

Granahan Investment Management, Inc.
Form CRS – Client Relationship Summary
June 1, 2021

Item 1 – Introduction

Granahan Investment Management, Inc. (“GIM”) is registered with the Securities and Exchange Commission (SEC) as an investment adviser. Please note that brokerage and investment advisory services and fees differ and it is important that you understand these differences.

Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

Item 2 – Relationship Services

What investment services and advice can you provide me?

We offer you portfolio management and investment advisory services pursuant to our various small cap equity strategies. We do not custody or take possession of the securities in your account. We manage accounts on a discretionary basis, meaning we determine on a day-to-day basis, the securities and the quantity of each security held in the account for the duration of our relationship with you. You may limit our discretion by directing us to exclude certain securities, security types, or industries from your account. Most of our retail clients come to us through an intermediary, such as another advisor, who recommends us to their retail clients.

Account monitoring: If you are our client, we monitor and manage the account for you on an ongoing basis. The frequency and limitations of the monitoring depends on the investment strategy that you have selected and your financial needs. You must inform GIM of any changes in your investment objectives and/or financial situation, including risk tolerances, investment objectives and time horizons, and whether you wish to impose any reasonable restrictions on our management of your account or reasonably modify existing restrictions or to revalidate your investment strategy. If our engagement by you was initiated by, or is overseen by your financial advisor, they have an independent and broader duty to monitor your financial situation and objectives.

Our minimum discretionary separately managed account size, subject to account characteristics and servicing requirements, are generally \$1,000,000. We may waive minimums for many reasons including: proposed account size, style and other relationships. Additional information about our services can be found in our form ADV Part 2A which is available from the SEC’s website [here](#).

Key questions to ask:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

Item 3 – Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

You pay us investment management fees based on the value of assets under management. Fees are calculated each quarter, averaging month end values, and one fourth of the annual amount is billed in arrears, unless we agree otherwise. You may elect to be billed directly for fees or to authorize us to directly debit fees from the account(s) we manage for you. The value of investments in your account affects our fees; the greater that value the more you will pay us and thus we have an incentive to increase that value to increase our fee. We may manage investments for you in a variety of investment strategies. If we manage your investments in more than one strategy you may pay fees based upon an overall fee schedule for all strategies/accounts, or may pay fees at different rates for each account or strategy.

Our investment management fees do not cover brokerage commissions, transaction fees, custodial fees, deferred sales charges, odd-lot differentials, transfer and other taxes, or wire or electronic transfer fees. You may incur and be responsible for payment of these and other charges, depending on the terms and pricing structures of custodians, brokers and other third parties. Our fees also do not cover fees charged by any financial or other advisors you engage.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Additional information can be found in our Form ADV, Part 2A (item 5) which is available from the SEC's website [here](#).

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs? How much will be invested for me?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money may create some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice that we provide you. An example is our use of soft dollars, or broker commissioned dollars that can pay for trading, trading execution, research, and other goods that fall within the safe harbor provided by the SEC under Section 28(e) of the Exchange Act. When broker commissions relating to client transactions are used to obtain these goods, GIM receives a benefit for which it does not have to pay. Thus, GIM has an incentive to select a broker-dealer based on GIM's interest in receiving these benefits, rather than on the clients' interest in receiving the lower commission. Using "soft dollars" can result in clients having to pay higher commissions than those charged by other broker-dealers. Additional information on conflicts of interest can be found in our Form ADV Part 2A (Items 7,8, 10,11 and 12) which is available from the SEC's website [here](#).

How might your conflicts of interest affect me and how will you address them?

How do your financial professionals make money?

Our financial professionals receive a salary and incentive-based compensation. We base our portfolio managers' incentives on fees from the strategies they manage and the clients invested in those strategies. We base our incentives for non-portfolio manager investment professionals on achievement of business goals related to the performance of our products. Our financial professionals do not earn transaction-based compensation or commissions tied to buying and selling securities. We set compensation to attract and retain experienced, qualified professionals.

Item 4 – Disciplinary History

Do you or your financial professionals have legal or disciplinary history?

No. A free and simple search tool to research us and our financial professionals is available at investor.gov/CRS.

As a financial professional, do you have any disciplinary history? For what type of conduct?

Item 5 – Additional Information

Additional information about our investment advisory services and an up-to-date copy of the relationship summary is available by contacting us at (781) 890-4412 or the Chief Compliance Officer at bgranahan@granahan.com.

Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?