

Granahan Investment Management, LLC

Disclosure Brochure

Part 2 of Form ADV

March 26, 2024

This brochure provides information about the qualifications and business practices of Granahan Investment Management, Limited Liability Company. 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, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

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

2. Material Changes

This page highlights *material* changes made to this brochure since the last *annual update*, on 3/31/2023.

Item 4: Advisory Business – Updated to reflect regulatory assets under Management as of December 31, 2023.

Table of Contents

2.	Material Changes	2
4.	Advisory Business.....	4
5.	Fees and Compensation.....	6
6.	Performance-Based Fees and Side-by-Side Management.....	7
7.	Types of Clients	8
8.	Methods of Analysis, Investment Strategies and Risk of Loss	8
9.	Disciplinary Information.....	11
10.	Other Financial Industry Activities and Affiliations.....	11
11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	12
12.	Brokerage Practices	12
13.	Review of Accounts.....	15
14.	Client Referrals and Other Compensation	16
15.	Custody	16
16.	Investment Discretion.....	16
17.	Voting Client Securities	16
18.	Financial Information	17
	Brochure Supplement	18

4. Advisory Business

Granahan Investment Management (“GIM”) is an independent, employee-owned firm that was founded in 1985 by investment professionals with a passion for small capitalization equity investing. GIM is principally owned by GIM Holdings, Inc. Since its founding, GIM has remained committed to the smaller cap area of the market and has dedicated its investment expertise to serving institutions and family offices.

As of December 31, 2023, GIM managed \$3,098,868,810 in total assets on a discretionary basis. GIM currently does not manage non-discretionary assets.

Typically, GIM’s products are not tailored to the individual needs of clients. In certain circumstances, GIM allows clients in certain circumstances to restrict and/or limit certain investments in their portfolio.

GIM currently offers these investment management products:

Small Cap Core Growth (\$1 billion AUM): Our Small Cap Core Growth product was started in 1993 and has a focus on stocks with market capitalizations between \$200 million and \$2 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.

Granahan Focused Growth (\$1.07 billion AUM): 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.

Small Cap Advantage (\$362 million AUM): Our Small Cap Advantage product was created in 2015 as a small cap product. The product is a distinct combination of two long standing individual strategies: *Small Cap Discoveries*, inception July 2004 and *Small Cap Focused Growth*, inception July 2007. The product focuses on companies with market capitalizations between \$50 million and \$2 billion. The portfolio typically holds 90-100 stocks. This product is offered on a separate account and sub-advised basis.

Small Cap Discoveries (\$17 million AUM): Our Small Cap Discoveries product was created in 2004. 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. It is available to non-US investors through the Ireland-based Granahan Funds UCITS platform.

Small Cap Select (\$229 million AUM): Our Small Cap Select product was created in March 2015. The Small Cap Select product invests in stocks of companies with market capitalizations typically between \$200mm and \$3 billion at purchase. The Small Cap Select product seeks to invest in the stocks of companies in the small cap sector of the market that have the ability to sustain growth through market disruption. The Small Cap Select product is a high conviction portfolio containing +/-50 stocks with the top 15 holdings typically representing >60% of the portfolio.

SMID Cap Select (\$166 million AUM): Our SMID Cap Select product was created in March 2015. The SMID Cap Select product invests in stocks of companies with market capitalizations typically between \$500mm and \$20 billion at purchase. The SMID Cap Select product seeks to invest in the stocks of companies in the SMID cap sector of the market that have the ability to sustain growth through market disruption. The SMID Cap Select product is a high conviction portfolio containing +/-50 stocks with the top 15 holdings typically representing >60% of the portfolio.

Global Small Cap (\$48 million AUM): Our Global Small Cap product was created in May 2016. The Global Small Cap product invests in stocks of companies with market capitalizations typically between \$300mm and \$5 billion at purchase, primarily representing companies in developed markets around the world. The Global Small Cap product seeks to invest in the stocks of well-positioned companies that have strong growth prospects when the underlying stock has an attractive risk/reward profile. The Global Small Cap product is a high conviction portfolio containing +/-60 holdings with a minimum of 50% of the portfolio representing US companies.

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. On June 30, 2017, the Granahan Funds plc launched the US Small Cap Discoveries Fund under the umbrella. This fund mimics the strategy of the Granahan Small Cap Discoveries product. As with the Focused fund, the Discoveries UCITS is only available to non-US investors. On January 22, 2020, the umbrella launched its third fund, Granahan SMID Select Fund designed to mimic the SMID select strategy.

Small Cap Explorer: 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.

International Small Cap: Our International Small Cap product was created in 2015. The International Small Cap product invests primarily in small cap stocks of companies in EAFE-based

countries, with up to 10% exposure to emerging markets. The universe of investable countries is screened for stocks between \$100million and \$5billion in market cap, within our liquidity requirements. This strategy deploys a critical combination of extensive bottom-up, fundamental company research with a forward-looking expected-return tool for portfolio construction. The portfolio typically holds +/- 65 stocks. This product is offered on a separate account and sub-advised basis.

Non-discretionary “Model” clients: In limited cases, we provide our investment management services on a non-discretionary basis through a “Model”. GIM does not have discretion over the model client’s assets and therefore the client is responsible for selecting the broker and executing trades in the market. The client, however, is not obligated to use our recommendations and therefore we do not know if or how much of the recommended trades were completed. This is a conflict of interest because we could be competing with the model client for the same trade. GIM communicates model changes to the model client at the end of the day. For securities held in both discretionary and model accounts, the discretionary clients will trade before model clients are made aware of the recommendation. This could result in model clients and discretionary clients receiving different prices.

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”, “Small Cap Advantage”, and “Small Cap Select” 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%

As of July 2019, the standard fee schedule for accounts in the “Small Cap Focused Growth” product is as follows:

FIRST \$15 MILLION	1.00%
NEXT \$35 MILLION	0.90%
ABOVE \$50 MILLION	0.85%

The “Small Cap Focused Growth” product previously shared the same fee schedule as the “Small Cap Core Growth” product.

For accounts in the “Small Cap Discoveries” product, the standard fee rate is 1.25% of the Account Assets.

For accounts in the “International Small Cap”, the product fee rate is as follows:

Assets in Account	Annual Percentage Fee:
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FIRST \$50 MILLION	1.00%
NEXT \$50 MILLION	0.90%
ABOVE \$100 MILLION	0.80%

Granahan Funds plc: The fees earned on assets in the Irish domiciled Funds vary from 0.35% to 1.3%, depending on the particular share class subscribed. One share class introduced in January 2019 has a performance fee component which is accrued over time and paid once per year based on the dollar gains in the account above the benchmark Russell 2000 Growth index. New share classes or negotiated rebates can increase or decrease the fee rate paid by individual clients. The Fund fee is calculated on a daily basis by the administrator of the Fund and is reflected in the daily Net Asset Value. The fee is paid to GIM, the investment manager, on a quarterly basis, in arrears. To protect its shareholders from excessive fees during its early stages, we have agreed to reimburse the Fund for operating expenses which exceed a specified percentage (specific to each share class) of the net asset value. This Fund is open to non-US investors only. Fund prospectus and more information can be found at www.granahan.com/ucits.

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, and assets under management withdrawn with 5 business days advanced notice.

Fees are generally negotiable and several of our clients pay lower fee rates than those shown above. Lower fee rates can be a result of the level of assets managed, number of products managed, the type and frequency of service level provided by us, the inception date of the client relationship, whether there is a performance-based component, or other factors. A performance-based fee schedule is in place with certain clients and for one share class offered in the Focused Growth UCITS Fund. Assets of approximately \$13.9mm of the total assets under management shown above are non-fee-paying.

Other Non-Advisory Fees:

In addition to the fees paid to GIM, clients may incur other fees. These fees may be assessed by custodians, brokers, and other third parties. They include commissions, custodial fees, odd-lot differentials, taxes, wire transfer and electronic fund fees, as well as other miscellaneous fees. Mutual funds also charge internal management fees, which are disclosed in each fund's prospectus.

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

The investment team is responsible for managing portfolios in the products 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 Small Cap Advantage and Small Cap Select products each have a \$3 million client minimum for separate accounts. The Focused Growth product also has a \$3 million client minimum for separate accounts, but currently manages one account which is below that minimum. The Small Cap Discoveries product has a \$5 million client 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 products are designed to serve 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, GIM 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. GIM'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 generally has a 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 maximum security and industry concentrations based on client requirements and the investment strategy.

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 strategy 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.

- **Equity Market Risk.** Overall stock market risks may affect the value of the investments in equity strategies. Factors such as U.S. economic growth and market conditions, interest rates, and political events affect the equity markets.
- **Catastrophic Events Risk.** The value of securities may decline as a result of various catastrophic events, such as pandemics, natural disasters, and terrorism. Losses resulting from these catastrophic events can be substantial and could have a material adverse effect on GIM's business and client portfolios.
- **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.
- **Illiquidity.** Portfolios may invest in thinly traded or less liquid equity investments, which may make it difficult or, in limited cases, impossible to dispose of such investments at desired times, thereby increasing the risk of loss.
- **Issuer and Sector Concentration.** Some of the product portfolios consist of between 30-40 individual holdings, with the maximum holding size of 10% of the current market value. 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 the best thing for the client is not the best thing for the employee. GIM has adopted a Code of Ethics and supervisory policies and procedures designed to ensure the client's interests take precedence to those of GIM or its employees, and to prevent favoritism of a specific client over others.
- **Management Risk.** Our judgments about the attractiveness, value and potential appreciation of a particular asset class or individual security may be incorrect and there is no guarantee that individual securities will perform as anticipated. The value of an individual security can be more volatile than the market as a whole or our intrinsic value approach may fail to produce the intended results. Our estimate of intrinsic value may be wrong or even if our estimate of intrinsic value is correct, it may take a long period of time before the price and intrinsic value converge.
- **Operational and Technology Risk.** Cyberattacks, disruptions, breaches or other failures that could affect GIM, issuers of securities held in a portfolio, or other market participants may adversely affect the value of a client's portfolio or GIM's ability to provide client services, including during

times of market volatility. Certain such events could potentially result in the dissemination of confidential information. While GIM has established business continuity and other plans and processes that seek to address the possibility of and fallout from cyberattacks, disruptions, breaches or failures, there are inherent limitations in such plans and systems, and there can be no assurance that such plans and processes will address the possibility of and fallout from any such event.

- **Personal Assets invested in GIM product offerings.** Company (GIM) assets, Owner Assets, and employee assets are invested in most strategies offered by the Company. 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 all portfolios are treated fairly, regardless of personal 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

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events (i.e., criminal and/or civil action, administrative proceeding, self-regulatory proceeding) that would be material to your evaluation of them or the integrity of their management. GIM has no information applicable to this item.

10. Other Financial Industry Activities and Affiliations

In November 2021, Kudu Investment Management, LLC, a private equity firm that provides permanent capital to investment boutiques, acquired a minority interest in GIM. A little more than 75% of the equity continues to be held by GIM employees, broadly distributed across the firm. GIM retains its autonomy over the operations and investment processes.

GIM acts as sub-adviser to three unaffiliated SEC-registered investment companies ("mutual funds"), for two Irish domiciled Funds organized as Undertakings for Collective Investment in Transferable Securities (UCITS) funds, and acts as investment manager and general partner to a Delaware based investment partnership, GIM Small Cap Discoveries Fund LLC.

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 agree to comply 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.

Employees are discouraged from investing in securities which client accounts are eligible to hold but not prohibited from doing so if certain requirements are met. To mitigate the risk of interfering with client transactions, GIM requires employees, officers and directors to seek pre-approval before trading in personal accounts for all securities held in client accounts within the past 30 days and securities with a market capitalization below \$10 billion that trade on a major US stock exchange. Additionally, employee transactions are subject to a blackout period that prohibits personal trades in a security within seven days before and after a client account trades that security or its equivalent.

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.

Sales personnel, portfolio managers, and officers and directors of GIM are required to obtain approval prior to making any political contributions. Political contributions above a nominal amount to elected officials or candidates for certain offices are prohibited where that official can influence investment manager selection.

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")

For transactions where multiple brokers can provide best execution, 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

We have soft dollar relationships with third-parties that provide research products and services. 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.

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. A full survey is performed annually, with supplemental surveys done throughout the year.

Transaction Cost Review

We have established a committee to review transactions to ensure our clients are achieving best-execution on their trades. Members of the Best Execution committee, made up of representatives from Trading, Portfolio Management, and Compliance, are tasked with reviewing quarterly statistics on trades executed each quarter. Periodically, but at least annually, the committee meets to discuss trends, technology, and factors impacting trading and commission costs and to seek 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 by a division of a broker-dealer which also provides brokerage execution services to the Company.

Directed Brokerage

We have not typically engaged in directed brokerage arrangements due to the importance we place on broker selection and trading execution. Trading in small cap stocks requires a specialized approach that balances the need for liquidity with the sensitivity of smaller stocks to large orders. We have two experienced traders with over 40 years of combined experience trading in small cap stocks. Broker selection is critical on each security, and trade, to minimize potential information leakage (i.e. our trading

intentions) through brokers. We utilize anonymous crossing networks (dark pools), algorithmic trading, and sell-side brokers who have proven effective in the past.

Currently, we do not manage any accounts where we must trade through the custodian.

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.

For securities held in both discretionary and model accounts, the discretionary clients will trade before model clients are made aware of the recommendation. This could result in model clients and discretionary clients receiving different prices.

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 have an agreement with Daymer Bay Capital, based in London, UK, to market our products to clients based in Europe. Their sales efforts are largely focused on marketing the UCITS funds offered through Granahan Funds plc, for which we are the Investment Manager and Promoter. We pay Daymer Bay a monthly retainer, plus a percentage of the fees received from clients sourced by Daymer Bay Capital.

We do not receive compensation from an 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, except for accounts which require a designated broker
- the commission rates to be paid, except for accounts which require a designated broker

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 follow procedures established at the custodian and fund administrator for verification and security. The fund is audited annually by an AICPA registered accounting firm.

17. Voting Client Securities

As specified in the client investment agreement, we will accept authority to vote client securities. We utilize ISS 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

GIM is not aware of any financial condition that is likely to impact its ability to continue providing investment services to its clients.

Granahan Investment Management, LLC

Brochure Supplement

March 26, 2024

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 clients@granahan.com 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, LLC Waltham, MA; President, CEO, Managing Partner, and Portfolio Manager

1985 – 2008: Granahan Investment Management, LLC 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

Portfolio managers and the portfolios they manage at Granahan Investment Management are subject to review by the firm's Chief Investment Officer, David M. Rose, 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 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 clients@granahan.com 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

Founder and Chairman of NZ RFIC, a local ice cream store.

Additional Compensation

None

Supervision

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This brochure supplement provides information about Jennifer M. Pawloski that supplements Granahan Investment Management's brochure. You should have received a copy of that brochure. Please contact the Director of Marketing at clients@granahan.com if you did not receive Granahan Investment Management's brochure or if you have any questions about this supplement.

Jennifer M. Pawloski

Educational background and Business Experience

2007 – present: Vice President, Partner. Technology Portfolio Manager/Analyst, Multi-Managed Strategies.

1993 – 2007: Longwood Investment Advisors, Boston, MA; Director of Equity Research, Principal.

1989 – 1993: The Boston Company, Boston, MA; Vice President of Operations, Mutual Fund Accounting. Bentley College, BS 1989

Disciplinary Information

None

Other Business Activities

None

Additional Compensation

None

Supervision

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David M. Rose, CFA

Educational background and Business Experience

2015 – present: Vice President. Portfolio Manager, Multi-Managed Strategies. Global Equities Analyst.

2011 – 2015: Furey Research Partners, Boston, MA; Partner & Analyst.

2007 – 2010: Pyramis Global Advisors, Smithfield, RI; Portfolio Manager.

1998 – 2007: American Century Investments, Kansas City, MO; Vice President. Portfolio Manager/Analyst.

University of Wisconsin - Madison, MS-Finance, Investment, and Banking 1998

Washington University, BS 1991

Disciplinary Information

None

Other Business Activities

None

Additional Compensation

None

Supervision

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This brochure supplement provides information about Jeffrey A. Harrison that supplements Granahan Investment Management's brochure. You should have received a copy of that brochure. Please contact the Director of Marketing at clients@granahan.com if you did not receive Granahan Investment Management's brochure or if you have any questions about this supplement.

Jeffrey A. Harrison, CFA

Educational background and Business Experience

2015 – present: Vice President. Portfolio Manager/Analyst, Multi-Managed Strategies.

2004 – 2015: Wells Capital Management, Richmond, VA; Senior Vice President & Portfolio Manager.

1997 – 2004: Wells Capital Management, Richmond, VA; Assistant Vice President & Analyst.

College of William & Mary, MBA 1998

Hampden-Sydney College, BA 1992

Disciplinary Information

None

Other Business Activities

None

Additional Compensation

None

Supervision

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This brochure supplement provides information about Richard J. Watson that supplements Granahan Investment Management's brochure. You should have received a copy of that brochure. Please contact the Director of Marketing at clients@granahan.com if you did not receive Granahan Investment Management's brochure or if you have any questions about this supplement.

Richard J. Watson, CFA

Educational background and Business Experience

2021 – present: Vice President. Portfolio Manager/Analyst, Multi-Managed Strategies.

2006 – 2021: Columbia Wanger Asset Management, Chicago, IL; Portfolio Manager/Analyst.

2001-2006: William Blair & Company, Chicago, IL; Senior Analyst

DePaul University, MBA Finance 1997

SUNY Plattsburgh, BS Biochemistry/Biophysics 1991

Disciplinary Information

None

Other Business Activities

None

Additional Compensation

None

Supervision

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This brochure supplement provides information about Kelvin X. Jiang that supplements Granahan Investment Management's brochure. You should have received a copy of that brochure. Please contact the Director of Marketing at clients@granahan.com if you did not receive Granahan Investment Management's brochure or if you have any questions about this supplement.

Kelvin X. Jiang, CFA

Educational background and Business Experience

2023 – Present: Vice President. Portfolio Manager/Analyst, Multi-Managed strategy.

2017 – 2023: Monarch Partners Asset Management, Boston, MA; Portfolio Manager & Senior Equity Analyst.

2013 – 2017: Calamos Investments, Chicago, IL; Senior Equity Analyst, Global Technology.

2007 – 2011: J.P. Morgan, New York, NY; Associate, Special Situations Investing.

Northwestern University – Kellogg School of Management, MBA 2013

Columbia University, BS 2007

Disciplinary Information

None

Other Business Activities

Sole proprietor of CoScaler which provides business strategy and financial forecasting consulting to small startups.

Additional Compensation

None

Supervision

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