



Small Cap Focused Growth Product

December 31, 2017

At a Glance

Product Assets: \$526 Million

Minimum Investment : Separate Acct - \$3 Million
UCITS - Varies by Share Class

Status: Open

Inception Date: August 1, 2007

Benchmark: Russell 2000 Growth

Capitalization: Typically, \$200 Mil - \$2 Bil at purchase

Portfolio Manager: Andrew L. Beja, CFA

Typical Number of Holdings: ± 40

Distinguishing Factors

- By investing in businesses with sustainable growth, we reduce the risk of significant capital loss.
- We invest in exceptional businesses – those with solid balance sheets, high incremental margins and strong customer value propositions.
- Our expected return methodology is a mechanism for mispricing and has proven successful over the course of several investment cycles.
- We believe conviction leads to outperformance, 60%-80% portfolio held in top 15 holdings.

Investment Philosophy

Granahan Investment Management (GIM) believes that small dynamic companies provide excellent potential for superior long-term performance. GIM's *Focused Growth* strategy is grounded in the belief that superior long term returns are best achieved through a select portfolio of smaller companies poised to grow at 15% or more.

Within this philosophy we seek to own companies with large open ended opportunities, a favorable competitive landscape, products or services providing a significant value proposition to the customer, and that have clean balance sheets.

This company analysis is combined with a rigorous valuation discipline centered on a stock's expected return and risk/reward. The net result is a portfolio of 40-50 attractively priced stocks of some of the most exciting and innovative companies in the economy, and a portfolio that has generated consistent, strong risk-adjusted returns over time.

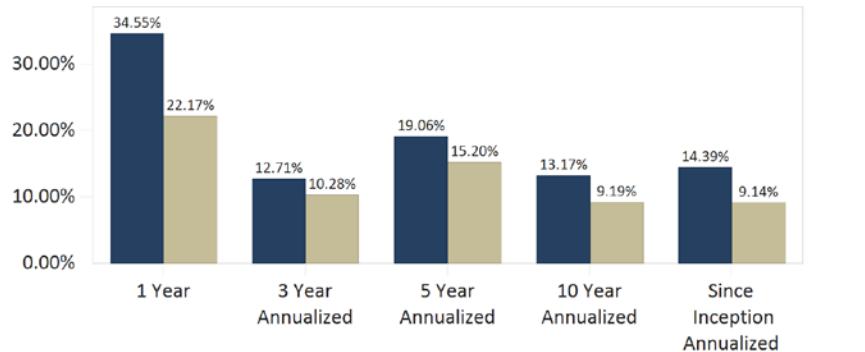
Firm History

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. The firm manages \$1 billion in institutional assets and the founding principals have continuously strengthened the investment team which now totals seven professionals.

Annualized Performance: Net of Fees

As of December 31, 2017

■ GIM Small Cap Focused Growth ■ Russell 2000 Growth



Performance is net of fees; Inception Date: 07/31/2007

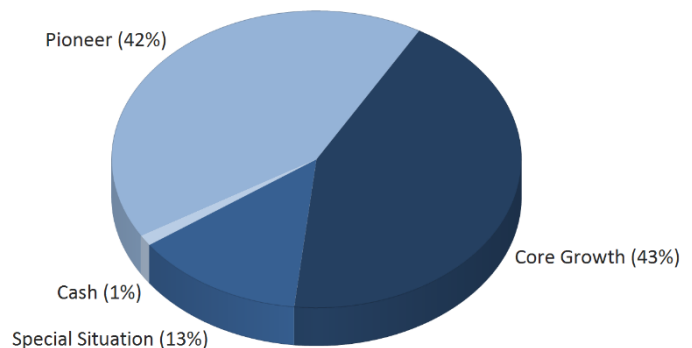
Selected Portfolio Statistics

December 31, 2007 through December 31, 2017
Quarterly Returns - Gross of Fees

| | |
|-------------------|---------|
| Annualized Alpha | 5.19% |
| Upside Capture | 114.16% |
| Downside Capture | 88.85% |
| Tracking Error | 10.37 |
| Information Ratio | 0.47 |
| Beta | 0.99 |

Source: eVest

Life Cycle Diversification: Adds stability



| Small Cap Focused Growth Composite | | | | | | | | | | |
|------------------------------------|------------------------|----------------------------|-------------------------|-------------------|---------------------------|-------------------------------------|----------------------|----------------------|----------------|--------------------|
| Date | | | | | | | | | | |
| As of 12/31/17 | Composite Gross Return | Russell 2000 Growth Return | Composite Assets \$ Mil | Composite # Accts | Composite 3-Yr. Std. Dev. | Russell 2000 Growth 3-Yr. Std. Dev. | Composite Dispersion | Composite Net Return | Non-Fee Assets | Firm Assets \$ Mil |
| 2017 | 35.40% | 22.17% | \$526.5 | 11 | 17.34 | 14.59 | 1.19 | 34.55% | 0.2% | \$1,353.0 |
| 2016 | 18.07% | 11.32% | \$331.7 | 6 | 19.72 | 16.67 | NA | 17.38% | 0.3% | \$2,996.5 |
| 2015 | -8.83% | -1.38% | \$336.9 | 6 | 17.33 | 14.95 | NA | -9.34% | 0.2% | \$3,041.7 |
| 2014 | 2.17% | 5.60% | \$211.8 | 6 | 15.87 | 13.82 | NA | 1.61% | 0.4% | \$3,516.6 |
| 2013 | 65.19% | 43.30% | \$93.0 | <5 | 16.73 | 17.27 | NA | 64.49% | 1% | \$4,056.7 |
| 2012 | 24.55% | 14.59% | \$26.5 | <5 | 21.23 | 20.72 | NA | 23.36% | 2% | \$3,049.4 |
| 2011 | 13.19% | -2.91% | \$0.4 | <5 | 23.12 | 24.31 | NA | 12.07% | 100% | \$2,741.5 |
| 2010 | 30.06% | 29.08% | \$5.4 | 8 | 29.56 | 27.70 | 0.15 | 28.81% | 7% | |
| 2009 | 53.80% | 34.47% | \$4.2 | 8 | NA | 24.85 | 0.06 | 52.33% | 10% | |
| 2008 | -46.34% | -38.54% | \$1.9 | 6 | NA | 21.26 | NA | -46.91% | 10% | |
| 2007* | 18.24% | 3.27% | \$4 | <5 | NA | 14.23 | NA | 17.76% | 100% | |

NA – Dispersion information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year; Standard deviation information has fewer than three years' data. *Partial year performance: August 1, 2007 through December 31, 2007

Composite Footnotes

Granahan Investment Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Granahan Investment Management has been independently verified for the periods January 1, 1993 through December 31, 2015. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. GIM is an independent, SEC-registered investment firm that oversees small and mid-cap equity portfolios for large institutions and wealthy individuals. The Small Cap Focused Growth product utilizes fundamental, bottom-up research and analysis to invest in companies in the small cap sector of the market that exhibit sustainable high earnings growth, with a focus on the technology services, internet, consumer, and business services sectors. The benchmark for the Small Cap Focused Growth product is the Russell 2000 Growth. The composite, created in December 2011, is calculated by asset-weighting the performance of each account on a monthly basis. The composite includes returns from the portfolio manager's prior firm, from inception of August 1, 2007 through December 31, 2011. Accounts are included beginning with the first full month under management and terminated accounts are included in the composite. Performance calculations, expressed in U.S. dollars, produce a total return including cash and the reinvestment of dividends and interest. The dispersion is a standard deviation using equal-weighted total returns for accounts in the composite the entire year. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. Leverage is not utilized. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Returns are gross of investment management fees, which when included, reduce investment returns. Beginning 10/31/2012, net returns are total returns reduced by actual investment management fees. Prior to 10/31/12 and for accounts which pay no management fee, the standard management fee applicable is applied to calculate the net return. The standard fee for accounts managed in the Small Cap Focused Growth style is payable quarterly in arrears and is calculated by applying the ANNUAL rate of 1.00% times the average value of the assets in the account on the last day of each month in the quarter. Fees are collected quarterly, which produces a compounding effect on the total rate of return net of management fees. Market value is based on trade date and security pricing is supplied by Telemet. A complete list and description of all of the firm's composites is available upon request. Past performance is no guarantee of future results.

Top Ten Holdings

| Security | Percent of Portfolio |
|--------------------------|----------------------|
| COSTAR CORP | 7.0% |
| 2U INC | 6.5% |
| LIVEPERSON | 6.1% |
| TELEDOC | 4.1% |
| STRAYER EDUCATION | 3.7% |
| SODASTREAM INTERNATIONAL | 3.4% |
| IMAX CORP | 3.3% |
| KORNIT DIGITAL | 3.3% |
| ULTIMATE SOFTWARE GROUP | 3.1% |
| CHUY'S HOLDINGS INC. | 3.1% |

| Characteristic | Portfolio | Russell 2000 Growth |
|--------------------------|---------------|---------------------|
| Median Market Cap | \$1,499.1 mil | \$1,007.3 mil |
| Weighted Avg. Market Cap | \$2,567.9 mil | \$2,639.7 mil |
| Active Share | 96.09% | - |
| Est 3-5 Yr EPS Growth | 22.8% | 14.3% |
| PEG using FY1 Est | 4.06% | 2.76% |
| Dividend Yield | 0.05% | 0.67% |
| Price to Book | 4.72x | 4.55x |

Source: FactSet

Holdings and Characteristics are Supplemental Information. Please reference fully compliant GIPS Presentation above.

Granahan Investment Management, Inc.

Small Cap Equity Specialist Since 1985

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