



# SMID Select

September 30, 2024

## At a Glance

Strategy Assets: \$41 Million

Minimum Investment : Sep. Acct. - \$5 Million  
UCITS – Varies by Share Class

Status: Open

Inception Date: March 31, 2015

Benchmark: Russell 2500 Growth

Capitalization: Typically, \$500 Mil - \$20 Bil at purchase

Portfolio Manager: David M. Rose, CFA

Typical Number of Holdings: ± 50

## Distinguishing Factors

- We believe one can locate growth not only in traditional sectors, but also in **unexpected corners of the market where other growth managers rarely venture.**
- As a small cap boutique, GIM is able to invest in companies with high growth potential at early stages, often when they are **underfollowed and underappreciated (“Hidden Gems”)**, providing a portfolio that we believe is unlike most other small cap growth portfolios.
- GIM’s LifeCycle tool expands the opportunity set and provides **diversification across valuation metrics.**
- Only a select number of companies fit our criteria for high conviction positions; the top fifteen positions, **“Major Leaguers”**, drive the portfolio’s performance.

## Investment Philosophy

Granahan Investment Management (GIM) believes that smaller dynamic companies provide excellent potential for superior long-term performance. GIM’s *SMID Select* strategy is grounded in the belief that a disciplined, fundamental, bottom-up research process can identify underappreciated growth potential in companies that may or may not have a history of strong growth. We believe the resulting portfolio has the optimum combination of stocks with secular growth drivers, and stocks of well-positioned companies that are poised for positive earnings revisions or are benefiting from fundamental momentum.

GIM’s disciplined, fundamental, bottom-up research process identifies growth drivers that may be underappreciated by the market. We seek companies that can sustain growth through market disruption. The portfolio focuses on stock selection, investing in those showing the best risk/reward.

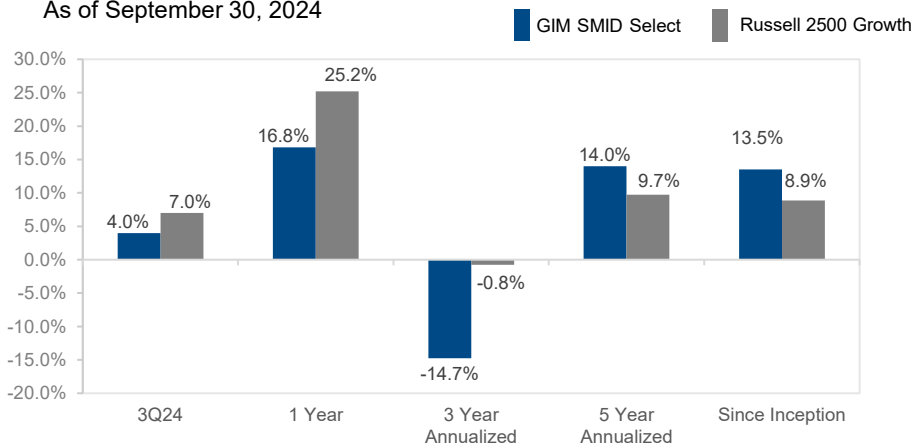
As part of a disciplined portfolio construction process, at GIM, every company in the portfolio is placed into one of three investment categories: **Core Growth, Pioneer and Special Situation.** These LifeCycle categories each have different performance drivers so provide true diversification and help mitigate risk 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 firm manages over \$2.6 billion in client assets and the founding principals have continuously strengthened the investment team which now totals nine professionals.

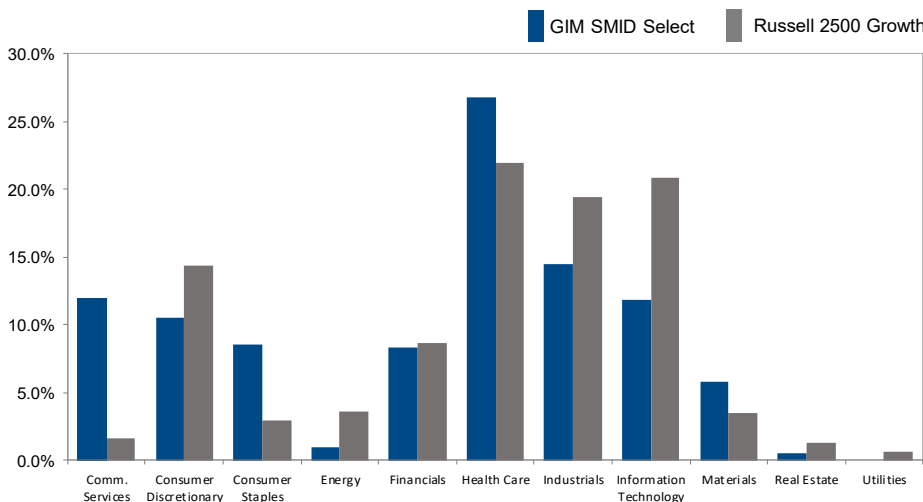
## Annualized Performance: Net of Fees

As of September 30, 2024

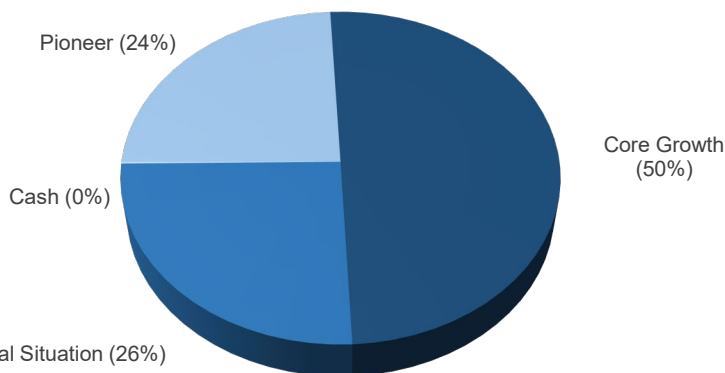


Performance is net of fees; Inception Date: 3/31/15

## Sector Diversification: Individual stock selection



## Life Cycle Diversification: Adds stability



SMID Select Composite									
Date									
As of 12/31/23	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
2023	0.73%	-0.28%	18.93%	\$166.2	6	33.43	20.95	0.05	\$3,098.9
2022	-36.21%	-36.87%	-26.21%	\$370.4	7	41.30	25.18	0.10	\$3,326.8
2021	10.88%	9.79%	5.04%	\$642.7	6	34.92	21.97	0.03	\$4,964.2
2020	126.29%	124.17%	40.47%	\$488.8	8	34.85	23.93	0.98	\$4,573.1
2019	41.40%	40.03%	32.65%	\$63.6	7	18.09	15.85	0.21	\$2,211.3
2018	-2.19%	-3.15%	-7.47%	\$71.6	5 or fewer	19.48	15.33	NA	\$1,481.6
2017	33.09%	31.80%	24.46%	\$48.7	5 or fewer	NA	NA	NA	\$1,350.8
2016	15.00%	13.91%	9.73%	\$226.6	5 or fewer	NA	NA	NA	\$2,996.5
2015*	0.39%	-0.34%	-7.10%	\$190.7	5 or fewer	NA	NA	NA	\$3,045.4

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: March 31, 2015 through December 31, 2015.

**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, 2022. 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 and pooled fund 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. The Small/Mid Cap Select Composite has had a performance examination for the periods March 31, 2015 through December 31, 2022. The verification and performance examination reports 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 Small/Mid Cap Select product utilizes fundamental, bottom-up research and analysis to invest in the stocks of companies in the small to mid-cap sector of the market that have the ability to sustain growth through market disruption. The Small/Mid Cap Select is a concentrated SMID-cap portfolio typically containing 45-50 holdings. The benchmark for the Small/Mid Cap Select product is the Russell 2500 Growth. The composite was created in September 2016 and the inception date is March 31, 2015 and is calculated by asset-weighting the performance of each account on a monthly basis. The composite includes an autonomous sub-portfolio, which includes cash, as part of a sleeve-managed SMID strategy. 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 gross of fees total returns for accounts in the composite the entire year. The three-year annualized standard deviation measures the variability of the composite gross of fees returns and the benchmark returns over the preceding 36-month period. Leverage is not utilized. Policies for valuing investments, calculating performance, and preparing GIPS Reports 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 all accounts to calculate the net return. The standard fee for accounts managed in the Small/Mid Cap Select 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	Life Cycle Category	Percent of Portfolio	Characteristic	Portfolio	Russell 2500 Growth
Magnite Inc	Core Growth	8.0%	Median Market Cap	\$2,438.1 mil	\$1,525.4 mil
Shift4 Pmts Inc Cl A	Core Growth	7.4%	Weighted Avg. Market Cap	\$4,644.1 mil	\$6,688.7 mil
Evolent Health, Inc.	Special Situation	6.4%	Active Share	94.2%	-
indie Semiconductor Inc	Pioneer	6.2%	Est 3-5 Yr EPS Growth	25.5%	18.3%
Carpenter Technology Corp.	Special Situation	4.3%	Forward P/E Ratio	23.9x	23.1x
Parsons Corporation	Core Growth	4.2%	LT Debt/Capital	36.5%	40.2%
Vivid Seats Inc	Special Situation	4.0%	Dividend Yield	0.1%	0.5%
Vita Coco Co Inc	Core Growth	3.9%	Price to Book	3.2x	4.9x
Chart Industries Inc	Special Situation	3.9%			
SharkNinja Inc	Core Growth	3.8%			

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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