



## Granahan US Small Cap Discoveries UCITS

28 February 2023

## Investment Summary

GIM's Discoveries Fund is a long-only U.S. equity strategy with a focus on small cap growth companies leveraging novel technologies to create products that address unmet needs in sizable markets. By performing in-depth fundamental research and analysis, we seek to uncover compelling growth opportunities with particular emphasis on innovation-driven sectors like life sciences and technology. Our PMs leverage the work of our sector specialists to build a portfolio of +/- 50 stocks with strong secular growth characteristics and acceptable valuations.

## Fund Highlights

- We believe enterprise growth drives long-term stock appreciation and is derived from the creation of highly-coveted products and services.
- We clearly define our criteria for high-quality franchises and identify them through a repeatable investment process, including in areas that other growth managers may shun, such as small-cap biotech and other emerging growth sectors
- Changes in market sentiment provide opportunity to build positions in great companies, though we are not shy about trimming positions when valuations become decoupled from fundamentals.
- Each holding is classified by LifeCycle category – Core Growth, Pioneer, or Special Situation -- each with distinct performance drivers. LifeCycle diversification mitigates portfolio risk and allows us to focus on stock selection as the primary means to add value for our clients.

## Portfolio Managers


**Richard Watson, CFA**  
**31 Yrs. Experience**

Rich Watson is Senior Vice President and Portfolio Manager of Granahan Investment Management. His research expertise is in the biotechnology and life sciences sectors.


**Jeffrey A. Harrison, CFA**  
**24 Yrs. Experience**

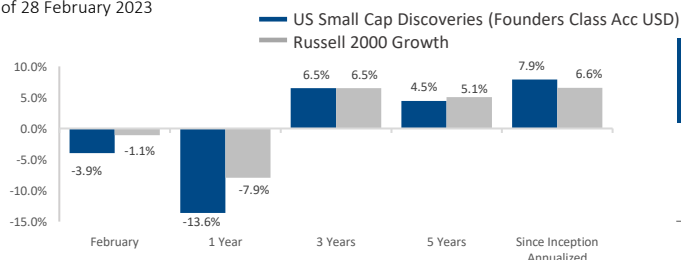
Jeff Harrison is Senior Vice President and Managing Director of Granahan Investment Management. He is a generalist with particular expertise in the healthcare, industrials, and financial services sectors.

## About Granahan Investment Management

Founded in 1985, Granahan Investment Management, LLC is an employee-owned investment boutique 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.

## Annualized Performance: Net of Fees

As of 28 February 2023



Net of Fees; Inception Date: 06/30/2017

## Calendar Year Performance: Net of Fees

	YTD 2023	2022	2021	2020	2019	2018	Since Inception Cumulative
US Small Cap Discoveries (Founders Class Acc USD)	9.2%	-33.5%	3.6%	46.0%	26.5%	-4.7%	54.0%
Russell 2000 Growth	8.8%	-26.4%	2.8%	34.6%	28.5%	-9.3%	43.5%

Inception Date: 06/30/2017

Past performance is no guarantee of future results.

## Fund Facts

**Fund Assets:** \$32 Mil  
**Fund Launch Date:** 30 June 2017  
**Asset Class:** US Equities  
**Market Cap:** \$100 Mil - \$3 Bil 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 Svs. 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**  
 404 Wyman Street, Suite 460  
 Waltham, MA 02451  
 Phone: 781-890-4412

**Steve Sexeny**  
 Senior Vice President  
 Business Development  
 ssexeny@granahan.com

**Lori Azar**  
 Assistant Vice President  
 Marketing Associate  
 lazar@granahan.com

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## Sector Diversification

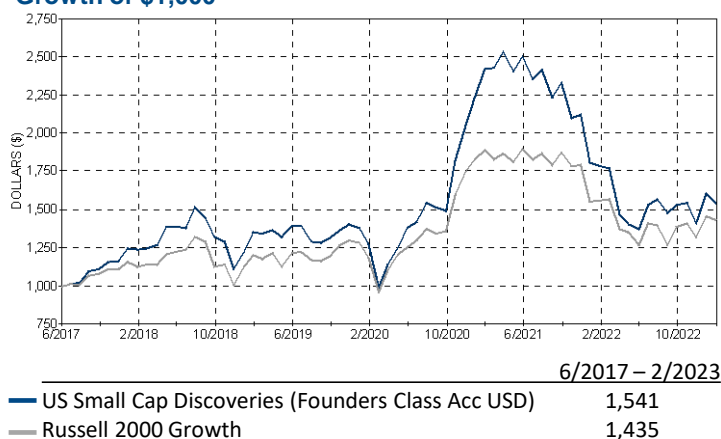
Sector	Portfolio	Russell 2000 Growth
Basic Materials	2.7%	4.3%
Consumer Discretionary	6.7%	12.8%
Consumer Staples	2.3%	3.7%
Energy	0.0%	8.0%
Financials	5.3%	6.1%
Health Care	58.5%	21.1%
Industrials	8.7%	20.3%
Real Estate	0.0%	2.2%
Technology	11.8%	16.8%
Telecommunications	0.0%	2.2%
Utilities	2.1%	2.4%
[Cash]	1.8%	0.0%

## Top 10 Positions

Security	LifeCycle Category	Percent of Portfolio
Portillo's Inc	Core Growth	3.1%
Revance Therapeutics Inc	Pioneer	3.0%
Pacific Bioscience	Pioneer	2.9%
Texas Capital Bancshares Inc.	Special Situation	2.8%
Corvel Corp	Core Growth	2.8%
Materion Corp	Core Growth	2.8%
Blueprint Medicines Corporation	Pioneer	2.6%
Natera Incorporation	Pioneer	2.5%
Alta Equipment Group Inc	Special Situation	2.5%
Kinsale Capital Group Inc	Core Growth	2.5%
<b>TOTAL</b>		<b>27.5%</b>

The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable. A complete list of holdings is available upon request.

## Growth of \$1,000



## Characteristics

Characteristic	Portfolio	Russell 2000 Growth
Weighted Avg. Market Cap	\$2,283.0 mil	\$3,353.1 mil
Active Share	94.7%	-
Est 3-5 Yr EPS Growth	16.7%	16.3%
Forward P/E Ratio	26.3x	15.9x
LT Debt/Capital	33.3%	39.3%
Dividend Yield	0.2%	0.7%
Price to Book	3.0x	3.6x

Source: FactSet

## Monthly Commentary

Very strong US economic data reports from January caused the stock market to pull back, with the worry that the Federal Reserve bank will possibly raise rates by more than 25 bps. The Granahan US Small Cap Discoveries UCITS Fund was down -3.9% which was more than the Russell 2000 Growth's return down -1.1%. Stock selection in Health Care, Industrials, Technology and Consumer Staples was the cause of the negative return. Our overweight in Health Care and Industrials also hurt. Stock selection in Basic Materials, Consumer Discretionary and Financials was positive. Our underweight in Energy and lack of companies in Real Estate also helped. In lifecycle categories, Pioneers were the poorest performers, and Special Situations were the best performers. Last year, we experienced unrelenting multiple compression of the highest secular growth companies, as interest rates rose. However, we believe the fundamental strength in our portfolio companies is ubiquitous and we are basing our expected return cases on forecasted growth in earnings.

## Important Information for Investors

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