

IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISORS

SUPPLEMENT

The Directors of the Company, whose names appear in the Prospectus under the section "DIRECTORY", accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

GRANAHAN US SMALL CAP DISCOVERIES FUND

(A Fund of Granahan Funds plc, an open-ended investment company with variable capital constituted as an umbrella fund with segregated liability between its Funds)

Dated 27 September, 2018

This Supplement contains specific information in relation to the Granahan US Small Cap Discoveries Fund (the "Fund") a sub-fund of Granahan Funds plc (the "Company"). It forms part of and must be read in the context of and together with the Prospectus of the Company dated 15 May, 2018.

INTRODUCTION

This Supplement comprises information relating to the Shares of Granahan US Small Cap Discoveries Fund to be issued in accordance with the Prospectus and this Supplement.

The general details set out in the Prospectus apply to the Fund save where otherwise stated in this Supplement. To the extent that there is any inconsistency between this Supplement and the Prospectus this Supplement shall prevail.

Investors should read the section entitled ‘Risk Factors’ before investing in the Fund. An investment in the Fund should not constitute substantial proportion of an investment portfolio and may not be appropriate for all investors.

DEFINITIONS

In this Supplement, the following words and phrases shall have the meanings indicated below:-

“Russell 2000 Growth Index”	an unmanaged index that measures the performance of the small capitalisation segment of the U.S. equity universe which currently has a weighted average market capitalization of US\$ 2.3 billion.
“Russell MicroCap Growth Index”	an unmanaged index that measures the performance of the micro capitalisation segment of the U.S. equity universe which currently has a weighted average market capitalization of US\$ 0.5 billion.

Capitalised terms not otherwise defined herein have the meanings given to them in the Prospectus.

THE FUND

Investment Objective

The investment objective of the Fund is to seek capital appreciation through investment in small, dynamic and emerging growth companies.

Investment Policies

The Fund invests primarily in equity securities of emerging and small capitalisation (“**Small Cap**”) companies located in or whose businesses are closely associated with the United States.

All securities issued by Small Cap companies in which the Fund will invest will be listed or traded on a Regulated Market and meet the conditions of a transferable security as defined in the UCITS Regulations.

The Investment Manager currently considers Small Cap companies to be those companies with market capitalisations, at the time of purchase, within the range of the Russell MicroCap Growth Index and Russell 2000 Growth Index (the “**Small Cap Range**”). The Small Cap Range varies with market conditions and index balancing, but is currently between US\$ 11 million and US\$ 5.7 billion.

The Fund may invest up to one quarter of its assets in companies whose market capitalisation, at the time of purchase, falls outside the Small Cap Range.

Because the Investment Manager’s stock selections are determined by an analysis of each individual stock, the characteristics of the Fund may differ from the overall Small Cap Range. For example, the proportion of Fund assets invested in a particular industry may be significantly larger or smaller than that industry’s proportion in the overall Small Cap market. The Fund will typically comprise a portfolio of 70-90 stocks. The analysis focuses on determining each security’s potential for appreciation or depreciation, typically including evaluation of the financial strengths and weaknesses, earnings outlook, corporate strategy, management ability and quality, and the company’s overall position relative to its peer group.

The equity securities in which the Fund will invest may include ADRs and GDRs, further details of which are set out in the Prospectus.

The Fund intends to use forward foreign exchange contracts to hedge currency foreign exchange risks arising for hedged Share Classes of the Fund and futures contracts to hedge against market risk, to change the Fund’s interest rate sensitivity or to gain exposure to an index or underlying market. Further details of the FDI utilised by the Fund are set out below in the section ‘Use of FDI’.

Investment Process

With an intermediate term perspective, the Investment Manager’s process focuses on identifying enterprise growth and the underlying intrinsic worth of a company.

The Investment Manager looks for companies that it believes are undervalued relative to their long-term growth prospects, and often finds these within the Small Cap Range.

As part of its investment approach, the Investment Manager uses a fundamental, bottom up approach to source emerging growth companies that possess large and/or unrecognized growth potential; companies that typically exhibit strong competitive positioning, solid balance sheets, and proven management teams. Once companies are sourced, their valuations are monitored on an ongoing basis by the Investment Manager. A position in a stock may be initiated by the Investment Manager when a company’s stock is priced at an attractive valuation. Stocks may be trimmed/sold by the Investment Manager based on changes in company fundamentals, or deterioration of risk/reward due to price appreciation. This leads to a portfolio with 70-90 names with strong growth potential.

Investment Manager

Granahan Investment Management, Inc. has been appointed as the investment manager for the Company. Granahan Investment Management, Inc. is an independent, 100% employee-owned firm founded in 1985 by investment professionals with a passion for small capitalization equity investing. Granahan investment Management, Inc. since its founding, has remained committed to the smaller cap area of the market and has dedicated its investment expertise to serving institutional plan sponsors and family offices.

The firm has approximately US\$ 1.5 billion in assets under management. The investment team consists of seven experienced investment professionals with >25 years average industry experience. The firm maintains its focused, dedicated and consistent approach to investing, highlighting an investment process that has been honed and proven for over 33 years.

Gary Hatton is co-founder and chief investment officer of Granahan Investment Management, Inc. As a portfolio manager, Gary is responsible for the Fund's strategy and a portion of the multi-managed Small Cap portfolios. His research expertise is in the medical and biotechnology sectors, as well as industrials. Prior to joining GIM in 1985, Gary was a healthcare and industrials analyst at Eaton Vance Management in Boston. Gary received his MS in Finance from the University of Wisconsin at Madison, and his BS from University of Rhode Island. Gary holds the Chartered Financial Analyst designation and is a member of the CFA Institute.

Use of FDI

This section is to be read in conjunction with the section "USE OF FINANCIAL DERIVATIVE INSTRUMENTS" in the Prospectus.

Subject to the Regulations and to the conditions and limits laid down by the Central Bank from time to time, the Fund may utilise FDI. The Fund intends to use forward foreign exchange contracts to hedge currency foreign exchange risks arising for hedged Share Classes of the Fund. The Fund may also utilise futures contracts to hedge against market risk, to change the Fund's interest rate sensitivity or to gain exposure to an index or underlying market (see below under 'Futures' for more details). The leveraged exposure of the Fund through the use of FDI will not exceed 100% of the Fund's Net Asset Value, as measured using the commitment approach.

Information on FDIs used for the Fund will be included in the Company's semi-annual and annual reports and accounts. The Company will also provide information to Shareholders on request on the Risk Management Process employed by the Investment Manager on the Fund's behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investments held on behalf of the Fund.

Class Currency Hedging

The Fund may enter into certain transactions in order to hedge the currency exposure of a particular Class designated as a hedged Class against the Base Currency for the purposes of efficient portfolio management.

While not the intention, over-hedged or under-hedged positions may arise due to factors outside of the control of the Fund. The Fund may employ such techniques and instruments provided that the level of the currency exposure hedged does not exceed 105% of the Net Asset Value of a Class. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed this level and that positions materially in excess of 100% of the Net Asset Value of a Class are not carried forward from month to month. Over-hedged positions will not be permitted to exceed 105% of the Net Asset Value of the Class. All over-hedged positions will be included in the calculation of the Fund's global exposure in accordance with the UCITS Rules. Otherwise, the Fund will not be leveraged as a result of the transactions entered into for the purposes of hedging. Additionally, under-hedged positions shall not fall short of 95% of the portion of net asset value of the Share Class which is to be hedged and

under-hedged positions will be kept under review to ensure it is not carried forward from month to month.

While the Fund may attempt to hedge against currency exposure at a Class level, there can be no guarantee that the value of a Class will not be affected by fluctuations in the value of the Base Currency relative to the Class Currency (if different). Any costs related to such hedging shall be borne separately by the relevant Class. All gains/losses which may be made by any Class of the Fund as a result of such hedging transactions shall accrue to the relevant Class of Shares. Hedging transactions shall be clearly attributable to the relevant Class of Shares. Any currency exposure of a Class may not be combined with or offset against that of any other Class of the Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. The use of Class hedging strategies may substantially limit holders of Shares in the relevant Class from benefiting if the Class Currency falls against the Base Currency and/or the currency in which the assets of the Fund are denominated.

In the case of Classes designated as unhedged Classes, a currency conversion will take place on subscription, redemption and conversion and any distributions at prevailing exchange rates. The value of a Class Currency denominated in a currency other than the Base Currency will be subject to share currency designation risk in relation to the Base Currency.

Futures

The Fund may enter into futures contracts providing exposure to the asset classes detailed in the 'Investment Policies' section above. Futures contracts involve the purchase or sale of a contract to buy or sell a specified security or other financial instrument at a specific future date and price on an exchange or over-the-counter (OTC) market. The Fund may enter into such contracts to hedge against market risk, to change the Fund's interest rate sensitivity or to gain exposure to an index or underlying market. Index futures may be used to manage the Fund's market exposure in a more cost effective and efficient manner as futures are often more liquid and cost effective to trade, for example, entering into an index future contract in place of immediate purchase of underlying stocks, in certain circumstances may be deemed more cost effective and expedient, to manage large inflows of cash into the Fund.

Forwards

The Fund may use currency forwards which are OTC agreements between two parties to buy or sell an asset at a specified price on a future date.

The risks attached to the use of FDI by the Investment Manager on behalf of the Fund are set out in the "INVESTMENT RISKS AND SPECIAL CONSIDERATIONS: FDI Risk" section of the Prospectus.

Base Currency

The Base Currency of the Fund is US Dollar.

Investment Restrictions and Risk Management

The general investment restrictions as set out in the "INVESTMENT RESTRICTIONS" section of the Prospectus shall apply. The Fund will only invest in assets that are permitted under the Regulations.

Profile of a Typical Investor and Target Market Identification

Investment in the Fund is suitable for investors seeking capital appreciation over a long-term investment horizon and who are willing to accept a medium to high level of volatility.

The Fund is categorised as a non-complex UCITS fund vehicle. This Fund is appropriate for all investors (retail, professional clients and eligible counterparties) with a basic knowledge of the capital markets who seek to achieve capital appreciation through investment in small, dynamic and emerging growth companies over the long term (i.e., greater than five years) as a core or component of a portfolio of investments. Investors should be prepared to bear all losses (i.e., 100% of the original investment amount). The Fund may not be compatible for investors outside the target market or those that are not able to bear all losses with respect to their investment. The Fund is available through all distribution channels (e.g., investment advice, portfolio management, non-advised sales and pure execution services).

RISK FACTORS

Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the “INVESTMENT RISKS AND SPECIAL CONSIDERATIONS” section of the Prospectus. The Investment Manager considers that the risk factors which are described in the Prospectus, are relevant to an investment in the Fund. These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making an application for Shares. There can be no assurance that the Fund will achieve its investment objective.

FEES AND EXPENSES

The Fund shall bear its attributable portion of the fees and operating expenses of the Company. The fees and operating expenses of the Company are set out in detail under the heading “Fees and Expenses” in the Prospectus.

Investment Management Fee and Expense Limitation

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 the Fund as set out in the Schedule to this Supplement (the “**Schedule**”), with the exception of the 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. Each Fund shall bear pro rata its share of such out-of-pocket expenses.

The Investment Manager may also, from time to time and at its sole discretion, use part of its investment management fee to remunerate certain financial intermediaries and may pay reimbursements or rebates to certain institutional shareholders in circumstances where its fees are charged directly to such intermediaries and/or institutional shareholders and not to the Fund. The Investment Manager may pay trail or service fees out of its investment management fee to financial intermediaries who assist in the sales of Shares of the Fund and provide on-going services to the Shareholders.

In respect of certain Classes, the Investment Manager has committed to reimburse the Class expenses in order to keep the operating expenses of such Classes from exceeding an annual rate of the daily Net Asset Value of the Class as set out in the Schedule (the “**Expense**”).

Limitation"). The expenses subject to the Expense Limitation shall include the Depositary's fee and Administrator's fee as set out below but shall not include the investment management fee. The Investment Manager may revise or discontinue this arrangement at any time upon prior notification to Shareholders.

The Expense Limitation will have the effect of lowering the Fund's overall expense ratio and increasing the yield or investment return to the Shareholders.

Depositary's Fee

The Depositary shall be entitled to receive an annual oversight fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 3.25 bps of the Net Asset Value of the Fund (plus VAT thereon, if any).

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

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

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

Administrator's Fee

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

Establishment Costs

The preliminary expenses incurred in the formation of the Fund are estimated to amount to USD 50,000 which will be discharged out of the assets of the Fund and will be amortised over the first five financial years of the Fund's operation.

DIVIDENDS AND DISTRIBUTIONS

The Directors intend to declare a dividend in respect of the Shares which are identified as Distributing Classes. The Directors intend to declare a dividend quarterly in respect of the Distributing Classes in March, June, September and December.

In relation to each of the Accumulating Classes in the Fund, income and profits will be accumulated and reinvested in the Fund on behalf of the Shareholder.

SUBSCRIPTIONS

Issue of Shares

Full details on how to purchase Shares are set out in the “ADMINISTRATION OF THE COMPANY: Subscription Procedure” section of the Prospectus.

Details in relation to the Classes available, Initial Offer Price, minimum initial investment, minimum subsequent investment, minimum holding and expense limitation are set out in the Schedule. The Directors may, in their absolute discretion, waive the minimum subscription or minimum holding requirements for the Classes.

Minimum Investment and Minimum Holding

Class I Shares

Class I Shares have been more specifically designed for institutional investors that are able to meet the higher minimum investment and minimum holding requirements, as described in the Schedule.

If, as a result of a redemption, the holding of a Shareholder in Class I Shares falls below the minimum holding as set out in the Schedule below, such Shareholder may be deemed to have requested the switching of the balance of its holding into the Institutional Shares of the same designated currency at the discretion of the Investment Manager.

A CDSC of up to 3 per cent. of the redemption proceeds may be imposed in respect of Class I Shares held for less than twelve months. The CDSC will be retained by the Fund.

Institutional Shares

Institutional Shares have been more specifically designed for investors that are able to meet the higher minimum investment and minimum holding requirements, as described in the Schedule.

If, as a result of a redemption, the holding of a Shareholder in Institutional Shares falls below US\$1,000,000 or GBP1,000,000 million respectively, such Shareholder may be deemed to have requested the switching of the balance of its holding into the Investor Shares of the same designated currency at the discretion of the Investment Manager.

The Investment Manager may in its discretion, waive the minimum amounts either generally or in relation to any specific subscription.

Initial Offer Period

In relation to all Share Classes, save for the Founders USD Accumulating Shares, the initial offer period shall begin at 09.00 am (Dublin time) on 28 September, 2018 and close upon the earlier of: (i) the first investment by a Shareholder in such Class; or (ii) 4:00 pm (Dublin time) on 28 March, 2019 (the “**Closing Date**”).

The Founders Share Classes will only be available for subscription at the discretion of the Investment Manager until the total Net Asset Value of the Fund reaches USD40m. The Founders Share Classes will not re-open unless the Net Asset Value of the Fund falls below USD25m.

Investors may apply to subscribe for Shares during the initial offer period at the Initial Offer Price for each Class as set out in the Schedule. During the initial offer period, signed original Application Forms, duly completed in accordance with the instructions contained in the Application Form must be submitted by the Closing Date.

Subscription monies should be paid to the account specified in the Application Form (or such other account specified by the Administrator) so as to be received in cleared funds by the Closing Date. Any initial Application Form sent by facsimile must be confirmed promptly by receipt of an original Application Form and supporting anti-money laundering documentation.

Subscriptions Following the Initial Offer Period

Following the close of the initial offer period, all applications for Shares must be received by the Dealing Deadline in the manner set out in the “ADMINISTRATION OF THE COMPANY: Subscriptions Following the Initial Offer Period” and “Subscription Procedure” sections of the Prospectus.

REDEMPTIONS

How to Redeem Shares

Shares in the Fund may be redeemed on every Dealing Day at the Net Asset Value per Share of the relevant Class subject to the procedures, terms and conditions set out in the “ADMINISTRATION OF THE COMPANY: How to Redeem Shares” sections of the Prospectus.

SCHEDULE

Subscription and Fee Information

Class	Investment Management Fee (up to)	Initial Offer Price	Minimum Initial Investment	Minimum Subsequent Investment	Minimum Holding	Expense Limitation	CDSC
Founders USD Accumulating	0.70%	N/A	USD 500,000	N/A	USD 100,000	0.15%	N/A
Founders GBP Accumulating	0.70%	GBP 10	GBP 500,000	N/A	GBP 100,000	0.15%	N/A
Founders GBP Accumulating Hedged	0.70%	GBP 10	GBP 500,000	N/A	GBP 100,000	0.15%	N/A
Founders GBP Distributing	0.70%	GBP 10	GBP 500,000	N/A	GBP 100,000	0.15%	N/A
Founders GBP Distributing Hedged	0.70%	GBP 10	GBP 500,000	N/A	GBP 100,000	0.15%	N/A
I USD Accumulating	1.00%	USD 10	USD 10,000,000	N/A	USD 10,000,000	0.00%	Up to 3%
I USD Distributing	1.00%	USD 10	USD 10,000,000	N/A	USD 10,000,000	0.00%	Up to 3%
I GBP Accumulating	1.00%	GBP 10	GBP 10,000,000	N/A	GBP 10,000,000	0.00%	Up to 3%
I GBP Distributing	1.00%	GBP 10	GBP 10,000,000	N/A	GBP 10,000,000	0.00%	Up to 3%
Institutional USD Accumulating	1%	USD 10	USD 1,000,000	USD 100,000	USD 1,000,000	0.35%	N/A
Institutional USD Distributing	1%	USD 10	USD 1,000,000	USD 100,000	USD 1,000,000	0.35%	N/A
Institutional GBP Accumulating	1%	GBP 10	GBP 1,000,000	GBP 100,000	GBP 1,000,000	0.35%	N/A
Institutional GBP Accumulating Hedged	1%	GBP 10	GBP 1,000,000	GBP 100,000	GBP 1,000,000	0.35%	N/A

Class	Investment Management Fee (up to)	Initial Offer Price	Minimum Initial Investment	Minimum Subsequent Investment	Minimum Holding	Expense Limitation	CDSC
Institutional GBP Distributing	1%	GBP 10	GBP 1,000,000	GBP 100,000	GBP 1,000,000	0.35%	N/A
Institutional GBP Distributing Hedged	1%	GBP 10	GBP 1,000,000	GBP 100,000	GBP 1,000,000	0.35%	N/A
Investor USD Accumulating	1.25%	USD 10	USD 2,500	USD 1,000	USD 2,500	0.35%	N/A
Investor USD Distributing	1.25%	USD 10	USD 2,500	USD 1,000	USD 2,500	0.35%	N/A
Investor EUR Accumulating	1.25%	EUR 10	EUR 2,500	EUR 1,000	EUR 2,500	0.35%	N/A
Investor EUR Accumulating Hedged	1.25%	EUR 10	EUR 2,500	EUR 1,000	EUR 2,500	0.35%	N/A
Investor EUR Distributing	1.25%	EUR 10	EUR 2,500	EUR 1,000	EUR 2,500	0.35%	N/A
Investor EUR Distributing Hedged	1.25%	EUR 10	EUR 2,500	EUR 1,000	EUR 2,500	0.35%	N/A
Investor GBP Accumulating	1.25%	GBP 10	GBP 2,500	GBP 1,000	GBP 2,500	0.35%	N/A
Investor GBP Accumulating Hedged	1.25%	GBP 10	GBP 2,500	GBP 1,000	GBP 2,500	0.35%	N/A
Investor GBP Distributing	1.25%	GBP 10	GBP 2,500	GBP 1,000	GBP 2,500	0.35%	N/A
Investor GBP Distributing Hedged	1.25%	GBP 10	GBP 2,500	GBP 1,000	GBP 2,500	0.35%	N/A
Class X USD Accumulating	N/A*	USD 10	USD 15,000,000	USD 5,000,000	USD 15,000,000	N/A	N/A
Class X USD Distributing	N/A*	USD 10	USD 15,000,000	USD 5,000,000	USD 15,000,000	N/A	N/A
Class X GBP Accumulating	N/A*	GBP 10	GBP 15,000,000	GBP 5,000,000	GBP 15,000,000	N/A	N/A
Class X GBP Accumulating	N/A*	GBP 10	GBP 15,000,000	GBP 5,000,000	GBP 15,000,000	N/A	N/A

Class	Investment Management Fee (up to)	Initial Offer Price	Minimum Initial Investment	Minimum Subsequent Investment	Minimum Holding	Expense Limitation	CDSC
Hedged							
Class X GBP Distributing	N/A*	GBP 10	GBP 15,000,000	GBP 5,000,000	GBP 15,000,000	N/A	N/A
Class X GBP Distributing Hedged	N/A*	GBP 10	GBP 15,000,000	GBP 5,000,000	GBP 15,000,000	N/A	N/A

* In relation to the Class X Shares, the Investment Manager is entitled to an investment management fee which will be payable under a separate arrangement with the Investment Manager which each Shareholder must enter into prior to their initial subscription for Class X Shares.

As of the date of this Supplement, only the Founders USD Accumulating Shares are available for subscriptions.

Investors seeking to invest in other classes should contact the Investment Manager. Upon receipt of sufficient interest in the Class, the Class may be launched.

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