

Granahan Funds plc (the "Company")

The Company is an open-ended umbrella investment company with variable capital and segregated liability between its sub-funds and is organised under the laws of Ireland as a public limited company pursuant to the Companies Act 2014, as amended. The Company is authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (together the "UCITS Regulations"). The Company was incorporated on October 3, 2013 under registration number 533587.

INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS

For the financial period ended June 30, 2018

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**Granahan US Focused Growth Fund (GUSFGAA)
Interim Report – June 30, 2018
Investment Manager Commentary**

U.S. Small Cap Stocks have done well year-to-date through June, and the Granahan US Focused Growth Fund has had an exceptionally strong six months, with a return of 35.0% versus 9.7% for the Russell 2000 Growth benchmark.

In terms of attribution, stock selection in the Focused Growth portfolio was particularly strong, led by Technology, Producer Durables and Consumer Discretionary. Stock selection in Consumer Staples and Healthcare also assisted in the period, though the Healthcare underweighting offset most of the effect of this sector’s good stock selection. The portfolio showed modest negative stock selection in Financial Services. The portfolio’s lack of exposure in Energy, Utilities and Materials was a positive. As has been the case for the past several quarters, turnover remained elevated as we redeployed capital from stocks that appreciated and so had diminished expected returns.

How Long Will This Bull Market Last?

More than 9 years after the stock market bottomed during the 2008-2009 Global Financial Crisis, investors across the globe are naturally wondering if the gains can persist. Complicating the equation, some stock valuations appear extended, and the prospect of a fierce trade war adds an element of economic uncertainty to an otherwise healthy economic backdrop. To date at least, the US economy continues to chug along at the steady pace it has enjoyed since the financial crisis, and with the recent massive stimuli of tax cuts and deregulation, this seems likely to persist for at least a while.



Since I haven't yet--in this letter at least--made the point that market timing is hard, if not impossible, to get consistently right, I'll make it now. Market timing is hard, if not impossible, to get consistently right. Thus it is critical to have a sound asset allocation plan and stick to it. Now is not a bad time to make sure that you are within the parameters of that plan. Assuming so...relax and enjoy the ride.

And what a Ride...

**Granahan US Focused Growth Fund (GUSFGAA)
Interim Report – June 30, 2018
Investment Manager Commentary (continued)**

We are experiencing disruption at a pace and scope that is breathtaking. Some of the disrupters have become household names – Amazon, Facebook, Tesla, and Google, to name a few. And some of the victims have gone the way of the buggy whip, as was the case with Blockbuster Video at the hands of Netflix, many a newspaper at the hands of the Internet, and countless retailers at the hands of Amazon. For still other participants in the economy, it is only a matter of time before the bell tolls (I would not want to own taxi medallions in a world of Uber and Lyft, nor stock in a coal company as Tesla ramps production of its Gigafactory).

For anyone still unsure about the level of disruption, perhaps a glance at the front page of the Business and Finance section of The Wall Street Journal on a single day, June 29, 2018, will bring them around. The headlines include Amazon buying Pillpack, causing big ripples in the pharmacy industry, Kroger responding to Uber and Amazon with a plan to test driverless delivery, and traditional advertising agencies Interpublic and Dentsu bidding on Axciom's data marketing division.



While not yet household names, many of the companies we track closely on our Desert Island Monitored list are delivering exceptional value propositions to their customers and causing disruptions of great magnitude in their respective spaces.

Examples of such companies include Mindbody (MB), which is becoming "must-have" software for yoga and fitness studios to operate their business as well as attract and process customers; and Chegg, Inc. (CHGG), which helps college students (and increasingly pre- and post-college students) with their studies and has higher unaided awareness among college students than Amazon!; and Paycom (PAYC), Ultimate Software (ULTI), and Paylocity (PCTY) – three Desert Island worthy companies bringing payroll and state-of-the-art human capital management software tools to a large number of companies and their employees.



As a reminder, we view these and others as being companies worth taking to the "Desert Island," because if you sent us to a desert island for 5-7 years, we believe the companies would be much larger when we returned. There are approximately 100 such companies on our *Desert Island Monitored List*, all of which we track closely. Among other attractive attributes, these Desert Island companies have high and sustainable growth in a world in which growth is scarce. And in contrast to the perception of numerous casual observers, many of these companies have now moved into their next phase and are generating very strong margins and free cash flow.

**Granahan US Focused Growth Fund (GUSFGAA)
Interim Report – June 30, 2018
Investment Manager Commentary (continued)**

While we believe all the companies on the Desert Island are well-positioned, the Focused Growth portfolio comprises roughly 40 stocks of the 100, based on risk/reward and probability-weighted expected return of the underlying stocks at any given time.

In summary, I have no faith in my (or anyone else's) ability to predict how the market will move in the short-term. However, I remain confident that the disciplined approach behind the Focused Growth strategy will generate solid returns over time, providing capital appreciation for the segment of assets that one may choose to invest alongside my own in the Focused Growth portfolio.

Please don't hesitate to reach out with any questions, comments, or Desert Island-worthy ideas.

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Disclosure:

The information provided in this commentary should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings.

It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

**Granahan US Small Cap Discoveries Fund (GUSDFUA)
Interim Report – June 30, 2018
Investment Manager Commentary**

“The only man I know who behaves sensibly is my tailor; he takes my measurements anew each time he sees me. The rest go on with their old measurements and expect me to fit them.” -- George Bernard Shaw

HOCKEY and INVESTING

The key to hockey, as Wayne Gretzky once said, is to skate to where the puck will be – not where it is now. Players don't really know where the puck will go, but there are battles and probabilities that good players will continuously measure to get a sense of where it might go, and they position themselves well. As investors, we at GIM do our best to apply this type of foresight to investing clients' portfolios.

WHAT IFS

At GIM, one of our strengths is knowing we can't predict the markets, so instead, we play for the love of the game. One tool we use to position the portfolio well is playing “what if” games, where no opinion is permanent, thus allowing us to see which “what ifs” appear to be unfolding as we continue to take new measurements. We live in extraordinary times, and if we pay attention and remain curious, we can learn to take advantage of underappreciated opportunities. For instance:

What if we are in a period analogous to the late 1880s, after the railroads came into this country? It was a long prosperous period with corrections along the way, good economic gains and very low inflation. The current disruption occurring in so many industries, driven by technology and innovation, may place us at the beginning of one of those long periods. If we are in such a period, then you want to own some of these disrupting companies and industries. And if we are not, then you want to own some other companies to hedge that probability.

Or

What if we are entering a renaissance period for biotechnology? It's true the industry is 37 years old if you use Genentech's IPO in 1981 as its unofficial launch. But the industry was an infant with *professors* at Harvard and MIT as CEOs and founders. The management, the knowledge, and the skills and tools were primitive by today's standards. The genome project forced development of new skills and technologies akin to the technologies that came from the space race of the 1960's.

These new skills and technologies are being applied to further understand the biology of disease, so instead of throwing things into a person and seeing what works, the industry is using informed biology to develop therapeutics. This dramatically increases productivity at a time when the industry has a mature, experienced management pool to exploit that productivity.

What if we are entering a biotech renaissance and Kendall Square is the Florence of this epic era, *and* what if we get an epic biotech bull market? There have been some good periods for biotech, but the industry sub-sector has never gotten its “own” bull market. Biotech was just a sideshow to the technology bubble of 1997-2000, and it looked good as a dead-cat bounce coming off the market winter of the 2002-2011. If we are heading into an epic biotech bull market, then as investors, you want to participate.

Enough what ifs. It's time to invest. There are plenty of opportunities and plenty of risks. We will capture some of both as we move forward. But whether we capture more than our share of opportunities will be determined by whether we are willing to follow our curiosity, position ourselves well, and take our measurements anew.

**Granahan US Small Cap Discoveries Fund (GUSDFUA)
Interim Report – June 30, 2018
Investment Manager Commentary (continued)**

LIFECYCLES

We use the LifeCycle tool to diversify the portfolio across innovative emerging growth companies, as well as high quality companies that may be temporarily affected by negative investor sentiment. Typical weights are 25% each in Core Growth and Pioneers, and 50% in Special Situations. Special Situations are more prevalent in the smaller cap spectrum of the market, because lack of critical mass often precludes them from the consistency in financial results that many growth investors prefer.

LifeCycle Weightings	6/30/2018	6/30/2017
Pioneer (<i>earlier stage companies, creating new markets</i>)	30%	29%
Core Growth (<i>Recurring revenues, visibility on earnings, solid record of strong earnings growth</i>)	28%	34%
Special Situations (<i>companies with prosaic record, internal or external factor that will accelerate earnings growth</i>)	41%	37%
Cash	1%	0%

PERFORMANCE

We measure the Small Cap Discoveries strategy against two small cap benchmarks, as we invest from a universe that reflects both – the Russell Microcap Growth Index and the Russell 2000 Growth Index. Year-to-date we are soundly ahead of both, with the Granahan US Small Cap Discoveries Fund up 19.43% versus 9.7% for the Russell 2000 Growth benchmark, and 10.83% for the Russell Microcap Growth Index.

Performance in the six-month period was broad-based. While all three LifeCycles outperformed the overall benchmarks, Pioneers and Core Growth holdings led performance in the period. Strong stock selection in Healthcare (particularly biotech), Materials, and Producer Durables drove performance, assisted by positive selection and allocation in Consumer Discretionary and Energy. Financial Services was the largest drag on performance, while Consumer Staples and Technology were slight negatives.

**Granahan US Small Cap Discoveries Fund (GUSDFUA)
Interim Report – June 30, 2018
Investment Manager Commentary (continued)**

OUTLOOK

In the commentaries over the last few years, I have written extensively about the opportunities that abound in the US small cap markets. I will not repeat them all here, except to say – “ditto,” and reiterate the power of the disruptors that are touching every industry. We believe fundamentally, that in order to ensure success in the modern world, technology needs to be at the core of a business.

Given the plethora of opportunities, it is incumbent on us as your portfolio manager to diversify across the LifeCycles, create many asymmetric bets in the portfolio, and measure measure measure our assessments.

The Small Cap Discoveries investment process is based on in-depth bottom-up research where we vet and validate the companies in our investment universe, pay attention, and continuously measure and question our assumptions. We use our LifeCycle diversification tool as a mechanism to uncover growth in all corners of the market, to ask “what if,” and to gauge and capitalize on sentiment mispricing. The resulting Small Cap Discoveries portfolio represents some of the most innovative and exciting companies in the small and micro-cap market, and the GIM investment process works to ensure that the stocks of these companies are owned at the right time to assist our investors over the long term.

Gary Hatton, CFA
CIO & Portfolio Manager

GRANAHAN FUNDS PLC

**GRANAHAN US FOCUSED GROWTH FUND
SCHEDULE OF INVESTMENTS (UNAUDITED)
June 30, 2018**

(expressed in USD) Description	Quantity	Currency	Fair Value	% net assets
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
1) LISTED SECURITIES : SHARES				
CANADA				
IMAX Corp	26,000	USD	575,900	1.31
			<u>575,900</u>	<u>1.31</u>
GREAT BRITAIN				
Mimecast Ltd	29,200	USD	1,203,332	2.73
			<u>1,203,332</u>	<u>2.73</u>
ISRAEL				
Kornit Digital Ltd	87,533	USD	1,558,087	3.54
SodaStream International Ltd	23,396	USD	1,995,679	4.53
			<u>3,553,766</u>	<u>8.07</u>
LUXEMBOURG				
Globant SA	25,930	USD	1,472,565	3.34
			<u>1,472,565</u>	<u>3.34</u>
UNITED STATES (U.S.A.)				
2U Inc	20,098	USD	1,679,389	3.81
Amber Road Inc	70,854	USD	666,736	1.51
Axon Enterprise Inc	10,650	USD	672,867	1.53
Box Inc	16,530	USD	413,085	0.94
Brooks Automation Inc	10,210	USD	333,050	0.76
Carbonite Inc	36,585	USD	1,276,817	2.90
Casella Waste Systems Inc	7,950	USD	203,600	0.46
Chegg Inc	17,960	USD	499,108	1.13
Chuy's Holdings Inc	29,800	USD	914,860	2.08
Cornerstone OnDemand Inc	16,520	USD	783,544	1.78
CoStar Group Inc	6,990	USD	2,884,283	6.53
Coupa Software Inc	12,640	USD	786,714	1.79
Ebix Inc	8,697	USD	663,146	1.50
Echo Global Logistics Inc	25,390	USD	742,658	1.69
Everbridge Inc	13,970	USD	662,457	1.50
Evolent Health Inc	30,210	USD	635,921	1.44
Freshpet Inc	22,770	USD	625,037	1.42
Grand Canyon Education Inc	8,597	USD	959,511	2.18

The accompanying notes are an integral part of these financial statements.

GRANAHAN FUNDS PLC

**GRANAHAN US FOCUSED GROWTH FUND
SCHEDULE OF INVESTMENTS (UNAUDITED) - continued
June 30, 2018**

(expressed in USD) Description	Quantity	Currency	Fair Value	% net assets
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)				
1) LISTED SECURITIES : SHARES (continued)				
UNITED STATES (U.S.A.) (continued)				
HubSpot Inc	2,834	USD	355,384	0.81
InnerWorkings Inc	58,829	USD	511,224	1.16
Limelight Networks Inc	81,070	USD	362,383	0.82
Liquidity Services Inc	26,550	USD	173,903	0.39
LivePerson Inc	159,950	USD	3,374,944	7.66
Okta Inc	15,290	USD	770,157	1.75
OSI Systems Inc	20,521	USD	1,586,889	3.60
Paycom Software Inc	14,500	USD	1,433,035	3.25
Paylocity Holding Corp	16,466	USD	969,189	2.20
Q2 Holdings Inc	8,100	USD	462,105	1.05
ShotSpotter Inc	11,910	USD	451,746	1.03
SPS Commerce Inc	22,162	USD	1,628,463	3.70
Strayer Education Inc	15,890	USD	1,795,728	4.07
TechTarget Inc	24,068	USD	683,531	1.55
Teladoc Inc	25,915	USD	1,504,366	3.41
Trade Desk Inc	8,650	USD	811,370	1.84
Ultimate Software Group Inc	2,090	USD	537,778	1.22
Upland Software Inc	14,375	USD	494,069	1.12
Victory Capital Holdings Inc	32,650	USD	345,437	0.78
Virtusa Corp	23,110	USD	1,124,995	2.55
Weight Watchers International Inc	10,350	USD	1,046,385	2.37
			<u>35,825,864</u>	<u>81.28</u>
TOTAL LISTED SECURITIES : SHARES			<u>42,631,427</u>	<u>96.73</u>
<u>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</u>			<u>42,631,427</u>	<u>96.73</u>
TOTAL INVESTMENTS			42,631,427	96.73
OTHER ASSETS			2,642,894	6.00
OTHER LIABILITIES			(1,204,496)	(2.73)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES			<u>44,069,825</u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

GRANAHAN FUNDS PLC

**GRANAHAN US FOCUSED GROWTH FUND
SCHEDULE OF INVESTMENTS (UNAUDITED) - continued
June 30, 2018**

At June 30, 2018 sector diversification of the Fund was as follows:

	%net of Net Assets	Value
Common stock		
Business Houses	1.51	\$ 666,736
Consumer Goods	4.53	1,995,679
Electronic Semiconductor	5.89	2,592,806
Environmental Services & Recycling	0.46	203,600
Food and Distilleries	1.42	625,037
Graphic Art and Publishing	6.25	2,752,842
Healthcare Education & Social Services	11.29	4,982,400
Holding and Finance Companies	9.45	4,164,156
Internet Software	41.66	18,359,726
News Transmission	2.25	988,985
Other Services	12.02	5,299,460
TOTAL INVESTMENTS	<u>96.73</u>	<u>42,631,427</u>
Other Assets and Cash in Excess of Liabilities	3.27	1,438,398
TOTAL NET ASSETS	<u>100.00</u>	<u>\$ 44,069,825</u>
Analysis of Total Assets		
		% of Total Assets
Transferable Securities Admitted To An Official Stock Exchange or traded on a regulated market		94.16
Current Assets		5.84
TOTAL		<u>100.00</u>

GRANAHAH FUNDS PLC

**GRANAHAH US SMALL CAP DISCOVERIES FUND
SCHEDULE OF INVESTMENTS (UNAUDITED)
June 30, 2018**

(expressed in USD) Description	Quantity	Currency	Fair Value	% net assets
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
1) LISTED SECURITIES : SHARES				
CAYMAN ISLANDS				
Atlas Financial Holdings Inc	31,100	USD	272,125	1.07
			272,125	1.07
GREAT BRITAIN				
Autolus Therapeutics PLC	5,754	USD	154,150	0.61
Luxfer Holdings PLC	35,550	USD	621,414	2.44
Oxford Immunotec Global PLC	25,600	USD	329,984	1.30
			1,105,548	4.35
IRELAND				
Iterum Therapeutics PLC	15,050	USD	163,895	0.64
			163,895	0.64
ISRAEL				
SodaStream International Ltd	8,450	USD	720,785	2.83
			720,785	2.83
SWITZERLAND				
CRISPR Therapeutics AG	4,300	USD	252,668	0.99
			252,668	0.99
UNITED STATES (U.S.A.)				
Accelaron Pharma Inc	9,780	USD	474,526	1.87
Achaogen Inc	9,400	USD	81,404	0.32
Adesto Technologies Corp	27,400	USD	230,160	0.89
Aerohive Networks Inc	56,850	USD	225,695	0.89
AngioDynamics Inc	29,100	USD	647,184	2.54
Arsanis Inc	7,700	USD	27,951	0.11
AVEO Pharmaceuticals Inc	37,350	USD	84,411	0.33
Axon Enterprise Inc	8,200	USD	518,076	2.04

The accompanying notes are an integral part of these financial statements.

GRANAHAN FUNDS PLC

**GRANAHAN US SMALL CAP DISCOVERIES FUND
SCHEDULE OF INVESTMENTS (UNAUDITED) - continued
June 30, 2018**

(expressed in USD) Description	Quantity	Currency	Fair Value	% net assets
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)				
1) LISTED SECURITIES : SHARES (continued)				
UNITED STATES (U.S.A.) (continued)				
BioLife Solutions Inc	24,290	USD	277,149	1.09
Brooks Automation Inc	27,590	USD	899,986	3.54
CAI International Inc	10,500	USD	244,020	0.96
Calavo Growers Inc	4,620	USD	444,213	1.75
Cancer Genetics Inc	60,601	USD	53,935	0.21
Cardiovascular Systems Inc	17,750	USD	574,035	2.26
Care.com Inc	19,750	USD	412,380	1.62
CEVA Inc	9,510	USD	287,202	1.13
Cidara Therapeutics Inc	30,750	USD	159,900	0.63
Computer Task Group Inc	61,350	USD	474,849	1.87
CONMED Corp	9,650	USD	706,379	2.78
CryoPort Inc	41,200	USD	650,136	2.56
CytomX Therapeutics Inc	7,200	USD	164,592	0.65
DMC Global Inc	12,080	USD	542,392	2.13
Douglas Dynamics Inc	10,400	USD	499,200	1.96
Editas Medicine Inc	3,500	USD	125,405	0.49
Enanta Pharmaceuticals Inc	4,080	USD	472,872	1.86
Enservco Corp	330,850	USD	383,786	1.51
Ensign Group Inc	29,820	USD	1,068,151	4.20
Exact Sciences Corp	5,500	USD	328,845	1.29
Fulgent Genetics Inc	45,891	USD	189,989	0.75
Harvard Bioscience Inc	61,200	USD	327,420	1.29
HTG Molecular Diagnostics Inc	98,420	USD	320,849	1.26
Hudson Technologies Inc	97,700	USD	196,377	0.77
Intellia Therapeutics Inc	5,450	USD	149,112	0.59
Invacare Corp	31,650	USD	588,690	2.31
Joint Corp	32,850	USD	268,713	1.06
Jounce Therapeutics Inc	5,850	USD	44,811	0.18
Kindred Biosciences Inc	65,000	USD	692,249	2.72
Kinsale Capital Group Inc	7,270	USD	398,832	1.57
Lawson Products Inc	20,600	USD	501,610	1.97
Limelight Networks Inc	89,580	USD	400,423	1.57
Lovesac Co	6,470	USD	134,253	0.53
MacroGenics Inc	12,380	USD	255,647	0.99
Melinta Therapeutics Inc	18,920	USD	120,142	0.47

The accompanying notes are an integral part of these financial statements.

GRANAHAN FUNDS PLC

GRANAHAN US SMALL CAP DISCOVERIES FUND
SCHEDULE OF INVESTMENTS (UNAUDITED) - continued
June 30, 2018

(expressed in USD) Description	Quantity	Currency	Fair Value	% net assets
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)				
1) LISTED SECURITIES : SHARES (continued)				
UNITED STATES (U.S.A.) (continued)				
Modine Manufacturing Co	15,150	USD	276,488	1.09
NeoGenomics Inc	49,200	USD	645,011	2.54
NV5 Global Inc	5,586	USD	387,110	1.52
Pacira Pharmaceuticals Inc	5,100	USD	163,455	0.64
Paratek Pharmaceuticals Inc	10,800	USD	110,160	0.43
Power Integrations Inc	3,350	USD	244,718	0.96
Profire Energy Inc	151,050	USD	510,549	2.01
PROS Holdings Inc	9,300	USD	340,101	1.34
Proteostasis Therapeutics Inc	16,550	USD	46,175	0.18
Rapid7 Inc	9,550	USD	269,501	1.06
Repligen Corp	5,850	USD	275,184	1.08
Rudolph Technologies Inc	9,500	USD	281,200	1.11
Rush Enterprises Inc	9,250	USD	401,265	1.58
Sangamo Therapeutics Inc	6,450	USD	91,590	0.36
Sientra Inc	14,710	USD	286,992	1.13
Sotherly Hotels Inc	33,115	USD	231,143	0.91
Spero Therapeutics Inc	9,400	USD	137,898	0.54
Super Micro Computer Inc	4,850	USD	114,703	0.45
Tactile Systems Technology Inc	3,250	USD	169,000	0.66
Tennant Co	7,000	USD	552,999	2.17
Titan Machinery Inc	29,950	USD	465,723	1.83
Tocagen Inc	8,600	USD	80,324	0.32
Vital Therapies Inc	27,500	USD	188,375	0.74
Viveve Medical Inc	160,850	USD	437,512	1.72
Xeris Pharmaceuticals Inc	26,350	USD	500,123	1.97
Zafgen Inc	14,100	USD	144,243	0.57
			22,999,493	90.42
TOTAL LISTED SECURITIES : SHARES			25,514,514	100.30

The accompanying notes are an integral part of these financial statements.

GRANAHAN FUNDS PLC

GRANAHAN US SMALL CAP DISCOVERIES FUND
SCHEDULE OF INVESTMENTS (UNAUDITED) - continued
June 30, 2018

(expressed in USD) Description	Fair Value	% net assets
<u>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</u>	25,514,514	100.30
TOTAL INVESTMENTS	25,514,514	100.30
OTHER ASSETS	102,162	0.40
OTHER LIABILITIES	(177,988)	(0.70)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES	25,438,688	100.00

The accompanying notes are an integral part of these financial statements.

GRANAHAN FUNDS PLC

**GRANAHAN US SMALL CAP DISCOVERIES FUND
SCHEDULE OF INVESTMENTS (UNAUDITED) - continued
June 30, 2018**

At June 30, 2018 sector diversification of the Fund was as follows:

	% of Net Assets	Value
Common stock		
Agriculture and Fishing	1.75	\$ 444,213
Automobile Industry	2.67	677,753
Banks and Financial Institutions	2.54	645,011
Biotechnology	10.47	2,659,858
Business Houses	1.83	465,723
Consumer Goods	2.83	720,785
Electronic Semiconductor	8.99	2,288,843
Electronics and Electrical Equipment	3.62	921,091
Healthcare Education and Social Services	9.24	2,348,113
Holding and Finance Companies	6.98	1,774,900
Insurance	1.57	398,832
Internet Software	4.50	1,144,773
Mechanics Machinery	6.27	1,597,001
Office Equipment Computers	0.89	225,695
Petrol	1.51	383,786
Pharmaceuticals and Cosmetics	28.27	7,198,972
Real Estate Companies	0.91	231,143
Retail	2.54	644,802
Transportation	2.92	743,220
TOTAL INVESTMENTS	100.30	25,514,514
Other Assets and Cash in Excess of Liabilities	(0.30)	(75,826.00)
TOTAL NET ASSETS	100.00	\$ 25,438,688
<hr/>		
Analysis of Total Assets		% of Total Assets
Transferable Securities Admitted To An Official Stock Exchange or traded on a regulated market		99.60
Current Assets		0.40
TOTAL		100.00

GRANAHAN FUNDS PLC

STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)

As of June 30, 2018

	Granahan US Focused Growth Fund June 30, 2018	Granahan US Focused Growth Fund December 31, 2017
Assets		
Investments, at identified cost	\$32,331,877	\$20,807,078
Investments in securities, at fair value (See note 9)	\$42,631,427	\$25,071,241
Cash and cash equivalents (See note 10)	1,610,862	285,481
Dividends and interest receivable	1,286	393
Receivable for securities sold	224,515	-
Prepaid expenses and other assets	28,907	15,472
Receivable from Investment manager (See note 5)	777,324	784,839
Total assets	45,274,321	26,157,426
Liabilities		
Payable for securities purchased	436,056	-
Payable for fund shares purchased	4,243	-
Payable to Investment Manager (See note 5)	683,894	611,892
Directors fees payable	12,524	11,844
Auditor fees payable	5,484	13,234
Other accrued expenses	62,295	43,303
Total liabilities	1,204,496	680,273
Net assets	\$44,069,825	\$25,477,153
Net assets consist of		
Paid in capital	\$25,820,633	\$17,906,542
Undistributed net investment loss	(1,697,615)	(1,465,423)
Accumulated net realized gain on investments and foreign currency related transactions	9,497,724	4,645,501
Net unrealized appreciation on investments and foreign currency related transactions	10,449,083	4,390,533
Net assets	\$44,069,825	\$25,477,153
Adjustment due to write off of formation costs (See note 17, 18)	\$25,729	\$32,268
Total net assets for shareholding dealing	\$44,095,554	\$25,509,421
Class A USD Accumulating		
Shares issued (See note 3)	193,406.83	161,945.15
Net asset value per share	\$212.73	\$157.52
Class A USD Distributing		
Shares issued (See note 3)	26,120.00	-
Net asset value per share	\$113.02	-

The accompanying notes are an integral part of these financial statements.

GRANAHAN FUNDS PLC

STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)– continued
As of June 30, 2018

	Granahan US Small Cap Discoveries Fund	Granahan US Small Cap Discoveries Fund*
	June 30, 2018	December 31, 2017
Assets		
Investments, at identified cost	\$25,086,715	\$4,415,675
Investments in securities, at fair value (See note 9)	\$25,514,514	\$4,904,943
Cash and cash equivalents (See note 10)	-	149,054
Dividends and interest receivable	3,038	1,864
Prepaid expenses and other assets	7,730	2,166
Receivable from Investment manager (See note 5)	91,394	157,087
Total assets	25,616,676	5,215,114
Liabilities		
Bank Overdraft (See note 10)	18,772	-
Payable for securities purchased	8,253	-
Payable for fund shares purchased	97,976	-
Payable to Investment Manager (See note 5)	22,915	14,257
Directors fees payable	2,321	1,401
Auditor fees payable	-	1,671
Other accrued expenses	27,751	22,469
Total liabilities	177,988	39,798
Net assets	\$25,438,688	\$5,175,316
Net assets consist of		
Paid in capital	24,327,271	\$4,538,795
Undistributed net investment loss	(93,165)	(21,265)
Accumulated net realized gain on investments and foreign currency related transactions	715,293	160,069
Net unrealized appreciation on investments and foreign currency related transactions	489,289	497,717
Net assets	\$25,438,688	\$5,175,316
Adjustment due to write off of formation costs (See note 17, 18)	-	\$6,200
Adjustment of expense limitation fees	-	\$(4,274)
Total net assets for shareholding dealing	\$25,438,688	\$5,177,242
Class F USD Accumulating		
Shares issued (See note 3)	1,831,644.88	445,315.93
Net asset value per share	\$13.89	\$11.63

*Launched on June 30, 2017.

The accompanying notes are an integral part of these financial statements.

GRANAHAH FUNDS PLC

STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)– continued
As of June 30, 2018

	Total June 30, 2018	Total December 31, 2017
Assets		
Investments, at identified cost	\$57,418,592	\$25,222,753
Investments in securities, at fair value (See note 9)	\$68,145,941	\$29,976,184
Cash and cash equivalents (See note 10)	1,610,862	434,535
Dividends and interest receivable	4,324	2,257
Receivable for securities sold	224,515	-
Prepaid expenses and other assets	36,637	17,638
Receivable from Investment manager (See note 5)	868,718	941,926
Total assets	70,890,997	31,372,540
Liabilities		
Bank Overdraft (See note 10)	18,772	-
Payable for securities purchased	444,309	-
Payable for fund shares purchased	102,219	-
Payable to Investment Manager (See note 5)	706,809	626,149
Directors fees payable	14,845	13,245
Auditor fees payable	5,484	14,905
Other accrued expenses	90,046	65,772
Total liabilities	1,382,484	720,071
Net assets	\$69,508,513	\$30,652,469
Net assets consist of		
Paid in capital	50,147,904	\$22,445,337
Undistributed net investment loss	(1,790,780)	(1,486,688)
Accumulated net realized gain on investments and foreign currency related transactions	10,213,017	4,805,570
Net unrealized appreciation on investments and foreign currency related transactions	10,938,372	4,888,250
Net assets	\$69,508,513	\$30,652,469
Adjustment due to write off of formation costs (See note 17, 18)	\$25,729	\$38,468
Adjustment of expense limitation fees	-	\$(4,274)
Total net assets for shareholding dealing	\$69,534,242	\$30,686,663

The accompanying notes are an integral part of these financial statements.

GRANAHAH FUNDS PLC

STATEMENT OF OPERATIONS (UNAUDITED)
For the financial period ended June 30, 2018

	Granahan US Focused Growth Fund	Granahan US Focused Growth Fund
	Financial period ended	Financial period ended
	June 30, 2018	June 30, 2017
Investment income		
Dividends	\$13,383	\$12,485
Dividend withholding tax	(4,015)	(3,746)
Other income	18,482	43,822
Total investment income	27,850	52,561
Expenses (See note 5)		
Investment Manager fees	170,863	125,762
Administration fees	32,497	45,637
Audit fees	9,774	8,654
Depository fees	27,260	33,985
Directors' fees	25,753	26,772
Legal fees	46,425	41,189
Transaction costs (See note 7)	38,076	23,234
Other expenses (See note 8)	52,113	37,776
Total expenses	402,761	343,009
Expense reimbursement from Investment Manager (See note 5)	(142,719)	(166,650)
Net expenses	260,042	176,359
Net investment loss	(232,192)	(123,798)
Realized and unrealized gain/(loss) on investments		
Net realized gain/(loss) on:		
Investments	4,852,734	2,860,532
Foreign currency related transactions	(511)	(356)
Net change in unrealized appreciation on:		
Investments	6,058,550	2,259,177
Net realized and unrealized gain on investments	10,910,773	5,119,353
Net increase in net assets resulting from operations	\$10,678,581	\$4,995,555

For the financial period ended June 30, 2018, there are no other gains or losses other than those included in the Statement of Operations. All income arises from continuing operations.

The accompanying notes are an integral part of these financial statements.

GRANAHAN FUNDS PLC

STATEMENT OF OPERATIONS (UNAUDITED) - continued
For the financial period ended June 30, 2018

	Granahan US Small Cap Discoveries Fund	Granahan US Small Cap Discoveries Fund*
	Financial period ended June 30, 2018	Financial period ended June 30, 2017
Investment income		
Dividends	\$14,517	-
Dividend withholding tax	(4,355)	-
Other income	5,214	-
Total investment income	15,376	-
Expenses (See note 5)		
Investment Manager fees	30,067	-
Administration fees	32,226	-
Audit fees	2,295	-
Depository fees	30,602	-
Directors' fees	6,073	-
Legal fees	10,904	-
Transaction costs (See note 7)	55,842	-
Other expenses (See note 8)	19,858	-
Total expenses	187,867	-
Expense reimbursement from Investment Manager (See note 5)	(100,591)	-
Net expenses	87,276	-
Net investment loss	(71,900)	-
Realized and unrealized gain/(loss) on investments		
Net realized gain/(loss) on:		
Investments	555,334	-
Foreign currency related transactions	(110)	-
Net change in unrealized depreciation on:		
Investments	(8,428)	-
Net realized and unrealized gain on investments	546,796	-
Net increase in net assets resulting from operations	\$474,896	-

*Launched on June 30, 2017.

For the financial period ended June 30, 2018, there are no other gains or losses other than those included in the Statement of Operations. All income arises from continuing operations.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF OPERATIONS (UNAUDITED) - continued
For the financial period ended June 30, 2018

	Total	Total
	Financial period ended	Financial period ended
	June 30, 2018	June 30, 2017
Investment income		
Dividends	\$27,900	\$12,485
Dividend withholding tax	(8,370)	(3,746)
Other income	23,696	43,822
Total investment income	43,226	52,561
Expenses (See note 5)		
Investment Manager fees	200,930	125,762
Administration fees	64,723	45,637
Audit fees	12,069	8,654
Depositary fees	57,862	33,985
Directors' fees	31,826	26,772
Legal fees	57,329	41,189
Transaction costs (See note 7)	93,918	23,234
Other expenses (See note 8)	71,971	37,776
Total expenses	590,628	343,009
Expense reimbursement from Investment Manager (See note 5)	(243,310)	(166,650)
Net expenses	347,318	176,359
Net investment loss	(304,092)	(123,798)
Realized and unrealized gain/(loss) on investments		
Net realized gain/(loss) on:		
Investments	5,408,068	2,860,532
Foreign currency related transactions	(621)	(356)
Net change in unrealized appreciation on:		
Investments	6,050,122	2,259,177
Net realized and unrealized gain on investments	11,457,569	5,119,353
Net increase in net assets resulting from operations	\$11,153,477	\$4,995,555

For the financial period ended June 30, 2018, there are no other gains or losses other than those included in the Statement of Operations. All income arises from continuing operations.

The accompanying notes are an integral part of these financial statements.

GRANAHAN FUNDS PLC

STATEMENT OF CHANGES IN NET ASSETS (UNAUDITED)
For the financial period ended June 30, 2018

	Granahan US Focused Growth Fund Financial period ended June 30, 2018	Granahan US Focused Growth Fund Financial period ended June 30, 2017
Operations		
Net investment loss	\$(232,192)	\$(123,798)
Net realized gain on investments and foreign currency related transactions	4,852,223	2,860,176
Net change in unrealized appreciation on investments and foreign currency transactions	6,058,550	2,259,177
Net increase in net assets resulting from operations	10,678,581	4,995,555
Capital Share Transactions (See note 3)		
Proceeds from shares sold		
Class A USD Accumulating	11,104,376	1,865,694
Class A USD Distributing	2,612,000	-
Cost of shares redeemed		
Class A USD Accumulating	(5,802,285)	(9,783,234)
Class A USD Distributing	-	-
Net increase/(decrease) in net assets from capital share	\$7,914,091	\$(7,917,540)
Distributions to Shareholders		
Class A USD Accumulating	-	-
Class A USD Distributing	-	-
Total distributions	-	-
Total increase/(decrease) in net assets	\$18,592,672	\$(2,921,985)
Net assets Beginning of financial period	\$25,477,153	\$28,128,423
Net assets End of financial period	\$44,069,825	\$25,206,438

The accompanying notes are an integral part of these financial statements.

GRANAHAN FUNDS PLC

STATEMENT OF CHANGES IN NET ASSETS (UNAUDITED) -- continued
For the financial period ended June 30, 2018

	Granahan US Small Cap Discoveries Fund* Financial period ended June 30, 2018	Granahan US Small Cap Discoveries Fund* Financial period ended June 30, 2017
Operations		
Net investment loss	\$(71,900)	\$ -
Net realized gain on investments and foreign currency related transactions	555,224	-
Net change in unrealized depreciation on investments and foreign currency transactions	(8,428)	-
Net increase in net assets resulting from operations	474,896	-
Capital Share Transactions (See note 3)		
Proceeds from shares sold		
Class F USD Accumulating	20,056,732	3,110,000
Cost of shares redeemed		
Class F USD Accumulating	(268,256)	-
Net increase in net assets from capital share	\$19,788,476	\$3,110,000
Distributions to Shareholders		
Class F USD Accumulating	-	-
Total distributions	-	-
Total increase in net assets	\$20,263,372	\$3,110,000
Net assets Beginning of financial period	\$5,175,316	-
Net assets End of financial period	\$25,438,688	\$3,110,000

*Launched on June 30, 2017.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS (UNAUDITED) – continued
For the financial period ended June 30, 2018

	Total Financial period ended June 30, 2018	Total Financial period ended June 30, 2017
Operations		
Net investment loss	\$(304,092)	\$(123,798)
Net realized gain on investments and foreign currency related transactions	5,407,446	2,860,176
Net change in unrealized appreciation on investments and foreign currency transactions	6,050,122	2,259,177
Net increase in net assets resulting from operations	\$11,153,477	\$4,995,555
Capital Share Transactions (See note 3)		
Proceeds from shares sold		
Class A USD Accumulating	11,104,376	1,865,694
Class A USD Distributing	2,612,000	-
Class F USD Accumulating	20,056,732	3,110,000
Cost of shares redeemed		
Class A USD Accumulating	(5,802,285)	(9,783,234)
Class A USD Distributing	-	-
Class F USD Accumulating	(268,256)	-
Net increase/(decrease) in net assets from capital share	\$27,702,567	\$(4,807,540)
Distributions to Shareholders		
Class A USD Accumulating	-	-
Class A USD Distributing	-	-
Class F USD Accumulating	-	-
Total distributions	-	-
Total increase in net assets	\$38,856,044	\$ 188,015
Net assets Beginning of financial period	30,652,469	\$28,128,423
Net assets End of financial period	\$69,508,513	\$28,316,438

The accompanying notes are an integral part of these financial statements.

FINANCIAL HIGHLIGHTS (UNAUDITED)

For a share outstanding throughout the financial period ended June 30, 2018 and comparatives for the financial year ended 31 December 2017:

Granahan US Focused Growth Fund

Class A USD Accumulating	June 2018	December 2017
Net Asset Value – Beginning of Financial Period	\$157.52	\$117.90
Income from Investment Operations		
Net investment loss	(1.06)	(1.38)
Net realized and unrealized gain on investments	56.27	41.00
Total from investment operations	<u>\$55.21</u>	<u>\$39.62</u>
Net Asset Value – End of Financial Period	<u>\$212.73</u>	<u>\$157.52</u>
Total Return	35.05%	33.60%
Ratios and Supplemental Data		
Net assets, end of financial period (thousands)	\$41,144	\$25,477
Ratio of expenses to average net assets: ⁽¹⁾		
After expense reimbursement	1.31%	1.35%
Before expense reimbursement	2.16%	2.90%
Ratio of net investment income to average net assets: ⁽¹⁾		
After expense reimbursement	(1.14)%	(0.83)%
Before expense reimbursement	(1.99)%	(2.38)%
Class A USD Distributing	June 2018	December 2017
Net Asset Value – Beginning of Financial Period	\$100.00	\$100.00
Income from Investment Operations		
Net investment loss	(0.20)	(0.44)
Net realized and unrealized gain/(loss) on investments	13.22	(99.56)
Total from investment operations	<u>\$13.02</u>	<u>\$(100.00)</u>
Net Asset Value – End of Financial Period	<u>113.02</u>	<u>-</u>
Total Return	13.02%	
Ratios and Supplemental Data		
Net assets, end of financial period (thousands)	\$2,952	\$25,477
Ratio of expenses to average net assets: ⁽¹⁾		
After expense reimbursement	1.32%	1.35%
Before expense reimbursement	1.84%	2.94%
Ratio of net investment income to average net assets: ⁽¹⁾		
After expense reimbursement	(1.11)%	(1.06)%
Before expense reimbursement	(1.64)%	(2.65)%

(1) Annualized

The accompanying notes are an integral part of these financial statements.

FINANCIAL HIGHLIGHTS (UNAUDITED) – (continued)

For a share outstanding throughout the financial period ended June 30, 2018 and comparatives for the financial year ended 31 December 2017:

Granahan US Small Cap Discoveries Fund*

Class F USD Accumulating	June 2018	December 2017
Net Asset Value – Beginning of Financial Period	\$11.63	\$10.00
Income from Investment Operations		
Net investment loss	(0.02)	(0.01)
Net realized and unrealized gain on investments	2.28	1.64
Total from investment operations	2.26	1.63
Net Asset Value – End of Financial Period	\$13.89	\$11.63
Total Return	19.43%	16.30%
Ratios and Supplemental Data		
Net assets, end of financial period (thousands)	\$25,439	\$5,175
Ratio of expenses to average net assets: ⁽¹⁾		
After expense reimbursement	0.74%	1.62%
Before expense reimbursement	3.09%	9.29%
Ratio of net investment income to average net assets: ⁽¹⁾		
After expense reimbursement	(0.38)%	(1.04)%
Before expense reimbursement	(2.73)%	(8.71)%

*Launched on June 30, 2017.

(1) Annualized.

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
For the financial period ended June 30, 2018

1. Organization

The Company is an open-ended umbrella investment company with variable capital and segregated liability between its sub-funds and is organised under the laws of Ireland as a public limited company pursuant to the Companies Act 2014, as amended. The Company is authorised by the Central Bank of Ireland pursuant to the UCITS Regulations.

The Company was incorporated on October 3, 2013 under registration number 533587.

The Directors have established two sub-funds (the “Funds”):

- Granahan US Focused Growth Fund
- Granahan US Small Cap Discoveries Fund

Granahan US Focused Growth Fund commenced operations on April 11, 2014 and Granahan US Small Cap Discoveries Fund commenced operations on June 30, 2017.

The investment objective of Granahan US Focused Growth Fund is to seek capital appreciation through investment in a limited number of small, dynamic and sustainable growth companies and to outperform the Russell 2000 Growth Index.

The investment objective of Granahan US Small Cap Discoveries Fund is to seek capital appreciation through investment in small, dynamic and emerging growth companies.

A portfolio of assets is maintained for each sub-fund and invests in accordance with its investment objectives and policies.

2. Significant Accounting Policies

The following is a summary of significant accounting policies consistently followed by the Company in the preparation of its financial statements. These policies are in conformity with (“US GAAP”).

- a) Valuation of Securities – Securities that are primarily traded on a national or foreign securities exchange are valued at the last traded price (or if no last traded price is available the latest mid-market price) on the exchange on which they are primarily traded on the day of valuation. Any securities or other assets for which market quotations are not readily available are valued at such value as shall be certified with care and good faith as the probable realisation value by a competent person, appointed for such purpose by the Directors in consultation with the Investment Manager and approved by the Depositary. The values for foreign securities are reported in local currency and converted to US Dollar using currency exchange rates at the time of valuation. Exchange rates are provided daily by recognized independent pricing agents.
- b) Distributions to Shareholders – For all accumulating classes of shares, the Directors intend to accumulate and to automatically reinvest all earnings, dividends and other distributions of whatever kind pursuant to the investment objectives and policies of the relevant fund for the benefit of Shareholders in the relevant fund. The Directors intend to declare a dividend in respect of the distributing classes. Any change to the distribution policy of a fund will be notified in advance to Shareholders and will be noted in an addendum or a revision to the Prospectus.
- c) Basis of preparation – The accompanying financial statements have been prepared in conformity with US GAAP. The accompanying financial statements have been prepared under a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)– continued
For the financial period ended June 30, 2018

2. Significant Accounting Policies (continued)

- d) Use of Estimates – The preparation of the financial statements in conformity with US GAAP requires Directors to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Directors believe that the estimates utilized in preparing its financial statements are reasonable and prudent; however, actual results could differ from these estimates.
- e) Guarantees and Indemnification – In the normal course of business, the Company enters into contracts with service providers that contain general indemnification clauses. The Company’s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred. Based on experience, however, the Company expects the risk of loss to be remote.
- f) Other – Investment and Shareholder transactions are recorded on trade date. The Company determines the gain or loss realized from the investment transactions by comparing the original cost of the security sold with the net sales proceeds on a high cost basis. Within the Funds, dividend income is recognized on the ex-dividend date or as soon as information is available and interest income is recognized on an accrual basis.
- g) Functional and Presentation Currency – Items included in the financials statements are measured using the currency of the primary economic environment in which it operates (the “Functional Currency”). The Company’s Functional and presentation currency is US Dollar.
- h) Foreign Exchange Contracts – Transactions during the financial period denominated in foreign currencies have been translated at the rates of exchange ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the financial period end date. The results of operations due to fluctuations in foreign exchange rates on investments from gains or losses arising from the sales or changes in values of the portfolio securities are reported separately. Net realized gains (losses) and net change in unrealized gains (losses) on foreign currency related transactions arise for sales of foreign currencies and currency gains or losses between trade date or ex-date and settlement date on security or dividend transactions.
- i) Transaction Costs – Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. Only transaction costs which are separately identifiable are disclosed. These include transaction costs paid to depositaries and sub-custodians, identifiable brokerage charges and commissions. These requirements are disclosed in note 7.
- j) Expenses - are recognised in the statement of operations on an accruals basis.
- k) Income - Dividend income is recorded gross of any non-reclaimable withholding taxes suffered on an ex-date. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount basis.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – continued
For the financial period ended June 30, 2018

2. Significant Accounting Policies (continued)

1) Recent Accounting Pronouncements

A number of new standards, amendments to standards and interpretations in issue are not yet effective, and have not been applied in preparing these financial statements. None of these are currently expected to have a material effect on the financial statements of the Company except the following set out below:

In November 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-18, Statement of Cash Flows (Topic 230) - Restricted Cash. The new guidance is intended to change the presentation of restricted cash on the statement of cash flows. The new standard affects all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows under Topic 230. The new guidance is effective for fiscal years beginning after 15 December 2018, including interim periods within those years. Early adoption is permitted. The standard is not expected to have any material effect on the financial statements of the Company.

In December 2016, the FASB issued ASU No. 2016-19, *Technical Corrections and Improvements*. The new guidance includes an amendment to *Topic 820, Fair Value Measurement*, which clarifies the difference between a valuation approach and a valuation technique when applying the guidance in that Topic. The amendment also requires an entity to disclose when there has been a change in either or both a valuation approach and/or a valuation technique. The transition guidance for the amendment must be applied prospectively because it could potentially involve the use of hindsight that includes fair value measurements. The new guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. Early adoption is permitted. The standard is not expected to have any material effect on the financial statements of the Company.

- m) Recognition/Derecognition – The Company recognises financial assets or financial liabilities at fair value through profit or loss on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they originated. Financial instruments are measured initially at fair value (transaction price) on trade date with transaction costs recognised immediately in the Statement of Comprehensive Income directly. In cases where a financial asset or financial liability is not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability are recognised in the Statement of Comprehensive Income. Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income. Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost. Financial liabilities arising from the redeemable shares issued by each Fund are carried at the redemption amount representing the investors’ right to a residual interest in each Fund’s assets.
- n) Realized gains and losses - The Company records investment transactions on a trade date basis, matching the cost of investments for the purpose of calculating realized gains and losses on an average cost basis. The Company records an unrealized gain or loss to the extent of the difference between the cost and the fair value of the position at any particular point in time. The Company records a realized gain or loss when the position is sold or closed. Realized gains and losses and the movement in unrealized gains and losses are recorded in the Statement of Operations within "Net realized and unrealized gain/ (loss) on investments".

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)– continued
For the financial period ended June 30, 2018

2. Significant Accounting Policies (continued)

- o) Uncertain tax positions - Accounting Standards Codification 740, Accounting for Uncertainty in Income Taxes ("ASC 740") clarifies the accounting for uncertainty in income taxes recognised in the Company's financial statements. ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 requires that the Company determines whether it is more likely than not that a tax position will be sustained upon examination including resolution of any related appeals or litigation processes based on the technical merit position. In evaluating whether a tax position has met the more likely than not recognition threshold, the Company should presume that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information.

A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognise in the financial statements. The tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realised upon settlement.

3. Share Capital

The authorised share capital of the Company at the date of prospectus (the "Prospectus") is 500,000,000,000 Shares of no par value and 300,002 redeemable Non-Participating Shares of €1.00 each. Non-Participating Shares do not entitle the holders thereof to any dividend. On a winding up, the Non-Participating Shares entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Non-Participating Shares are held on behalf of the Granahan Investment Management LLC ("Investment Manager") and in trust for the benefit of Investment Manager.

The Company intends to provide investors with a choice of funds offering different investment objectives. The Funds aim to achieve their investment objectives while spreading investment risks through investment in transferable securities or liquid financial assets or collective investment schemes or other permitted investments in accordance with the Regulations.

The Company may compulsorily redeem all of the Shares of the Company if the Net Asset Value of the Company is less than US\$ 30,000,000 or compulsorily redeem all of the Shares of a Fund if the Net Asset Value of that Fund is less than US\$ 30,000,000.

The Company has the right at any time compulsorily to redeem or transfer Shares if in the reasonable belief of the Directors such Shares are acquired or held directly or beneficially by: (i) any person in breach of the law or requirements of any country or governmental authority by virtue of which such person is not qualified to hold Shares including without limitation any exchange control regulations; (ii) by any person who holds less than the minimum holding for the relevant Class (if any) or who does not supply any information or declaration required under the Constitution or the Application Form; (iii) where the continued ownership of such Shares by the Shareholder is deemed to be harmful or injurious to the business or reputation of the Company or a Fund; or (iv) by any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstance appearing to the Directors to be relevant) which in the opinion of the Directors might result in the Company or Fund or the Shareholders as a whole or of any Fund or Class incurring any liability to taxation or suffering legal, pecuniary, regulatory or material administrative disadvantage which the Company or Fund or the Shareholders as a whole or of any Class might not otherwise have incurred or suffered.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)– continued
For the financial period ended June 30, 2018

3. Share Capital (continued)

Share transactions for the financial period ended June 30, 2018 and the financial year ended December 31, 2017 were as follows:

	Granahan US Focused Growth Fund	Granahan US Focused Growth Fund
	June 30, 2018	December 31, 2017
Class A USD Accumulating		
Opening number of shares	161,945.15	239,243.27
Shares sold	60,286.21	21,748.45
Shares redeemed	(28,824.53)	(99,046.57)
Closing number of shares	193,406.83	161,945.15
Class A USD Distributing		
Opening number of shares	-	-
Shares sold	26,120.00	2,314.10
Shares redeemed	-	(2,314.10)
Closing number of shares	26,120.00	-
	Granahan US Small Cap Discoveries Fund	Granahan US Small Cap Discoveries Fund*
	June 30, 2018	December 31, 2017
Class F USD Accumulating		
Opening number of shares	445,315.93	-
Shares sold	1,406,438.95	460,315.93
Shares redeemed	(20,110.00)	(15,000.00)
Closing number of shares	1,831,644.88	445,315.93

*Launched on June 30, 2017.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – continued
For the financial period ended June 30, 2018

4. Taxation

The Company intends to conduct its affairs so that it is resident in Ireland for tax purposes. On the basis that the Company is Irish tax resident, the Company qualifies as an ‘investment undertaking’, as defined in Section 739B (1) of the Taxes Acts and, consequently, is exempt from Irish corporation tax on its income and gains.

However, tax can arise on the happening of a “chargeable event” in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation or transfer of Shares or appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of the tax payable on a gain arising on a transfer of an entitlement to a Share. It also includes “Eighth Anniversary Events” regardless of whether the Shares have been encashed, redeemed, cancelled or transferred.

No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish resident nor Irish ordinarily resident at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is not or is no longer materially correct, or provided a written notice of approval from the Revenue Commissioners of Ireland (the “Revenue Commissioners”) to the effect that a Relevant Declaration is deemed to be in place has been provided to the Company and not withdrawn. In the absence of a Relevant Declaration, or a written notice of approval from the Revenue Commissioners, there is a presumption that the investor is Irish resident or Irish ordinarily resident.

A chargeable event does not include:

1. an exchange by a Shareholder, effected by way of an arm’s length bargain of Shares in the Company for other Shares in the Company;
2. any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;
3. a transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses and former spouses, subject to certain conditions;
4. an exchange of Shares arising on a qualifying amalgamation or reconstruction of the Company with another investment undertaking (within the meaning of Section 739H or Section 739HA of the Taxes Act);
5. any transaction in relation to, or in respect of, relevant Shares in an investment undertaking which transaction only arises by virtue of a change of court funds manager for that undertaking.

If the Company becomes liable to account for tax where a chargeable event occurs, the Company shall be required to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)– continued
For the financial period ended June 30, 2018

5. Fees and Expenses

Investment Manager fees

The Company has appointed the Investment Manager as the discretionary investment manager for the Company pursuant to an investment management agreement. The Investment Manager is a registered investment adviser regulated by the Securities and Exchange Commission (“SEC”).

Under the investment management agreement, the Company will pay to the Investment Manager a maximum fee at an annual rate equal to the percentage of the average daily net asset value of the relevant class of each sub-fund as set out in the supplement to the Prospectus with the exception of Class X shares which are set out in a separate agreement. The investment management fee shall accrue and be calculated daily and shall be payable monthly in arrears.

In addition, the Investment Manager shall be entitled to be reimbursed its reasonable vouched out-of-pocket expenses.

The Investment Manager earned fees of \$200,930 for the financial period ended June 30, 2018 (June 30, 2017: \$125,762). Investment Manager fees payable as at June 30, 2018, amounted to \$706,809 (December 31, 2017: \$626,149).

For the financial period ended June 30, 2018 the expense reimbursement from the Investment Manager back to the Granahan Growth US funds in relation to the operating expense limitation of 1.35% of the annual net asset value of the funds amounted to \$142,719 (June 30, 2017: \$166,650), and the related receivable amounted to \$777,324 (December 31, 2017: \$784,839).

For the financial period ended June 30, 2018 the expense reimbursement from the Investment Manager back to the Granahan US Small Cap Discoveries funds in relation to the operating expense limitation of 0.85% of the annual net asset value of the funds amounted to \$100,591 (June 30, 2017: \$Nil), and the related receivable amounted to \$91,394 (December 31, 2017: \$157,087).

Administration fees

RBC Investor Services Ireland Limited (the “Administrator”) serves as the Company’s administrator. The Administrator is entitled to receive out of the assets of the Fund an annual fee of up to 1.6 bps point of the Net Asset Value of the Fund which will be accrued and payable monthly in arrears, subject to a total of the minimum annual fees for the Fund of USD 80,000. The Administrator may also receive out of the assets of the Fund such additional charges as agreed at normal commercial rates. The Administrator shall be reimbursed out of the assets of the Fund for all reasonable and vouched out-of-pocket expenses incurred by it.

Depository fees

RBC Investor Services Bank S.A., Dublin Branch serves as the Company’s depository (the “Depository”). The Depository shall be entitled to receive an annual oversight fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 3.25 bps of the Net Asset Value of the Fund (plus VAT thereon, if any).

The Depository is also entitled to receive out of the assets of the Fund, a safekeeping fee accrued daily and payable monthly in arrears at a rate, depending on the custody markets, ranging from 0.25 bps up to 175 bps on the net asset value of the Fund.

The overall Depository fees are subject to a total of the minimum annual fees for the Fund of USD 55,000 (plus VAT, if any). These fees accrue and are calculated on each Dealing Day and payable monthly in arrears.

The Depository shall also be entitled to be reimbursed for the fees paid by the Depository to any sub-custodian and agreed upon transactions charges (which in all cases shall be charged at normal commercial rates) and other out-of-pocket expenses (plus VAT thereon, if any).

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – continued
For the financial period ended June 30, 2018

5. Fees and Expenses (continued)

Director fees

The Articles of Association provide that the Directors shall be entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors. Directors affiliated with the Investment Manager are not entitled to a fee. The aggregate amount of Directors' remuneration in any one year shall not exceed €100,000 without the approval of the Directors. All Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties.

The Directors earned fees of \$31,826 for the financial period ended June 30, 2018 (June 30, 2017: \$26,772). Directors fees payable as at June 30, 2018 amounted to \$14,845 (December 31, 2017: \$13,245).

MKO Partners Limited assists the Company with payroll compliance services.

6. Efficient Portfolio Management

The Company does not currently use Financial Derivative Instruments ("FDIs") for efficient portfolio management or for investment purposes. The Company may, however, in conjunction with its investment in transferable securities, liquid financial assets, collective investment schemes or other permitted investments in accordance with the Regulations, indirectly acquire warrants and rights which are issued to such permitted investments.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – continued
For the financial period ended June 30, 2018

7. Transaction Costs

Transaction costs on the purchase and sale of investments are expensed through the Statement of Operations as incurred. The total amount for the financial period ended June 30, 2018 and June 30, 2017 are shown below;

	Granahan US Focused Growth Fund	Granahan US Focused Growth Fund	Granahan US Small Cap Discoveries Fund	Granahan US Small Cap Discoveries Fund*
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Total transaction costs on purchases	\$ 23,164	\$9,995	\$53,041	-
Total transaction costs on sales	\$ 14,912	\$13,239	\$ 2,801	-
Total Transactions costs	\$ 38,076	\$23,234	\$55,842	-

	Total	Total
	June 30, 2018	June 30, 2017
Total transaction costs on purchases	\$76,205	\$9,995
Total transaction costs on sales	\$17,713	\$13,239
Total Transactions costs	\$ 93,918	\$23,234

*Launched on June 30, 2017, therefore no comparative are available.

8. Other expenses and expense reimbursement

The Company pays the general costs and expenses incurred in its operation. Other expenses paid during the financial period as per the Statement of Operations are shown below;

	Granahan US Focused Growth Fund	Granahan US Focused Growth Fund
	June 30, 2018	June 30, 2017
Consulting Fees	\$18,399	\$13,293
Correspondence / Secretarial Fee	8,308	10,325
Miscellaneous Expenses	9,048	7,346
Investment compliance fee	6,483	6,483
Tax fees / Stock fees	2,443	-
Registration fee	3,796	324
FATCA Fees	1,955	-
Bank Interest	1,065	-
VAT Control Account	616	5
Other Expenses	\$52,113	\$37,776

An expense reimbursement was paid to the Company during the financial period from the Investment Manager.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – continued
For the financial period ended June 30, 2018

8. Other expenses and expense reimbursement (continued)

	Granahan US Small Cap Discoveries Fund*	Granahan US Small Cap Discoveries Fund*
	June 30, 2018	June 30, 2017
Formation expenses	\$ 2,189	-
Consulting Fees	4,321	-
Correspondence / Secretarial Fee	1,951	-
Miscellaneous fees	2,220	-
Investment compliance fee	6,483	-
Tax fees / Stock fees	574	-
Registration fee	892	-
FATCA Fees	459	-
VAT Control Account	769	-
Other Expenses	\$19,858	-

*Launched on June 30, 2017, therefore no comparative are available.

9. Financial Instruments and Associated Risks

The securities and instruments in which the Company invests are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur.

The Company's activities expose it to a variety of financial risks: liquidity and credit risk. The Investment Manager seeks to minimize these risks through diversification of the investment portfolio in accordance with the specific investment policies and restrictions set out in the Prospectus and Supplement for each sub-fund. The nature and extent of the financial instruments outstanding at the Statement of Assets and Liabilities date and the risk management policies employed by the Company are discussed below.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The main liquidity risk to the Company arises from the redemption requests of investors. The Company's Shareholders may redeem their Shares on each dealing day for cash equal to a proportionate share of the sub-fund's net asset value and it is therefore potentially exposed to the liquidity risk of meeting the daily redemptions by its Shareholders. In order for the Company to meet these requests, the Company may need to dispose of the underlying assets at an inopportune time.

To help manage this risk, if the number of Shares to be redeemed on any dealing day equals 10% or more of the total number of Shares of the sub-fund in issue on that day the Directors or their delegate may at their discretion refuse to redeem any Shares in excess of 10% of the total number of Shares in issue. If the Directors so refuse, the requests for redemption on such dealing day shall be reduced pro-rata and Shares which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent dealing day until all Shares to which the original request related have been redeemed.

The sub-fund's listed securities are considered readily realizable, as they are quoted on reputable stock exchanges. In accordance with the sub-fund's policy, the Investment Manager monitors the liquidity position on a daily basis.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – continued
For the financial period ended June 30, 2018

9. Financial Instruments and Associated Risks (continued)

Liquidity Risk (continued)

The tables below show the analysis for the sub-fund’s financial liabilities by relevant maturity groupings based on the remaining financial period to the contractual maturity date.

Granahan US Focused Growth Fund

June 30, 2018	Less than 1 month	1-3 months	3-12 months	More than 1 year	Total
Payable for securities purchased	\$436,056	-	-	-	\$436,056
Payable for fund shares redeemed	4,243	-	-	-	4,243
Payable to Investment Manager	683,894	-	-	-	683,894
Directors fees payable	12,524	-	-	-	12,524
Auditor fees payable	5,484	-	-	-	5,484
Other accrued expenses and other liabilities	62,295	-	-	-	62,295
Total	\$1,204,496	-	-	-	\$1,204,496

December 31, 2017	Less than 1 month	1-3 months	3-12 months	More than 1 year	Total
Payable to Investment Manager	\$611,892	-	-	-	\$611,892
Directors fees payable	11,844	-	-	-	11,844
Auditor fees payable	13,234	-	-	-	13,234
Other accrued expenses and other liabilities	43,303	-	-	-	43,303
Total	\$680,273	-	-	-	\$680,273

Granahan US Small Cap Discoveries Fund

June 30, 2018	Less than 1 month	1-3 months	3-12 months	More than 1 year	Total
Bank Overdraft	\$18,772	-	-	-	\$18,772
Payable for securities purchased	8,253	-	-	-	8,253
Payable for fund shares redeemed	97,976	-	-	-	97,976
Payable to Investment Manager	22,915	-	-	-	22,915
Directors fees payable	2,321	-	-	-	2,321
Other accrued expenses and other liabilities	27,751	-	-	-	27,751
Total	\$177,988	-	-	-	\$177,988

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – continued
For the financial period ended June 30, 2018

9. Financial Instruments and Associated Risks (continued)

Liquidity Risk (continued)

December 31, 2017	Less than 1 month	1-3 months	3-12 months	More than 1 year	Total
Payable to Investment Manager	\$14,257	-	-	-	\$14,257
Directors fees payable	1,401	-	-	-	1,401
Auditor fees payable	1,671	-	-	-	1,671
Other accrued expenses and other liabilities	22,469	-	-	-	22,469
Total	\$39,798	-	-	-	\$39,798

Credit Risk

Credit risk is the risk that the Company may incur a loss if other parties fail to perform their obligations under the financial instruments which comprise the sub-fund’s investment portfolio. The Company assumes credit risk on parties with whom it trades and it will also bear the risk of settlement default. The Company has a credit risk exposure in relation to its transactions with counterparties such as brokers, banks and other financial intermediaries.

As at June 30, 2018, substantially all of the assets of the Company including investments and cash at bank as noted in the Statement of Assets and Liabilities are held in custody with the Depository. The Company monitors its risk by monitoring the credit quality and financial positions of the Depository. Depending on the requirements of the jurisdictions in which the investments of the Funds are issued, the Depository may use the services of one or more sub-custodians. As at December 31, 2017, the Depository, has a long-term credit rating of AA- with S&P (December 31, 2017: AA-).

The total credit risk for the Funds arising from recognized financial instruments is limited to the value of the Fund’s investments shown on the Statements of Assets and Liabilities on page 15 to 17.

Fair Value of Financial Instruments

ASC 820 establishes a three-tier fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1 – quoted prices in active markets for identical securities.

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, prepayment speeds, etc.).

Level 3 – significant unobservable inputs (including the Company’s own assumptions in determining the fair value of investments).

The following is a summary of the inputs used as of June 30, 2018 and December 31, 2017 in valuing the Sub-Fund’s assets/ (liabilities) carried at fair value:

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – continued
For the financial period ended June 30, 2018

9. Financial Instruments and Associated Risks (continued)

Fair Value of Financial Instruments (continued)

Granahan US Focused Growth Fund

June 30, 2018	Level 1	Level 2	Level 3	Total
Investments				
- Shares	\$42,631,427	-	-	\$42,631,427
Total	\$42,631,427	-	-	\$42,631,427

December 31, 2017	Level 1	Level 2	Level 3	Total
Investments				
- Shares	\$25,071,241	-	-	\$25,071,241
Total	\$25,071,241	-	-	\$25,071,241

Granahan US Small Cap Discoveries Fund

June 30, 2018	Level 1	Level 2	Level 3	Total
Investments				
- Shares	\$25,514,514	-	-	\$25,514,514
Total	\$25,514,514	-	-	\$25,514,514

December 31, 2017	Level 1	Level 2	Level 3	Total
Investments				
- Shares	\$4,904,943	-	-	\$4,904,943
Total	\$4,904,943	-	-	\$4,904,943

The Funds invest in listed transferable securities whose values are based on quoted prices in active markets. Consequently, these investments are categorized as level 1.

There were no transfers between levels during the financial period ended June 30, 2018.

Global Exposure

Per the UCITS Regulations, and as part of the risk management and reporting requirements, the Funds must be monitored and measured in accordance with the regulatory requirements. In accordance with the regulatory requirements, global exposure can be calculated in two ways, either Commitment Approach or Value at Risk ("VaR").

The Commitment approach is used by the Funds to calculate global exposure. This approach converts the Funds financial derivative positions into an equivalent position of the underlying asset based on the market value of the underlying asset. The Funds held no financial derivative positions at any point during the financial period.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – continued
For the financial period ended June 30, 2018

10. Cash and cash equivalents

Cash comprises current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The cash held on current account with the Depositary at June 30, 2018 represented 2.29% (December 31, 2017: 1.42%) of the net asset value of the Fund.

11. Related Parties

The Directors are all non-executive Directors. Jane M. White is co-founder and President and CEO of Granahan Investment Management, Inc. as well as a Managing Director. Brian S. Granahan is Chief Operating Officer, and since 2004 has served as Granahan Investment Management, Inc.’s Chief Compliance Officer and Director of Information Systems. Gary Hatton is co-founder and Chief Investment Officer of Granahan Investment Management, Inc., and is a Managing Director. Vincent Dodd is the Chairman and is an Independent Director. The Directors who are employees of the Investment Manager are not entitled to any remuneration for their services, as disclosed in note 5, for the life of the Company. Directors’ remuneration for the financial period ended June 30, 2018 amounted to \$31,826 (June 30, 2017: \$26,772).

Mr. John Skelly is a Director of the Company and also an employee of Carne Global Financial Services Limited, which provides designated persons, global registration services and money laundering reporting officer services to the Company.

No other Directors or any connected person, had any interest in the Shares of the Company, nor have been granted any options in respect of Shares of the Company.

The Investment Manager and Carne Global Financial Services Limited are deemed to be related parties of the Company.

During the financial period ended June 30, 2018, investment manager fees of \$200,930 (June 30, 2017: \$125,762), were charged to the Company. During the financial period ended June 30, 2018, fees of \$30,203 (June 30, 2017: \$15,249) were paid to Carne Global Financial Services Limited by the Company of which \$3,494 (December 31, 2017: \$3,543) was payable at period end.

12. Statement of Net Assets for the Financial Period

Granahan US Focused Growth Fund

	June 30, 2018	
	Net Assets	NAV
	at class level	per share
Class A USD Accumulating	\$41,120,885.52	\$212.61
Class A USD Distributing*	\$ 2,948,939.72	\$112.90

* This share class is fully redeemed on 18 December 2017 and relaunched on 30 April 2018.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – continued
For the financial period ended June 30, 2018

12. Statement of Net Assets for the Financial Period (continued)

Granahan US Focused Growth Fund

	December 31, 2017	
	Net Assets at class level	NAV per share
Class A USD Accumulating	\$25,477,153	\$157.52

	December 31, 2016	
	Net Assets at class level	NAV per share
Class A USD Accumulating	\$28,128,423	\$117.90

Granahan US Small Cap Discoveries Fund*

	June 30, 2018	
	Net Assets at class level	NAV per share
Class F USD Accumulating	\$25,438,688	\$13.89

	December 31, 2017	
	Net Assets at class level	NAV per share
Class F USD Accumulating	\$5,171,042	\$11.63

*Launched on June 30, 2017.

13. Contingent Liabilities

The Directors are not aware of any material contingent liabilities as at June 30, 2018.

14. Soft Commissions

For the financial period ended June 30, 2018, the Investment Manager received soft commissions from brokers/dealers in consideration for trade execution services for investments of the Fund. These soft commissions were in the form of goods and services such as subscriptions to research services which are of demonstrable benefits to the Shareholders. Examples of these services include: Factset Research Systems, a market data, news and analysis tool for equities research; Bloomberg, market data, news and analysis; William O'Neil, analytical research and tools; Insider Score, analysis of trading activity by insiders; Mackey, tools managing proprietary research. During 2018, commissions paid by the Fund for soft goods and services approximated 39.8% of total fund trading commissions.

15. Significant Investors

For the Granahan US Focused Growth Fund, there are two significant investors who hold 62% & 11% respectively of the total Shares as at June 30, 2018 (December 31, 2017: 53% & 15% respectively).

For the Granahan US Small Cap Discoveries Fund, there are two significant investors who hold 33% & 25% respectively of the total Shares as at June 30, 2018 (December 31, 2017: 34% & 27% respectively).

16. Significant Events During the financial period

The share class A USD Distributing was fully redeemed on 18 December 2017 and relaunched on 30 April 2018.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – continued
For the financial period ended June 30, 2018

17. Write off of Formation Costs

As per the requirements required under US GAAP, Formation Costs of \$25,729 (June 30, 2017: \$61,777) have been written off and recognised on the Statement of Assets and Liabilities.

18. Connected Parties

In accordance with the requirements of Central Bank (Supervision and Enforcement) Act 2013, Regulation 41 S.I. No. 420 (“Transactions involving Connected Persons”), the Directors confirm that there are arrangements in place, evidenced by written procedures, to ensure that any transactions carried out with the Company by its investment manager, investment adviser, depositary and/or associated or group companies of these (“Connected Parties”) are carried out as if negotiated at arm’s length and are in the best interests of the shareholders (the “Shareholders”). The Directors are satisfied that the transactions with Connected Parties during the financial year were carried out as if negotiated at arm’s length and in the best interest of the Shareholders.

19. NAV Reconciliation

The net assets value in the financial statements as 30 June 2018 differs from that included in the published valuations as at 31 December 2017. The difference is due to the difference in methodology in accounting for organisation costs as prescribed by US GAAP, and the methodology indicated in the most recent Prospectus. This does not have any effect on the published or dealing Net Asset Values of any of the Funds.

	Granahan US Focused Growth Fund	Granahan US Focused Growth Fund
	June 30, 2018	December 31, 2017
Total Net Assets for financial statement purposes	\$44,069,825	\$25,477,153
Adjustment for unarmortised organisation costs	25,729	32,268
Adjustment of CAP fees	-	-
Total Net Assets for shareholder dealing	\$44,095,554	\$25,509,421

	Granahan US Small Cap Discoveries Fund	Granahan US Small Cap Discoveries Fund
	June 30, 2018	December 31, 2017
Total Net Assets for financial statement purposes	\$25,438,688	\$5,175,316
Adjustment for unarmortised organisation costs	-	6,200
Adjustment of CAP fees	-	(4,274)
Total Net Assets for shareholder dealing	\$25,438,688	\$5,177,242

20. Subsequent Events

There were no subsequent events that occurred after June 30, 2018.

21. Changes to Prospectus

The Prospectus and the Funds supplements were updated and noted by the Central Bank of Ireland on May 15, 2018.

22. Approval of Financial Statements

The financial statements were approved by the Directors on August 21, 2018.

GRANAHAAN FUNDS PLC

SCHEDULE OF MATERIAL PORTFOLIO CHANGES (UNAUDITED) For the financial period ended June 30, 2018

GRANAHAAN US FOCUSED GROWTH FUND

Purchases

Security	Quantity	Cost (in \$)
Paycom Software Inc	16,800	1,815,970
Globant SA	25,930	1,436,160
SodaStream International Ltd	13,426	1,227,485
Okta Inc	32,140	1,202,178
SPS Commerce Inc	16,971	1,076,983
LivePerson Inc	59,300	959,836
CoStar Group Inc	2,550	939,990
SendGrid Inc	36,540	925,449
Weight Watchers International Inc	10,950	886,026
Kornit Digital Ltd	59,570	881,148
Strayer Education Inc	8,190	826,423
LendingTree Inc	3,100	807,252
OSI Systems Inc	11,166	757,578
Coupa Software Inc	15,440	746,703
Cornerstone OnDemand Inc	18,220	735,604
Brooks Automation Inc	28,100	730,191
Victory Capital Holdings Inc	54,850	682,702
Carbonite Inc	21,500	641,356
Virtusa Corp	11,950	585,952
Teladoc Inc	13,700	564,383
Paylocity Holding Corp	10,794	559,931
TechTarget Inc	30,438	534,612
ShotSpotter Inc	11,910	477,585
2U Inc	5,800	474,705
Limelight Networks Inc	87,630	446,651
Mimecast Ltd	10,950	408,486
Q2 Holdings Inc	9,100	404,980
Ultimate Software Group Inc	1,450	350,360
Chuy's Holdings Inc	11,200	307,345
Grand Canyon Education Inc	2,800	290,867
Everbridge Inc	7,500	278,759
Box Inc	12,700	270,561
Evolent Health Inc	17,630	265,320

GRANAHAN FUNDS PLC

**SCHEDULE OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)
For the financial period ended June 30, 2018**

GRANAHAN US FOCUSED GROWTH FUND (CONTINUED)

Sales		
Security	Quantity	Proceeds (in \$)
LendingTree Inc	3,850	1,016,372
SendGrid Inc	36,540	980,601
Paycom Software Inc	9,285	953,170
Teladoc Inc	16,050	941,978
2U Inc	10,370	873,496
Okta Inc	16,850	853,682
Ultimate Software Group Inc	2,900	780,239
Acxiom Corp	28,260	759,591
MINDBODY Inc	16,300	653,045
HubSpot Inc	5,300	632,678
LivePerson Inc	32,750	593,943
Brooks Automation Inc	17,890	580,954
CoStar Group Inc	1,500	575,980
Chegg Inc	23,890	552,649
Evolent Health Inc	32,470	510,397
Bright Horizons Family Solutions Inc	5,131	499,071
Wix.com Ltd	6,380	498,738
Axon Enterprise Inc	8,550	446,068
Box Inc	18,720	404,028
IMAX Corp	18,220	377,813
Kornit Digital Ltd	22,880	355,220
Trade Desk Inc	4,100	346,051
Mimecast Ltd	8,050	343,745
Zendesk Inc	7,241	335,258
Strayer Education Inc	2,900	317,650
Zscaler Inc	8,933	316,381
InnerWorkings Inc	28,300	264,455
Smartsheet Inc	8,640	254,986
Chuy's Holdings Inc	8,800	253,272
Amber Road Inc	26,224	247,850
Victory Capital Holdings Inc	22,200	232,057
PDF Solutions Inc	15,464	225,256
Everbridge Inc	4,850	217,521
Grand Canyon Education Inc	1,900	197,083

GRANAHAN FUNDS PLC

**SCHEDULE OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)
For the financial period ended June 30, 2018**

GRANAHAN US SMALL CAP DISCOVERIES FUND

Purchases

Security	Quantity	Cost (in \$)
Ensign Group Inc	24,085	869,550
Brooks Automation Inc	22,400	750,640
Kindred Biosciences Inc	57,550	628,964
Profire Energy Inc	151,050	617,441
CONMED Corp	8,400	599,836
Luxfer Holdings PLC	35,550	594,001
SodaStream International Ltd	6,400	575,797
CryoPort Inc	41,200	539,534
Viveve Medical Inc	154,100	484,606
Cardiovascular Systems Inc	15,500	474,043
NeoGenomics Inc	37,350	468,440
AngioDynamics Inc	22,050	467,728
Invacare Corp	24,000	466,863
Limelight Networks Inc	89,580	449,264
Axon Enterprise Inc	7,100	410,128
Xeris Pharmaceuticals Inc	26,350	407,585
DMC Global Inc	9,700	404,662
Titan Machinery Inc	23,200	403,885
Tennant Co	5,350	403,565
Computer Task Group Inc	52,550	402,359
Douglas Dynamics Inc	8,400	397,964
Lawson Products Inc	15,650	388,566
NV5 Global Inc	5,586	372,131
Care.com Inc	16,150	345,955
Enanta Pharmaceuticals Inc	3,100	334,256
Enservco Corp	250,850	322,187
Calavo Growers Inc	3,500	320,171
Rush Enterprises Inc	7,050	314,917
HTG Molecular Diagnostics Inc	78,650	309,638
Atlas Financial Holdings Inc	26,100	294,497
CEVA Inc	8,460	291,971
Kinsale Capital Group Inc	5,500	291,323
Exact Sciences Corp	4,650	290,622
Accelaron Pharma Inc	7,450	275,951
BioLife Solutions Inc	24,290	274,754
Hudson Technologies Inc	97,700	270,054
Sientra Inc	14,710	270,041
PROS Holdings Inc	7,400	267,467
Oxford Immunotec Global PLC	19,400	262,960
Joint Corp/The	32,850	261,903
Adesto Technologies Corp	27,400	256,599
CAI International Inc	10,500	244,200
Harvard Bioscience Inc	46,400	239,586
Rapid7 Inc	7,250	239,302
Repligen Corp	5,544	235,234
Rudolph Technologies Inc	7,250	231,655
MacroGenics Inc	9,880	231,493
Modine Manufacturing Co	11,500	223,436

GRANAHAN FUNDS PLC

**SCHEDULE OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)
For the financial period ended June 30, 2018**

GRANAHAN US SMALL CAP DISCOVERIES FUND (CONTINUED)

Sales

Security	Quantity	Proceeds (in \$)
Axon Enterprise Inc	3,450	218,669
Kaman Corp	2,700	188,695
Echo Global Logistics Inc	6,167	170,219
Ablynx NV	2,350	125,286
Nektar Therapeutics	1,675	120,057
Albany International Corp	1,900	115,720
Argenx SE	1,350	105,997
STAG Industrial Inc	4,300	103,797
Heritage Insurance Holdings Inc	6,300	101,784
DMC Global Inc	2,350	91,124
Safeguard Scientifics Inc	6,760	88,771
RBC Bearings Inc	700	87,225
Extreme Networks Inc	9,600	86,340
Kornit Digital Ltd	5,100	85,089
Douglas Dynamics Inc	1,900	84,947
Pacific Premier Bancorp Inc	1,700	68,439
GSV Capital Corp	9,310	64,306
Qualys Inc	1,000	62,120
Titan Machinery Inc	2,750	53,595
Verastem Inc	9,250	51,784
CytomX Therapeutics Inc	1,650	47,252
HTG Molecular Diagnostics Inc	7,830	40,716
Akcea Therapeutics Inc	2,220	37,131

DIRECTORY

DIRECTORS

Jane M. White* (U.S. Resident)
Brian S. Granahan* (U.S. Resident)
Gary Hatton* (U.S. Resident)
Vincent Dodd*^ (Irish Resident)
John Skelly*# (Irish Resident)

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^ Independent Director

Independent of Investment Manager

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