

# Future Pathways

September 30, 2023

## At a Glance

**Strategy Assets:** \$14 Million  
**Minimum Investment :** \$3 Million  
**Status:** Open  
**Inception Date:** August 31, 2020  
**Benchmark:** Russell 2500 Growth  
**Capitalization:** Typically, \$500 Mil - \$20 Bil at purchase  
**Portfolio Manager:** David M. Rose, CFA  
**Typical Number of Holdings:** ± 50

## Annual Report

Future Pathways is focused on our mission to invest in companies that not only drive innovation and growth, but also offer a range of solutions for individuals, companies and governments needing healthier, safer, and more efficient solutions from health care to energy transition. Our most recent Annual Report for Future Pathways can be found [here](#).

## Distinguishing Factors

- As a firm focused on small- and midcap companies, we believe that smaller companies — through their products and services — have an advantage in helping larger businesses meet their sustainability objectives.
- Future Pathways'** diversified portfolio is mapped to the UN SDG's and six specific objectives: Clean Energy, Energy Efficiency, Health Care Outcome & Cost, Pollution Reduction, Social Justice & Opportunity and Water & Food.
- Future Pathways** is a collection of smaller companies helping larger institutions meet their tech, environmental, medical, and societal needs in a direct and impactful manner.

## Investment Philosophy

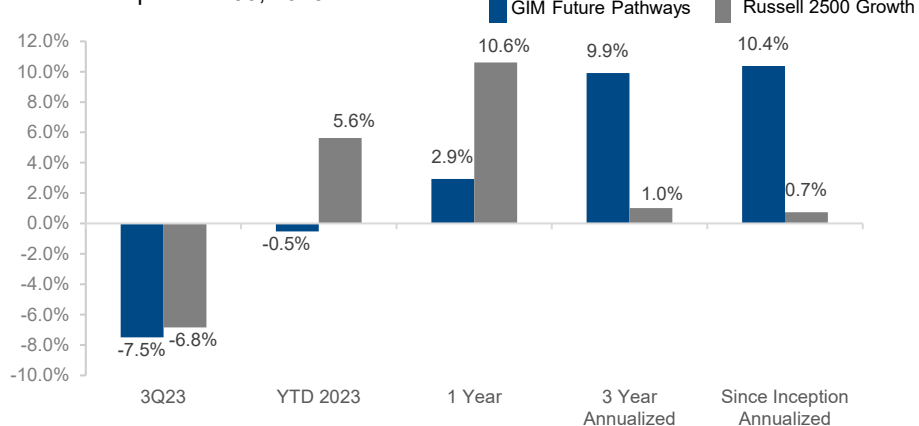
Granahan Investment Management (GIM) Future Pathways strategy invests in 40-50 equities of small and mid Cap ("SMID Cap") companies, focusing on traditional fundamentals while also uncovering the intrinsic value of societal impact. The goal of the strategy is intended to be flexible and adaptable to environmental and social issues as they arise, and able to rotate where the best opportunities exist for stock appreciation in this universe. The fund looks beyond ESG ratings data, instead focusing on the external benefit of the products and services provided by the holdings.

## 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 firm manages \$3 billion in client assets and the founding principals have continuously strengthened the investment team which now totals eight professionals.

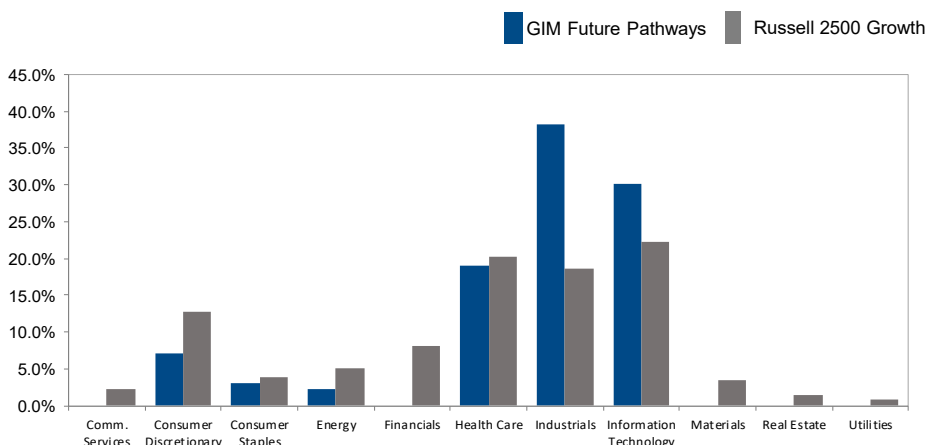
## Annualized Performance: Net of Fees

As of September 30, 2023

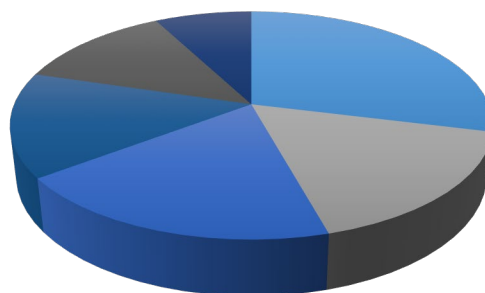


Performance is net of fees; Inception Date: 8/31/2020

## Sector Diversification: Individual stock selection



## Objective Exposure



- Clean Energy (28.7%)
- Healthcare Outcomes & Cost (19.0%)
- Social Justice & Opportunity (12.6%)
- Energy Efficiency (16.8%)
- Pollution Reduction (14.8%)
- Water & Food (7.7%)

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

Future Pathways										
Date	As of 9/30/2023	Composite Gross Return	Composite Net Return	Russell 2500 Growth Return	Composite Assets \$ Mil	Composite # Accts	Composite 3-Yr. Std. Dev.	Russell 2500 Growth 3-Yr. Std. Dev.	Composite Dispersion	Firm Assets \$ Mil
YTD 2023	-7.27%	-7.51%	-6.84%	\$13.6	5	30.73	21.22	NA	\$2,863.8	
2022	-14.34%	-15.21%	-26.21%	\$2.1	3	NA	NA	NA	\$3,326.8	
2021	11.06%	11.95%	5.04%	\$2.4	3	NA	NA	NA	\$4,964.2	
2020*	43.97%	43.60%	24.92%	\$0.8	1	NA	NA	NA	\$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: August 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, 2021. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. The verification report(s) is/are 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 Future Pathways product utilizes fundamental, bottom-up research and analysis to invest in the stocks of companies in the small/SMID cap sector of the market that offer products or services that promote or enable sustainability in other enterprises; many are market disruptors. Future Pathways is a high conviction portfolio typically containing 40-50 holdings. The benchmark for Future Pathways strategy is the Russell 2500 Growth Index. The composite, created in September 2020, 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. 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 gross of investment management fees, which when included, reduce investment returns. The standard management fee applicable is applied to calculate the net return. The standard fee for accounts managed in the Future Pathways 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 and broad distribution pooled funds is available upon request. Past performance is no guarantee of future results. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

**Top Ten Holdings**

Security	Objective	Percent of Portfolio
Chart Industries Inc	Clean Energy	9.1%
Array Technologies Inc	Clean Energy	8.5%
Tetra Tech Inc	Water & Food	4.9%
Grid Dynamics Hldgs Inc	Social Justice & Opportunity	4.5%
Evolut Health, Inc.	Healthcare Outcomes & Cost	4.5%
Gentherm Inc	Energy Efficiency	4.5%
Kornit Digital Limited	Pollution Reductions	4.3%
First Solar Inc	Clean Energy	4.3%
Castle Biosciences Inc	Healthcare Outcomes & Cost	4.1%
Hudson Technologies	Pollution Reductions	4.1%

Characteristic	Portfolio	Russell 2500 Growth
Median Market Cap	\$4,043.4 mil	\$1,387.0 mil
Weighted Avg. Market Cap	\$5,749.2 mil	\$5,796.0 mil
Active Share	95.5%	-
Est 3-5 Yr EPS Growth	22.2%	14.6%
Forward P/E Ratio	21.4x	19.1x
LT Debt/Capital	28.9%	40.4%
Dividend Yield	0.1%	0.7%
Price to Book	2.8x	4.5x

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.

Granahan Investment Management LLC ("GIM") is an independent SEC registered investment advisor. Registration does not imply a certain level of skill or training. More information about GIM's investment advisory services can be found in its Form ADV Part 2, which is available upon request. This material is provided for informational and educational purposes only.

