

# 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 (as amended) (the "UCITS Regulations") and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations"). The Company was incorporated on October 3, 2013 under registration number 533587.

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended December 31, 2021

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**Granahan US Focused Growth Fund (GUSFGAA)**  
**Annual Report – December 31, 2021**  
**Investment Manager Commentary**

**2021: A Good Year Goes Poof in the Span of One Quarter**

The fourth quarter of 2021 was rough. It turned what was shaping up as a very good performance year both on an absolute and relative basis, into a lousy one on both measures. For the year, this left Focused Growth returning a frustrating -0.7% compared with the benchmark's +2.8%.

Since September 2020, there has been a fierce rotation from growth to value. Over this period, through December 31st of 2021, the Russell 2000 Value Index was up 68% compared with the Russell 2000 Growth Index rising 33%. For the year 2021, the Russell 2000 Value Index rose +28.4% versus a +2.8% gain in the Russell 2000 Growth Index. This was the best outperformance for the Russell 2000 Value Index since 2000 but resulted in headwinds for the Focused Growth portfolio both for the year and the fourth quarter. Additionally, the Focused Growth strategy suffered from poor stock selection, particularly in Q4. More on the year and the quarter below.

**Attribution for the Year 2021**

2021 challenged the portfolio with style and sector headwinds. The top performing sectors included REITs, Metals, Construction, Utilities and Banks — sectors in which the portfolio has no exposure. Even Focused Growth's Technology footprint was a headwind as hardware (+42%) trounced software (-4%). Stock selection in hardware was good, but as is typically the case, the portfolio was heavily skewed to software. The portfolio benefitted from good stock selection and a lower weight vs. the benchmark in Healthcare, but it wasn't enough. Overall selection was -1.3% for the year, in large part due to Q4 activity (see below). In terms of individual names, the standouts for the year were as follows:

*Largest Relative Contributors*

- **Kornit Digital (KRNT)** - Kornit has a range of products that are leading the shift from analogue to digital in the garment, apparel, and textile printing industries. KRNT shares rose 71% in 2021 as investor interest expanded and the company reported consistently strong results. We continue to hold a large position in KRNT shares.
- **Sprout Social, Inc. (SPT)** - Sprout is the leading SAAS solution for enterprises to manage their social media presence. SPT shares rose 100% in 2021 as investors gained appreciation that social media management was an increasingly critical key performance indicator for companies and brands of all sizes. Sprout's solution is leading the industry. Given the strong upward move in SPT shares, we cut the position to a relatively small holding.
- **Workiva, Inc. (WK)** - Workiva sells a cloud-based software platform where companies can aggregate, track and collaborate on complex regulatory and filing processes. Strong earnings, the prospect of accelerated and sustainable growth from Workiva's Wdesk product, and newer offerings in the ESG and global statutory reporting space got investors excited — driving WK shares up 42%. We have cut back the position based on risk/reward but continue to hold a good-sized position in WK shares.

*Largest Relative Detractors*

- **LivePerson, Inc. (LPSN)** LivePerson is a leader in conversational commerce, allowing brands to answer questions and engage with consumers through artificial intelligence-powered messaging. LPSN made a heavy near-term investment to expand its sales team and combat slightly decelerated growth. As a result, shares declined -43% in 2021. We have cut LPSN to a mid-sized position awaiting evidence regarding the timing and effectiveness of the new sales hires.
- **Magnite Inc. (MGNI)** - MGNI shares fell -43% in 2021. The stock had appreciated sharply in late 2020/early 2021 in anticipation of strong results from both Magnite's traditional video and connected TV "sell-side" advertising platforms. While there were puts and takes throughout the year, overall results were somewhat disappointing. We have cut back the position awaiting greater conviction that the company's business momentum can reaccelerate.

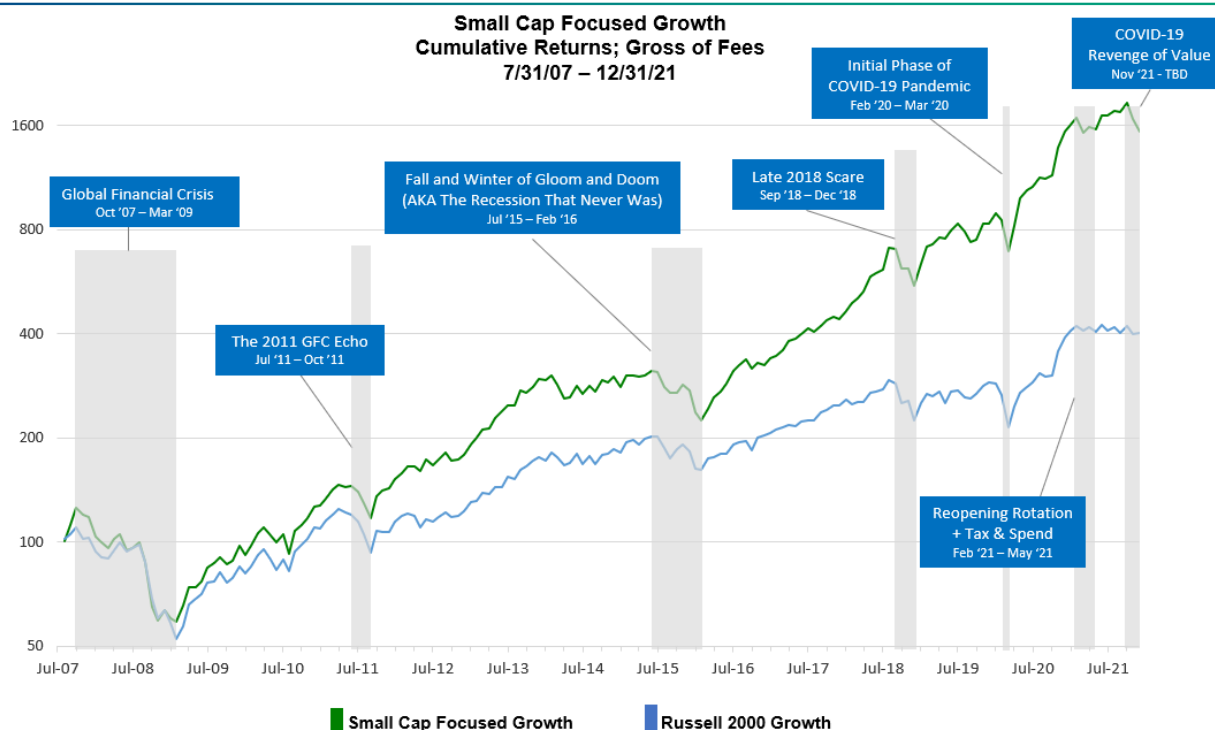
**Granahan US Focused Growth Fund (GUSFGAA)**  
**Annual Report – December 31, 2021**  
**Investment Manager Commentary (continued)**

• **Chegg, Inc. (CHGG)** - Chegg is a leading direct-to-student learning services platform. CHGG shares were down -66% during 2021 largely due to a shortfall in student subscriptions for the key fall enrollment period. While the criticality of fall enrollment means trends are unlikely to materially improve before Fall 2022, we believe the market’s sell-off is somewhat overdone. We have added CHGG shares to the strategy, leaving us with a smallish position.

As noted, there has been a very strong rotation away from growth in favor of value over the past 13+ months. Among the factors driving this rotation was the combination of higher interest rates (making longer duration assets less attractive as future earnings are discounted at a higher rate), and supply/demand dynamics that resulted in an exceptionally strong earnings rebound in traditional companies (e.g., easy comparisons vs. 2020 Covid earnings compressions, rebound in demand, pricing inflation). So far in early 2022 these factors have continued. Investors naturally would love to know if this will persist. Alas, I don't know. I never do and don't believe that successfully predicting such rotations is consistently achievable — but thankfully nor do I believe this is necessary to produce good investment returns.

It is worth reminding ourselves that while it is never pleasant, such volatility comes with some frequency in small/mid cap growth. As is illustrated in the drawdown graph below, since Focused Growth's inception in mid-2007 the portfolio has experienced 6 other drawdowns in excess of 20%. Thankfully, at least historically, such drawdowns have in hindsight been bumps in what has overall been strong compounding. While I obviously can't say for sure — I hope this correction will be the same. The keys are executing our four-part process — and especially getting the first step (Desert Island worthiness) right. If we do that, the compounding is a strong element in our favor.

**Granahan Focused Growth: Largest Drawdowns Since Inception**



Past performance is no guarantee of future results. This information is supplemental to complete performance results and disclosures. The SCFG Composite returns used are 7/31/07 – 12/31/21.

**Granahan US Focused Growth Fund (GUSFGAA)  
Annual Report – December 31, 2021  
Investment Manager Commentary (continued)**

**Diamonds in the Rough**

In 1987 I was a newly minted sell-side analyst publishing research on small cap stocks. On October 19th of that year the stock market crash of '87 occurred. Beyond the breathtaking drop in the market, I witnessed on that day severe illiquidity in stocks and panic on the part of many experienced investors. In the aftermath, I published a piece titled "Diamonds for a Rough Market" in which I highlighted stocks I felt had experienced unwarranted punishment. Over the next several years I went on to publish research recommending a few dozen stocks under the "Diamonds in the Rough" moniker.

Every stock market environment is unique, and although secular growth stocks are generally out of favor today, I don't believe we're in the wake of a "crash". Yet, as it relates to stock price displacement, this market does feel somewhat similar to that of November 1987. More on this in a bit, but first some context. As we noted in the Q3 commentary, from 1997 to 2019, the number of public companies shrank by more than 50% from 7,269 to 3,429 (source: Furey Research) as companies stayed private longer and those going public often did so much later in their maturation. This trend began to reverse in 2020 as companies went public through traditional IPO's, direct listings, and SPAC's. A record 1,006 companies went public in 2021 (source: [Barron's](#)).

This brings me back to a key similarity between the current market environment and the one in the wake of the '87 crash: price displacement. With so much more supply (i.e., companies in which to invest), and all else being equal, price matters more. I believe this was a contributing factor driving the growth to value swing over the past 13 months, coupled with rising rates and inflation of course.

On the subject of valuations, just as there is never a crystal ball giving us a sneak preview of the future, there isn't a grand bell which goes off when it is time to buy or sell. That said, the calendar is something that is predictable, and we are roughly six months from the time when investors are apt to be focused on 2023 earnings, and just 18 months until investors focus on 2024 earnings. Focusing on our disciplined process and examining the expected returns on 2023 and 2024 for the stocks in the Focused Growth portfolio, they appear to be quite attractive. That's not to say the stocks in the portfolio can't go lower — of course they can. Earnings are growing and continuing to compound. While recent performance has been disappointing, I remain confident that over most intermediate and long-term environments our philosophy and process should allow us to generate good returns for our clients.

As always, on behalf of the entire team at Granahan Investment Management, I thank you for entrusting us with the management of your capital. Please note that it is managed alongside our own. I wish you and yours a happy, healthy, and prosperous 2022.

**Sustainable Finance Disclosure Regulation**

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

**Granahan US Small Cap Discoveries Fund (GUSDFUA)**  
**Annual Report – December 31, 2021**  
**Investment Manager Commentary**

**Distinguishing Features**

GIM builds the Small Cap Discoveries portfolio from the bottom-up; sector weightings are secondary to stock selection. The Small Cap Discoveries portfolio remains significantly overweight in healthcare versus the Russell 2000 Growth benchmark, now 47% versus 25%. The portfolio is slightly overweight in the following sectors: materials (4% versus 3%), utilities (3% versus 1%), and real estate (4% versus 3%). The portfolio is evenly weighted with the Index in industrials at 16% and real estate at 3.5%. Technology and consumer discretionary continue to be the portfolio's largest underweights, 13% versus 21% and 7% versus 16% respectively. The portfolio is underweight in financials at 3% vs 6% for the Index. The portfolio continues to have no exposure to energy, telecommunications, and consumer staples, where the benchmark weightings are 3%, 2%, and 3%, respectively.

**Commentary**

**Market Environment**

Supply chain backups, high commodity and energy prices, and surging real estate prices could push the inflation rate to levels above those last seen in 1982. Perhaps the biggest issue from a macroeconomic perspective is a shortage in the labor force, which is forcing big wage hikes. US inflation is at a 20-year peak, prompting the Fed Chairman to drop the transitory label for inflation and announce an acceleration in the taper of its stimulus spending. This paves the way for an increase in interest rates for the first time since 2018. Most obviously, there is the fast-spreading Omicron variant restraining travel and spending again. Although investors fear that higher interest rates, inflation, and energy prices are potential headwinds, these indicators reflect economic vibrancy, and there will be pockets of strong growth for many companies.

**Performance Discussion**

Small Cap Discoveries composite was up +3.2% net-of-fees, compared with +2.8% for the Russell 2000 Growth Index.

The portfolio outperformed the index in 2021 due to excellent selection in healthcare, however, our overweight position in the sector was a negative. Selection was also positive in basic materials, industrials, and real estate, and our overweighting of industrials was a substantial boost to performance. Our lack of exposure to energy and consumer staples resulted in positive attribution for the year, but our lack of exposure in telecommunications was a negative. Though selection in technology was positive, our underweighting of the sector detracted from overall performance. Selection in financials, consumer discretionary and utilities were the portfolio's largest detractors during the year.

With respect to LifeCycles, the Special Situation holdings were substantial outperformers versus the overall benchmark. Both the Pioneer and Core Growth categories lagged the benchmark for the year.

While the Pioneer LifeCycle category detracted from the portfolio's overall performance, the breadth of our exposure to innovative healthcare companies resulted in **Flexion Therapeutics** being the period's top performer – with its buyout from Pacira allowing the holding to soar. Three of the top contributors in the quarter were from the Special Situation LifeCycle category, **Harvard BioSciences** (healthcare), **Titan Machinery** (industrials), and **Alta Equipment Group** (consumer discretionary). Core Growth holding **Kornit Digital** (industrials) rounds out the top five.

The five largest detractors include four healthcare holdings: **Cardiovascular Systems** and **NeoGenomics** (both Core Growth), as well as **908 Devices** and **Aerie Pharmaceuticals** (Pioneers). Also a Pioneer, Pros Holdings, (technology) rounded out the bottom five.

**Granahan US Small Cap Discoveries Fund (GUSDFUA)  
Annual Report – December 31, 2021  
Investment Manager Commentary (continued)**

**Performance Discussion (continued)**

Given the strong absolute performance from many of our Special Situation stocks, we have trimmed several of these positions and have added to our Pioneer stocks, particularly those in the Healthcare sector. Healthcare meaningfully underperformed in 2021. To put the performance in perspective, the Russell 2000 healthcare benchmark delivered its third worst annual return. In terms of relative performance to other sectors in the benchmark, Russell 2000 Healthcare delivered its worst relative return on record. The main reasons for the performance were: COVID-19 impact and staffing challenges negatively impacting results, numerous regulatory or disappointing data updates, and concerns about higher interest rates negatively impacting longer duration stocks, particularly biotechnology stocks. A flood of IPOs in the previous two years and year-end tax loss selling also contributed to the weakness. We are unsure of the timing around the recovery from COVID-19, but we expect investor focus to shift from the short-term impact of the virus to more traditional areas of fundamental strength like new product development, the launching of innovative products, and clinical data updates. Granahan will continue to take a highly selective approach to the healthcare sector by consolidating into high quality, high conviction stocks that we expect will distinguish themselves in 2022 because of their unique positioning and strong foundations.

**Outlook**

Granahan's portfolios have significantly lower PEs and EV/Sales ratios than they did at the beginning of 2021. Earnings have expanded and, in many cases, the stocks have retreated. Our outlook for earnings estimates is for an acceleration from those recorded in 2021. For the first time in many years, "earnings for small companies are predicted to be stronger than large companies in 2022 and 2023." (Furey Research, January 6, 2022 4Q21 Quarter End letter). Secular growth businesses that help other companies strengthen green initiatives and shrink labor costs through automation and innovation are sure to be needed. We believe this backdrop, coupled with negative real interest rates, make our companies' stocks look attractive. Our companies generally have the flexibility and desirable products that allow them to pass through higher costs. Stock selection drives performance for the GIM strategies, particularly stocks of innovative, financially sound companies that provide the necessary tools and products for businesses to stay relevant in the changed, post-pandemic world.

We thank you for your continued support and wish a prosperous 2022 to all our clients.

**Sustainable Finance Disclosure Regulation**

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

**Granahan US SMID Select Fund (GUSSIGA)**  
**Annual Report – December 31, 2021**  
**Investment Manager Commentary**

**Distinguishing Features**

GIM builds the SMID Cap Select portfolio from the bottom-up; sector weightings are secondary to stock selection. At yearend, the SMID Cap Select portfolio was overweight in Information Technology versus the Russell 2500 Growth benchmark (38% versus 28%), Communication Services (8% versus 2%) and Consumer Staples (4% versus 3%). Consumer Discretionary continues to be the portfolio's largest underweight compared to the Index (10% versus 16%). The SMID Cap Select portfolio is also underweight in the following sectors: Materials (1% versus 4%) Healthcare (18% versus 21%), Financials (4% versus 6%), Real Estate (1% versus 3%), and Energy (1% versus 2%). We continue to have no exposure to Utilities.

**Commentary**

**Market Environment**

Small cap growth investing felt like a bit of a roller coaster ride in 2021. The Russell 2500 Growth Index started out nicely, up 14% from January 1st until the middle of February. However, in the second quarter, with investor fears that profits may have peaked due to the impact on future earnings from inflation and soaring commodity prices, the market gave up gains and by mid-May was down 13% from its February high. From that low point until mid-November, the Russell 2500 Growth Index gained ground, erasing most of the second quarter downdraft. The fourth quarter market was particularly brutal for innovative, high valuation companies, especially in healthcare driven by a myriad of worries such as inflation, supply chain disruptions, new COVID variants, rising rates and energy prices along with geopolitical flareups, the Index retreated for the rest of the year, ending December 31st with a return of +5.0% for 2021.

**Performance Discussion**

For 2021, the GIM SMID Cap Select returned +9.8%, nicely outperforming the +5.0% return of the Russell 2500

Overall, the portfolio soundly outperformed the Russell 2500 Growth Index in 2021. Selection in Healthcare led performance for the year and was boosted significantly by our positive stock selection in a sector that was one of the worst in the Index. Selection in Information Technology and Industrials also contributed nicely, as these sectors soundly outperformed the Index. Selection in Real Estate was positive, though our underweighting of the sector weighed on performance. Underweighting and selection of Consumer Discretionary was the largest detractor during the year. While selection in Energy was negative, our overweight position helped offset some of the poor selection. Selection and allocation in Financials were also negative. While selection in Communication Services was slightly positive, the overweight position caused the sector to detract from the portfolio overall. Our underweight allocation in Materials was also a subtle negative.



**Granahan US SMID Select Fund (GUSSIGA)  
Annual Report – December 31, 2021  
Investment Manager Commentary (continued)**

**Positioning**

While we successfully outperformed our growth benchmark 2021, annual performance was front-loaded – with the fourth quarter being a very poor end to the year for the portfolio. While we did have some negative sector attribution because of our weight in Communications Services, and by being overweight growth and underweight value, much of the poor performance came from stock selection. When I meet with investors, I often make the point that we hope that when we have strong outperformance it comes from stock selection, and the reverse is true as well. When we underperform, we also want that to be because of stock selection. Such was the case and is highlighted by the one of our largest positions, **Magnite** (Communications Services) which was down over 35% in the quarter despite providing Q4 EBITDA guidance 10% above street expectations when they reported their Q3 numbers. While stock selection was poor in Q4 in virtually every sector, it was also a result of some unusual factors. For example, one of our largest positions, Evolent, was a rumored acquisition target of Walgreens Boots Alliance at the very end of Q3, which in Q4 proved to be unrealized and drove the stock down 35%. Array Technologies made a very successful acquisition which included financing through a convertible offering. While in totality the net effect of both transactions was solidly accretive, to stock seemed to go into a tailspin with the announcement of the convertible debt financing and that was amplified by tax loss selling. To summarize, we look at Q4 as a painful investment for forward return potential in 2022. In all three of these companies, we see a very bright future and in Evolent's case we would consider the long-term opportunity for outperformance to be larger than if the company had decided to accept an acquisition offer this year. While Q4 was discouraging, we believe the portfolio has much larger upside from a valuation perspective than we had earlier in the year. We, however, have not been forced to sell large positions because of a deterioration in our growth thesis. As always, we aim to invest in great growth companies that are highly compelling from a risk reward perspective.

**Outlook**

Granahan's portfolios have significantly lower PEs and EV/Sales ratios than they did at the beginning of 2021. Earnings have expanded and, in many cases, the stocks have retreated. Our outlook for earnings estimates is for an acceleration from those recorded in 2021. For the first time in many years, "earnings for small companies are predicted to be stronger than large companies in 2022 and 2023." (Furey Research, January 6, 2022 4Q21 Quarter End letter). Secular growth businesses that help other companies strengthen green initiatives and shrink labor costs through automation and innovation are sure to be needed. We believe this backdrop, coupled with negative real interest rates, make our companies' stocks look attractive. Our companies generally have the flexibility and desirable products that allow them to pass through higher costs. Stock selection drives performance for the GIM strategies, particularly stocks of innovative, financially sound companies that provide the necessary tools and products for businesses to stay relevant in the changed, post-pandemic world.

We thank you for your continued support and wish a prosperous 2022 to all our clients.

**Sustainable Finance Disclosure Regulation**

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## **DIRECTORS' REPORT**

### **For the financial year ended December 31, 2021**

The Directors of the Company (the "Directors") present their annual report for the financial year ended December 31, 2021.

#### **Directors' Responsibilities Statement in respect of the Financial Statements**

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with the Companies Act 2014, as amended and the applicable regulations.

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with U.S. Generally Accepted Accounting Principles ("US GAAP") ("relevant financial reporting framework").

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014, as amended.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable to ensure that the financial statements and Directors' report comply with the Companies Act 2014, as amended and with 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, 2019 (as amended) and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Date of Incorporation**

The Company was incorporated on October 3, 2013 and was authorized as an Undertaking for Collective Investment in Transferable Securities ("UCITS") by the Central Bank of Ireland on December 5, 2013.

The Company is an umbrella investment company with segregated liability between sub-funds and variable capital. As at December 31, 2021 the Company has three operating sub-funds in existence: Granahan US Focused Growth Fund was launched on April 11, 2014, Granahan US Small Cap Discoveries Fund was launched on June 30, 2017 and Granahan US SMID Select Fund was launched on January 23, 2020.

#### **Principal Activities and Future Developments**

The Company intends to provide investors with a choice of Funds offering an array of investment objectives. Granahan US Focused Growth Fund, Granahan US Small Cap Discoveries Fund and Granahan US SMID Select Fund 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.

**DIRECTORS' REPORT - continued**  
**For the financial year ended December 31, 2021**

**Review of Development of the Business and Future Developments**

A detailed review of the business and potential future development is included in the Investment Manager's Reports, from page 3 to page 9.

**Statement of Audit Information**

The Directors confirm that during the financial year ended December 31, 2021:

- a) So far as the Directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware, and
- b) The Directors have taken all steps that ought to have been taken by the Directors in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Significant Events During the Financial Year**

An updated Prospectus was filed with the Central Bank of Ireland on March 10, 2021 and August 5, 2021. This was updated to reflect the requirements of Regulation (EU) 2019/2088 of the European Parliament and of the Council on 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR").

An addendum to the Prospectus was filed with the Central Bank of Ireland on December 9, 2021. This was to reflect the new Taxonomy Regulation and update the disclosure on ESG and Sustainable Investments Integration.

**Significant Events After the Financial Year End**

On January 25, 2022, KBA Consulting Management Limited announced that, subject to regulatory approval, it will become a member of the Waystone Group.

**COVID-19 update**

As of the writing of this report, the Company's service providers are still largely operating remotely or through adapted models to ensure the safety of all employees from COVID-19 exposure. The ongoing and successful operation and investment processes of the Company have not been impacted by COVID-19, as given the robust work-from-anywhere technology available, the Company's service providers and investment team have been fully able to conduct their work either remotely, or within an office environment adapted with COVID-safe protocols.

**Connected Persons**

Any transaction carried out with a UCITS by a management company or depositary to the UCITS, the delegates or sub-delegates of the management company or depositary, and any associated or group company such a management company, depositary, delegate or sub-delegate ("connected persons") must be carried out as if conducted at arm's length. Transactions must be in the best interests of the shareholders of the UCITS.

The Directors are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out above (as referred to in Regulation 43(1) of the Central Bank UCITS Regulations) are applied to all transactions with connected persons, and that transactions with connected parties entered into during the financial year complied with the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations.

**DIRECTORS' REPORT - continued**  
**For the financial year ended December 31, 2021**

**Directors Compliance Statement**

The Directors acknowledge that they are responsible for securing the Company's compliance with the relevant obligations as set out in section 225 of the Companies Act 2014, as amended which includes drawing up a compliance policy statement that sets out the Company's policies respecting compliance by the Company with its relevant obligations, putting in place appropriate arrangements or structures that are designed to secure material compliance with the Company's relevant obligations and conducting an annual review during the financial year of any arrangements or structures referred to that have been put into place.

**Corporate Governance Code**

The Board adopted the voluntary Irish Funds Corporate Governance Code for Collective Investment Schemes and Management Companies (the "Code") on October 3, 2013 (the date of incorporation). The Board has reviewed and assessed the measures included in the Code and considers its corporate governance practices and procedures since its adoption of the Code as consistent therewith.

**Business Review**

A comprehensive overview of the Company's trading activities is detailed in the Investment Manager's Report.

**Risk management objectives and policies**

Investment in the Company carries with it a degree of risk including, but not limited to, the risks referred to in note 9 of these audited financial statements.

**Dividends**

No dividends were announced or paid by the Company during the financial year ended December 31, 2021 or during the financial year ended December 31, 2020.

**Key Performance Indicator**

The financial position at and for the financial year ended December 31, 2021 is shown in the Statement of Assets and Liabilities on pages 32 to 39 and Statement of Operations on pages 40 to 43. Performance statistics for 2021 are detailed on pages 49 to 59.

The total Net Asset Value of the Company increased from \$1,324,394,559 to \$1,635,599,803 during the financial year. The Directors believe that these are key indicators of the performance of the Company. A detailed review of the business and future developments is included in the Investment Manager's Reports from pages 3 to 9.

**Directors**

The names of the persons who were Directors during the financial year ended December 31, 2021 are listed in the Directory on pages 92 to 93. All Directors are non-executive Directors.

**Directors' and Company Secretary's interests**

Directors' and Company Secretary's interests in the share capital of the Company are disclosed in note 11.

None of the Directors, secretary or their families or nominees held any redeemable shares as at December 31, 2021 or as at December 31, 2020.

**DIRECTORS' REPORT - continued**  
**For the financial year ended December 31, 2021**

**Audit Committee**

The Directors have decided not to establish an audit committee pursuant to section 167(2)(b) of the Companies Act, 2014, as amended.

This has been decided on the basis of the following:

- a) the nature, scale and complexity of the Company's business range of services and activities undertaken in the course of that business;
- b) the resources available to the Company and the resources and expertise of the various third parties engaged to support the Company and carry out certain functions on its behalf; and
- c) the procedures in place for the review, approval and circulation of the audited financial accounts and statements which are appropriate for a self-managed investment company pursuant to the UCITS Regulations.


**Accounting Records**

To ensure that adequate accounting records are kept in accordance with Section 281 to 285 of the Companies Act 2014, as amended, the Directors have employed RBC Investor Services Ireland Limited as administrator. The books of account are maintained at the offices of the Administrator at 4th Floor, One George's Quay Plaza, George's Quay, Dublin 2, Ireland.

**Independent Auditors**

In accordance with Section 383(2) of the Companies Act 2014, as amended, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm have been appointed as Independent Auditor, and have signified their willingness to continue in office.

**Signed on behalf of the Board**



\_\_\_\_\_  
**Vincent Dodd**  
**Director**  
**March 23, 2022**



\_\_\_\_\_  
**Lisa Martensson**  
**Director**



## Report of the Depositary to the Shareholders For the year ended 31 December 2021

As required by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) ("the Regulations") and solely within the context of our oversight duties as depositary, we are pleased to present our report as follows.

In our opinion, Granahan Funds plc (the "Company") has been managed for the year ended 31 December 2021:

- (i) In accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association and the Regulations; and
- (ii) Otherwise in accordance with the provisions of the Memorandum & Articles of Association and the Regulations.

e-Signed by Willie O'Gorman  
on 2022-03-08 15:58:33 GMT

e-Signed by Fergal Curran  
on 2022-03-08 13:04:30 GMT

**RBC INVESTOR SERVICES BANK S.A.  
DUBLIN BRANCH**

**Date: 08 March 2022**

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GRANAHAN FUNDS PLC

### Report on the audit of the financial statements

#### Opinion on the financial statements of Granahan Funds plc ("the company")

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2021 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework, the applicable Regulations and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Schedule of Investments
- the Statement of Assets and Liabilities;
- the Statement of Operations;
- the Statement of Changes in Net Assets;
- the Financial Highlights; and
- the related notes 1 to 19, including a summary of significant accounting policies as set out in note 2.
- 

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and accounting principles generally accepted in the United States of America ("US GAAP") ("the relevant financial reporting framework").

The applicable regulations that have been applied in their preparation is 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, 2019 ("the applicable Regulations").

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

*Continued on next page/*

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GRANAHAN FUNDS PLC

### Other information

The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Audited Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our



/Continued from previous page

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GRANAHAN FUNDS PLC

opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

### Report on other legal and regulatory requirements

#### Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

#### Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

#### Use of our report

This report is made solely to the company's shareholders, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Hartwell  
For and on behalf of Deloitte Ireland LLP  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

28 March 2022

**GRANAHAN FUNDS PLC**

**SCHEDULE OF INVESTMENTS  
December 31, 2021**

(expressed in USD) Description	Quantity	Currency	Fair Value	% Net assets
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				
<b>1) LISTED SECURITIES : SHARES</b>				
<b>BAHAMAS</b>				
OneSpaWorld Holdings Ltd	1,249,110	USD	12,516,082	1.31
			<u>12,516,082</u>	<u>1.31</u>
<b>GUERNSEY</b>				
Genius Sports Ltd	1,152,644	USD	8,760,094	0.92
			<u>8,760,094</u>	<u>0.92</u>
<b>ISRAEL</b>				
Kornit Digital Ltd	546,840	USD	83,256,390	8.74
Stratasys Ltd	1,034,886	USD	25,344,358	2.66
			<u>108,600,748</u>	<u>11.40</u>
<b>LUXEMBOURG</b>				
Globant SA	57,667	USD	18,112,628	1.90
			<u>18,112,628</u>	<u>1.90</u>
<b>UNITED STATES (U.S.A.)</b>				
2U Inc	578,620	USD	11,612,903	1.22
Axon Enterprise Inc	384,787	USD	60,411,559	6.34
Azenta Inc	283,466	USD	29,228,179	3.07
Bright Horizons Family Solutions Inc	178,650	USD	22,488,462	2.36
Bumble Inc	276,100	USD	9,348,746	0.98
Chegg Inc	370,212	USD	11,365,508	1.19
CoStar Group Inc	512,568	USD	40,508,249	4.25
Cricut Inc	573,930	USD	12,678,114	1.33
Datto Holding Corp	728,383	USD	19,192,892	2.01

GRANAHAN FUNDS PLC

**GRANAHAN US FOCUSED GROWTH FUND  
SCHEDULE OF INVESTMENTS - continued  
December 31, 2021**

(expressed in USD) Description	Quantity	Currency	Fair Value	% Net assets
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)</b>				
<b>1) LISTED SECURITIES : SHARES (continued)</b>				
UNITED STATES (U.S.A.) (continued)				
Domo Inc	281,786	USD	13,976,586	1.47
Enovix Corp	976,160	USD	26,629,645	2.79
Enphase Energy Inc	175,435	USD	32,094,079	3.37
Etsy Inc	229,552	USD	50,258,115	5.27
EverQuote Inc	617,174	USD	9,664,945	1.01
Evolent Health Inc	763,092	USD	21,114,756	2.22
Executive Network Partnering Corp	631,055	USD	6,190,650	0.65
First Watch Restaurant Group Inc	588,970	USD	9,871,137	1.03
Grand Canyon Education Inc	101,023	USD	8,658,681	0.91
HealthEquity Inc	295,235	USD	13,061,196	1.37
Life Time Group Holdings Inc	1,432,332	USD	24,650,434	2.59
Liquidity Services Inc	759,410	USD	16,767,773	1.76
LivePerson Inc	682,442	USD	24,376,828	2.56
Lovesac Co	267,696	USD	17,737,537	1.86
Magnite Inc	963,265	USD	16,857,138	1.77
OSI Systems Inc	227,657	USD	21,217,632	2.23
Overstock.com Inc	262,566	USD	15,494,020	1.63
Paycom Software Inc	135,037	USD	56,066,012	5.88
Porch Group Inc	1,119,149	USD	17,447,533	1.83
ShotSpotter Inc	228,215	USD	6,736,907	0.71
Sprinklr Inc	452,904	USD	7,187,586	0.75
Sprout Social Inc	96,807	USD	8,779,427	0.92
SPS Commerce Inc	415,151	USD	59,096,745	6.20
ThredUp Inc	558,026	USD	7,120,412	0.75
Victory Capital Holdings Inc	359,463	USD	13,131,183	1.38
Workiva Inc	381,147	USD	49,735,872	5.22
Zeta Global Holdings Corp	2,649,312	USD	22,307,207	2.34
			793,064,648	83.22
<b>TOTAL LISTED SECURITIES : SHARES</b>			941,054,200	98.75

GRANAHAN FUNDS PLC

**GRANAHAN US FOCUSED GROWTH FUND  
SCHEDULE OF INVESTMENTS - continued  
December 31, 2021**

(expressed in USD) Description	Quantity	Currency	Fair Value	% Net assets
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)</b>				
<b>2) LISTED SECURITIES : WARRANTS</b>				
UNITED STATES (U.S.A.)				
Executive Network Partnering Corp 28.09.2025 CW/ENPC	157,738	USD	107,120	0.01
			<u>107,120</u>	<u>0.01</u>
<b>TOTAL LISTED SECURITIES : WARRANTS</b>			<u>107,120</u>	<u>0.01</u>
<b><u>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</u></b>			<b>941,161,320</b>	<b>98.76</b>
<b>TOTAL INVESTMENTS</b>			<b>941,161,320</b>	<b>98.76</b>
<b>OTHER ASSETS</b>			<b>16,716,025</b>	<b>1.75</b>
<b>OTHER LIABILITIES</b>			<b>(4,888,821)</b>	<b>(0.51)</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>			<b><u>952,988,524</u></b>	<b><u>100.00</u></b>

GRANAHAN FUNDS PLC

**GRANAHAN US FOCUSED GROWTH FUND  
SCHEDULE OF INVESTMENTS - continued  
December 31, 2021**

At December 31, 2021 sector diversification of the Fund was as follows:

	% of Net Assets	Value
<b>Common stock</b>		<b>\$</b>
Aerospace & Defense	6.34	60,411,559
Diversified Consumer Services	8.27	78,775,988
Diversified Financials Services	4.79	45,636,580
Electronic Equipment Instruments & Components	6.22	59,240,104
Health Care Providers & Services	1.37	13,061,196
Health Care Technology	2.22	21,114,756
Hotels Restaurants & Leisure	2.35	22,387,219
Household Durables	1.86	17,737,537
Interactive Media & Services	1.01	9,664,945
Internet & Direct Marketing Retail	9.41	89,640,320
Machinery	8.73	83,256,390
Media	1.77	16,857,138
Professional Services	4.25	40,508,249
Semiconductors & Semiconductor Equipment	9.23	87,951,903
Software	30.94	294,917,436
<b>TOTAL INVESTMENTS</b>	<b>98.76</b>	<b>941,161,320</b>
Other Assets and Cash in Excess of Liabilities	1.24	11,827,204
<b>TOTAL NET ASSETS</b>	<b>100.00</b>	<b>952,988,524</b>
<b>Analysis of Total Assets</b>		<b>% of Total Assets</b>
Transferable Securities Admitted To An Official Stock Exchange or traded on a regulated market		98.25
Current Assets		1.75
<b>TOTAL</b>		<b>100.00</b>

**GRANAHAN FUNDS PLC**

**GRANAHAN US SMALL CAP DISCOVERIES FUND  
SCHEDULE OF INVESTMENTS  
December 31, 2021**

(expressed in USD) Description	Quantity	Currency	Fair Value	% Net assets
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				
<b>1) LISTED SECURITIES : SHARES</b>				
<b>BERMUDA ISLANDS</b>				
James River Group Holdings Ltd	16,850	USD	485,449	1.07
Kiniksa Pharmaceuticals Ltd	32,200	USD	378,994	0.84
			<u>864,443</u>	<u>1.91</u>
<b>CANADA</b>				
Xenon Pharmaceuticals Inc	4,957	USD	154,857	0.34
			<u>154,857</u>	<u>0.34</u>
<b>CAYMAN ISLANDS</b>				
Organogenesis Holdings Inc	104,110	USD	961,975	2.13
			<u>961,975</u>	<u>2.13</u>
<b>GREAT BRITAIN</b>				
Luxfer Holdings PLC	57,678	USD	1,113,761	2.47
Renalytix PLC	16,502	USD	262,382	0.58
			<u>1,376,143</u>	<u>3.05</u>
<b>NETHERLANDS</b>				
Affimed NV	47,400	USD	261,648	0.58
			<u>261,648</u>	<u>0.58</u>
<b>SWITZERLAND</b>				
CRISPR Therapeutics AG	3,510	USD	265,988	0.59
			<u>265,988</u>	<u>0.59</u>
<b>UNITED STATES (U.S.A.)</b>				
908 Devices Inc	27,500	USD	711,425	1.57
Acacia Research Corp	35,000	USD	179,550	0.40
Aerie Pharmaceuticals Inc	62,850	USD	441,207	0.98
Alta Equipment Group Inc	115,700	USD	1,693,847	3.75

GRANAHAN FUNDS PLC

**GRANAHAN US SMALL CAP DISCOVERIES FUND**  
**SCHEDULE OF INVESTMENTS - continued**  
**December 31, 2021**

(expressed in USD) Description	Quantity	Currency	Fair Value	% Net assets
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				
<b>(continued)</b>				
<b>1) LISTED SECURITIES : SHARES (continued)</b>				
UNITED STATES (U.S.A.) (continued)				
American Well Corp	68,900	USD	416,156	0.92
Arcus Biosciences Inc	8,900	USD	360,183	0.80
Beam Therapeutics Inc	4,101	USD	326,809	0.72
BioLife Solutions Inc	24,159	USD	900,406	1.99
Caribou Biosciences Inc	7,050	USD	106,385	0.24
Castle Biosciences Inc	22,368	USD	958,916	2.12
CEVA Inc	17,723	USD	766,343	1.70
Columbus McKinnon Corp	30,500	USD	1,410,930	3.12
Computer Task Group Inc	136,541	USD	1,361,314	3.01
CONMED Corp	10,010	USD	1,419,018	3.14
CryoPort Inc	14,469	USD	856,131	1.90
CytoSorbents Corp	22,983	USD	96,299	0.21
Digital Turbine Inc	16,800	USD	1,024,632	2.27
Douglas Dynamics Inc	22,705	USD	886,857	1.96
Editas Medicine Inc	9,230	USD	245,057	0.54
Enanta Pharmaceuticals Inc	14,100	USD	1,054,398	2.33
Harvard Bioscience Inc	277,703	USD	1,957,805	4.33
Health Catalyst Inc	14,450	USD	572,509	1.27
Heska Corp	950	USD	173,366	0.38
Hudson Technologies Inc	139,252	USD	618,279	1.37
iCAD Inc	34,350	USD	247,320	0.55
ImmunoGen Inc	63,550	USD	471,541	1.04
Innovative Industrial Properties Inc	6,254	USD	1,644,239	3.64
Intellia Therapeutics Inc	2,770	USD	327,525	0.73
Lawson Products Inc	20,618	USD	1,128,836	2.50
Limelight Networks Inc	47,000	USD	161,210	0.36
MacroGenics Inc	17,410	USD	279,431	0.62
Magnite Inc	28,959	USD	506,783	1.12
Materion Corp	15,097	USD	1,388,018	3.07
Mesa Laboratories Inc	2,447	USD	802,836	1.78
NeoGenomics Inc	30,700	USD	1,047,484	2.32
OrthoPediatrics Corp	13,526	USD	809,666	1.79
Paratek Pharmaceuticals Inc	75,290	USD	338,052	0.75
Pliant Therapeutics Inc	16,050	USD	216,675	0.48
PROS Holdings Inc	30,886	USD	1,065,258	2.36
Pulse Biosciences Inc	20,188	USD	298,984	0.66

GRANAHAN FUNDS PLC

**GRANAHAN US SMALL CAP DISCOVERIES FUND**  
**SCHEDULE OF INVESTMENTS - continued**  
**December 31, 2021**

(expressed in USD) Description	Quantity	Currency	Fair Value	% Net assets
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				
<b>(continued)</b>				
<b>1) LISTED SECURITIES : SHARES (continued)</b>				
UNITED STATES (U.S.A.) (continued)				
Quanterix Corp	18,500	USD	784,400	1.74
Rush Enterprises Inc	18,150	USD	1,009,866	2.24
Sharps Compliance Corp	170,177	USD	1,213,362	2.69
SI-BONE Inc	45,850	USD	1,018,329	2.25
Silk Road Medical Inc	10,050	USD	428,231	0.95
Spero Therapeutics Inc	32,636	USD	522,502	1.16
Stoneridge Inc	15,250	USD	301,035	0.67
Texas Capital Bancshares Inc	13,500	USD	813,375	1.80
ThredUp Inc	27,050	USD	345,158	0.76
Titan Machinery Inc	26,835	USD	904,071	2.00
Veeco Instruments Inc	30,400	USD	865,488	1.91
Veracyte Inc	23,491	USD	967,829	2.14
Vericel Corp	30,688	USD	1,206,038	2.67
Xeris Biopharma Holdings Inc	118,750	USD	347,938	0.77
			39,999,302	88.54
<b>TOTAL LISTED SECURITIES : SHARES</b>			43,884,356	97.14
<b><u>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</u></b>			<b>43,884,356</b>	<b>97.14</b>



**GRANAHAN FUNDS PLC**

**GRANAHAN US SMALL CAP DISCOVERIES FUND  
SCHEDULE OF INVESTMENTS - continued  
December 31, 2021**

(expressed in USD) Description	Quantity	Currency	Fair Value	% Net assets
<b>B) OTHER TRANSFERABLE SECURITIES</b>				
<b>1) OTHER TRANSFERABLE SECURITIES : SHARES</b>				
UNITED STATES (U.S.A.)				
Contra Flexion Therape Npv	99,583	USD	61,741	0.14
			<u>61,741</u>	<u>0.14</u>
<b>TOTAL OTHER TRANSFERABLE SECURITIES : SHARES</b>			<u>61,741</u>	<u>0.14</u>
<b><u>TOTAL OTHER TRANSFERABLE SECURITIES</u></b>			<b><u>61,741</u></b>	<b><u>0.14</u></b>
<b>TOTAL INVESTMENTS</b>			<b>43,946,097</b>	<b>97.28</b>
<b>OTHER ASSETS</b>			<b>1,591,752</b>	<b>3.52</b>
<b>OTHER LIABILITIES</b>			<b>(362,402)</b>	<b>(0.80)</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>			<b><u>45,175,447</u></b>	<b><u>100.00</u></b>

GRANAHAN FUNDS PLC

**GRANAHAN US SMALL CAP DISCOVERIES FUND**  
**SCHEDULE OF INVESTMENTS - continued**  
**December 31, 2021**

At December 31, 2021 sector diversification of the Fund was as follows:

	% of Net Assets	Value
<b>Common stock</b>		<b>\$</b>
Basic Materials	4.44	2,006,297
Consumer Discretionary	7.41	3,349,906
Financials	2.88	1,298,824
Health Care	47.37	21,399,469
Industrials	16.12	7,282,972
Real Estate	3.64	1,644,239
Technology	12.73	5,751,028
Utilities	2.69	1,213,362
<b>TOTAL INVESTMENTS</b>	<b>97.28</b>	<b>43,946,097</b>
Other Assets and Cash in Excess of Liabilities	2.72	1,229,350
<b>TOTAL NET ASSETS</b>	<b>100.00</b>	<b>45,175,447</b>
<b>Analysis of Total Assets</b>		
Transferable Securities Admitted To An Official Stock Exchange or traded on a regulated market		96.36
Other Transferable Securities		0.14
Current Assets		3.50
<b>TOTAL</b>		<b>100.00</b>

**GRANAHAN FUNDS PLC**

**GRANAHAN US SMID SELECT FUND  
SCHEDULE OF INVESTMENTS  
December 31, 2021**

(expressed in USD) Description	Quantity	Currency	Fair Value	% Net assets
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				
<b>1) LISTED SECURITIES : SHARES</b>				
<b>CANADA</b>				
Canadian Solar Inc	235,109	USD	7,356,560	1.15
Neo Performance Materials Inc	339,756	CAD	5,447,054	0.85
			<u>12,803,614</u>	<u>2.00</u>
<b>CAYMAN ISLANDS</b>				
Ambarella Inc	23,470	USD	4,761,828	0.75
Silicon Motion Technology Corp	66,972	USD	6,364,348	1.00
			<u>11,126,176</u>	<u>1.75</u>
<b>ISRAEL</b>				
Inmode Ltd	77,600	USD	5,477,008	0.86
Kornit Digital Ltd	294,172	USD	44,787,686	7.03
Wix.com Ltd	67,940	USD	10,720,253	1.68
			<u>60,984,947</u>	<u>9.57</u>
<b>NETHERLANDS</b>				
Affimed NV	999,008	USD	5,514,524	0.87
			<u>5,514,524</u>	<u>0.87</u>
<b>SINGAPORE</b>				
Flex Ltd	1,297,572	USD	23,784,495	3.73
			<u>23,784,495</u>	<u>3.73</u>
<b>UNITED STATES (U.S.A.)</b>				
2U Inc	165,122	USD	3,313,999	0.52
Acacia Research Corp	900,200	USD	4,618,026	0.72
Array Technologies Inc	1,750,053	USD	27,458,331	4.31
Axon Enterprise Inc	62,390	USD	9,795,230	1.54
BioCryst Pharmaceuticals Inc	234,870	USD	3,252,950	0.51
Castle Biosciences Inc	69,391	USD	2,974,792	0.47
Chart Industries Inc	95,599	USD	15,247,085	2.39

GRANAHAN FUNDS PLC

**GRANAHAN US SMID SELECT FUND  
SCHEDULE OF INVESTMENTS - continued  
December 31, 2021**

(expressed in USD) Description	Quantity	Currency	Fair Value	% Net assets
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)</b>				
<b>1) LISTED SECURITIES : SHARES (continued)</b>				
UNITED STATES (U.S.A.) (continued)				
Chegg Inc	298,076	USD	9,150,933	1.44
Chicken Soup For The Soul Entertainment Inc	428,932	USD	5,936,419	0.93
Cricut Inc	136,720	USD	3,020,145	0.47
Darling Ingredients Inc	271,007	USD	18,778,075	2.95
Digital Turbine Inc	983,788	USD	60,001,229	9.41
Enphase Energy Inc	75,390	USD	13,791,847	2.16
Etsy Inc	18,341	USD	4,015,579	0.63
Euronet Worldwide Inc	186,070	USD	22,173,962	3.48
Everbridge Inc	42,192	USD	2,840,787	0.45
Evolent Health Inc	1,587,984	USD	43,939,517	6.89
Gentherm Inc	104,650	USD	9,094,085	1.43
Gray Television Inc	250,795	USD	5,056,027	0.79
Green Brick Partners Inc	247,403	USD	7,503,733	1.18
Hagerty Inc	598,675	USD	8,489,212	1.33
iCAD Inc	684,775	USD	4,930,380	0.77
Intellia Therapeutics Inc	27,599	USD	3,263,306	0.51
Kulicke & Soffa Industries Inc	407,372	USD	24,662,301	3.87
LendingTree Inc	133,231	USD	16,334,121	2.56
Ligand Pharmaceuticals Inc	30,652	USD	4,734,508	0.74
Lithia Motors Inc	66,040	USD	19,610,578	3.08
Magnite Inc	2,751,093	USD	48,144,128	7.55
Motorcar Parts of America Inc	216,602	USD	3,697,396	0.58
Natera Inc	39,871	USD	3,723,553	0.58
Newmark Group Inc	428,135	USD	8,006,125	1.26
Pacific Biosciences of California Inc	272,521	USD	5,575,780	0.88
Porch Group Inc	828,795	USD	12,920,914	2.03
Power Integrations Inc	122,784	USD	11,405,406	1.79
Pure Storage Inc	301,037	USD	9,798,754	1.54

GRANAHAN FUNDS PLC

**GRANAHAN US SMID SELECT FUND  
SCHEDULE OF INVESTMENTS - continued  
December 31, 2021**

(expressed in USD) Description	Quantity	Currency	Fair Value	% Net assets
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)</b>				
<b>1) LISTED SECURITIES : SHARES (continued)</b>				
UNITED STATES (U.S.A.) (continued)				
Quanterix Corp	136,808	USD	5,800,659	0.91
Silk Road Medical Inc	71,855	USD	3,061,742	0.48
Varonis Systems Inc	222,310	USD	10,844,282	1.70
Veracyte Inc	560,087	USD	23,075,584	3.62
Vicor Corp	48,405	USD	6,146,467	0.96
Vita Coco Co Inc	684,518	USD	7,646,066	1.20
WillScot Mobile Mini Holdings Corp	135,746	USD	5,543,867	0.87
			<u>519,377,880</u>	<u>81.48</u>
<b>TOTAL LISTED SECURITIES : SHARES</b>			<u>633,591,636</u>	<u>99.40</u>
<b><u>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</u></b>			<u>633,591,636</u>	<u>99.40</u>
<b>TOTAL INVESTMENTS</b>			<b>633,591,636</b>	<b>99.40</b>
<b>OTHER ASSETS</b>			<b>5,891,184</b>	<b>0.92</b>
<b>OTHER LIABILITIES</b>			<b>(2,046,988)</b>	<b>(0.32)</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>			<u><b>637,435,832</b></u>	<u><b>100.00</b></u>

GRANAHAH FUNDS PLC

**GRANAHAH US SMID SELECT FUND  
SCHEDULE OF INVESTMENTS - continued  
December 31, 2021**

At December 31, 2021 sector diversification of the Fund was as follows:

	% of Net Assets	Value
<b>Common stock</b>		<b>\$</b>
Communication Services	8.35	53,200,155
Consumer Discretionary	9.78	62,322,722
Consumer Staples	4.15	26,424,141
Energy	1.16	7,356,560
Financials	3.89	24,823,333
Health Care	18.09	115,324,303
Industrials	13.51	86,138,361
Information Technology	38.36	244,548,882
Materials	0.85	5,447,054
Real Estate	1.26	8,006,125
<b>TOTAL INVESTMENTS</b>	<b>99.40</b>	<b>633,591,636</b>
Other Assets and Cash in Excess of Liabilities	0.60	3,844,196
<b>TOTAL NET ASSETS</b>	<b>100.00</b>	<b>637,435,832</b>
<b>Analysis of Total Assets</b>		<b>% of Total Assets</b>
Transferable Securities Admitted To An Official Stock Exchange or traded on a regulated market		99.08
Current Assets		0.92
<b>TOTAL</b>		<b>100.00</b>

GRANAHAN FUNDS PLC

**STATEMENT OF ASSETS AND LIABILITIES**  
As of December 31, 2021

	<b>Granahan US Focused Growth Fund December 31, 2021</b>	<b>Granahan US Focused Growth Fund December 31, 2020</b>
<b>Assets</b>		
Investments, at identified cost	\$766,387,483	\$518,550,545
Investments in securities, at fair value (See note 9)	\$941,161,320	\$837,654,128
Cash and cash equivalents (See note 10)	15,610,658	28,867,431
Receivable for subscriptions	761,875	2,356,723
Receivable for securities sold	-	267,695
Receivable from Investment Manager (See note 5)	343,492	289,159
<b>Total assets</b>	<b>957,877,345</b>	<b>869,435,136</b>
<b>Liabilities</b>		
Payable for securities purchased	-	2,673,617
Payable for fund shares redeemed	1,513,344	2,049,118
Payable to Investment Manager (See note 5)	2,246,137	1,345,719
Manager fees payable (See note 5)	56,066	25,618
Directors fees payable	3,890	13,516
Auditor fees payable	1,244	19,251
Performance fees payable (See note 5)	990,243	4,155,998
Other accrued expenses	77,897	115,719
<b>Total liabilities</b>	<b>4,888,821</b>	<b>10,398,556</b>
<b>Net assets</b>	<b>\$952,988,524</b>	<b>\$859,036,580</b>
<b>Net assets consist of</b>		
Paid in capital	\$539,533,881	\$429,417,744
Undistributed net investment loss	(23,556,622)	(15,330,592)
Accumulated net realized gain on investments and foreign currency related transactions	261,286,305	125,166,153
Net unrealized appreciation on investments and foreign currency related transactions	175,724,960	319,783,275
<b>Net assets</b>	<b>\$952,988,524</b>	<b>\$859,036,580</b>

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

**GRANAHAN FUNDS PLC**

**STATEMENT OF ASSETS AND LIABILITIES – continued**  
**As of December 31, 2021**

	<b>Granahan US Focused Growth Fund December 31, 2021</b>	<b>Granahan US Focused Growth Fund December 31, 2020</b>
<b>Class A EUR Accumulating**</b>		
Shares issued (See note 3)	22,000.00	-
Net asset value per share	€9.28	-
<b>Class A GBP Accumulating</b>		
Shares issued (See note 3)	1,212,791.96	840,909.86
Net asset value per share	£16.76	£16.77
<b>Class A USD Accumulating</b>		
Shares issued (See note 3)	299,760.50	275,955.16
Net asset value per share	\$528.75	\$534.53
<b>Class A USD Distributing</b>		
Shares issued (See note 3)	47,231.76	82,197.61
Net asset value per share	\$210.11	\$212.41
<b>Class F EUR Accumulating</b>		
Shares issued (See note 3)	156,462.89	104,363.53
Net asset value per share	€19.21	€18.12
<b>Class F GBP Accumulating</b>		
Shares issued (See note 3)	10,133.03	10,133.03
Net asset value per share	£12.55	£12.61
<b>Class I EUR Accumulating*</b>		
Shares issued (See note 3)	6,748,435.69	-
Net asset value per share	€9.93	-
<b>Class I GBP Accumulating</b>		
Shares issued (See note 3)	2,069,855.25	966,109.05
Net asset value per share	£15.97	£15.95

\* This share class was launched on April 09, 2021.

\*\* This share class was launched on August 16, 2021.

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



**GRANAHAN FUNDS PLC**

**STATEMENT OF ASSETS AND LIABILITIES – continued**  
**As of December 31, 2021**

	<b>Granahan US Focused Growth Fund December 31, 2021</b>	<b>Granahan US Focused Growth Fund December 31, 2020</b>
<b>Class I USD Accumulating</b>		
Shares issued (See note 3)	10,294,662.56	9,556,819.82
Net asset value per share	\$24.16	\$24.39
<b>Class I USD Distributing</b>		
Shares issued (See note 3)	7,293,588.69	6,968,875.82
Net asset value per share	\$24.15	\$24.38
<b>Class P USD Accumulating</b>		
Shares issued (See note 3)	2,990,259.04	3,695,893.70
Net asset value per share	\$23.03	\$23.00
<b>Class P1 USD Accumulating</b>		
Shares issued (See note 3)	9,956,225.00	11,756,225.00
Net asset value per share	\$13.91	\$13.88

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

GRANAHAN FUNDS PLC

**STATEMENT OF ASSETS AND LIABILITIES – continued**  
**As of December 31, 2021**

	Granahan US Small Cap Discoveries Fund December 31, 2021	Granahan US Small Cap Discoveries Fund December 31, 2020
<b>Assets</b>		
Investments, at identified cost	\$39,287,726	\$24,793,332
Investments in securities, at fair value (See note 9)	\$43,946,097	\$35,305,963
Cash and cash equivalents (See note 10)	1,542,462	1,259,267
Dividends and interest receivable	7,968	6,914
Receivable for securities sold	-	137,764
Receivable from Investment Manager (See note 5)	41,322	43,014
<b>Total assets</b>	<b>45,537,849</b>	<b>36,752,922</b>
<b>Liabilities</b>		
Payable for securities purchased	-	199,068
Payable for fund shares redeemed	256,070	107,275
Payable to Investment Manager (See note 5)	83,626	56,988
Manager fees payable (See note 5)	2,483	1,171
Directors fees payable	181	928
Auditor fees payable	58	2,496
Other accrued expenses	19,984	19,635
<b>Total liabilities</b>	<b>362,402</b>	<b>387,561</b>
<b>Net assets</b>	<b>\$45,175,447</b>	<b>\$36,365,361</b>
<b>Net assets consist of</b>		
Paid in capital	\$31,555,384	\$22,848,583
Undistributed net investment loss	(899,111)	(614,907)
Accumulated net realized gain on investments and foreign currency related transactions	9,664,403	3,460,021
Net unrealized appreciation on investments and foreign currency related transactions	4,854,771	10,671,664
<b>Net assets</b>	<b>\$45,175,447</b>	<b>\$36,365,361</b>

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

**STATEMENT OF ASSETS AND LIABILITIES – continued**  
**As of December 31, 2021**

	Granahan US Small Cap Discoveries Fund December 31, 2021	Granahan US Small Cap Discoveries Fund December 31, 2020
<b>Class Founder GBP Accumulating</b>		
Shares issued (See note 3)	1,447.67	1,018.43
Net asset value per share	£17.11	£16.35
 <b>Class Founder USD Accumulating</b>		
Shares issued (See note 3)	2,128,499.06	1,775,456.87
Net asset value per share	\$21.21	\$20.47

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

GRANAHAN FUNDS PLC

**STATEMENT OF ASSETS AND LIABILITIES – continued**  
**As of December 31, 2021**

	Granahan US SMID Select Fund December 31, 2021	Granahan US SMID Select Fund December 31, 2020
<b>Assets</b>		
Investments, at identified cost	\$581,009,333	\$289,962,379
Investments in securities, at fair value (See note 9)	\$633,591,636	\$426,297,881
Cash and cash equivalents (See note 10)	4,692,809	5,268,950
Receivable for subscriptions	915,736	104,795
Dividends and interest receivable	48,477	58,056
Receivable from Investment Manager (See note 5)	234,162	188,555
<b>Total assets</b>	<b>639,482,820</b>	<b>431,918,237</b>
<b>Liabilities</b>		
Payable for securities purchased	82,349	1,690,011
Payable for fund shares redeemed	344,279	447,172
Payable to Investment Manager (See note 5)	1,526,182	718,531
Manager fees payable (See note 5)	35,270	12,179
Directors fees payable	2,534	5,384
Auditor fees payable	810	5,495
Other accrued expenses	55,564	46,847
<b>Total liabilities</b>	<b>2,046,988</b>	<b>2,925,619</b>
<b>Net assets</b>	<b>\$637,435,832</b>	<b>\$428,992,618</b>
<b>Net assets consist of</b>		
Paid in capital	\$421,120,896	\$246,513,392
Undistributed net investment loss	(7,605,868)	(1,826,408)
Accumulated net realized gain on investments and foreign currency related transactions	170,356,569	47,465,012
Net unrealized appreciation on investments and foreign currency related transactions	53,564,235	136,840,622
<b>Net assets</b>	<b>\$637,435,832</b>	<b>\$428,992,618</b>

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

**GRANAHAN FUNDS PLC**

**STATEMENT OF ASSETS AND LIABILITIES – continued**  
**As of December 31, 2021**

	<b>Granahan US SMID Select Fund December 31, 2021</b>	<b>Granahan US SMID Select Fund December 31, 2020</b>
<b>Class A GBP Accumulating*</b>		
Shares issued (See note 3)	32,684.48	-
Net asset value per share	£103.24	-
<b>Class A GBP Distributing**</b>		
Shares issued (See note 3)	750.00	-
Net asset value per share	£99.21	-
<b>Class A USD Accumulating***</b>		
Shares issued (See note 3)	175,605.42	-
Net asset value per share	\$102.91	-
<b>Class I GBP Accumulating</b>		
Shares issued (See note 3)	1,568,342.47	1,509,144.98
Net asset value per share	£222.78	£200.65
<b>Class I GBP Distributing</b>		
Shares issued (See note 3)	541,967.95	44,681.89
Net asset value per share	£123.36	£111.12
<b>Class I USD Accumulating</b>		
Shares issued (See note 3)	322,673.70	68,792.18
Net asset value per share	\$119.95	\$109.16
<b>Class I USD Distributing</b>		
Shares issued (See note 3)	104,751.19	5,451.53
Net asset value per share	\$120.05	\$109.25

\* This share class was launched on January 13, 2021.

\*\* This share class was launched on January 28, 2021.

\*\*\* This share class was launched on January 12, 2021.

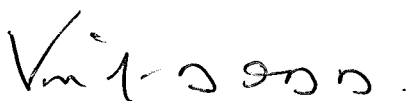
The accompanying notes are an integral part of these financial statements.

**GRANAHAN FUNDS PLC**

**STATEMENT OF ASSETS AND LIABILITIES – continued**  
**As of December 31, 2021**

	<b>Total</b>	<b>Total</b>
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Assets</b>		
Investments, at identified cost	\$1,386,684,542	\$833,306,256
Investments in securities, at fair value (See note 9)	\$1,618,699,053	\$1,299,257,972
Cash and cash equivalents (See note 10)	21,845,929	35,395,648
Receivable for subscriptions	1,677,611	2,461,518
Dividends and interest receivable	56,445	64,970
Receivable for securities sold	-	405,459
Receivable from Investment Manager (See note 5)	618,976	520,728
<b>Total assets</b>	<b>1,642,898,014</b>	<b>1,338,106,295</b>
<b>Liabilities</b>		
Payable for securities purchased	82,349	4,562,696
Payable for fund shares redeemed	2,113,693	2,603,565
Payable to Investment Manager (See note 5)	3,855,945	2,121,238
Manager fees payable (See note 5)	93,819	38,968
Directors fees payable	6,605	19,828
Auditor fees payable	2,112	27,242
Performance fees payable (See note 5)	990,243	4,155,998
Other accrued expenses	153,445	182,201
<b>Total liabilities</b>	<b>7,298,211</b>	<b>13,711,736</b>
<b>Net assets</b>	<b>\$1,635,599,803</b>	<b>\$1,324,394,559</b>
<b>Net assets consist of</b>		
Paid in capital	\$992,210,161	\$698,779,719
Undistributed net investment loss	(32,061,601)	(17,771,907)
Accumulated net realized gain on investments and foreign currency related transactions	441,307,277	176,091,186
Net unrealized appreciation on investments and foreign currency related transactions	234,143,966	467,295,561
<b>Net assets</b>	<b>\$1,635,599,803</b>	<b>\$1,324,394,559</b>

Signed on behalf of the Board of Directors on March 23, 2022:



**Vincent Dodd**  
**Director**



**Lisa Martensson**  
**Director**

The accompanying notes are an integral part of these financial statements

**STATEMENT OF OPERATIONS**  
**For the financial year ended December 31, 2021**

	<b>Granahan US Focused Growth Fund</b>	<b>Granahan US Focused Growth Fund</b>
	<b>Financial year ended</b>	<b>Financial year ended</b>
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Investment income</b>		
Dividends	\$632,974	\$416,966
Dividend withholding tax	(184,637)	(117,353)
Other income	692,959	36,065
<b>Total investment income</b>	<b>1,141,296</b>	<b>335,678</b>
<b>Expenses (See note 5)</b>		
Investment Management fees	8,420,872	3,795,764
Administration fees	388,556	187,719
Manager fees	213,436	25,618
Audit fees	15,933	20,565
Depository fees	272,784	154,547
Directors' fees	49,825	58,686
Legal fees	83,285	229,508
Performance fees (See note 5)	-	5,456,284
Transaction costs (See note 7)	475,838	408,991
Other expenses (See note 8)	253,894	142,655
<b>Total expenses</b>	<b>10,174,423</b>	<b>10,480,337</b>
Expense reimbursement from Investment Manager (See note 5)	(807,097)	(530,781)
Net expenses	9,367,326	9,949,556
<b>Net investment loss</b>	<b>(8,226,030)</b>	<b>(9,613,878)</b>
<b>Realized and unrealized gain/(loss) on investments</b>		
Net realized gain/(loss) on:		
Investments	136,450,979	91,916,645
Foreign currency related transactions	(330,827)	(9,992)
Net change in unrealized (depreciation)/appreciation on:		
Investments	(144,058,315)	266,831,555
<b>Net realized and unrealized (loss)/gain on investments</b>	<b>(7,938,163)</b>	<b>358,738,208</b>
<b>Net (decrease)/increase in net assets resulting from operations</b>	<b>\$(16,164,193)</b>	<b>\$349,124,330</b>

For the financial year ended December 31, 2021, 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 – continued**  
**For the financial year ended December 31, 2021**

	Granahan US Small Cap Discoveries Fund Financial year ended December 31, 2021	Granahan US Small Cap Discoveries Fund Financial year ended December 31, 2020
<b>Investment income</b>		
Dividends	\$163,050	\$147,399
Dividend withholding tax	(33,942)	(28,874)
Other income	1,752	12,576
<b>Total investment income</b>	<b>130,860</b>	<b>131,101</b>
<b>Expenses (See note 5)</b>		
Investment Management fees	308,633	237,035
Administration fees	50,548	52,092
Manager fees	9,201	1,171
Audit fees	686	2,410
Depositary fees	30,516	38,358
Directors' fees	2,144	5,300
Legal fees	3,583	24,682
Transaction costs (See note 7)	64,823	81,144
Other expenses (See note 8)	14,455	20,826
<b>Total expenses</b>	<b>484,589</b>	<b>463,018</b>
Expense reimbursement from Investment Manager (See note 5)	(69,525)	(109,858)
Net expenses	415,064	353,160
<b>Net investment loss</b>	<b>(284,204)</b>	<b>(222,059)</b>
<b>Realized and unrealized gain/(loss) on investments</b>		
Net realized gain/(loss) on:		
Investments	6,204,411	3,881,514
Foreign currency related transactions	(29)	(94)
Net change in unrealized (depreciation)/appreciation on:		
Investments	(5,816,893)	8,173,626
<b>Net realized and unrealized gain on investments</b>	<b>387,489</b>	<b>12,055,046</b>
<b>Net increase in net assets resulting from operations</b>	<b>\$103,285</b>	<b>\$11,832,987</b>

For the financial year ended December 31, 2021, 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 – continued**  
**For the financial year ended December 31, 2021**

	<b>Granahan US SMID Select Fund</b>	<b>Granahan US SMID Select Fund</b>
	<b>Financial year ended</b>	<b>Financial year ended</b>
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Investment income</b>		
Dividends	\$719,242	\$423,315
Dividend withholding tax	(174,651)	(99,863)
Other income	7,849	5,336
<b>Total investment income</b>	<b>552,440</b>	<b>328,788</b>
<b>Expenses (See note 5)</b>		
Investment Manager fees	5,455,183	1,425,207
Administration fees	177,349	49,687
Manager fees	126,575	12,179
Audit fees	9,408	5,495
Depository fees	198,341	73,186
Directors' fees	29,422	14,795
Legal fees	49,179	109,305
Transaction costs (See note 7)	830,533	727,933
Other expenses (See note 8)	127,368	51,264
<b>Total expenses</b>	<b>7,003,358</b>	<b>2,469,051</b>
Expense reimbursement from Investment Manager (See note 5)	(671,458)	(313,855)
Net expenses	6,331,900	2,155,196
<b>Net investment loss</b>	<b>(5,779,460)</b>	<b>(1,826,408)</b>
<b>Realized and unrealized gain/(loss) on investments</b>		
Net realized gain/(loss) on:		
Investments	123,378,748	48,125,832
Foreign currency related transactions	(487,191)	(660,820)
Net change in unrealized (depreciation)/appreciation on:		
Investments	(83,276,387)	136,840,622
<b>Net realized and unrealized gain on investments</b>	<b>39,615,170</b>	<b>184,305,634</b>
<b>Net increase in net assets resulting from operations</b>	<b>\$33,835,710</b>	<b>\$182,479,226</b>

For the financial year ended December 31, 2021, 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 – continued**  
**For the financial year ended December 31, 2021**

	<b>Total</b>	<b>Total</b>
	<b>Financial year ended</b>	<b>Financial year ended</b>
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Investment income</b>		
Dividends	\$1,515,266	\$987,680
Dividend withholding tax	(393,230)	(246,090)
Other income	702,560	53,977
<b>Total investment income</b>	<b>1,824,596</b>	<b>795,567</b>
<b>Expenses (See note 5)</b>		
Investment Management fees	14,184,688	5,458,006
Administration fees	616,453	289,498
Manager fees	349,212	38,968
Audit fees	26,027	28,470
Depositary fees	501,641	266,091
Directors' fees	81,391	78,781
Legal fees	136,047	363,495
Performance fees (See note 5)	-	5,456,284
Transaction costs (See note 7)	1,371,194	1,218,068
Other expenses (See note 8)	395,717	214,745
<b>Total expenses</b>	<b>17,662,370</b>	<b>13,412,406</b>
Expense reimbursement from Investment Manager (See note 5)	(1,548,080)	(954,494)
Net expenses	16,114,290	12,457,912
<b>Net investment loss</b>	<b>(14,289,694)</b>	<b>(11,662,345)</b>
<b>Realized and unrealized gain/(loss) on investments</b>		
Net realized gain/(loss) on:		
Investments	266,034,138	143,923,991
Foreign currency related transactions	(818,047)	(670,906)
Net change in unrealized (depreciation)/appreciation on:		
Investments	(233,151,595)	411,845,803
<b>Net realized and unrealized gain on investments</b>	<b>32,064,496</b>	<b>555,098,888</b>
<b>Net increase in net assets resulting from operations</b>	<b>\$17,774,802</b>	<b>\$543,436,543</b>

For the financial year ended December 31, 2021, 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**  
**For the financial year ended December 31, 2021**

	Granahan US Focused Financial year ended December 31, 2021	Granahan US Focused Financial year ended December 31, 2020
<b>Operations</b>		
Net investment loss	\$(8,226,030)	\$(9,613,878)
Net realized gain on investments and foreign currency related transactions	136,120,152	91,906,653
Net change in unrealized (depreciation)/appreciation on investments and foreign currency transactions	(144,058,315)	266,831,555
<b>Net (decrease)/increase in net assets resulting from operations</b>	<b>(16,164,193)</b>	<b>349,124,330</b>
<b>Capital Share Transactions (See note 3)</b>		
Proceeds from shares sold		
Class A EUR Accumulating**	259,127	-
Class A GBP Accumulating	15,292,437	12,990,106
Class A USD Accumulating	150,549,403	97,079,425
Class A USD Distributing	7,172,811	9,973,341
Class F EUR Accumulating	19,764,855	1,027,335
Class F GBP Accumulating	-	142,395
Class I EUR Accumulating*	80,172,661	-
Class I GBP Accumulating	35,625,223	18,156,768
Class I USD Accumulating	144,587,172	152,565,158
Class I USD Distributing	63,202,975	38,511,465
Class P1 USD Accumulating	-	123,132,190
Cost of shares redeemed		
Class A GBP Accumulating	(5,996,948)	(569,826)
Class A USD Accumulating	(131,440,557)	(50,447,090)
Class A USD Distributing	(14,612,714)	(1,051,852)
Class F EUR Accumulating	(17,505,801)	(592,738)
Class I EUR Accumulating*	(47,391)	-
Class I GBP Accumulating	(10,606,658)	(2,442,161)
Class I USD Accumulating	(126,997,468)	(96,433,332)
Class I USD Distributing	(55,054,416)	(33,626,093)
Class P USD Accumulating	(16,960,574)	(37,926,656)
Class P1 USD Accumulating	(27,288,000)	(1,523,361)
<b>Net increase in net assets from capital share transactions</b>	<b>\$110,116,137</b>	<b>\$228,965,074</b>

\* This share class was launched on April 09, 2021.

\*\* This share class was launched on August 16, 2021.

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

**STATEMENT OF CHANGES IN NET ASSETS – continued**  
**For the financial year ended December 31, 2021**

	<b>Granahan US Focused Growth Fund</b>	<b>Granahan US Focused Growth Fund</b>
	<b>Financial year ended</b>	<b>Financial year ended</b>
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Distributions to Shareholders</b>		
Class A USD Distributing	-	-
Class I USD Distributing	-	-
Total distributions	-	-
<b>Total increase in net assets</b>	<b>\$93,951,944</b>	<b>\$578,089,404</b>
<b>Net assets beginning of financial year</b>	<b>\$859,036,580</b>	<b>\$280,947,176</b>
<b>Net assets end of financial year</b>	<b>\$952,988,524</b>	<b>\$859,036,580</b>

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

GRANAHAN FUNDS PLC

**STATEMENT OF CHANGES IN NET ASSETS – continued**  
**For the financial year ended December 31, 2021**

	Granahan US Small Cap Discoveries Fund Financial year ended December 31, 2021	Granahan US Small Cap Discoveries Fund Financial year ended December 31, 2020
<b>Operations</b>		
Net investment loss	\$(284,204)	\$(222,059)
Net realized gain/(loss) on investments and foreign currency related transactions	6,204,382	(3,881,420)
Net change in unrealized (depreciation) on investments and foreign currency transactions	(5,816,893)	(8,173,626)
<b>Net increase/(decrease) in net assets resulting from operations</b>	<b>103,285</b>	<b>(11,832,987)</b>
<b>Capital Share Transactions (See note 3)</b>		
Proceeds from shares sold		
Class Founder GBP Accumulating	11,624	20,376
Class Founder USD Accumulating	18,190,479	4,876,564
Cost of shares redeemed		
Class Founder GBP Accumulating	(25)	(849)
Class Founder USD Accumulating	(9,495,277)	(20,675,606)
<b>Net increase/(decrease) in net assets from capital share transactions</b>	<b>\$8,706,801</b>	<b>\$(15,779,515)</b>
<b>Distributions to Shareholders</b>		
Total distributions	-	-
<b>Total increase/(decrease) in net assets</b>	<b>\$8,810,086</b>	<b>\$(3,946,528)</b>
<b>Net assets beginning of financial year</b>	<b>\$36,365,361</b>	<b>\$40,311,889</b>
<b>Net assets end of financial year</b>	<b>\$45,175,447</b>	<b>\$36,365,361</b>

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

GRANAHAN FUNDS PLC

**STATEMENT OF CHANGES IN NET ASSETS – continued**  
**For the financial year ended December 31, 2021**

	Granahan US SMID Select Fund Financial year ended December 31, 2021	Granahan US SMID Select Fund Financial year ended December 31, 2020
<b>Operations</b>		
Net investment loss	\$(5,779,460)	\$(1,826,408)
Net realized gain on investments and foreign currency related transactions	122,891,557	47,465,012
Net change in unrealized (depreciation)/appreciation on investments and foreign currency transactions	(83,276,387)	136,840,622
<b>Net increase in net assets resulting from operations</b>	<b>33,835,710</b>	<b>182,479,226</b>
<b>Capital Share Transactions (See note 3)</b>		
Proceeds from shares sold		
Class A GBP Accumulating*	6,073,956	-
Class A GBP Distributing**	103,001	-
Class A USD Accumulating***	30,493,983	-
Class I GBP Accumulating	68,688,001	236,246,452
Class I GBP Distributing	95,286,528	6,033,322
Class I USD Accumulating	37,431,034	6,879,218
Class I USD Distributing	13,850,894	569,089
Cost of shares redeemed		
Class A GBP Accumulating*	(1,215,445)	-
Class A USD Accumulating***	(11,065,556)	-
Class I GBP Accumulating	(52,813,345)	(3,214,689)
Class I GBP Distributing	(6,790,986)	-
Class I USD Accumulating	(4,394,131)	-
Class I USD Distributing	(1,040,430)	-
<b>Net increase in net assets from capital share transactions</b>	<b>\$174,607,504</b>	<b>\$246,513,392</b>
<b>Distributions to Shareholders</b>		
Total distributions	-	-
<b>Total increase in net assets</b>	<b>\$208,443,214</b>	<b>\$428,992,618</b>
<b>Net assets beginning of financial year</b>	<b>\$428,992,618</b>	<b>-</b>
<b>Net assets end of financial year</b>	<b>\$637,435,832</b>	<b>\$428,992,618</b>

\* This share class was launched on January 13, 2021.

\*\* This share class was launched on January 28, 2021.

\*\*\* This share class was launched on January 12, 2021.

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

**STATEMENT OF CHANGES IN NET ASSETS – continued**  
**For the financial year ended December 31, 2021**

	<b>Total</b>	<b>Total</b>
	<b>Financial year ended</b>	<b>Financial year ended</b>
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Operations</b>		
Net investment loss	\$(14,289,694)	\$(11,662,345)
Net realized gain on investments and foreign currency related transactions	265,216,091	143,253,085
Net change in unrealized (depreciation)/appreciation on investments and foreign currency transactions	(233,151,595)	411,845,803
<b>Net increase in net assets resulting from operations</b>	<b>\$17,774,802</b>	<b>\$543,436,543</b>
<b>Capital Share Transactions (See note 3)</b>		
Proceeds from shares sold	786,756,164	708,203,204
Cost of shares redeemed	(493,325,722)	(248,504,253)
<b>Net increase in net assets from capital share</b>	<b>\$293,430,442</b>	<b>\$459,698,951</b>
<b>Distributions to Shareholders</b>		
Class A USD Distributing	-	-
Class I USD Distributing	-	-
Total distributions	-	-
<b>Total increase in net assets</b>	<b>\$311,205,244</b>	<b>\$1,003,135,494</b>
<b>Net assets beginning of financial year</b>	<b>\$1,324,394,559</b>	<b>\$321,259,065</b>
<b>Net assets end of financial year</b>	<b>\$1,635,599,803</b>	<b>\$1,324,394,559</b>

The accompanying notes are an integral part of these financial statements

**FINANCIAL HIGHLIGHTS**

**For a share outstanding throughout the financial year ended December 31, 2021 and comparatives for the financial year ended December 31, 2020**

**Granahan US Focused Growth Fund**

<b>Class A EUR Accumulating*</b>	<b>December 2021</b>	<b>December 2020</b>
<b>Net Asset Value – At Launch Date</b>	€10.00	-
<b>Income from Investment Operations</b>		
Net investment loss	(0.05)	-
Net realized and unrealized loss on investments	(0.67)	-
Total from investment operations	<u>€(0.72)</u>	<u>-</u>
<b>Net Asset Value – End of Financial year</b>	<u>€9.28</u>	<u>-</u>
<b>Total Return</b>	(7.20)%	-
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	€204	-
Ratio of expenses to average net assets: <sup>(1)</sup>		
After expense reimbursement	1.10%	-
Before expense reimbursement	1.15%	-
Ratio of net investment income to average net assets: <sup>(1)</sup>		
After expense reimbursement	(1.07)%	-
Before expense reimbursement	(1.12)%	-
 <b>Class A GBP Accumulating</b>	 <b>December 2021</b>	 <b>December 2020</b>
<b>Net Asset Value – Beginning of Financial year</b>	£16.77	£9.45
<b>Income from Investment Operations</b>		
Net investment loss	(0.26)	(0.18)
Net realized and unrealized gain on investments	0.25	7.50
Total from investment operations	<u>£(0.01)</u>	<u>£7.32</u>
<b>Net Asset Value – End of Financial year</b>	<u>£16.76</u>	<u>£16.77</u>
<b>Total Return</b>	(0.06)%	77.46%
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	£20,321	£14,100
Ratio of expenses to average net assets:		
After expense reimbursement	1.06%	1.13%
Before expense reimbursement	1.11%	1.19%
Ratio of net investment income to average net assets:		
After expense reimbursement	(1.04)%	(1.06)%
Before expense reimbursement	(1.08)%	(1.12)%

\* This share class was launched on August 16, 2021.

(1) Annualized

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



**FINANCIAL HIGHLIGHTS – continued**  
**For a share outstanding throughout the financial year ended December 31, 2021 and**  
**comparatives for the financial year ended December 31, 2020**

**Granahan US Focused Growth Fund**

<b>Class A USD Accumulating</b>	<b>December 2021</b>	<b>December 2020</b>
<b>Net Asset Value – Beginning of Financial year</b>	\$534.53	\$291.88
<b>Income from Investment Operations</b>		
Net investment loss	(6.06)	(3.93)
Net realized and unrealized gain on investments	0.28	246.58
Total from investment operations	<u>\$(5.78)</u>	<u>\$242.65</u>
<b>Net Asset Value – End of Financial year</b>	<u>\$528.75</u>	<u>\$534.53</u>
<b>Total Return</b>	(1.08)%	83.13%
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	\$158,500	\$147,508
Ratio of expenses to average net assets:		
After expense reimbursement	1.08%	1.13%
Before expense reimbursement	1.10%	1.17%
Ratio of net investment income to average net assets:		
After expense reimbursement	(1.05)%	(1.06)%
Before expense reimbursement	(1.08)%	(1.10)%
 <b>Class A USD Distributing</b>	 <b>December 2021</b>	 <b>December 2020</b>
<b>Net Asset Value – Beginning of Financial year</b>	\$212.41	\$115.98
<b>Income from Investment Operations</b>		
Net investment loss	(2.40)	(1.60)
Net realized and unrealized gain on investments	0.10	98.03
Total from investment operations	<u>\$(2.30)</u>	<u>\$96.43</u>
<b>Net Asset Value – End of Financial year</b>	<u>\$210.11</u>	<u>\$212.41</u>
<b>Total Return</b>	(1.08)%	83.14%
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	\$9,924	\$17,459
Ratio of expenses to average net assets:		
After expense reimbursement	1.07%	1.14%
Before expense reimbursement	1.10%	1.21%
Ratio of net investment income to average net assets:		
After expense reimbursement	(1.05)%	(1.06)%
Before expense reimbursement	(1.08)%	(1.13)%

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

**FINANCIAL HIGHLIGHTS – continued**  
**For a share outstanding throughout the financial year ended December 31, 2021 and**  
**comparatives for the financial year ended December 31, 2020**

**Granahan US Focused Growth Fund**

<b>Class F EUR Accumulating</b>	<b>December 2021</b>	<b>December 2020</b>
<b>Net Asset Value – Beginning of Financial year</b>	€18.12	€10.81
<b>Income from Investment Operations</b>		
Net investment loss	(0.30)	(0.20)
Net realized and unrealized gain on investments	1.39	7.51
Total from investment operations	<u>€1.09</u>	<u>€7.31</u>
<b>Net Asset Value – End of Financial year</b>	<u>€19.21</u>	<u>€18.12</u>
<b>Total Return</b>	6.02%	67.62%
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	€3,006	€1,891
Ratio of expenses to average net assets:		
After expense reimbursement	1.33%	1.38%
Before expense reimbursement	1.35%	1.42%
Ratio of net investment income to average net assets:		
After expense reimbursement	(1.29)%	(1.31)%
Before expense reimbursement	(1.31)%	(1.35)%
 <b>Class F GBP Accumulating</b>	 <b>December 2021</b>	 <b>December 2020</b>
<b>Net Asset Value – Beginning of Financial year</b>	£12.61	£10.00
<b>Income from Investment Operations</b>		
Net investment loss	(0.26)	(0.03)
Net realized and unrealized gain on investments	0.20	2.64
Total from investment operations	<u>£(0.06)</u>	<u>£2.61</u>
<b>Net Asset Value – End of Financial year</b>	<u>£12.55</u>	<u>£12.61</u>
<b>Total Return</b>	(0.48)%	26.10%
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	£127	£128
Ratio of expenses to average net assets:		
After expense reimbursement	1.40%	1.40%
Before expense reimbursement	1.35%	1.59%
Ratio of net investment income to average net assets:		
After expense reimbursement	(1.38)%	(1.34)%
Before expense reimbursement	(1.33)%	(1.53)%

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

**FINANCIAL HIGHLIGHTS – continued**  
**For a share outstanding throughout the financial year ended December 31, 2021 and**  
**comparatives for the financial year ended December 31, 2020**

**Granahan US Focused Growth Fund**

Class I EUR Accumulating*	December 2021	December 2020
<b>Net Asset Value – At Launch Date</b>	€10.00	-
<b>Income from Investment Operations</b>		
Net investment loss	(0.08)	-
Net realized and unrealized gain on investments	0.01	-
Total from investment operations	€(0.07)	-
<b>Net Asset Value – End of Financial year</b>	€9.93	-
<b>Total Return</b>	(0.70)%	
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	€66,981	-
Ratio of expenses to average net assets: <sup>(1)</sup>		
After expense reimbursement	0.94%	-
Before expense reimbursement	1.07%	-
Ratio of net investment income to average net assets: <sup>(1)</sup>		
After expense reimbursement	(0.92)%	-
Before expense reimbursement	(1.04)%	-

Class I GBP Accumulating	December 2021	December 2020
<b>Net Asset Value – Beginning of Financial year</b>	£15.95	£10.00
<b>Income from Investment Operations</b>		
Net investment loss	(0.21)	(0.13)
Net realized and unrealized gain on investments	0.23	6.08
Total from investment operations	£0.02	£5.95
<b>Net Asset Value – End of Financial year</b>	£15.97	£15.95
<b>Total Return</b>	0.13%	59.50%
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	£33,061	£15,408
Ratio of expenses to average net assets:		
After expense reimbursement	0.89%	0.90%
Before expense reimbursement	1.01%	1.10%
Ratio of net investment income to average net assets:		
After expense reimbursement	(0.87)%	(0.84)%
Before expense reimbursement	(0.99)%	(1.04)%

\* This share class was launched on April 09, 2021.

(1) Annualized.

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

**FINANCIAL HIGHLIGHTS – continued**  
**For a share outstanding throughout the financial year ended December 31, 2021 and**  
**comparatives for the financial year ended December 31, 2020**

**Granahan US Focused Growth Fund**

<b>Class I USD Accumulating</b>	<b>December 2021</b>	<b>December 2020</b>
<b>Net Asset Value – Beginning of Financial year</b>	\$24.39	\$13.29
<b>Income from Investment Operations</b>		
Net investment loss	(0.37)	(0.15)
Net realized and unrealized gain on investments	0.14	11.25
Total from investment operations	\$(0.23)	\$11.10
<b>Net Asset Value – End of Financial year</b>	\$24.16	\$24.39
<b>Total Return</b>	(0.94)%	83.52%
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	\$248,738	\$233,117
Ratio of expenses to average net assets:		
After expense reimbursement	0.94%	0.95%
Before expense reimbursement	1.06%	1.12%
Ratio of net investment income to average net assets:		
After expense reimbursement	(0.91)%	(0.88)%
Before expense reimbursement	(1.03)%	(1.05)%
 <b>Class I USD Distributing</b>	 <b>December 2021</b>	 <b>December 2020</b>
<b>Net Asset Value – Beginning of Financial year</b>	\$24.38	\$13.29
<b>Income from Investment Operations</b>		
Net investment loss	(0.24)	(0.14)
Net realized and unrealized gain on investments	0.01	11.23
Total from investment operations	\$(0.23)	\$11.09
<b>Net Asset Value – End of Financial year</b>	\$24.15	\$24.38
<b>Total Return</b>	(0.94)%	83.45%
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	\$176,140	\$169,903
Ratio of expenses to average net assets:		
After expense reimbursement	0.94%	0.95%
Before expense reimbursement	1.06%	1.12%
Ratio of net investment income to average net assets:		
After expense reimbursement	(0.91)%	(0.88)%
Before expense reimbursement	(1.03)%	(1.04)%

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

**FINANCIAL HIGHLIGHTS – continued**  
**For a share outstanding throughout the financial year ended December 31, 2021 and**  
**comparatives for the financial year ended December 31, 2020**

**Granahan US Focused Growth Fund**

<b>Class P USD Accumulating</b>	<b>December 2021</b>	<b>December 2020</b>
<b>Net Asset Value – Beginning of Financial year</b>	\$23.00	\$13.05
<b>Income from Investment Operations</b>		
Net investment loss	(0.11)	(0.07)
Net realized and unrealized gain on investments	0.14	10.02
Total from investment operations	<u>\$0.03</u>	<u>\$9.95</u>
<b>Net Asset Value – End of Financial year</b>	<u>\$23.03</u>	<u>\$23.00</u>
<b>Total Return</b>	0.13%	76.25%
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	\$68,868	\$85,018
Ratio of expenses to average net assets:		
After expense reimbursement	0.47%	0.53%
Before expense reimbursement	0.50%	0.56%
Performance fees	-	4.48%
Ratio of net investment income to average net assets:		
After expense reimbursement	(0.45)%	(0.45)%
Before expense reimbursement	(0.48)%	(0.48)%
 <b>Class P1 USD Accumulating</b>	 <b>December 2021</b>	 <b>December 2020</b>
<b>Net Asset Value – Beginning of Financial year</b>	\$13.88	\$10.00
<b>Income from Investment Operations</b>		
Net investment loss	(0.07)	(0.02)
Net realized and unrealized gain on investments	0.10	3.90
Total from investment operations	<u>\$0.03</u>	<u>\$3.88</u>
<b>Net Asset Value – End of Financial year</b>	<u>\$13.91</u>	<u>\$13.88</u>
<b>Total Return</b>	0.22%	38.80%
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	\$138,491	\$163,193
Ratio of expenses to average net assets:		
After expense reimbursement	0.47%	0.52%
Before expense reimbursement	0.50%	0.60%
Performance fees	-	1.52%
Ratio of net investment income to average net assets:		
After expense reimbursement	(0.45)%	(0.44)%
Before expense reimbursement	(0.48)%	(0.52)%

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

**FINANCIAL HIGHLIGHTS – continued**  
**For a share outstanding throughout the financial year ended December 31, 2021 and**  
**comparatives for the financial year ended December 31, 2020**

**Granahan US Small Cap Discoveries Fund**

<b>Class Founder GBP Accumulating</b>	<b>December 2021</b>	<b>December 2020</b>
<b>Net Asset Value – Beginning of Financial year</b>	£16.35	£10.00
<b>Income from Investment Operations</b>		
Net investment loss	(0.13)	(0.05)
Net realized and unrealized gain on investments	0.89	6.40
Total from investment operations	£0.76	£6.35
<b>Net Asset Value – End of Financial year</b>	£17.11	£16.35
<b>Total Return</b>	4.65%	63.50%
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	£25	£17
Ratio of expenses to average net assets:		
After expense reimbursement	0.77%	0.83%
Before expense reimbursement	0.93%	1.47%
Ratio of net investment income to average net assets:		
After expense reimbursement	(0.50)%	(0.43)%
Before expense reimbursement	(0.66)%	(1.10)%
 <b>Class Founder USD Accumulating</b>	 <b>December 2021</b>	 <b>December 2020</b>
<b>Net Asset Value – Beginning of Financial year</b>	\$20.47	\$14.02
<b>Income from Investment Operations</b>		
Net investment loss	(0.12)	(0.06)
Net realized and unrealized gain on investments	0.86	6.51
Total from investment operations	\$0.74	\$6.45
<b>Net Asset Value – End of Financial year</b>	\$21.21	\$20.47
<b>Total Return</b>	3.62%	46.01%
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	\$45,142	\$36,343
Ratio of expenses to average net assets:		
After expense reimbursement	0.77%	0.80%
Before expense reimbursement	0.93%	1.13%
Ratio of net investment income to average net assets:		
After expense reimbursement	(0.50)%	(0.42)%
Before expense reimbursement	(0.66)%	(0.74)%

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

**FINANCIAL HIGHLIGHTS – continued**  
**For a share outstanding throughout the financial year ended December 31, 2021 and**  
**comparatives for the financial year ended December 31, 2020**

**Granahan US SMID Select Fund**

<b>Class A GBP Accumulating*</b>	<b>December 2021</b>	<b>December 2020</b>
<b>Net Asset Value – At Launch Date</b>	£100.00	-
<b>Income from Investment Operations</b>		
Net investment loss	(1.29)	-
Net realized and unrealized gain on investments	4.53	-
Total from investment operations	£3.24	-
<b>Net Asset Value – End of Financial year</b>	£103.24	-
<b>Total Return</b>	3.24%	-
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	£3,374	-
Ratio of expenses to average net assets: <sup>(1)</sup>		
After expense reimbursement	1.03%	-
Before expense reimbursement	1.03%	-
Ratio of net investment income to average net assets: <sup>(1)</sup>		
After expense reimbursement	(0.90)%	-
Before expense reimbursement	(0.90)%	-
 <b>Class A GBP Distributing**</b>	 <b>December 2021</b>	 <b>December 2020</b>
<b>Net Asset Value – At Launch Date</b>	£100.00	-
<b>Income from Investment Operations</b>		
Net investment loss	(1.19)	-
Net realized and unrealized gain on investments	0.40	-
Total from investment operations	£(0.79)	-
<b>Net Asset Value – End of Financial year</b>	£99.21	-
<b>Total Return</b>	(0.79)%	-
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	£74	-
Ratio of expenses to average net assets: <sup>(1)</sup>		
After expense reimbursement	1.00%	-
Before expense reimbursement	1.02%	-
Ratio of net investment income to average net assets: <sup>(1)</sup>		
After expense reimbursement	(0.90)%	-
Before expense reimbursement	(0.92)%	-

\* This share class was launched on January 13, 2021.

\*\* This share class was launched on January 28, 2021.

(1) Annualized.

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

**FINANCIAL HIGHLIGHTS – continued**  
**For a share outstanding throughout the financial year ended December 31, 2021 and**  
**comparatives for the financial year ended December 31, 2020**

**Granahan US SMID Select Fund**

<b>Class A USD Accumulating*</b>	<b>December 2021</b>	<b>December 2020</b>
<b>Net Asset Value – At Launch Date</b>	\$100.00	-
<b>Income from Investment Operations</b>		
Net investment loss	(0.96)	-
Net realized and unrealized gain on investments	3.87	-
Total from investment operations	\$2.91	-
<b>Net Asset Value – End of Financial year</b>	\$102.91	-
<b>Total Return</b>	2.91%	-
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	\$18,071	-
Ratio of expenses to average net assets: <sup>(1)</sup>		
After expense reimbursement	1.01%	-
Before expense reimbursement	1.04%	-
Ratio of net investment income to average net assets: <sup>(1)</sup>		
After expense reimbursement	(0.91)%	-
Before expense reimbursement	(0.94)%	-
 <b>Class I GBP Accumulating</b>	 <b>December 2021</b>	 <b>December 2020</b>
<b>Net Asset Value – Beginning of Financial year</b>	£200.65	£100.00
<b>Income from Investment Operations</b>		
Net investment loss	(2.60)	(1.11)
Net realized and unrealized gain on investments	24.73	101.76
Total from investment operations	£22.13	£100.65
<b>Net Asset Value – End of Financial year</b>	£222.78	£200.65
<b>Total Return</b>	11.03%	100.65%
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	£349,402	£302,811
Ratio of expenses to average net assets:		
After expense reimbursement	0.91%	0.84%
Before expense reimbursement	1.02%	1.03%
Ratio of net investment income to average net assets:		
After expense reimbursement	(0.82)%	(0.65)%
Before expense reimbursement	(0.93)%	(0.83)%

\* This share class was launched on January 12, 2021.

(1) Annualized.

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



**FINANCIAL HIGHLIGHTS – continued**  
**For a share outstanding throughout the financial year ended December 31, 2021 and**  
**comparatives for the financial year ended December 31, 2020**

**Granahan US SMID Select Fund**

<b>Class I GBP Distributing</b>	<b>December 2021</b>	<b>December 2020</b>
<b>Net Asset Value – Beginning of Financial year</b>	£111.12	£100.00
<b>Income from Investment Operations</b>		
Net investment loss	(1.44)	(0.12)
Net realized and unrealized gain on investments	13.68	11.24
Total from investment operations	<u>£12.24</u>	<u>£11.12</u>
<b>Net Asset Value – End of Financial year</b>	<u>£123.36</u>	<u>£111.12</u>
<b>Total Return</b>	11.02%	11.12%
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	£66,856	£4,965
Ratio of expenses to average net assets:		
After expense reimbursement	0.91%	1.53%
Before expense reimbursement	1.03%	1.53%
Ratio of net investment income to average net assets:		
After expense reimbursement	(0.81)%	(1.22)%
Before expense reimbursement	(0.93)%	(1.22)%
 <b>Class I USD Accumulating</b>	 <b>December 2021</b>	 <b>December 2020</b>
<b>Net Asset Value – Beginning of Financial year</b>	\$109.16	\$100.00
<b>Income from Investment Operations</b>		
Net investment loss	(1.04)	(0.06)
Net realized and unrealized gain on investments	11.83	9.22
Total from investment operations	<u>\$10.79</u>	<u>\$9.16</u>
<b>Net Asset Value – End of Financial year</b>	<u>\$119.95</u>	<u>\$109.16</u>
<b>Total Return</b>	9.88%	9.16%
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	\$38,705	\$7,509
Ratio of expenses to average net assets:		
After expense reimbursement	0.91%	1.71%
Before expense reimbursement	1.03%	1.71%
Ratio of net investment income to average net assets:		
After expense reimbursement	(0.82)%	(1.22)%
Before expense reimbursement	(0.93)%	(1.22)%

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

**FINANCIAL HIGHLIGHTS – continued**  
**For a share outstanding throughout the financial year ended December 31, 2021 and**  
**comparatives for the financial year ended December 31, 2020**

**Granahan US SMID Select Fund**

<b>Class I USD Distributing</b>	<b>December 2021</b>	<b>December 2020</b>
<b>Net Asset Value – Beginning of Financial year</b>	\$109.25	\$100.00
<b>Income from Investment Operations</b>		
Net investment loss	(1.03)	(0.06)
Net realized and unrealized gain on investments	11.83	9.31
Total from investment operations	<u>\$10.80</u>	<u>\$9.25</u>
<b>Net Asset Value – End of Financial year</b>	<u>\$120.05</u>	<u>\$109.25</u>
<b>Total Return</b>	9.89%	9.25%
<b>Ratios and Supplemental Data</b>		
Net assets, end of financial year (thousands)	\$12,575	\$596
Ratio of expenses to average net assets:		
After expense reimbursement	0.91%	0.07%
Before expense reimbursement	1.02%	0.07%
Ratio of net investment income to average net assets:		
After expense reimbursement	(0.81)%	(0.06)%
Before expense reimbursement	(0.93)%	(0.06)%

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

**NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended December 31, 2021****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 and the Central Bank UCITS Regulations.

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

The Directors have established three sub-funds (the “Funds”, each a “Fund”):

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

Granahan US Focused Growth Fund commenced operations on April 11, 2014, Granahan US Small Cap Discoveries Fund commenced operations on June 30, 2017 and Granahan US SMID Select Fund commenced operations on January 23, 2020.

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.

The investment objective of Granahan US SMID Select Fund is to seek capital appreciation through investment in small and mid-capitalisation, dynamic and emerging growth companies.

A separate portfolio of assets is maintained for each 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 U.S. Generally Accepted Accounting Principles (“US GAAP”).

- a) Valuation of Securities – Securities that are primarily traded on an official stock 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 realization value by a competent person, appointed for such purpose by the Directors in consultation with the Investment Manager and approved by the Depository. 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.

**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**2. Significant Accounting Policies (continued)**

- 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 quarterly dividend in respect of the distributing classes for the net income earned in the period (interest plus dividends, less fund expenses). To date, none of the distributing share classes have accumulated net income in any period. 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.
- 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 financial 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 year ended 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 year ended 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 recognized in the statement of operations on an accruals basis.

**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**2. Significant Accounting Policies (continued)**

- 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.
- l) 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.
- m) Recognition/Derecognition – The Company recognizes 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 recognized on the date on which they originated. Financial instruments are measured initially at fair value (transaction price) on trade date with transaction costs recognized immediately in the Statement of Operations 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 recognized in the Statement of Operations. 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 recognized in the Statement of Operations. Financial liabilities, other than those at fair value through profit or loss, are measured at amortized 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".
- o) Uncertain tax positions - Accounting Standards Codification 740, Accounting for Uncertainty in Income Taxes ("ASC 740") clarifies the accounting for uncertainty in income taxes recognized 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 recognize in the financial statements. The tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon settlement.

**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**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 UCITS Regulations.

The Company may compulsorily redeem all of the Shares of the Company if the net asset value of the Company is less than \$30,000,000 or compulsorily redeem all of the Shares of a Fund if the net asset value of that Fund is less than \$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.

None of the active share classes were hedged during the year.

Share transactions for the financial year ended December 31, 2021 and the financial year ended December 31, 2020 were as follows:

	<b>Granahan US Focused Growth Fund</b>	<b>Granahan US Focused Growth Fund</b>
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Class A EUR Accumulating*</b>		
Opening number of shares	-	-
Shares sold	22,000.00	-
Shares redeemed	-	-
Closing number of shares	22,000.00	-
<b>Class A GBP Accumulating</b>		
Opening number of shares	840,909.86	54,714.52
Shares sold	616,946.06	817,582.44
Shares redeemed	(245,063.96)	(31,387.10)
Closing number of shares	1,212,791.96	840,909.86

\* This share class was launched on August 16, 2021.

**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**3. Share Capital (continued)**

	<b>Granahan US Focused Growth Fund December 31, 2021</b>	<b>Granahan US Focused Growth Fund December 31, 2020</b>
<b>Class A USD Accumulating</b>		
Opening number of shares	275,955.16	152,649.22
Shares sold	259,176.31	272,111.67
Shares redeemed	(235,370.97)	(148,805.73)
Closing number of shares	299,760.50	275,955.16
<b>Class A USD Distributing</b>		
Opening number of shares	82,197.61	36,057.48
Shares sold	31,149.12	55,315.28
Shares redeemed	(66,114.97)	(9,175.15)
Closing number of shares	47,231.76	82,197.61
<b>Class F EUR Accumulating</b>		
Opening number of shares	104,363.53	75,193.06
Shares sold	809,419.49	68,620.69
Shares redeemed	(757,320.13)	(39,450.22)
Closing number of shares	156,462.89	104,363.53
<b>Class F GBP Accumulating</b>		
Opening number of shares	10,133.03	-
Shares sold	-	10,133.03
Shares redeemed	-	-
Closing number of shares	10,133.03	10,133.03
<b>Class I EUR Accumulating*</b>		
Opening number of shares	-	-
Shares sold	6,752,435.69	-
Shares redeemed	(4,000.00)	-
Closing number of shares	6,748,435.69	-
<b>Class I GBP Accumulating</b>		
Opening number of shares	966,109.05	-
Shares sold	1,544,400.39	1,114,264.73
Shares redeemed	(440,654.19)	(148,155.68)
Closing number of shares	2,069,855.25	966,109.05

\* This share class was launched on April 09, 2021.

**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**3. Share Capital (continued)**

	<b>Granahan US Focused Growth Fund</b>	<b>Granahan US Focused Growth Fund</b>
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Class I USD Accumulating</b>		
Opening number of shares	9,556,819.82	4,223,306.38
Shares sold	5,540,688.63	10,866,199.16
Shares redeemed	(4,802,845.89)	(5,532,685.72)
Closing number of shares	10,294,662.56	9,556,819.82
<b>Class I USD Distributing</b>		
Opening number of shares	6,968,875.82	7,181,071.35
Shares sold	2,424,546.26	1,914,845.95
Shares redeemed	(2,099,833.39)	(2,127,041.48)
Closing number of shares	7,293,588.69	6,968,875.82
<b>Class P USD Accumulating</b>		
Opening number of shares	3,695,893.70	6,058,436.10
Shares sold	-	-
Shares redeemed	(705,634.66)	(2,362,542.40)
Closing number of shares	2,990,259.04	3,695,893.70
<b>Class P1 USD Accumulating</b>		
Opening number of shares	11,756,225.00	-
Shares sold	-	11,901,169.00
Shares redeemed	(1,800,000.00)	(144,944.00)
Closing number of shares	9,956,225.00	11,756,225.00
	<b>Granahan US Small Cap Discoveries Fund</b>	<b>Granahan US Small Cap Discoveries Fund</b>
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Class Founder GBP Accumulating</b>		
Opening number of shares	1,018.43	-
Shares sold	430.24	1,070.00
Shares redeemed	(1.00)	(51.57)
Closing number of shares	1,447.67	1,018.43
<b>Class Founder USD Accumulating</b>		
Opening number of shares	1,775,456.87	2,876,320.05
Shares sold	769,104.33	344,318.72
Shares redeemed	(416,062.14)	(1,445,181.90)
Closing number of shares	2,128,499.06	1,775,456.87



**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**3. Share Capital (continued)**

	Granahan US SMID Select Fund December 31, 2021	Granahan US SMID Select Fund December 31, 2020
<b>Class A GBP Accumulating*</b>		
Opening number of shares	-	-
Shares sold	40,680.48	-
Shares redeemed	(7,996.00)	-
Closing number of shares	32,684.48	-
<b>Class A GBP Distributing**</b>		
Opening number of shares	-	-
Shares sold	750.00	-
Shares redeemed	-	-
Closing number of shares	750.00	-
<b>Class A USD Accumulating***</b>		
Opening number of shares	-	-
Shares sold	276,883.42	-
Shares redeemed	(101,278.00)	-
Closing number of shares	175,605.42	-
<b>Class I GBP Accumulating</b>		
Opening number of shares	1,509,144.98	-
Shares sold	217,668.74	1,522,283.01
Shares redeemed	(158,471.25)	(13,138.03)
Closing number of shares	1,568,342.47	1,509,144.98
<b>Class I GBP Distributing</b>		
Opening number of shares	44,681.89	-
Shares sold	536,145.89	44,681.89
Shares redeemed	(38,859.83)	-
Closing number of shares	541,967.95	44,681.89
<b>Class I USD Accumulating</b>		
Opening number of shares	68,792.18	-
Shares sold	289,989.97	68,792.18
Shares redeemed	(36,108.45)	-
Closing number of shares	322,673.70	68,792.18
<b>Class I USD Distributing</b>		
Opening number of shares	5,451.53	-
Shares sold	107,341.51	5,451.53
Shares redeemed	(8,041.85)	-
Closing number of shares	104,751.19	5,451.53

\* This share class was launched on January 13, 2021.

\*\* This share class was launched on January 28, 2021.

\*\*\* This share class was launched on January 12, 2021.

**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

#### **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 recognized 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 – continued**  
**For the financial year ended December 31, 2021**

## **5. Fees and Expenses**

### **Manager fees**

KBA Consulting Management Limited (the “Manager”) has been appointed as manager for the Company pursuant to the management agreement. Under the terms of the management agreement, the Manager has responsibility for the management and administration of the Company's affairs, subject to the overall supervision and control of the Directors.

The Manager shall be entitled to receive out of the assets of the relevant Fund, an annual fee, accrued on each Dealing Day and payable quarterly in arrears, at an annual rate of up to and not exceeding 0.01% of the net asset value of the Company subject to a minimum fee of up to €50,000 per annum for the initial Fund and €10,000 for each incremental Fund thereafter. The Manager is also entitled to be reimbursed out of the assets of each Fund for the reasonable out-of-pocket costs and expenses incurred by the Manager in the performance of its duties (plus VAT thereon, if any).

The Manager earned fees of \$349,212 for the financial year ended December 31, 2021 (December 31, 2020: \$38,968). Manager fees payable as at December 31, 2021 amounted to \$93,819 (December 31, 2020: \$38,968).

### **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 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.

For Granahan US Focused Growth Fund, the Investment Manager earned fees of \$8,420,872 (December 31, 2020: \$3,795,764) for the financial year ended December 31, 2021 with fees payable as at December 31, 2021 amounting to \$2,246,137 (December 31, 2020: \$1,345,719).

For Granahan US Small Cap Discoveries Fund, the Investment Manager earned fees of \$308,633 (December 31, 2020: \$237,035) for the financial year ended December 31, 2021 with fees payable as at December 31, 2021 amounting to \$83,626 (December 31, 2020: \$56,988).

For Granahan US SMID Select Fund, the Investment Manager earned fees of \$5,455,183 (December 31, 2020: \$1,425,207) For the financial year ended December 31, 2021 with fees payable as at December 31, 2021 amounting to \$1,526,182 (December 31, 2020: \$718,531).

For the financial year ended December 31, 2021 the expense reimbursement from the Investment Manager back to the Granahan US Focused Growth Fund in relation to the total expense limitation of 1.35% of the annual net asset value of the funds amounted to \$807,097 (December 31, 2020: \$530,781), and the related receivable amounted to \$343,492 (December 31, 2020: \$289,159).

**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**5. Fees and Expenses (continued)**

**Investment Manager fees (continued)**

For the financial year ended December 31, 2021 the expense reimbursement from the Investment Manager back to the Granahan US Small Cap Discoveries Fund in relation to the total expense limitation of 0.85% of the annual net asset value of the funds amounted to \$69,525 (December 31, 2020: \$109,858), and the related receivable amounted to \$41,322 (December 31, 2020: \$43,014).

For the financial year ended December 31, 2021 the expense reimbursement from the Investment Manager back to the Granahan US SMID Select Fund in relation to the total expense limitation of 1.25% of the annual net asset value of the funds amounted to \$671,458 (December 31, 2020: \$313,855), and the related receivable amounted to \$234,162 (December 31, 2020: \$188,555)

**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 2.5 bps of the net asset value of the Fund which will be accrued and payable monthly in arrears, subject to a monthly minimum fee for the Fund of \$2,530 per Fund. The Administrator may also receive out of the assets of the relevant Fund such additional charges as agreed at normal commercial rates. The Administrator shall be reimbursed out of the assets of the relevant Fund for all reasonable and vouched out-of-pocket expenses incurred by it.

The Administrator earned fees of \$616,453 for the financial year ended December 31, 2021 (December 31, 2020: \$289,498). Administrator fees payable as at December 31, 2021 amounted to \$61,108 (December 31, 2020: \$51,449).

**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 2.5 bps of the net asset value of the Fund (plus VAT thereon, if any), subject to a monthly minimum of \$1,167 per Fund (plus VAT, if any).

In addition, the Depository shall also be entitled to receive, in respect of cash-flow monitoring and reconciliation, a monthly fee of \$550 per Fund (plus VAT, if any).

The combined Depository fees accrue and are calculated on each Dealing Day and are payable monthly in arrears.

The Depository shall also be entitled to receive out of the assets of the relevant Fund all agreed sub-custodian fees, transaction charges (which will be charged at normal commercial rates) together with reasonable out-of-pocket expenses (plus VAT thereon, if any) incurred by the Depository in the performance of its duties under the Depository Agreement.

The Depository earned fees of \$501,641 for the financial year ended December 31, 2021 (December 31, 2020: \$266,091). Depository fees payable as at December 31, 2021 amounted to \$75,186 (December 31, 2020: \$56,744).

**Director fees**

The Constitution provides 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.

**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**5. Fees and Expenses (continued)**

**Director fees (continued)**

The Directors earned fees of \$81,391 for the financial year ended December 31, 2021 (December 31, 2020: \$78,781). Directors' fees payable as at December 31, 2021 amounted to \$6,605 (December 31, 2020: \$19,828).

The Manager assists the Company with payroll compliance services.

**Performance fees – Granahan US Focused Growth Fund**

In respect to Class P and Class P1 Shares, the Investment Manager is entitled to a performance fee (the "Performance Fee") if there is an Outperformance (the net asset value of Class P and Class P1 Shares less the value of the Hurdle (the amount of capital subscribed during the initial offer period adjusted for any subsequent subscriptions, redemptions and dividends paid) as adjusted by the Hurdle Rate (the return of the Russell 2000 Growth Index) (provided that the resulting number is positive)) during a Performance Period (the first Business Day through to the last Business Day of the annual period which commences on 1 April and ends on 31 March, with the exception of the First Performance Period (commences on the close of the initial offer period for Class P1 Shares and ends on 31 March 2021)) and, where Shares are redeemed during a Performance Period, to a pro-rata portion of the Performance Fee accrual (if any) at the time of redemption.

The Performance Fee will be calculated in respect of each Performance Period. The Performance Fee will accrue on each Business Day and the accrual will be reflected in the net asset value per Class P and P1 Share.

Entitlement to a Performance Fee will be calculated if the Outperformance of Class P and P1 Shares on the last Dealing Day of a Performance Period are positive. The Performance Fee will be equal to Outperformance multiplied by 15%.

The Performance Fee is payable on the last Dealing Day of each Performance Period, or if the Class is terminated before the end of a Performance Period, the Dealing Day on which the final redemption of Class P and P1 Shares takes place, or in the case of Shares redeemed during a Performance Period, the accrued Performance Fee in respect of those Shares will be payable within 14 calendar days of the date of redemption (each a "Payment Date"). Any amount of Performance Fee calculated with respect to redeemed Class P and P1 Shares during a Performance Period will be calculated according to the net asset value of the redeemed Shares, and the Hurdle Rate as at the date of redemption (as opposed to at the end of the Performance Period in which the redemption takes place). It is therefore possible that, although the net asset value is not in Outperformance for a full Performance Period, a Performance Fee may be earned by the Investment Manager in respect of Shares redeemed where the redemption took place when the net asset value at redemption was higher than the Hurdle Rate.

Outperformance will be adjusted for any dividends paid by the Fund during the Performance Period.

In the event of an Outperformance on the last Dealing Day of a Performance Period, the value of the Hurdle for the next Performance Period will be reset on 1 April to the net asset value of the Class P and P1 Shares on the last Dealing Day of the preceding Performance Period. If there is no Outperformance on the last Dealing Day of a Performance Period, the value of the Hurdle will not be reset for the next Performance Period and the underperformance of the Class P and P1 Shares in the preceding Performance Period, by reference to the Hurdle adjusted by the Hurdle Rate, will be clawed back (i.e. until under performance is made good) before a Performance Fee becomes due in a subsequent Performance Period. For the avoidance of doubt, any Performance Fee payable in relation to a given Performance Period will not be clawed back.

**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**5. Fees and Expenses (continued)**

**Performance fees (continued)**

The Performance Fee is calculated based on the net asset value of Class P and P1 Shares and no Shareholder level equalisation is undertaken. This may result in inequalities between Shareholders in relation to the payment of Performance Fees (with some Shareholders paying disproportionately higher performance fees in certain circumstances). Because there is no Shareholder level equalisation, this may also result in certain Shareholders having more of their capital at risk at any given time than other Shareholders. The methodology may, in certain circumstances, result in certain Shareholders being charged a Performance Fee in circumstances where the net asset value per Share of their Shares has not increased over the relevant calculation period as a whole.

*Calculation of the Hurdle for the Performance Period beginning at launch*

The initial value of the Hurdle, upon the launch of the Class P and P1 Shares, will be the net asset value of Class P Shares as at the close of the first Dealing Day of Class P and P1 Shares.

The Performance Fee is payable where there is an Outperformance during the Performance Period, although this may be due to market movements impacting on retained holdings in the Fund rather than specific actions undertaken by the Investment Manager.

Any change to the index relating to the Hurdle Rate will be disclosed in the periodic reports of the Fund.

For the purposes of the Performance Fee calculation, the net asset value shall be calculated before the deduction of any accrual for Performance Fee for that Performance Period, other than Performance Fee accrued in relation to the Class in respect of redemptions during the Performance Period but not yet paid.

As the Performance Fee depends on the performance of the net asset value per Share of Class P and P1 Shares, it is not possible to predict the amount of Performance Fee that will be payable and there is in effect, no maximum Performance Fee as it is impossible to quantify any outperformance in advance.

Investors may request additional information on the way in which the Performance Fee calculation works from the Company.

For the financial year ended December 31, 2021 the performance fees amounted to \$Nil (December 31, 2020: \$5,456,284). Performance fees payable as at December 31, 2021 amounted to \$990,243 (December 31, 2020: \$4,155,998).

**Audit fees**

Remuneration charged by the Company's audit firm for the year was as follows:

	<b>Total</b>	<b>Total</b>
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
- Audit of statutory financial statements	\$25,616	\$27,487
- Other assurance services	-	-
- Tax advisory services	-	-
- Other non-audit services	-	-
	<b>\$25,616</b>	<b>\$27,487</b>

**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**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 UCITS Regulations, indirectly acquire warrants and rights which are issued to such permitted investments.

**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 year ended December 31, 2021 and December 31, 2020 are shown below:

	<b>Granahan US Focused Growth Fund</b>	<b>Granahan US Focused Growth Fund</b>	<b>Granahan US Small Cap Discoveries Fund</b>	<b>Granahan US Small Cap Discoveries Fund</b>
	<b>December 31, 2021</b>	<b>December 31, 2020</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Total transaction costs on purchases	\$271,431	\$265,994	\$37,367	\$34,257
Total transaction costs on sales	\$204,407	\$142,997	\$27,456	\$46,887
<b>Total transaction costs</b>	<b>\$475,838</b>	<b>\$408,991</b>	<b>\$64,823</b>	<b>\$81,144</b>

	<b>Granahan US SMID Select Fund</b>	<b>Granahan US SMID Select Fund</b>	<b>Total</b>	<b>Total</b>
	<b>December 31, 2021</b>	<b>December 31, 2020</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Total transaction costs on purchases	\$476,812	\$505,121	\$785,610	\$805,372
Total transaction costs on sales	\$353,721	\$222,812	\$585,584	\$412,696
<b>Total transaction costs</b>	<b>\$830,533</b>	<b>\$727,933</b>	<b>\$1,371,194</b>	<b>\$1,218,068</b>

**8. Other expenses and expense reimbursement**

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

	<b>Granahan US Focused Growth Fund</b>	<b>Granahan US Focused Growth Fund</b>
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Consulting fees	\$7,604	\$35,535
Correspondence / Secretarial fees	8,328	13,434
Miscellaneous expenses	149,807	55,619
Investment compliance fees	2,260	13,036
Tax fees / Stock fees	3,621	4,133
Registration fees	10,139	7,445
FATCA Fees	2,028	3,120
Bank Interests	70,107	10,333
<b>Other Expenses</b>	<b>\$253,894</b>	<b>\$142,655</b>



**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**8. Other expenses and expense reimbursement (continued)**

	<b>Granahan US Small Cap Discoveries Fund</b>	<b>Granahan US Small Cap Discoveries Fund</b>
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Consulting fees	\$327	\$3,503
Correspondence / Secretarial fees	358	1,117
Miscellaneous fees	7,524	3,134
Investment compliance fees	1,325	11,373
Tax fees / Stock fees	156	420
Registration fees	436	572
FATCA fees	87	261
Bank Interests	4,242	446
<b>Other Expenses</b>	<b>\$14,455</b>	<b>\$20,826</b>

	<b>Granahan US SMID Select Fund</b>	<b>Granahan US SMID Select Fund</b>
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Consulting fees	\$4,490	\$7,703
Correspondence / Secretarial fees	4,918	3,951
Miscellaneous fees	79,038	22,183
Investment compliance fees	-	10,228
Tax fees / Stock fees	2,138	2,749
Registration fees	5,987	2,415
FATCA fees	1,198	1,242
Bank Interests	29,599	793
<b>Other Expenses</b>	<b>\$127,368</b>	<b>\$51,264</b>

An expense reimbursement was paid to the Company during the financial year from the Investment Manager for each Fund as outlined in Note 5.

**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: market, 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 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.



**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**9. Financial Instruments and Associated Risks (continued)**

**Market Risk**

Market risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

The Company is exposed, particularly in its equity assets, to market risk. The Company invests in securities traded on global markets and market risk is a risk to which exposure is unavoidable.

Market risk comprises of market price risk, currency risk and interest rate risk.

**(i) Market price risk**

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting equity instruments traded in the market.

As the majority of the Company’s investments are carried at fair value with fair value changes recognized in the Statement of Operations, all changes in market conditions will directly affect net income. The risk is mitigated through diversification of the portfolio in investments in various geographic zones and industries.

The investment strategy of the Company is not to replicate a market index and therefore correlation between the return from the Company and any market index is likely to vary. As a result, it is appropriate to use the financial year end portfolio as a risk variable in any market sensitivity analysis. To illustrate the sensitivity of the portfolio based on a reasonably possible estimate of market price movements for a financial year, if the price of each of the equity securities to which the Company had exposure had increased by 5% there would have been the following approximate increases in net assets:

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
	<b>USD</b>	<b>USD</b>
Granahan US Focused Growth Fund	47,058,066	41,882,706
Granahan US Small Cap Discoveries Fund	2,197,305	1,765,298
Granahan US SMID Select Fund	31,679,582	21,314,894

**(ii) Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As the Company mainly enters into transactions denominated in USD, the Company’s exposure to foreign currency risk is minimal.

**(ii) Interest Rate Risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises when the Company invests in interest bearing financial instruments. At the financial year ended end, the Company held no interest bearing financial instruments and interest rate risk in relation to cash and cash equivalents is not regarded a material risk.

**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**9. Financial Instruments and Associated Risks (continued)**

**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 relevant 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 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.

Each Fund's listed securities are considered readily realizable, as they are quoted on reputable stock exchanges. The Investment Manager monitors the liquidity position on a daily basis.

The tables below show the analysis for the Funds' financial liabilities by relevant maturity groupings based on the remaining financial year ended to the contractual maturity date.

**Granahan US Focused Growth Fund**

<b>December 31, 2021</b>	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>More than 1 year</b>	<b>Total</b>
Payable for fund shares redeemed	\$1,513,344	-	-	-	\$1,513,344
Payable to Investment Manager	2,246,137	-	-	-	2,246,137
Manager fees payable	56,066	-	-	-	56,066
Directors' fees payable	3,890	-	-	-	3,890
Auditor fees payable	1,244	-	-	-	1,244
Performance fees payable	990,243	-	-	-	990,243
Other accrued expenses and other liabilities	77,897	-	-	-	77,897
<b>Total</b>	<b>\$4,888,821</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$4,888,821</b>

**GRANAHAN FUNDS PLC**

**NOTES TO THE FINANCIAL STATEMENTS – continued  
For the financial year ended December 31, 2021**

**9. Financial Instruments and Associated Risks (continued)**

**Liquidity Risk (continued)**

**Granahan US Focused Growth Fund (continued)**

<b>December 31, 2020</b>	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>More than 1 year</b>	<b>Total</b>
Payable for securities purchased	\$2,673,617	-	-	-	\$2,673,617
Payable for fund shares redeemed	2,049,118	-	-	-	2,049,118
Payable to Investment Manager	1,345,719	-	-	-	1,345,719
Manager fees payable	25,618	-	-	-	25,618
Directors fees payable	13,516	-	-	-	13,516
Auditor fees payable	19,251	-	-	-	19,251
Performance fees payable	4,155,998	-	-	-	4,155,998
Other accrued expenses and other liabilities	115,719	-	-	-	115,719
<b>Total</b>	<b>\$10,398,556</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$10,398,556</b>

**Granahan US Small Cap Discoveries Fund**

<b>December 31, 2021</b>	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>More than 1 year</b>	<b>Total</b>
Payable for fund shares redeemed	\$256,070	-	-	-	\$256,070
Payable to Investment Manager	83,626	-	-	-	83,626
Manager fees payable	2,483	-	-	-	2,483
Directors fees payable	181	-	-	-	181
Auditor fees payable	58	-	-	-	58
Other accrued expenses and other liabilities	19,984	-	-	-	19,984
<b>Total</b>	<b>\$362,402</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$362,402</b>

<b>December 31, 2020</b>	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>More than 1 year</b>	<b>Total</b>
Payable for securities purchased	\$199,068	-	-	-	\$199,068
Payable for fund shares redeemed	107,275	-	-	-	107,275
Payable to Investment Manager	56,988	-	-	-	56,988
Manager fees payable	1,171	-	-	-	1,171
Directors fees payable	928	-	-	-	928
Auditor fees payable	2,496	-	-	-	2,496
Other accrued expenses and other liabilities	19,635	-	-	-	19,635
<b>Total</b>	<b>\$387,561</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$387,561</b>

**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**9. Financial Instruments and Associated Risks (continued)**

**Liquidity Risk (continued)**

**Granahan US SMID Select Fund**

<b>December 31, 2021</b>	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>More than 1 year</b>	<b>Total</b>
Payable for securities purchased	\$82,349	-	-	-	\$82,349
Payable for fund shares redeemed	344,279	-	-	-	344,279
Payable to Investment Manager	1,526,182	-	-	-	1,526,182
Manager fees payable	35,270	-	-	-	35,270
Directors fees payable	2,534	-	-	-	2,534
Auditor fees payable	810	-	-	-	810
Other accrued expenses and other liabilities	55,564	-	-	-	55,564
<b>Total</b>	<b>\$2,046,988</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$2,046,988</b>

<b>December 31, 2020</b>	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>More than 1 year</b>	<b>Total</b>
Payable for securities purchased	\$1,690,011	-	-	-	\$1,690,011
Payable for fund shares redeemed	447,172	-	-	-	447,172
Payable to Investment Manager	718,531	-	-	-	718,531
Manager fees payable	12,179	-	-	-	12,179
Directors fees payable	5,384	-	-	-	5,384
Auditor fees payable	5,495	-	-	-	5,495
Other accrued expenses and other liabilities	46,847	-	-	-	46,847
<b>Total</b>	<b>\$2,925,619</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$2,925,619</b>

**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 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 December 31, 2021, 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, 2021, the Depository, has a long-term credit rating of AA- with S&P (December 31, 2020: 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 pages 32 to 39.

**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**9. Financial Instruments and Associated Risks (continued)**

**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 December 31, 2021 and December 31, 2020 in valuing the Fund’s assets/liabilities carried at fair value:

**Granahan US Focused Growth Fund**

<b>December 31, 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial asset at fair value through profit and loss</b>				
<b>Investment in securities</b>				
<b>- Shares</b>	\$941,161,320	-	-	\$941,161,320
<b>Total</b>	<b>\$941,161,320</b>	<b>-</b>	<b>-</b>	<b>\$941,161,320</b>

**Granahan US Focused Growth Fund**

<b>December 31, 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial asset at fair value through profit and loss</b>				
<b>Investment in securities</b>				
<b>- Shares</b>	\$837,654,128	-	-	\$837,654,128
<b>Total</b>	<b>\$837,654,128</b>	<b>-</b>	<b>-</b>	<b>\$837,654,128</b>

**NOTES TO THE FINANCIAL STATEMENTS – continued  
For the financial year ended December 31, 2021**

**9. Financial Instruments and Associated Risks (continued)**

**Fair Value of Financial Instruments (continued)**

**Granahan US Small Cap Discoveries Fund**

<b>December 31, 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial asset at fair value through profit and loss</b>				
<b>Investment in securities</b>				
<b>- Shares</b>	\$43,946,097	-	-	\$43,946,097
<b>Total</b>	<b>\$43,946,097</b>	<b>-</b>	<b>-</b>	<b>\$43,946,097</b>

**Granahan US Small Cap Discoveries Fund**

<b>December 31, 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial asset at fair value through profit and loss</b>				
<b>Investment in securities</b>				
<b>- Shares</b>	\$35,305,963	-	-	\$35,305,963
<b>Total</b>	<b>\$35,305,963</b>	<b>-</b>	<b>-</b>	<b>\$35,305,963</b>

**Granahan US SMID Select Fund**

<b>December 31, 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial asset at fair value through profit and loss</b>				
<b>Investment in securities</b>				
<b>- Shares</b>	\$633,591,636	-	-	\$633,591,636
<b>Total</b>	<b>\$633,591,636</b>	<b>-</b>	<b>-</b>	<b>\$633,591,636</b>

**Granahan US SMID Select Fund**

<b>December 31, 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial asset at fair value through profit and loss</b>				
<b>Investment in securities</b>				
<b>- Shares</b>	\$426,297,881	-	-	\$426,297,881
<b>Total</b>	<b>\$426,297,881</b>	<b>-</b>	<b>-</b>	<b>\$426,297,881</b>

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 year ended December 31, 2021.

**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**9. Financial Instruments and Associated Risks (continued)**

**Global Exposure**

Per the Central Bank 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. The Funds held no financial derivative position at any point during the period but, in the event that it does in the future, it would convert the Funds' financial derivative position into an equivalent position of the underlying asset based on the market value of the underlying asset.

**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 December 31, 2021 represented 1.34% (December 31, 2020: 2.63%) of the net asset value of the Funds.

**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 Chief Compliance Officer of Granahan Investment Management, Inc., as well as a Managing Director. Vincent Dodd is the Chairman of the Company and is an Independent Director. Lisa Martensson 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 year ended December 31, 2021 amounted to \$81,391 (December 31, 2020: \$78,781).

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 is deemed to be a related party of the Company. During the financial year ended December 31, 2021, investment manager fees of \$14,184,688 (December 31, 2020: \$5,496,974) were charged to the Company.

**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**12. Statement of Net Assets for the Financial year**

**Granahan US Focused Growth Fund**

	<b>December 31, 2021</b>	
	<b>Net Assets at class level</b>	<b>NAV per share</b>
Class A EUR Accumulating**	€204,251	€9.28
Class A GBP Accumulating	£20,321,467	£16.76
Class A USD Accumulating	\$158,499,622	\$528.75
Class A USD Distributing	\$9,924,077	\$210.11
Class F EUR Accumulating	€3,005,572	€19.21
Class F GBP Accumulating	£127,192	£12.55
Class I EUR Accumulating*	€66,980,521	€9.93
Class I GBP Accumulating	£33,061,409	£15.97
Class I USD Accumulating	\$248,737,597	\$24.16
Class I USD Distributing	\$176,140,467	\$24.15
Class P USD Accumulating	\$68,868,249	\$23.03
Class P1 USD Accumulating	\$138,490,531	\$13.91

\* This share class was launched on April 09, 2021.

\*\* This share class was launched on August 16, 2021.

	<b>December 31, 2020</b>	
	<b>Net Assets at class level</b>	<b>NAV per share</b>
Class A GBP Accumulating	£14,100,229	£16.77
Class A USD Accumulating	\$147,507,584	\$534.53
Class A USD Distributing	\$17,459,375	\$212.41
Class F EUR Accumulating	€1,891,383	€18.12
Class F GBP Accumulating	£127,747	£12.61
Class I GBP Accumulating	£15,408,291	£15.95
Class I USD Accumulating	\$233,116,617	\$24.39
Class I USD Distributing	\$169,902,695	\$24.38
Class P USD Accumulating	\$85,017,911	\$23.00
Class P1 USD Accumulating	\$163,193,452	\$13.88

	<b>December 31, 2019</b>	
	<b>Net Assets at class level</b>	<b>NAV per share</b>
Class A GBP Accumulating	£517,196	£9.45
Class A USD Accumulating	\$44,554,524	\$291.88
Class A USD Distributing	\$4,182,046	\$115.98
Class F EUR Accumulating	€812,536	€10.81
Class I USD Accumulating	\$56,132,840	\$13.29
Class I USD Distributing	\$95,426,968	\$13.29
Class P USD Accumulating	\$79,054,438	\$13.05



**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

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

**Granahan US Small Cap Discoveries Fund**

	<b>December 31, 2021</b>	
	<b>Net Assets</b>	<b>NAV</b>
	<b>at class level</b>	<b>per share</b>
Class Founder GBP Accumulating	£24,771	£17.11
Class Founder USD Accumulating	\$45,141,918	\$21.21

	<b>December 31, 2020</b>	
	<b>Net Assets</b>	<b>NAV</b>
	<b>at class level</b>	<b>per share</b>
Class Founder GBP Accumulating	£16,652	£16.35
Class Founder USD Accumulating	\$36,342,591	\$20.47

	<b>December 31, 2019</b>	
	<b>Net Assets</b>	<b>NAV</b>
	<b>at class level</b>	<b>per share</b>
Class Founder USD Accumulating	\$40,311,889	\$14.02

**Granahan US SMID Select Fund**

	<b>December 31, 2021</b>	
	<b>Net Assets</b>	<b>NAV</b>
	<b>at class level</b>	<b>per share</b>
Class A GBP Accumulating*	£3,374,334	£103.24
Class A GBP Distributing**	£74,404	£99.21
Class A USD Accumulating***	\$18,070,866	\$102.91
Class I GBP Accumulating	£349,402,439	£222.78
Class I GBP Distributing	£66,855,594	£123.36
Class I USD Accumulating	\$38,705,340	\$119.95
Class I USD Distributing	\$12,575,185	\$120.05

\* This share class was launched on January 13, 2021.

\*\* This share class was launched on January 28, 2021.

\*\*\* This share class was launched on January 12, 2021.

**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**12. Statement of Net Assets for the Financial year ended (continued)**

**Granahan US SMID Select Fund (continued)**

	December 31, 2020	
	Net Assets at class level	
	NAV per share	
Class I GBP Accumulating	£302,811,182	£200.65
Class I GBP Distributing	£4,964,836	£111.12
Class I USD Accumulating	\$7,509,315	\$109.16
Class I USD Distributing	\$595,569	\$109.25

**13. Contingent Liabilities**

The Directors are not aware of any material contingent liabilities as at December 31, 2021.

**14. Soft Commissions**

For the financial year ended December 31, 2021, the Investment Manager received soft commissions from brokers/dealers in consideration for trade execution services for investments of the Funds. These soft commissions were in the form of goods and services such as subscriptions to research services which are of demonstrable benefit 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 2021, commissions paid by the Funds for soft goods and services approximated 44%, 33% & 40% of total fund trading commissions for Granahan US Focused Growth Fund, Granahan US Small Cap Discoveries Fund and Granahan US SMID Select Fund respectively.

**15. Significant Investors**

For the Granahan US Focused Growth Fund, there are two significant investors who hold 24% and 13% respectively of the total Shares as at December 31, 2021 (December 31, 2020: two significant investors who hold 34% and 12% respectively).

For the Granahan US Small Cap Discoveries Fund, there are four significant investors who hold 19%, 18%, 17% and 13% respectively of the total Shares as at December 31, 2021 (December 31, 2020: three significant investors who hold 24%, 24% and 17% respectively).

For the Granahan US SMID Select Fund, there are three significant investors who hold 19%, 15% and 12% respectively of the total Shares as at December 31, 2021 (December 31, 2020: three significant investors who hold 33%, 26% and 14% respectively).

**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**For the financial year ended December 31, 2021**

**16. Significant Events during the Financial year**

An updated Prospectus was filed with the Central Bank of Ireland on March 10, 2021 and August 5, 2021. This was updated to reflect the requirements of Regulation (EU) 2019/2088 of the European Parliament and of the Council on 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”).

An addendum to the Prospectus was filed with the Central Bank of Ireland on December 9, 2021. This was to reflect the new Taxonomy Regulation and update the disclosure on ESG and Sustainable Investments Integration.

**17. Subsequent Events**

On January 25, 2022, KBA Consulting Management Limited announced that, subject to regulatory approval, it will become a member of the Waystone Group.

**18. Exchange Rates**

The following exchange rates were used to translate assets and liabilities into one \$:

	<b>31 December 2021</b>	<b>31 December 2020</b>
Euro	0.878349	0.818565
Great British Pound	0.738798	0.731261
Canadian Dollar	1.264950	-
Swiss Franc	0.911200	-

**19. Approval of Financial Statements**

The financial statements were approved by the Directors on March 23, 2022.

**SCHEDULE OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)  
For the financial year ended December 31, 2021**

Material portfolio changes are defined as the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate sales of a security exceeding one per cent of the total value of sales for the period. At a minimum, the 20 largest purchases and 20 largest sales are to be disclosed.

**GRANAHAN US FOCUSED GROWTH FUND**

<b>Purchases</b>		
<b>Security</b>	<b>Quantity</b>	<b>Cost (in \$)</b>
Paycom Software Inc	95,238	32,712,379
2U Inc	770,413	30,928,585
Stratasys Ltd	1,046,686	30,742,959
Etsy Inc	145,809	30,273,387
Bumble Inc	560,265	29,761,995
Life Time Group Holdings Inc	1,452,132	26,835,280
Workiva Inc	264,069	26,657,120
Enovix Corp	987,960	26,602,786
Zeta Global Holdings Corp	2,685,412	25,525,289
Overstock.com Inc	267,443	21,268,427
Enphase Energy Inc	91,100	20,113,062
CoStar Group Inc	498,792	18,655,582
Chart Industries Inc	128,921	18,060,459
Chegg Inc	293,654	17,332,769
LivePerson Inc	302,936	17,312,094
Azenta Inc	142,473	15,114,559
Axon Enterprise Inc	101,209	14,145,959
ThredUp Inc	565,726	14,045,896
Cricut Inc	701,439	13,469,652
Datto Holding Corp	503,114	12,807,082
Bright Horizons Family Solutions Inc	85,044	12,772,155
Kornit Digital Ltd	124,898	12,301,823
HealthEquity Inc	140,900	10,956,949
Magnite Inc	294,460	10,791,003
First Watch Restaurant Group Inc	597,170	10,749,060
Sprinklr Inc	642,646	10,486,244
Euronet Worldwide Inc	66,135	10,407,044
Porch Group Inc	582,578	10,236,508
Grand Canyon Education Inc	102,423	10,126,637
Riskified Ltd	457,089	10,029,567
Liquidity Services Inc	485,098	9,344,796
SPS Commerce Inc	89,167	9,246,796
Cornerstone OnDemand Inc	185,602	9,160,904
Domo Inc	144,619	8,891,687
EverQuote Inc	390,073	8,842,102
Evolent Health Inc	268,900	7,182,674
Archer Aviation Inc	561,036	7,179,301
Lovesac Co	114,562	6,852,059

**SCHEDULE OF MATERIAL PORTFOLIO CHANGES (UNAUDITED) - continued**  
**For the financial year ended December 31, 2021**

**GRANAHAN US FOCUSED GROWTH FUND (CONTINUED)**

<b>Sales</b>		
<b>Security</b>	<b>Quantity</b>	<b>Cost (in \$)</b>
Sprout Social Inc	655,828	46,691,257
Workiva Inc	314,327	37,367,741
Enphase Energy Inc	235,338	34,816,965
LivePerson Inc	590,366	30,708,488
Cornerstone OnDemand Inc	431,820	24,607,240
Chart Industries Inc	128,921	23,271,693
2U Inc	671,434	22,853,166
Etsy Inc	125,720	22,617,803
Chegg Inc	244,845	19,495,956
HubSpot Inc	35,359	16,405,316
Bumble Inc	284,165	14,909,484
Paycom Software Inc	31,969	14,144,473
Azenta Inc	141,200	13,319,303
eHealth Inc	240,974	13,313,034
Blackline Inc	105,401	13,241,562
Coupa Software Inc	38,393	11,964,855
Porch Group Inc	578,278	11,789,214
Strategic Education Inc	161,159	10,489,766
Kornit Digital Ltd	66,630	10,439,743
Lovesac Co	132,588	10,387,043
CoStar Group Inc	26,112	10,069,459
Phreesia Inc	169,196	10,029,823
Euronet Worldwide Inc	66,135	9,287,424
Bright Horizons Family Solutions Inc	58,198	9,134,983
Magnite Inc	355,425	9,088,470
1Life Healthcare Inc	179,867	7,889,951
Sapiens International Corp NV	289,848	7,757,818
Zscaler Inc	44,100	7,717,280
Riskified Ltd	457,089	6,230,552
Lemonade Inc	39,902	5,841,696
Archer Aviation Inc	561,036	5,634,153
Axon Enterprise Inc	30,232	5,576,245

**GRANAHAN FUNDS PLC**

**SCHEDULE OF MATERIAL PORTFOLIO CHANGES (UNAUDITED) - continued  
For the financial year ended December 31, 2021**

**GRANAHAN US SMALL CAP DISCOVERIES FUND**

**Purchases**

<b>Security</b>	<b>Quantity</b>	<b>Cost (in \$)</b>
908 Devices Inc	27,500	1,226,583
Kulicke & Soffa Industries Inc	26,221	1,057,523
Nautilus Inc	56,600	964,478
Castle Biosciences Inc	15,489	872,523
Harvard Bioscience Inc	116,194	861,672
Texas Capital Bancshares Inc	13,500	819,293
Sharps Compliance Corp	69,284	798,395
Aerie Pharmaceuticals Inc	53,650	776,220
OrthoPediatics Corp	13,526	772,984
Mesa Laboratories Inc	2,447	758,271
NeoGenomics Inc	18,250	743,226
Vericel Corp	16,000	741,455
Luxfer Holdings Plc	34,458	738,442
Hudson Technologies Inc	212,352	697,243
Alta Equipment Group Inc	56,119	695,999
SI-BONE Inc	29,550	671,260
Veeco Instruments Inc	30,400	662,575
Health Catalyst Inc	14,450	651,401
iCAD Inc	34,350	567,854
PROS Holdings Inc	15,156	559,083
Silk Road Medical Inc	10,050	542,323
Radius Health Inc	28,450	516,438
Quanterix Corp	10,800	516,303
American Well Corp	68,900	511,858
Materion Corp	6,847	509,598
Caribou Biosciences Inc	21,550	506,019
ThredUp Inc	27,050	505,894
Organogenesis Holdings Inc	28,600	483,083
Renalytix Plc	16,502	479,045
Neuronetics Inc	32,950	474,071
CAI International Inc	13,800	465,088
Spero Therapeutics Inc	31,050	463,492
CEVA Inc	9,800	441,799
Lawson Products Inc	7,850	434,336
Pulse Biosciences Inc	20,188	421,886
Alpha & Omega Semiconductor Ltd	14,650	418,766
Columbus McKinnon Corp	8,550	411,900
Kornit Digital Ltd	3,650	411,450
ImmunoGen Inc	63,550	404,521
Veracyte Inc	8,991	400,232
Digital Turbine Inc	6,900	396,356
Flexion Therapeutics Inc	49,250	393,959
BioLife Solutions Inc	9,500	384,465
CONMED Corp	2,800	375,938
Kiniksa Pharmaceuticals Ltd	32,200	371,483
Innovative Industrial Properties Inc	1,750	361,474
Computer Task Group Inc	38,350	358,005
Titan Machinery Inc	12,050	342,398

**GRANAHAN FUNDS PLC**

**SCHEDULE OF MATERIAL PORTFOLIO CHANGES (UNAUDITED) - continued  
For the financial year ended December 31, 2021**

**GRANAHAN US SMALL CAP DISCOVERIES FUND (CONTINUED)**

<b>Sales</b>		
<b>Security</b>	<b>Quantity</b>	<b>Cost (in \$)</b>
Kornit Digital Ltd	14,570	2,052,110
Magnite Inc	43,000	1,741,609
Kulicke & Soffa Industries Inc	26,221	1,460,489
Kindred Biosciences Inc	108,278	962,341
Digital Turbine Inc	12,700	953,632
Flexion Therapeutics Inc	106,983	935,506
Nautilus Inc	83,600	862,152
Cardiovascular Systems Inc	28,262	808,394
Organogenesis Holdings Inc	46,850	796,950
Luxfer Holdings Plc	41,600	778,820
CAI International Inc	13,800	771,394
Vericel Corp	15,100	768,109
GenMark Diagnostics Inc	32,858	749,661
Titan Machinery Inc	21,250	649,723
Azenta Inc	7,593	644,364
Alta Equipment Group Inc	44,850	556,927
Vapotherm Inc	24,485	553,172
Intellia Therapeutics Inc	4,500	524,640
Lawson Products Inc	10,550	517,030
Sharps Compliance Corp	34,000	472,803
Alpha & Omega Semiconductor Ltd	14,650	449,442
NeoGenomics Inc	7,750	414,847
Accelaron Pharma Inc	2,680	362,313
Douglas Dynamics Inc	9,000	357,916
CryoPort Inc	5,300	352,470
Spero Therapeutics Inc	22,385	325,030
Harvard Bioscience Inc	55,500	317,506
Caribou Biosciences Inc	14,500	300,170
Beam Therapeutics Inc	3,300	293,503
Hudson Technologies Inc	73,100	287,016
Neuronetics Inc	32,950	255,130

**SCHEDULE OF MATERIAL PORTFOLIO CHANGES (UNAUDITED) - continued**  
**For the financial year ended December 31, 2021**

**GRANAHAH US SMID SELECT FUND**

**Purchases**

<b>Security</b>	<b>Quantity</b>	<b>Cost (in \$)</b>
Magnite Inc	2,010,288	53,331,716
Digital Turbine Inc	747,115	45,667,232
Array Technologies Inc	1,838,988	30,317,299
LendingTree Inc	170,292	29,058,846
Flex Ltd	1,369,844	25,149,132
Veracyte Inc	534,615	23,644,018
Darling Ingredients Inc	277,248	19,631,803
Lithia Motors Inc	57,077	19,495,538
Nautilus Inc	746,672	16,535,220
Euronet Worldwide Inc	137,343	16,474,073
Enphase Energy Inc	98,203	15,606,863
Chegg Inc	275,922	14,792,842
Kulicke & Soffa Industries Inc	318,661	14,737,891
Evolent Health Inc	593,810	13,616,056
Wix.com Ltd	64,392	12,825,899
Chicken Soup For The Soul Entertainment Inc 25.09.2028	428,932	11,719,015
Kornit Digital Ltd	96,659	10,804,472
Stamps.com Inc	47,886	10,364,690
iCAD Inc	684,775	9,869,450
Etsy Inc	46,448	9,641,354
Vita Coco Co Inc	703,047	9,547,375
Porch Group Inc	576,481	9,116,776
Power Integrations Inc	97,705	9,023,492
Pure Storage Inc	320,902	8,134,785
Gray Television Inc	413,370	8,131,536
Silicon Motion Technology Corp	123,590	8,080,000
Green Brick Partners Inc	345,417	8,055,909
Everbridge Inc	67,627	8,009,844
Mitek Systems Inc	388,344	7,693,312
Acacia Research Corp	984,056	7,631,555
Pacific Biosciences of California Inc	272,521	7,125,494
Ligand Pharmaceuticals Inc	45,784	7,113,230
Cricut Inc	330,335	7,058,349
Varonis Systems Inc	196,151	6,986,628
Chart Industries Inc	47,510	6,952,581
2U Inc	218,076	6,804,055



**GRANAHAN FUNDS PLC**

**SCHEDULE OF MATERIAL PORTFOLIO CHANGES (UNAUDITED) - continued  
For the financial year ended December 31, 2021**

**GRANAHAN US SMID SELECT FUND (CONTINUED)**

<b>Sales</b>		
<b>Security</b>	<b>Quantity</b>	<b>Cost (in \$)</b>
Enphase Energy Inc	191,450	40,764,310
Digital Turbine Inc	441,664	33,185,507
Kulicke & Soffa Industries Inc	556,928	28,711,234
Etsy Inc	120,504	27,673,519
Magnite Inc	576,609	27,158,712
Stamps.com Inc	111,465	23,217,292
Western Digital Corp	284,932	18,601,056
Cloudera Inc	1,258,583	16,288,026
Nautilus Inc	1,201,311	15,662,545
Ligand Pharmaceuticals Inc	104,710	15,201,585
Purple Innovation Inc	475,173	14,699,091
Scorpio Tankers Inc	855,212	13,820,135
Chart Industries Inc	85,018	13,174,386
Quidel Corp	72,759	10,497,910
Ameresco Inc	91,713	8,041,235
Gray Television Inc	358,644	7,560,986
Echo Global Logistics Inc	156,366	7,414,078
BGC Partners Inc	1,304,692	6,849,631
Mitek Systems Inc	388,344	6,720,829
Paycom Software Inc	13,605	6,664,833
Cricut Inc	193,615	6,495,466
LendingTree Inc	37,061	6,392,782
Tetra Tech Inc	50,221	6,380,521
Euronet Worldwide Inc	44,296	6,203,236
Kornit Digital Ltd	43,971	6,083,578
Plug Power Inc	145,053	5,358,375
Limelight Networks Inc	1,259,789	5,347,553
Evolent Health Inc	213,818	5,194,689
IAC/InterActiveCorp	39,145	4,936,322

**Appendix 1: UCITS Remuneration Disclosure (Unaudited)**

The Manager has designed and implemented a remuneration policy (the “Policy”) in line with the provisions of S.I. 257 of 2013 European Union (Alternative Investment Fund Managers) Regulations 2013 (the “AIFM Regulations”), S.I. 352 of 2011 European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the “UCITS Regulations”) and of the ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (the “ESMA Guidelines”). The Policy is designed to ensure that the remuneration of key decision makers is aligned with the management of short and long-term risks, including the oversight and where appropriate the management of sustainability risks in line with the Sustainable Finance Disclosure Regulations.

The Manager’s remuneration policy applies to its identified staff whose professional activities might have a material impact on the ICAV’s risk profile and so covers senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profile of the ICAV. The Manager’s policy is to pay identified staff a fixed component with the potential for identified staff to receive a variable component. It is intended that the fixed component will represent a sufficiently high proportion of the total remuneration of the individual to allow the Manager to operate a fully flexible policy, with the possibility of not paying any variable component. When the Manager pays a variable component as performance related pay certain criteria, as set out in the Manager’s remuneration policy, must be adhered to. The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the relevant staff rank and professional activity as well as best market practice. The Manager’s remuneration policy is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the funds it manages.

These disclosures are made in respect of the remuneration policies of the Manager. The disclosures are made in accordance with the ESMA Guidelines.

Total remuneration (in EUR) paid to the identified staff of the Manager fully or partly involved in the activities of the ICAV that have a material impact on the ICAV’s risk profile during the financial year to 31 December 2021:

<b>Fixed remuneration</b>	<b>EUR</b>
Senior Management	1,232,664
Other identified staff	-
<b>Variable remuneration</b>	
Senior Management	110,724
Other identified staff	-
<b>Total remuneration paid</b>	<b>1,343,388</b>

Number of identified staff – 16

Neither the Manager nor the ICAV pays any fixed or variable remuneration to identified staff of the Investment Manager.

**DIRECTORY**

**DIRECTORS**

Jane M. White\* (U.S. Resident)  
Brian S. Granahan\* (U.S. Resident)  
Vincent Dodd\*^ (Irish Resident)  
Lisa Martensson\*^ (Irish Resident)

\* Non-executive Director

^ Independent Director

**REGISTERED OFFICE**

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AND TRANSFER AGENT**

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**GERMAN INFORMATION AGENT**

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21382 Britlingen  
Germany

The Prospectus, the Key Investor Information Documents, the Constitution, the annual and semi-annual reports, a list of changes in the composition of the portfolios as well as the issue and redemption prices are available free of charge pursuant to Sec. 297(1) of the German Capital Investment Code from the office of the German information agent (GerFIS - German Fund Information Service UG (Haftungsbeschränkt), Zum Eichhagen 4, 21383 Britlingen, Germany.)