

# Granahan Investment Management, Inc.

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## Disclosure Brochure

### Part 2 of Form ADV

December 31, 2014

This brochure provides information about the qualifications and business practices of Granahan Investment Management, Incorporated. The information in this brochure has not been approved nor verified by the United States Securities and Exchange Commission or by any state securities authority. If you have any questions about the contents of this brochure, please contact us at the phone number or email address provided below.

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Additional information about Granahan Investment Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Granahan Investment Management, Inc. is a SEC registered investment adviser however registration does not imply a certain level of skill or training.

## Item 2: Material Changes

This page highlights *material* changes made to this brochure since the last *annual update*, on 3/31/14.

**Other Financial Industry Activities and Affiliation – GIM launched an Irish domiciled UCITS fund in April 2014.**

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#### 4. Advisory Business

Granahan Investment Management (“GIM”) is an independent, 100% employee-owned firm that was founded in 1985 by investment professionals with a passion for small capitalization equity investing. The three founding principals, Jack Granahan, Gary Hatton, and Jane White each with 25% ownership, remain committed to the smaller cap area of the market and have dedicated their investment expertise to serving institutions and family offices. At December 31, 2014 GIM managed \$3.517 billion in assets, and employed 18 people.

GIM currently offers four (5) investment management products:

**1) Small Cap Explorer (\$1,874 million under management):** Our Small Cap Explorer product was started at the founding of the firm in 1985. This product is invested in stocks of companies with market capitalizations between \$500 million and \$10 billion at the time of purchase. The portfolio generally carries between 155 and 175 stocks. This product focuses on companies exhibiting the potential for increased earnings growth. This product is offered on a sub-advised and separate account basis.

**2) Small Cap Core Growth (\$1,238 million under management):** Our Small Cap Core Growth product was started in 1993 and has a focus on stocks with market capitalizations between \$200 million and \$1.5 billion at the time of purchase. The client portfolio generally carries 140-160 stocks, and focuses on companies with strong and/or accelerating earnings growth. This product is offered on a sub-advised and separate account basis.

**3) Small Cap Discoveries (\$167 million under management):** Our Small Cap Discoveries product was created in 2004 as a micro-cap product. The product focuses on companies with market capitalizations up to \$700 million that exhibit a critical combination of superior growth prospects and attractive risk reward profile. The portfolio generally carries 70 to 90 stocks. This product is offered on a separate account and sub-advised basis, as well as available to accredited investors through the private fund, GIM Small Cap Discoveries LLC.

**4) Granahan Focused Growth (\$212 million under management):** Our Focused Growth product was first offered by GIM in January of 2012. The portfolio consists of 30-40 stocks with market capitalizations up to \$2 billion at purchase, generally in the consumer and technology sectors, which have the potential for strong earnings growth in the portfolio manager’s opinion, and offer favorable return potential according to a proprietary risk/reward calculation. The Focused Growth product’s portfolio manager managed this product at another investment adviser prior to his joining GIM in December of 2011. This product is offered on a sub-advised and separate account basis. It is also offered to non-US clients through Granahan Funds plc, established in Ireland during 2014.

**5) Granahan Funds plc, Dublin, Ireland:** On April 11, 2014, the US Focused Growth Fund was launched in Ireland. The US Focused Growth Fund is a fund of the umbrella company Granahan Funds plc, an Irish investment company established under the laws of Ireland, regulated by the Central Bank of Ireland under the European Communities UCITS regulations (Undertakings for

Collective Investment in Transferable Securities). The fund's investment strategy is to mimic, in so far as regulations allow, the Granahan Focused Growth strategy mentioned above. This fund is only available to non-US clients.

## **5. Fees and Compensation**

We manage advisory accounts solely on an investment basis. We charge clients a fee based on a percentage of assets managed. Fees are generally negotiated, using the following standard fees schedules as a starting point.

For accounts in the "Small Cap Core Growth", "Small Cap Explorer", and "Granahan Focused Growth" products this percentage is on a sliding scale as follows:

Assets in Account	Annual Percentage Fee:
FIRST \$15 MILLION	1.00%
NEXT \$35 MILLION	0.80%
NEXT \$50 MILLION	0.60%
ABOVE \$100 MILLION	0.73%

For accounts in the "Small Cap Discoveries" product, the annual rate is fixed at 1.25% of the Account Assets.

We earn a fee based on the assets under management in the Irish domiciled US Focused Growth Fund of 1% annually. The fee is calculated by the administrator of the fund. To protect its shareholders from excessive fees during its early stages, we have agreed to reimburse the fund for expenses which exceed a total of 1.35% of net asset value.

Fees are generally billed to the client and payable quarterly in arrears based upon the average value of the assets in the account on the last day of each month in the quarter, though some clients may use average daily assets. Contracts generally can be terminated by the client on 30-60 days notice.

One of GIM's client relationships pays fee rates below the above schedule for 3 out of 4 of GIM's product offerings. Those lower rates are a result of the asset level and inception date of the client relationship. A performance-based fee schedule is in place with two client relationships on 3 accounts. Assets of \$2.1mm of the total assets under management shown above are assets of GIM, its owners, or its employees and are non fee-paying.

## **6. Performance-Based Fees and Side-by-Side Management**

The investment team is responsible for managing portfolios in each of the four products which GIM currently offers. Fees can and currently do vary among products and clients, including a client with performance-based fees, creating a conflict whereby the investment team may be incentivized to favor a client or product with a higher fee. GIM has adopted policies and procedures designed to prevent and detect favoritism among clients.

Some of these policies and procedures include:

- Policies for aggregating trades across accounts
- Policies for the allocation of IPO's;
- Periodic transaction, holding, and performance reviews; and
- Periodic portfolio risk and diversification reviews.

## **7. Types of Clients**

GIM has a \$10 million minimum account size for its clients in the Small Cap Core Growth and Small Cap Explorer products. The Focused Growth product has a \$3 million account minimum for separate accounts, but currently manages two accounts which are below that minimum. The Small Cap Discoveries product has a \$5 million account minimum as a separate account. The GIM Small Cap Discoveries, LLC, is a private fund offered to accredited investors and has a \$100,000 minimum investment.

GIM serves the following types of clients:

- Registered Investment Companies
- Corporations
- Private and Public Pension Plans
- Trusts, Endowments, and Foundations
- Pooled Investment Funds (LLC's)
- High Net Worth individuals (accredited investors)

## **8. Methods of Analysis, Investment Strategies and Risk of Loss**

GIM employs fundamental, bottom-up research to invest in stocks of companies that, in the manager's opinion, exhibit a critical combination of superior growth prospects and attractive stock valuations. GIM believes that over a 3-to 5 year period, company earnings and business value drive stock prices; but over shorter time periods, stock valuation and market sentiment variations can have an equally vital impact. It is important to consider both the growth prospects and sentiment.

GIM believes that small/micro cap stocks represent an inefficient sector of the overall market and provides the opportunity for skilled investors to realize superior returns. The small/micro cap market has a skewed distribution of returns where a small but meaningful number of high-performing stocks drive the return of the benchmark. Within the set of these high-performing stocks is a wide spectrum of names ranging from straight up growth companies to companies that have sorely disappointed investors in the past. Significant opportunities in the small/micro cap market are created by the predilection of most investors to seek new emerging growth winners; far fewer want to risk buying companies that have disappointed investors in the past, so they avoid this pool of attractive stock candidates generated by negative sentiment and/or impatient investors. By applying a passion and knowledge of sectors with an open mind and independent thinking, Granahan Investment Management seeks out the best combination of emerging growth prospects and stocks struggling under negative sentiment with a goal of achieving excess returns and limiting losses.

Each company under consideration for the portfolio is assigned a LifeCycle category: Pioneer, Core Growth or Special Situation. Granahan's LifeCycle categories formally delineate the portfolio between

the dynamic emerging growth stocks and those that provide stability in the portfolio as undervalued stocks with bright earnings growth prospects. LifeCycle diversification, along with industry diversification, mitigates risk in the overall portfolio.

Visits with company managements are integral to the investment process as they allow GIM to validate the business prospects and competitive position of existing holdings, as well as to identify new prospects in which to invest. GIM believes that a sector expert is in the best position to dissect the information gathered from management meetings, so each GIM professional has at least one core area of expertise. The portfolio managers and analysts utilize traditional measurements such as sustainable earnings growth, balance sheet quality, profitability trends, competitive positioning, and management strength to determine high quality companies.

The investment case for a validated, high quality portfolio candidate will include defining the company's business growth prospects and measuring the fundamentals against the market valuation for the stock. It is important to understand the market expectations for the stock and to articulate why we believe the expectations are too low. Company-specific milestones are used to track that the investment case is unfolding as envisioned. Conviction level on each investment, along with liquidity and other market factors, determines position size.

At the portfolio level, GIM diversifies by LifeCycle and industry. The LifeCycle categories – Pioneers, Core Growth and Special Situations – each have different drivers for performance, thus tend to be uncorrelated to one another, providing a true diversification measure for the portfolio. Further portfolio controls include a 5% maximum for each holding, and a limit for each industry of 20% or twice the benchmark weighting, whichever is greater.

Sell decisions are typically prompted by a company diverging from GIM's investment case milestones. Milestones center on expected actions of a company, margin trends, sales trends and balance sheet trends. The Focused Growth product employs a proprietary valuation methodology that is integral to establishing and maintaining position sizes. Turnover varies across GIM's different strategies with the Small Cap Core and Small Cap Explorer strategies averaging 30-40% per year. The Small Cap Discoveries annual turnover is closer to 50%, and that of the Focused Growth strategy, roughly 120%.

GIM generally invests 90-98% of client portfolios in domestic equities and domestically-traded shares of foreign companies (ADR/ADS), with the remaining amount in cash or cash equivalents. GIM does not currently employ shorting or leverage in any of its products.

An investment in any of GIM's products entails substantial risks, including a loss of principal. Some, but not all, of the risks associated with GIM's products are listed below. Each client must assess for himself whether an investment in one of GIM's products is consistent with his risk profile and tolerance.

- **Focus on Small Capitalization Companies.** The stocks of companies followed by GIM can be more volatile than larger capitalization companies and more susceptible to general market changes. GIM products entail substantial risks, and because of their emphasis on particular types of investments, is not a suitable vehicle for an overall investment program.
- **Issuer and Sector Concentration.** The Focused Growth Portfolio consists of between 30-40 individual holdings, with the maximum holding size of 10% of the current market value (or 7% of total cost). This concentration means a single security has a greater impact on the overall

portfolio value than a portfolio with a greater number of securities and lower maximum position sizes. In addition, the Focused Growth Portfolio predominantly invests in companies within the technology and consumer sectors and will therefore be more exposed to risks inherent to those sectors.

- **Conflicts of Interest.** Client interests may be inconsistent in some respects with the interest of GIM. GIM Portfolio Managers may manage other public and private investment funds and separately managed accounts that make similar investments as the client. Employees of GIM, or persons associated with them, may trade in equities of publicly held companies for their own account, subject to GIM's Code of Ethics. Consequently, there may be situations in which an employee of GIM could encounter a conflict of interest. GIM has adopted a Code of Ethics and other policies and procedures designed to ensure our client's interests take precedence to those of GIM or its employees, and to prevent favoritism of a specific client over others.
- **Personal Assets invested in GIM product offerings.** Company (GIM) assets, Owner Assets, and employee assets are invested in the Small Cap Discoveries and Focused Growth product portfolios as of 12/31/2014. This presents a conflict of interest whereby the managers are managing their own assets along-side client assets. GIM has implemented policies for trade allocation and portfolio reviews, designed to ensure that personal interests are not placed before client interests.
- **Portfolio Turnover.** Portfolios incur brokerage and other costs when the manager buys and sells stocks, which reduces the portfolio's returns. Turnover varies and depends on overall stock market conditions, sector-specific conditions, and the portfolio manager's outlook, among other things.

## **9. Disciplinary Information**

None of GIM's owners, management, or employees have ever been the subject of legal or disciplinary action.

## **10. Other Financial Industry Activities and Affiliations**

GIM acts as sub-adviser to three unaffiliated SEC-registered investment companies ("mutual funds"), as well as for two Irish domiciled Funds organized as Undertaking for Collective Investment in Transferable Securities (UCITS) funds. Through its affiliate, Granahan Funds, plc, it serves as manager to the US Focused Growth Fund, a UCITS fund.

GIM is not registered as a broker-dealer, nor does it or any of its personnel have applications pending to become registered representatives of a broker-dealer, futures commission merchant, commodity pool operator, or commodity trading advisor.

Other than those listed above, GIM does not have arrangements that are material to its advisory business or clients with a related person.

## **11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

All GIM personnel are bound its Code of Ethics. The Code sets standards of acceptable behavior for GIM personnel when dealing in matters where GIM or the employee's interests may be at odds with the

client's interest. The Code addresses acceptable behavior, and consequences for violations, when handling activities in the following areas:

- Misuse of non-public information
- Personal Trading
- Gifts and Entertainment
- Outside Business Activities
- Charitable contributions
- Privacy of Client information
- Political donations and activities

Employees are required to sign an acknowledgement initially upon employment, and annually thereafter, that they have read, understand, and complied with the Code.

The Code of Ethics is available to any client or prospective client upon request. To receive a copy of the current Code, please contact our Chief Compliance Officer, Brian Granahan, at (781) 890-4412 or [bgranahan@granahan.com](mailto:bgranahan@granahan.com).

The Code of Ethics prohibits personal trades in a security within seven days before and after a client account trades that security or its equivalent. The Code requires employees, officers, and directors of GIM to obtain pre-approval before trading, for a personal account, any security that is a candidate to be traded in a client account. For practical purposes, this list includes all securities held in accounts within the past 30 days, plus all securities with a market capitalization below \$10 billion that trade on a major US stock exchange.

Employees, officers and directors of GIM are required to disclose and obtain approval for any arrangement with an outside party for which they receive compensation. Additionally, they are required to disclose and obtain approval for any activity where they provide investment advice, regardless of whether it is compensated. These outside business activities are carefully reviewed by the CCO for conflicts, and only approved after determining it is consistent with the interests of GIM's clients. There are no such material arrangements with any employee, officer, or director at the time of this update.

## **12. Brokerage Practices**

This section discusses how we select brokers when executing client trades and how we address the conflicts of interest created by our accepting services from those brokers.

We seek to achieve best possible execution on all trades for our client's accounts so that the value of our investment ideas will be captured, as much as possible, in performance for our clients. The traders follow the guidelines below when they place each trade in order to match the need to achieve best execution on each order with the desire to select brokers who best aid the investment team in making investment decisions.

### **Broker Selection**

When selecting a broker and placing a trade, our traders first attempt to locate the lowest cost execution alternative, such as an electronic crossing network or a broker with a 'natural' match, that is, a buyer of stock we wish to sell, or a seller of stock we wish to buy. If there is no readily available match, the trader chooses a broker which is actively providing liquidity, or has been known to provide liquidity

in the past. In cases where there are multiple equivalent brokerage alternatives, secondary factors are considered, such as quality of research provided, soft dollar programs, and technical/operational capabilities.

#### Ongoing Monitoring of Orders

All trades are actively worked by an experienced trader who is responsible for: 1) Monitoring the execution of that order throughout the day, 2) making adjustments, as needed, based on the broker's performance, 3) making adjustments, as needed, based on changes in price, volume, news and other factors which impact the order, and 4) communicating with the portfolio manager (s).

#### Use of Technology

Traders make use, where appropriate, of effective technology, such as electronic order routing, anonymous crossing networks, and direct market access platforms with the goal of lowering our market impact, commission costs, and errors.

#### Additional Services Provided through Brokerage ("Soft Dollars")

We may consider, in addition to its ability to execute a particular transaction, additional products or services a broker supplies us when selecting a broker. Such services may include:

- general economic, political and business information
- analytical and statistical data
- relevant market data
- quotation services
- reports and recommendations about specific companies, industries and securities
- portfolio strategy services
- financial publications
- technical analysis and technical charts
- software used for brokerage services
- software used for research services
- access to databases containing fundamental, portfolio-specific, or other financial information

These products and services are provided to us by a broker or third party in exchange for commissions generated from client transactions. We benefit from these arrangements by receiving these products and services at no cost to us, and could have incentive to select a broker based on our interest in receiving the research or other products and services, rather than on our clients' interest in receiving the most favorable execution.

Certain broker-dealers enable us to direct a portion of our per share commissions to an account from which we can procure the above mentioned products and services from third parties. This results in our clients paying a higher commission than might be charged by other broker-dealers.

#### Use of Soft Dollars

Currently, we have soft dollar relationships which provide research services from 12 suppliers. These suppliers are: FactSet for historical databases and portfolio analysis tools, William O'Neil and Co. for historical fundamental data and charts, Quantative Analysis Service (proprietary research), Furey Research for investment strategy, Battleroad Research for proprietary fundamental research,

Bloomberg Financial Markets for market data, corporate news and earnings releases, GARP Research for proprietary fundamental research, Insider Score (proprietary analysis of trading by company managements), Coburn Associates for proprietary research, the Wall St. Transcript newsletter, Biocentury newsletter, and Mackey LLC for research aggregation. Certain of these products are used for both research and non-research purposes. For example, we may include, for a client or prospect, a report showing a client's portfolio characteristics, which is generated from a system procured primarily with soft dollars. In these cases, called "mixed-use", we determine what portion of the usage of the product is for non-research purposes, and pay that portion of the cost of the product out of the Company's funds.

During 2014 approximately 30% of all commissions paid were used to procure research-related services. It is possible that certain of these services may benefit clients other than those whose commissions were used to pay for such service. A substantial portion of brokerage commissions paid on behalf of clients may be with brokers and investment banking firms which, in the normal course of business, publish research, statistical, and other material which is received by us and which may or may not prove useful to us or our clients.

#### Determining the Value of Research

The Head Trader regularly surveys the investment team for their current evaluations of the research and other investment services provided by each brokerage with whom they deal. These surveys allow the traders to accurately and adequately incorporate the value of a brokerage's research when selecting brokers.

#### Transaction Cost Review

Periodically, but at least semi-annually, representatives from Trading, Portfolio Management, and Compliance review statistics on recent trades looking for stand-out, high-cost trades, and seeking methods for enhancing trading performance. A third-party service which compiles our detailed trading data provides us with summary data and reports which aid in our analysis. This service is provided at no charge by a division of a broker-dealer which provides brokerage execution services to the Company.

#### Directed Brokerage

We do not actively select brokers based on client requests.

#### Aggregating Trades

When executing a transaction for multiple client portfolios at the same time, it is our policy to aggregate the shares into a single order before assigning it to a broker. This allows all portfolios to benefit from the higher trading volume—which may result in lower commission costs, and all portfolios receive the same price.

#### 13. Review of Accounts

##### Internal Review of Accounts

We have monitoring procedures designed to ensure that client accounts stay within both the investment style for which the client contracted, and within the specific guidelines agreed upon in the contract. These reviews consist of both pre-trade and post trade and periodic checks.

Before executing a trade in a client account, the order details are checked by the order management system to ensure the order does not violate specific constraints of the account(s). The Company also checks certain items for client portfolios on a post trade basis. These reviews are designed to detect violations of restrictions, as well as detect portfolio composition restrictions such as sector concentration, asset class restrictions, and holdings concentration. The pre-trade restriction checking is done automatically by the company's order management software at the time an order is entered into the system. The portfolio-specific restrictions in the system are maintained by the Trading Department. These restrictions are also reviewed by the Compliance Department periodically. The post-trade restrictions and guideline checks are made by a Client Services Administrator or a Compliance Administrator, and are done weekly or monthly, depending on the characteristic being examined.

#### Reports to Clients

We send our clients periodic communications regarding their portfolio's performance. The communications come in the following two forms:

Quarterly reports: This includes quarter-end holdings, performance for various periods (quarter, year-to-date, and since inception), sector weights and other pertinent summary information, and commentary summarizing the portfolio's relative performance in the period.

Monthly update: All clients are offered monthly updates which consist of the previous month's performance, and a holdings list. These items are provided via e-mail at the beginning of each month.

Specific reporting requirements are discussed with clients at the outset of the relationship, and are detailed in the Investment Agreement, and subsequent amendments to it.

#### 14. Client Referrals and Other Compensation

We do not receive compensation nor do we pay compensation to any outside party for referrals.

#### 15. Custody

GIM is deemed to have custody of the private fund, GIM Small Cap Discoveries LLC. The fund has a qualified custodian who provides reports to the fund's investors directly. GIM also provides periodic reports to the members of the LLC. Clients are urged to carefully review the custodian statements and compare them to the reports received from GIM.

#### 16. Investment Discretion

We have full discretion over client accounts under management with respect to:

- the securities and quantities to be purchased and sold
- the broker or dealer to be used
- the commission rates to be paid

In the case of the private fund, GIM Small Cap Discoveries LLC, GIM has the additional authority to direct cash disbursements into and out of the fund. Disbursements from the fund trigger a call-back by the

custodian to a second authorized person within GIM to verify the request. The fund is audited annually by an AICPA registered accounting firm.

17. Voting Client Securities

As specified in the client investment agreement, GIM will accept authority to vote client securities. GIM utilizes Glass Lewis and Co. recommendations and ballot casting service to provide consistent recommendations on all matters brought before shareholders in our clients' holdings. The policy is designed to promote increased shareholder value. In a case where a client wishes to vote its shares in a particular way on a particular matter, it should contact the Chief Compliance Officer, Brian Granahan, to do so. All clients may receive their proxy voting record, or more information on our proxy voting policy upon request.

18. Financial Information

Granahan Investment Management was profitable in its last fiscal year.

# Granahan Investment Management, Inc.

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Brochure Supplement  
**December 31, 2014**

**This brochure supplement provides information about John J. Granahan that supplements Granahan Investment Management's brochure. You should have received a copy of that brochure. Please contact the Director of Marketing at (781) 890-4412 if you did not receive Granahan Investment Management's brochure or if you have any questions about this supplement.**

## **John J. Granahan, CFA**

### **Educational background and Business Experience**

2008 – Present: Granahan Investment Management, Inc. Waltham, MA; Managing Director, Portfolio Manager

1985 – 2008: Granahan Investment Management, Inc. Waltham, MA; President, CEO, Portfolio Manager

1979 – 1985: Granahan-Everitt Investments, Inc., Waltham, MA; President and Portfolio Manager.

1962 – 1979: Wellington Management Company, Boston, MA; Senior Vice President, Portfolio Manager, Equities Analyst.

Catholic University of America, Graduate Fellow

St. Joseph College, Philadelphia, BA 1958

### **Disciplinary Information**

None

### **Other Business Activities**

None

### **Additional Compensation**

None

### **Supervision**

Portfolio managers and the portfolios they manage at Granahan Investment Management are subject to review by the firm's Chief Investment Officer, Gary C. Hatton, as well as by the Chief Compliance Officer, Brian S. Granahan. Client portfolios are reviewed for consistency with client mandates and securities laws. Additionally, the personal transactions and conduct of Granahan Investment Management's portfolio managers must comply with firm's Code of Ethics and securities laws.

**This brochure supplement provides information about Jane M. White that supplements Granahan Investment Management's brochure. You should have received a copy of that brochure. Please contact the Director of Marketing at (781) 890-4412 if you did not receive Granahan Investment Management's brochure or if you have any questions about this supplement.**

## **Jane M. White**

### **Educational background and Business Experience**

2008 – Present: Granahan Investment Management, Inc. Waltham, MA; President, CEO, Managing Partner, and Portfolio Manager

1985 – 2008: Granahan Investment Management, Inc. Waltham, MA; Portfolio Manager, Equities Analyst

1982 – 1985: Granahan-Everitt Investments, Inc., Waltham, MA; Research Analyst.

1980 – 1982: Loomis-Sayles Company, Inc., Boston, MA; Research Assistant.  
Boston University, BA 1977

### **Disciplinary Information**

None

### **Other Business Activities**

None

### **Additional Compensation**

None

### **Supervision**

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**This brochure supplement provides information about Gary C. Hatton that supplements Granahan Investment Management's brochure. You should have received a copy of that brochure. Please contact the Director of Marketing at (781) 890-4412 if you did not receive Granahan Investment Management's brochure or if you have any questions about this supplement.**

## **Gary C. Hatton, CFA**

### **Educational background and Business Experience**

2008 – Present: Granahan Investment Management, Inc. Waltham, MA; Chief Investment Officer, Managing Partner, and Portfolio Manager

1985 – 2008: Granahan Investment Management, Inc. Waltham, MA; Portfolio Manager, Equities Analyst

1982 – 1985: Eaton Vance Management, Boston, MA; Equities Analyst.

University of Wisconsin, Madison, MS 1982

University of Rhode Island, BS 1978

### **Disciplinary Information**

None

### **Other Business Activities**

None

### **Additional Compensation**

None

### **Supervision**

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**This brochure supplement provides information about Robert F. Granahan that supplements Granahan Investment Management's brochure. You should have received a copy of that brochure. Please contact the Director of Marketing at (781) 890-4412 if you did not receive Granahan Investment Management's brochure or if you have any questions about this supplement.**

## **Robert F. Granahan**

### **Educational background and Business Experience**

1995 – Present: Senior Vice President and Portfolio Manager.

1994 – 1995: Northern Asset Management, New York, NY; Research Assistant.

1985 – 1993: United States Navy; Officer and Aviator.

New York University, MBA 1995

Tufts University, BA 1985

### **Disciplinary Information**

None

### **Other Business Activities**

None

### **Additional Compensation**

None

### **Supervision**

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This brochure supplement provides information about Andrew L. Beja that supplements Granahan Investment Management's brochure. You should have received a copy of that brochure. Please contact the Director of Marketing at (781) 890-4412 if you did not receive Granahan Investment Management's brochure or if you have any questions about this supplement.

## **Andrew L. Beja, CFA**

### **Educational background and Business Experience**

Dec 2011 – present: Portfolio Manager: Covers Business Services, Technology Services/Software, Consumer.

2000 – 2011: Lee Munder Capital Group, Boston, MA; Co-Founder, Managing Director, Portfolio Manager.

1996 – 2000: Standish, Ayer & Wood, Boston, MA; Portfolio Manager & Analyst

1984 – 1996: Advest, Inc., Hartford, CT; Small Cap Equities Analyst

Miami University, BA 1984

### **Disciplinary Information**

None

### **Other Business Activities**

None

### **Additional Compensation**

None

### **Supervision**

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**This brochure supplement provides information about John V. Schneider that supplements Granahan Investment Management's brochure. You should have received a copy of that brochure. Please contact the Director of Marketing at (781) 890-4412 if you did not receive Granahan Investment Management's brochure or if you have any questions about this supplement.**

## **John V. Schneider, CFA**

### **Educational background and Business Experience**

2006 – Present: Vice President, Portfolio Manager and research analyst; Covers consumer sector.

2000 – 2006: MFS Investment Management, Boston, MA; Vice President and equities analyst.

1998 – 2000: Adams, Harkness & Hill, Boston, MA; Investment banking analyst.

Dartmouth College; AB 1996

### **Disciplinary Information**

None

### **Other Business Activities**

None

### **Additional Compensation**

None

### **Supervision**

Portfolio managers and the portfolios they manage at Granahan Investment Management are subject to review by the firm's Chief Investment Officer, Gary C. Hatton, as well as by the Chief Compliance Officer, Brian S. Granahan. Client portfolios are reviewed for consistency with client mandates and securities laws. Additionally, the personal transactions and conduct of Granahan Investment Management's portfolio managers must comply with firm's Code of Ethics and securities laws.