million
- Status:** Open
- Inception Date:** July 31, 2020
- Benchmark:** Russell Microcap Growth Index
- Capitalization:** Typically, \$50 Mil - \$750 Mil at purchase
- Portfolio Manager:** Jeffrey A. Harrison, CFA
- Typical Number of Holdings:** ± 45

Distinguishing Factors

- The strategy capitalizes on **GIM's bottom up research expertise** to find and invest in microcap growth companies – those on the smaller end of the market cap spectrum, and frequently with less mature business models. Performance is driven by stock selection.
- We seek companies that exhibit potential for **robust enterprise growth driven by secular change** and/or other market dynamics. Subsequently, we use disciplined valuation tools to invest in these well-positioned companies when risk/reward is attractive.
- We utilize our unique **LifeCycle diversification tool** to increase the opportunity set, gauge market sentiment, and mitigate risk. Lifecycle diversification provides a window into sentiment mispricing and has proven successful over many years of investing in the small cap sector.
- LifeCycles allow us to **focus on security selection** to add alpha. The portfolio is built from the bottom up with sector allocation a result of, and secondary to, security selection. The team's expertise in the healthcare and technology sectors are reflected in the portfolio.
- We are long-term investors;** only a select number of companies from the less proven microcap universe fit our fundamental growth criteria. We believe in having conviction in our analysis and patience in our conviction.

Investment Philosophy

We believe that enterprise growth drives stock prices, but over shorter time periods, market sentiment can have an equally vital impact. **We believe, for the skilled investor, that the under-followed microcap sector provides outsized opportunities for capital appreciation.**

We believe extensive company research can best uncover potential **enterprise growth in less mature microcap sector.** Our research allows us to determine underlying company quality, management team strength, competitive positioning, as well as catalysts for improving margins and a market environment for future success.

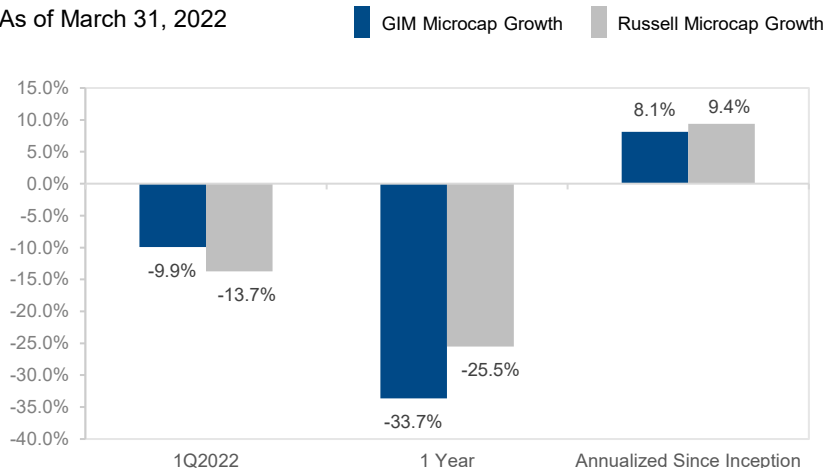
As part of a disciplined portfolio construction process, at GIM, every company in the portfolio is placed into one of three investment categories: **Core Growth, Pioneer and Special Situation.** These **LifeCycle categories have disparate performance drivers, providing true diversification and risk mitigation in the portfolio.**

Firm History

Founded in 1985, Granahan Investment Management is an employee-owned firm specializing in smaller cap equity investments for large institutions and wealthy individuals. The firm utilizes fundamental, bottom-up research to uncover and invest in fast growing companies. The founding principals have continuously strengthened the investment team which now totals seven professionals.

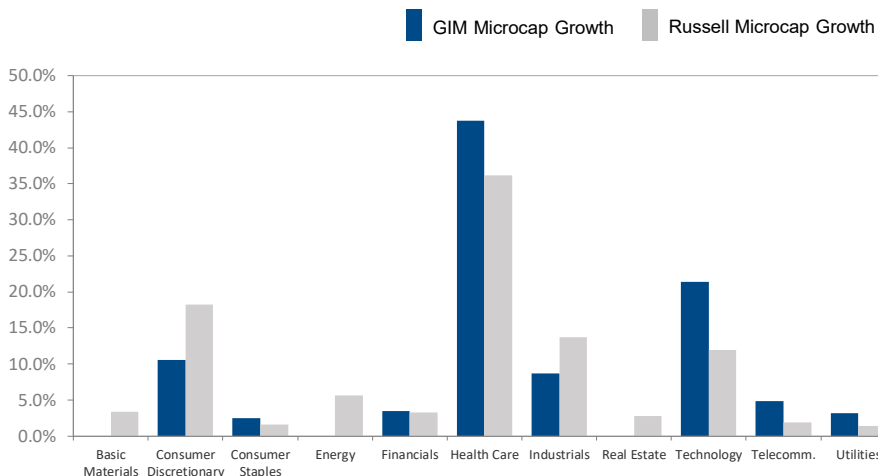
Performance: Net of Fees

As of March 31, 2022

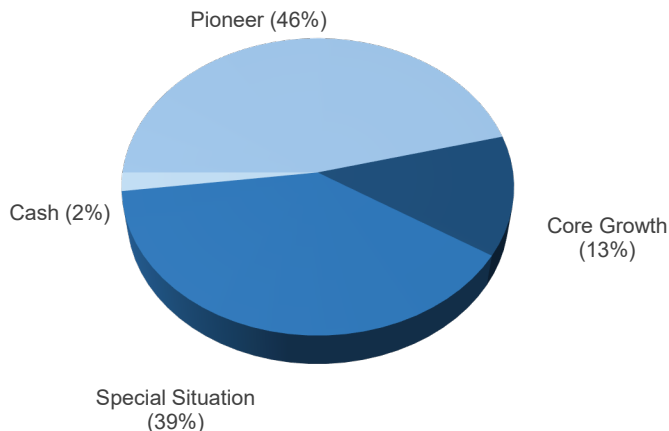


Performance is net of fees; Inception Date: 7/31/20

Sector Diversification: Individual stock selection



Life Cycle Diversification: Adds stability



Graphs and Statistics are Supplemental Information. Please reference fully compliant GIPS Presentation on reverse side.

Microcap Growth Composite										
Date	Composite Gross Return	Composite Net Return	Russell Microcap Growth Index	Composite Assets \$ Mil	Composite # Accts	Composite 3-Yr. Std. Dev.	Russell Microcap Growth 3-Yr. Std. Dev.	Composite Dispersion	Non-Fee Assets	Firm Assets \$ Mil
YTD 2022	-9.67%	-9.90%	-13.71%	\$17.5	<5	NA	NA	NA	0%	\$4,149.6
2021	-11.55%	-12.43%	0.88%	\$16.4	<5	NA	NA	NA	0%	\$4,964.2
2020*	44.52%	44.39%	33.34%	\$17.3	<5	NA	NA	NA	0%	\$4,573.1

NA – Dispersion information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year; Standard deviation information has fewer than three years' data. * *Partial year performance: July 31, 2020 through December 31, 2020.

Composite Footnotes

Granahan Investment Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Granahan Investment Management has been independently verified for the periods January 1, 1993 through December 31, 2019. The verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The Microcap Growth product utilizes fundamental, bottom-up research and analysis to invest in companies in the micro-cap and emerging growth sector of the market. The benchmark for Microcap Growth product is the Russell Microcap Growth Index. The composite, created in July 2020, is calculated by asset-weighting the performance of each account on a monthly basis. Composite represents all accounts managed in the Microcap Growth style. 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. Effective January 1, 2021, the composite is subject to a significant cash flow removal policy for accounts with external flows greater than or equal to 75% of market value. The dispersion is a standard deviation using equal-weighted total returns for accounts in the composite the entire year. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. Leverage is not utilized. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Returns are shown both net and gross of fees. Effective January 1, 2021, the standard management fee of 1% per annum is applied to all accounts to calculate the net return. Prior to that, net of fee returns were calculated using either actual investment fees charged to the account or for accounts that pay no management fee, the standard management was applied to calculate the net return. Gross returns are gross of investment management fees, which when included, reduce investment returns. The standard fee for accounts managed in the Microcap Growth style is payable quarterly in arrears and is calculated by applying the ANNUAL rate of 1.00% times the average value of the assets in the account on the last day of each month in the quarter. Fees are collected quarterly, which produces a compounding effect on the total rate of return 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.

Top Ten Holdings

Security	Life Cycle Category	Percent of Portfolio	Characteristic	Portfolio	Russell Microcap Growth
Limelight Networks	Special Situation	4.9%	Median Market Cap	\$564.5 mil	\$157.1 mil
CEVA Inc	Special Situation	4.5%	Weighted Avg. Market Cap	\$696.1 mil	\$814.7 mil
OrthoPediatrics Corp	Pioneer	4.3%	Active Share	95.0%	-
EverQuote Inc	Pioneer	4.3%	Est 3-5 Yr EPS Growth	19.0%	38.5%
Radware	Core Growth	4.3%	Forward P/E Ratio	21.1x	12.2x
Lovesac Company	Special Situation	4.1%	Dividend Yield	0.2%	0.3%
SI-BONE, Inc	Pioneer	4.0%	Price to Book	2.6x	2.9x
Castle Biosciences Inc	Pioneer	3.7%			
James River Group Holdings	Core Growth	3.5%			
AXT Inc	Special Situation	3.4%			

Source: FactSet

The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable. A complete list of holdings is available upon request. This information is presented as supplemental to the GIPS Presentation above.

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