



## Granahan US Small Cap Discoveries UCITS

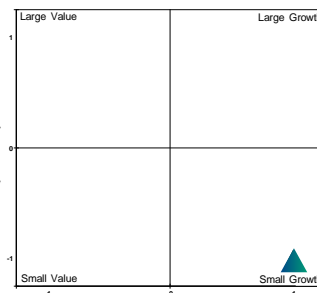
31 May 2020

## Investment Summary

GIM's Discoveries Fund is a long-only U.S. equity strategy that has a focus on emerging and unrecognized small cap growth companies. Utilizing in-depth, bottom-up, fundamental research and analysis, our team of seven small cap specialists utilize networks and sector expertise to uncover compelling growth opportunities in all areas of the U.S. small cap market, including the innovative biotech and med-tech industries. The Discoveries PM employs company-specific valuation parameters to build a portfolio of +70 stocks of these well-positioned companies.

## Fund Highlights

- We believe that enterprise growth drives a company's stock price over the long term, while changes in market sentiment can provide opportunity in the short term. The investment process – with its focus on stock selection – incorporates both to construct a portfolio positioned for long-term capital appreciation.
- GIM casts a wide net to identify companies with strong growth potential, including in areas that other growth managers may shun, such as the smaller emerging growth companies.
- LifeCycle diversification is integral to the process, from idea generation to portfolio construction. Every company of interest is placed into one of three LifeCycle categories – Core Growth, Pioneer and Special Situation -- each with distinct performance drivers. LifeCycle diversification helps to mitigate risk in the portfolio, and allows us to focus on stock selection as the primary means to add value for our clients.



## Portfolio Manager

## Gary C. Hatton, CFA

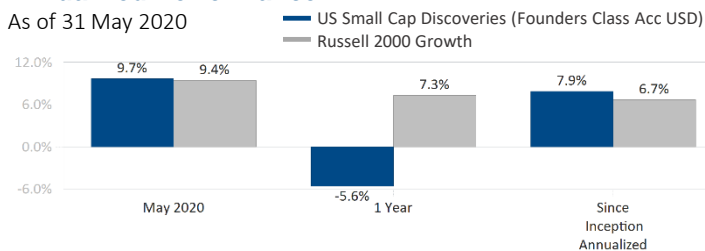
**38 Yrs. Experience** Gary Hatton is co-Founder and a Senior Managing Director of Granahan Investment Management. His research expertise is in the medical and biotechnology sectors.

## About Granahan Investment Management

Founded in 1985, Granahan Investment Management, Inc. is a 100% employee-owned firm specializing in smaller cap equity investments for large institutions and wealthy individuals. The firm utilizes fundamental, bottom-up research to uncover and invest in fast growing companies under \$6 billion in market cap.

## Annualized Performance

As of 31 May 2020



Inception Date: 06/30/2017

## Calendar Year Performance

	YTD 2020	2019	2018	Since Inception Cumulative
US Small Cap Discoveries (Founders Class Acc USD)	-10.98%	26.53%	-4.73%	24.80%
Russell 2000 Growth	-6.65%	28.48%	-9.31%	20.84%

Inception Date: 06/30/2017

## Fund Facts

Fund Assets:	\$31 Mil (Strategy Assets: \$109 Mil)
Fund Launch Date:	30 June 2017
Asset Class:	US Equities
Market Cap:	\$50 Mil - \$750 Mil at purchase
Benchmark:	Russell 2000 Growth/Russell Microcap Growth
Structure:	UCITS
Domicile:	Ireland
UK Reporting Status:	Yes
Pricing:	Daily
Deal Cut Off:	1700 Dublin Time T-1
Year End:	31 December
Custodian & Admin:	RBC Investor & Treasury Svcs. Ireland Ltd.
Website:	www.granahanfunds.com

## Share Class Information

	US Small Cap Discoveries	
Founders Class Acc (USD)	IE00BZ3G1H34	GUSDFUA
Founders Class Acc (GBP)	IE00BDZ2QW58	GUSDFGA

## Granahan Investment Management

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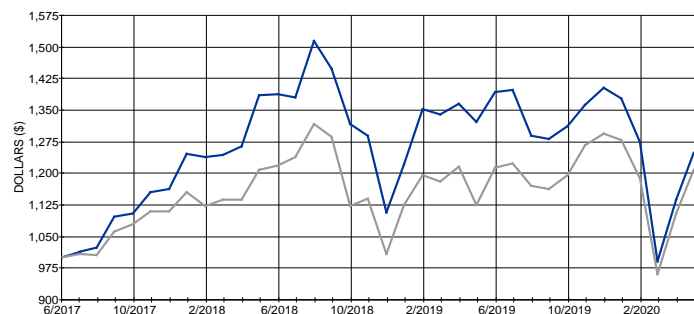
## Sector Diversification

Sector	Portfolio	Russell 2000 Growth
Consumer Discretionary	6.64	11.76
Consumer Staples	--	3.47
Energy	0.88	1.07
Financial Services	5.34	9.73
Health Care	42.49	33.61
Materials & Processing	2.37	6.27
Producer Durables	22.53	13.56
Technology	18.54	17.87
Utilities	--	2.66
[Cash]	1.20	--

## Top 10 Positions

Security	Life Cycle Category	Percent of Portfolio
CRYOPORT	Pioneer	3.3%
MARINEMAX INC	Special Situation	3.0%
COLUMBUS MCKINNON CORP	Special Situation	2.9%
NEOGENOMICS	Core Growth	2.8%
AXON ENTERPRISE	Core Growth	2.7%
HARVARD BIOSCIENCE	Special Situation	2.6%
LUXFER HOLDINGS PLC	Special Situation	2.6%
ALTA EQUIPMENT GROUP INC	Special Situation	2.5%
LIMELIGHT NETWORKS	Special Situation	2.5%
LAWSON PRODUCTS	Special Situation	2.4%
<b>TOTAL</b>		<b>27.5%</b>

## Growth of \$1,000



6/2017 – 5/2020

US Small Cap Discoveries (Founders Class Acc USD)	1,248
Russell 2000 Growth	1,208

## Characteristics

Characteristic	Portfolio	Russell 2000 Growth
Weighted Avg. Market Cap	\$1,493.4 mil	\$2,984.3 mil
Active Share	95.29%	-
Est 3-5 Yr EPS Growth	14.7%	14.2%
P/E using FYI Est.	23.5x	23.6x
LT Debt/Capital	19.6%	36.0%
Dividend Yield	0.56%	0.75%
Price to Book	2.38x	3.77x

## Monthly Commentary

Markets in May continued to build on April's sharp rebound, as countries around the world began reopening and relaxing COVID-19 restrictions. Reported economic data has been stronger than expected, likely a result of the lenient monetary policy and robust fiscal stimulus. Also, advances in potential treatments for COVID-19 were viewed positively by investors. The Russell 2000 Growth Index was up strongly for the month with a return of +9.4%. The US Small Cap Discoveries Fund slightly outperformed with a return of +9.7%. Good stock selection in the month was partially offset by negative allocation. Stock selection was strong in financial services, producer durables, and consumer discretionary. The portfolio's overweight position in producer durables slightly offset the positive selection, while our underweighting in consumer discretionary nearly offset this sector's positive selection. Our underweight position in financial services boosted the good stock selection here. Stock selection in technology, materials, healthcare, and energy weighed on performance. Pioneer holdings outperformed the overall Index, while both the Core Growth and Special Situation categories lagged. We continue to vet well-positioned companies with strong growth prospects across LifeCycles in the small/microcap market, and subsequently invest in the underlying stocks when risk/reward is attractive.

## Important Information for Investors

This material is directed at professional/sophisticated investors for their informational purposes only. It is not intended to be investment advice and does not constitute an offer to sell or solicitation to invest. Opinions contained herein reflect the judgment of GIM and are subject to change at any time. The Granahan US Focused Growth Fund, the Granahan US Small Cap Discoveries Fund and the Granahan US SMID Select Fund are sub-funds of the Granahan Funds plc (the "Company"), a public limited company (registered number 533587) authorized and regulated by the Central Bank of Ireland as an Undertaking for Collective Investment in Transferable Securities ("UCITS"). Authorization of the Company by the Central Bank of Ireland is not an endorsement or guarantee, nor is the Central Bank of Ireland responsible for the contents of any marketing material or the Company's offering documents. Shares of the Funds are only available for certain non-U.S. persons outside the United States and are restricted in certain jurisdictions. Any entity forwarding this material to other parties takes full responsibility for ensuring compliance with applicable securities laws in connection with its distribution.

