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The Power of Long-Term Leadership: The Needham Aggressive Growth Fund's Super Seven

Summary

- Investing in Great Managers: We believe long-term success in investing often comes down to backing companies that are led by founders, family, or long-tenured CEOs who prioritize sustainable growth.
- The Needham Super Seven: A select group of seven companies has driven nearly 50% of the Needham Aggressive Growth Fund's outperformance since 2010, demonstrating that a few great investments can create outsized returns.
- Compounding Over Time: Many of these investments took years to mature, reinforcing the power of patience and conviction in exceptional leaders and businesses.
- Finding the Next Winners: Our ongoing strategy is to identify underappreciated businesses with minimal Wall Street coverage that have the potential to become the next Super Seven.
- Disclosure: Past performance does not guarantee future results. Future returns may differ due to various factors, including market conditions, economic shifts, and company-specific developments. Not all CEOs that fit the criteria of the Needham Aggressive Growth Fund will produce similar performance, and it is important to make individual assessments for each CEO and company.

In Berkshire Hathaway's (BRK.A and BRK.B) 2024 annual letter,[1] Warren Buffett wrote about the passing of Pete Liegl, Founder and CEO of Forest River, a Berkshire Hathaway subsidiary. Mr. Liegl founded Forest River in 1996 after many years in the recreational vehicle industry and owned 100% of the company before selling it to Berkshire Hathaway in 2005. Buffett recounted the acquisition, stating, "Within a few minutes, we arrived at a price for those assets as I expressed no need for appraisal by Berkshire but would simply accept his valuation." He went on to note, "[d]uring the next 19 years, Pete shot the lights out. No competitor came close to his performance."

At Needham, we have long believed in investing in great managers. However, identifying those who will become great — particularly in small-cap companies — is a challenge. Our approach focuses on investing in founders, family executives, or long-tenured managers because they tend to think long-term. This philosophy aligns with how we manage our Funds' capital. We believe that Berkshire Hathaway's success with leaders like Pete Liegl helps reinforce our thesis.

In this Growth Factor, we explore the stories of some of the most exceptional CEOs of companies in which we have invested. Here, we focus on seven leaders of the companies that are responsible for nearly 50% of Needham Aggressive Growth Fund's outperformance since I became Portfolio Manager in January 2010. Additionally, we provide some cautionary tales where our approach to selecting who we thought to be great managers did not work out.

In Berkshire's 2022 letter, Buffett wrote, "Over time, it takes just a few winners to work wonders. And, yes, it helps to start early and live into your 90s . . . ."[2] While longevity is key, so is patience—many of our best investments took years to evolve into the compounders they are today. In Appendix A, we provide an extended list of 17 companies responsible for over 80% of the Fund's outperformance.

Needham Aggressive Growth Fund Super Seven

Company	Quarter of First Investment	CEO(s) During Fund Ownership	Founder, Family, Long-Tenured	Stock Performance since First Purchase vs. Russell 2000 Growth Performance * **
Founder CEOs				
PDF Solutions, Inc. (PDFS)	1Q 2010	John Kibarian (2000-present)	Co-founder 1991	582% vs. 362%
Vicor Corporation (VICR)	2Q 2014	Patrizio Vinciarelli (1981-present)	Founder 1981	561% vs. 147%
Family CEOs				
LeMaitre Vascular, Inc. (LMAT)	1Q 2008	George LeMaitre (1992-present)	Joined 1992. 2nd generation CEO, son of founder Dr. George LeMaitre	3254% vs. 350%
Oil-Dri Corporation of America (ODC)	4Q 2012	Dan Jaffee (1997-present)	Joined 1987, 3rd generation CEO, grandson of founder	472% vs. 258%
Long-Tenured CEOs				
Nova Ltd. (NVMI)	3Q 2009	Gabi Seligsohn (2006-2013)	Joined 1998	340% vs. 78%
		Eitan Oppenhaim (2013-2023)	Joined 2010, Executive Chairman, 2023-present	1056% vs. 115%
		Gabriel Weisman (2023-present)	Joined 2016	91% vs. 28%
Entegris, Inc. (ENTG)	2Q 2010	Gideon Argov (2004-2012)	Joined 2004	92% vs. 35%
		Bertrand Loy (2012-present)	Joined predecessor Millipore 1995	1120% vs. 238%
CRA International, Inc. (CRAI)	3Q 2015	Paul Maleh (2009-present)	Joined 1989	843% vs. 105%

*This column compares the performance of these companies under each of their CEOs from the date of our first purchase of these stocks to either the date the CEO retired or the quarter ending December 31, 2024. These returns are not indicative of our total returns on these investments as we made sales and purchases at later dates. This column is designed to show how well these CEOs performed, not how well or poorly we did on these investments.

**Indicates cumulative performance with reinvested dividends. It should not be assumed that recommendations made in the future will be positive or will equal performance of the securities in this list. Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Current month-end and standardized performance may be obtained by contacting the Fund's transfer agent, U.S. Bancorp Fund Services, LLC at 1-800-625-7071 or visiting the Fund's website, www.needhamfunds.com.

In many cases, it took years of leadership under these CEOs before the companies became candidates for us to invest in. At the time of investment, we believed that within a few years, the companies might exhibit operational excellence and mature into what we call Quality Compounders[3].

Founders: Visionary Leaders Who Build for the Long Term

Our two featured founder-CEOs, Dr. John Kibarian of PDF Solutions, Inc. (PDFS) and Dr. Patrizio Vinciarelli of Vicor Corp. (VICR), have an average tenure of 38 years leading their respective companies. Both are technical founders, a characteristic we favor because technical leaders are less likely to run a company aground by misunderstanding product-market fit. The Fund's average ownership period in these companies is nearly 13 years, a testament to our belief in their long-term potential.

PDF Solutions, Inc. (PDFS) - Dr. John Kibarian

Dr. John Kibarian co-founded PDF Solutions in 1991 after conducting research at Carnegie Mellon University's SEMATECH Center for Rapid Yield Learning. PDF Solutions maintains close ties with Carnegie Mellon, where its Chief Technology Officer, Dr. Andrezj Strojwas (Dr. Kibarian's doctoral advisor), is developing a course on advanced analytics and machine learning for semiconductor manufacturing. His goal is to expand the course nationwide, a small but crucial step toward re-establishing semiconductor manufacturing capabilities in the United States.

Dr. Kibarian's compensation reflects his alignment with shareholders. In 2023, his compensation was a total of just $595,000, showing that he is driven by PDF's success. Over the 24 years that PDF Solutions has been a public company, he only accepted a stock grant for 2002, which was the year after PDF went public. As stated in the company's proxy, "[d]espite strong individual performance by Drs. Kibarian and [co-founder Kimon] Michaels, no equity award was granted to them due to their significant ownership in the Company from their history as founders of the Company and their corresponding, existing alignment with stockholders in general, as well as a desire on the part of Drs. Kibarian and Michaels to reserve the stock pool for other purposes, such as awards to other employees and consultants." Dr. Kibarian owns 6.5% of PDF Solutions and has sold very little stock over the years. In fact, on February 24 - 25, 2025, he purchased over $1 million worth of stock on the open market at $22.58 per share.

PDF Solutions' core expertise is in applying statistical analysis to improve semiconductor manufacturing yields. Over time, the company has evolved from offering its expertise as a service to licensing software and, now, to becoming the leading supplier of AI-driven data analytics infrastructure. Its customer base has grown from a few leading-edge semiconductor manufacturers to hundreds of companies throughout the semiconductor ecosystem. Dr. Kibarian has successfully guided the company through multiple strategic pivots. A stock chart of PDF Solutions would show that its journey has not followed a neat, quarter-to-quarter growth trajectory. The company has moved from Hidden Compounder to Transition to Quality Compounder status and back several times during our ownership.

Vicor Corporation (VICR) - Dr. Patrizio Vinciarelli

Vicor, led by Dr. Patrizio Vinciarelli since its founding in 1981, tells a similar story of perseverance and strategic vision. Dr. Vinciarelli still owns approximately 25% of Vicor's equity and, through its dual-class structure, controls 80% of the voting shares. This structure has allowed Vicor to invest for the long term without fear of challenges from short-term-oriented investors. Vicor specializes in power conversion technology, primarily serving industrial markets. The company invested heavily in its CHiP (Converter Housed in Package) technology for over 20 years before it began contributing meaningfully to revenue about six years ago. Most public companies would not have been able to sustain such a long-term investment, but Vicor's controlled structure made it possible.

Vicor recently completed a multi-year investment to expand its manufacturing capacity near its headquarters in Andover, Massachusetts. This expansion provides up to $1 billion annually in revenue capacity for a company whose previous record for annual revenue is $405 million. Like Berkshire Hathaway, Dr. Vinciarelli meets with investors only once per year at Vicor's annual meeting. Unlike Berkshire, however, Vicor holds quarterly earnings calls.

Family CEOs: Generational Leadership for Lasting Success

Two of the Fund's major contributors are family-run businesses: Oil-Dri Corporation of America (ODC), led by Dan Jaffee, and LeMaitre Vascular, Inc. (LMAT), led by George LeMaitre. Mr. Jaffee and Mr. LeMaitre have each been CEO for approximately 30 years, and our Fund has owned each company for an average of over 13 years.

Oil-Dri Corporation of America (ODC) - Dan Jaffee

Oil-Dri was founded in 1941 when Nick Jaffee identified the need for a nonflammable product to absorb oil from factory and garage floors during wartime production. With knowledge from mining school, he realized that a calcium-based clay could be used as a safer alternative to sawdust. The first generation of Oil-Dri was primarily a distribution company, sourcing great products and finding industrial applications. Nick Jaffee's son, Richard Jaffee, became CEO in 1962 and led the company's vertical integration, acquiring mines across North America.

Richard Jaffee's son, Dan Jaffee, became CEO in 1997 and has driven the company's transformation toward value-added, higher-margin products. The Jaffee family retains control of about 70% of Oil-Dri's voting shares through a dual-class structure, enabling Dan Jaffee to focus on long-term investments rather than quarterly stock price fluctuations.

I first learned about Oil-Dri in 2008, and the Fund invested in 2012. Since then, Oil-Dri has spent years developing and marketing lightweight cat litter, antibiotic-free animal health products, and industrial absorbents. These investments are now starting to deliver returns. The industrial segment had a strong breakout, and two years ago, Oil-Dri moved into our Quality Compounder category. Despite this, the company remains relatively unknown. Oil-Dri holds quarterly conference calls but has no analyst coverage. We love Mr. Jaffee's attitude—his belief that if the company performs, the stock price will follow.

LeMaitre Vascular, Inc. (LMAT) - George LeMaitre

LeMaitre Vascular follows a similar trajectory of long-term leadership and strategic growth. Dr. George LeMaitre Sr., a vascular surgeon, founded the company in 1983 after recognizing the need for better tools to treat arterial disease in the legs. His invention, the valvulotome, became a breakthrough product. His son, George LeMaitre Jr., joined the company in 1997 and played a crucial role in driving its commercial success. The company went public in 2006 at $7 per share, and by the end of 2024, the stock had risen to $92 per share, reflecting a $2.1 billion market cap.

My predecessor at Needham first invested in LeMaitre Vascular in 2008 at $3 per share, when the company had a market capitalization of just $50 million. Since then, Mr. LeMaitre Jr. and his leadership team have executed a disciplined growth strategy. Their expertise in the vascular surgical market is unmatched, and they have developed a top-tier sales force while building an M&A machine that astutely acquires niche vascular products. By leveraging its existing distribution network, LeMaitre quickly integrates and expands the reach of these acquired products, including in international markets.

One of LeMaitre's most effective strategies has been its manufacturing consolidation. When acquiring companies, the team strategically moves production to Burlington, Massachusetts, where it has steadily expanded facilities. Despite a few bumps along the way, LeMaitre has done an extraordinary job of growing sales, maintaining margins, and delivering steady compounding returns. The company reached Quality Compounder status in 2014, when both revenue and profit margins broke out.

Long-Tenured CEOs: Sustained Excellence Over Decades

Beyond founder-led and family-run companies, long-tenured CEOs also play a vital role in our investment strategy. These leaders have demonstrated adaptability over time, guiding their companies through business cycles. Among our Super Seven, three companies are led by such experienced executives. Two of them successfully transitioned leadership during our ownership, while the third has had the same CEO since 2009.

CRA International, Inc. (CRAI) - Paul Maleh

CRA International is a leading consulting firm with practices in antitrust and competitive economics, life sciences, healthcare, energy, labor, and competitive bidding. The firm specializes in quantitative analysis and benefits from growing regulatory complexity worldwide.

Paul Maleh joined CRA in 1989 and took over as CEO in 2009, in the midst of the Great Financial Crisis. He acted, shutting down and divesting underperforming business segments while setting the company on a path for margin expansion and revenue growth. Under his leadership, CRA has expanded successfully through acquisitions of expert-led boutique firms, strengthening its position in key industries.

I once asked Mr. Maleh why top professionals would choose to sell their smaller consulting firms to CRA rather than remaining independent. His answer was simple: these professionals prefer to focus on clients rather than running a business. This approach has helped CRA attract some of the best minds in its industry.

Additionally, Mr. Maleh has been an excellent capital allocator. Since 2015, CRA has reduced its share count from 9.0 million to 6.9 million and, with revenue growth and margin expansion, has increased earnings per share from $1.12 to $6.82. When we first purchased CRA shares in 2015 at $23 per share, it seemed expensive for a company still in Transition. However, by 2018, CRA achieved Quality Compounder status. By the end of 2024, the stock climbed to $187 per share. While Mr. Maleh's ownership stake is lower than that of founder-led companies in our portfolio, his pride in the company and long-term vision have been just as impactful.

Entegris, Inc. (ENTG) - Gideon Argov and Bertrand Loy

Another great long-tenured CEO in our portfolio is Bertrand Loy of Entegris, Inc. When the Fund first invested in Entegris in 2010, the CEO was Gideon Argov, a former private equity executive who took over in 2004. Under his leadership, Entegris made a large acquisition in 2008 that significantly stretched its balance sheet just as the financial crisis hit. Mr. Argov successfully steered the company through the downturn, and by 2010, we saw an opportunity to invest. We purchased Entegris at $4 per share when it had a $500 million market cap.

Bertrand Loy's journey with Entegris began in 2005, when Millipore's Mykrolis division merged with Entegris. Mr. Loy quickly rose to Chief Operating Officer, and he succeeded Mr. Argov as CEO in 2012. Since then, his leadership has been remarkable.

In 2012, Entegris was earning $0.50 per share, with a stock price between $7-10 per share. By 2015, the company entered the Transition phase, and by 2017, it had achieved Quality Compounder status. By the end of 2024, Entegris earned $1.93 per share, had a stock price of $99, and reached a $15 billion market cap.

Under Mr. Loy, Entegris has expanded margins, diversified into consumables and specialty chemicals for semiconductor manufacturing, and completed 12 acquisitions. The 2021 purchase of CMC Materials for $6.5 billion was particularly transformative. He has also overseen major lab and manufacturing expansions in Burlington, MA, Taiwan, and Colorado Springs, CO.

Mr. Loy is a largely unknown CEO, yet he is among the best capital allocators of the past decade. His ability to make bold, long-term investments while maintaining operational discipline has rewarded patient shareholders.

Nova Ltd. (NVMI) – Gabi Seligsohn, Eitan Oppenhaim, and Gabriel Waisman

The final company in our Super Seven is Nova, Ltd., an Israeli-based metrology equipment manufacturer serving the semiconductor industry. Nova's success story is a lesson in great leadership transitions.

When we invested in Nova in 2009, it was an under-the-radar company with no analyst coverage, a stock price between $2-3 per share, and a market cap under $100 million. At the time, Gabi Seligsohn was CEO, and he had been with Nova for 11 years. He came from the commercial side of the business, rather than an engineering background, yet he had a strong grasp of both customer needs and the company's technology.

During our ownership, while Mr. Seligsohn was CEO, Nova's revenues grew from $39 million to $100 million, and the stock appreciated into the $6-8 range. The company entered the Transition phase under Mr. Seligsohn's leadership, but the real breakout happened after his successor, Eitan Oppenhaim, took over in 2013.

Initially, Mr. Oppenhaim's lack of long-term experience at Nova (he had been with the company for only three years) raised concerns for us. However, we recognized that his deep market understanding and leadership skills made him a strong candidate. That decision proved correct.

Under Mr. Oppenhaim, Nova diversified into materials metrology through its 2015 acquisition of ReVera, a move that significantly expanded its business. That same year, Nova entered the Quality Compounder phase, and by the time he retired in 2023, Nova had $518 million in revenue and a stock price of $137 per share.

Since his retirement, Mr. Oppenhaim has remained involved as Executive Chairman. His successor, Gabriel Waisman, has been with Nova since 2016. This time, we had no concerns about the leadership transition. By the end of 2024, Nova's stock price had climbed to $197, and its market cap reached $6 billion.

Cautionary Tales

As mentioned in the introduction, our aim is to distinguish between founders, family-owned, and long-tenured managers who create value and those who do not. Below we provide two examples of companies that the Fund has invested in since 2010 that were run by founders, family-owned, or long-tenured managers, but that ultimately demonstrated loss of value for shareholders. In Appendix B, we highlight six of the companies that were the largest detractors from the Fund's performance since 2010, which were run by founders, family executives, or long-tenured managers.

DIRTT Environmental Solutions Ltd. (DRT-TSE)

DIRTT Environmental Solutions Limited initially appeared to be a strong investment. Founded by Mogens Smed, the company leveraged a Computer-Aided Design and virtual reality system, which was linked to its manufacturing plant to address the large interiors construction market. From 2013 to 2016, Mr. Smed drove sales from CAD $140 million to CAD $267 million, with positive net income for three of those years. After meetings with stakeholders, we purchased a starter position at $5 CAD per share in 2017. However, at the end of that year, Mr. Smed was unexpectedly removed as CEO while retaining other responsibilities at the company. He was also surprised by the decision, which reflected growing tension between him and their board. By the end of 2018, Mr. Smed was no longer involved with the company.

In 2019, the company hired a new CEO, and we held our position, but with mediocre business performance, the stock performance weakened later that year. When COVID-19 hit, interiors construction demand dropped, as did new orders. Uncertain about the company's future, we exited our position in mid-2020 at a loss. We liked Mr. Smed's vision, but when the board removed him for governance reasons, the company lost its inspirational leader. In hindsight, we should have recognized that Mr. Smed was not the right long-term leader and not gotten involved. Once the leadership transition revealed management's conflicts with the board, we should have exited.

Vacasa, Inc. (VCSA)

On July 29, 2021, Vacasa, Inc. announced that it would go public via a SPAC merger with TPG Solutions. Vacasa is a vacation rental property management company that leverages data and technology to improve returns and enhance the experience for property owners. We had followed the company for years and even featured it in Growth Factor 29[4] in 2018. I was particularly impressed with Eric Breon, Vacasa's founder and CEO, who bootstrapped the company from 2009.

In 2016, Vacasa secured its first private equity funding and eventually raised a total of $635 million, preparing to go public. In pursuit of growth, the board felt Vacasa needed an executive who'd previously scaled a business. Mr. Breon resigned as CEO in 2020, but he remained on the board, which reassured us when we invested in August 2021 at a split-adjusted price of $205 per share. At the time, I believed the business was scalable and poised for strong returns as it expanded into new markets. Unfortunately, I was wrong.

Matt Roberts, a former CEO of OpenTable and board member of Vacasa, was designated as acting CEO and then chosen as full-time CEO in 2020. Mr. Roberts and his newly hired CFO, both based in California, had experience growing companies but not in the property management industry. This leadership shift, combined with aggressive private equity-driven goals, proved to be a poor fit for Vacasa's operational needs. The company quickly ran into execution problems, failing to attract enough property owners and delivering a subpar experience for both owners and renters. It missed its business plan targets from the IPO onward, and Mr. Roberts stepped down in August 2022.

In April 2023, Mr. Breon resigned from the board, marking the loss of founder influence. By the end of 2024, Vacasa agreed to be taken over for just $5.25 per share, a stark contrast to our initial investment price. This outcome reinforced a critical lesson: private equity owners may prioritize aggressive growth, and bringing in outside leadership without relevant experience can be disastrous. A founder's board presence alone may not be enough to safeguard a company's long-term vision. In hindsight, we should have passed on Vacasa once Mr. Breon was no longer in control.

Conclusion: The Power of Compounding

Charlie Munger famously said, "The first rule of compounding: Never interrupt it unnecessarily." Our mission is to create wealth for long-term investors in the Needham Aggressive Growth Fund. Over the past 15 years, the Fund returned an annualized 11.5% versus 8.2% for the Russell 2000 Growth Index.[5] A $10,000 investment on January 1, 2010, would have grown to $41,234 in the Russell 2000 Growth Index and $73,876 in the Needham Aggressive Growth Fund as of December 31, 2024, a difference of 3.3% per year.

The Fund has generated its returns by investing long-term in companies that compound returns. The Needham Aggressive Growth Fund's Super Seven have generated almost half of the Fund's outperformance since 2010. These seven companies have been led by an extraordinary collection of managers who share backgrounds as founders, family leaders, or long-tenured executives.

There are a number of other founders, family, and long-tenured CEOs we have invested in who ultimately sold their companies during our ownership. These sales created nice returns, but not the compounding returns earned over 5, 10, or 15 years. We prefer our portfolio companies to stay independent because we believe that, over time, they would have continued to generate strong returns through operational excellence and compounding.

We are always searching for CEOs who might be part of our next Super Seven class. Our new investments in recent years provide a glimpse at our prospective candidates. If even a few of these companies join the ranks of the Super Seven, our outperformance could continue.

As seen with many of our investments, Wall Street often ignores great companies for years. Many of our best-performing investments had little to no analyst coverage when we first bought them. We like that a lot. We are on the lookout for hidden gems led by founders, family executives, or long-tenured managers who think long-term and are focused on building enduring businesses.

Appendix A - The Super Seven + Ten

Company	Quarter of First Investment	CEO(s) During Fund Ownership	Founder, Family, Long-Tenured	Stock Performance since First Purchase vs. Russell 2000 Growth Performance * **
Founder CEOs				
Super Micro Computer, Inc. (SMCI)	2Q 2009	Charles Huang (1993-present)	Co-founder 1993	3797% vs. 415%
PDF Solutions, Inc. (PDFS)	1Q 2010	John Kibarian (2000-present)	Co-founder 1991	582% vs. 362%
Vicor Corporation (VICR)	2Q 2014	Patrizio Vinciarelli (1981-present)	Founder 1981	561% vs. 147%
The Trade Desk, Inc. - Class A (TTD)	4Q 2016 (IPO)	Jeff Green (2009-present)	Co-Founder 2009	5032% vs. 112%
Arlo Technologies, Inc. (ARLO)	2Q 2020	Matthew McCrae (2018-present)	Founder - 2018 - Arlo spun-out of NetGear	372% vs. 47%
Family CEOs				
LeMaitre Vascular, Inc. (LMAT)	1Q 2008	George LeMaitre (1992-present)	Joined 1992. 2nd generation CEO, son of founder Dr. George LeMaitre	3254% vs. 350%
Oil-Dri Corporation of America (ODC)	4Q 2012	Dan Jaffee (1997-present)	Joined 1987, 3rd generation CEO, grandson of founder	472% vs. 258%
Smith-Midland Corporation (SMID)	2Q 2019	Ashley Smith (2018-present)	Joined 1985, 3rd generation CEO, grandson of founder	405% vs. 49%
Long-Tenured CEOs				
Apple Inc. (AAPL)	3Q 2006	Steve Jobs (2006-2011)	Co-founder 1976	605% vs 9%
		Tim Cook (2011-present)	Joined 1998	1763% vs. 265%
Nova Ltd. (NVMI)	3Q 2009	Gabi Seligsohn (2006-2013)	Joined 1998	340% vs. 78%
		Eitan Oppenhaim (2013-2023)	Joined 2010, Executive Chairman (2023-present)	1056% vs. 115%
		Gabriel Weisman (2023-present)	Joined 2016	91% vs. 28%
MKS Instruments, Inc. (MKSI)	3Q 2009	Leo Berlinghieri (2005-2013)	Joined 1980	71% vs. 128%
		Gerald Colella (2014-2020)	Joined 1983, Chairman (2020-present)	267% vs 58%
		Dr. John Lee (2020-present)	Joined 2007	(7%) vs. 34%
Entegris, Inc. (ENTG)	2Q 2010	Gideon Argov (2004-2012)	Joined 2004	92% vs. 35%
		Bertrand Loy (2012-present)	Joined predecessor Millipore 1995	1120% vs. 238%
Equinix, Inc. (EQIX)	1Q 2011	Steve Smith (2007-2018)	Joined 2007	370% vs. 138%
		Charles Meyers (2018-2024)	Joined 2010, Current Board Member	74% vs. 18%
		Adaire Fox Martin (2024-present)	Joined 2024	23% vs. 10%

Appendix A - The Super Seven + Ten (Continued)

CRA International, Inc. (CRAI)	3Q 2015	Paul Maleh (2009-present)	Joined 1989	843% vs. 105%
SiTime Corporation (SITM)	4Q 2019 (IPO)	Rajesh Vashist (2007-present)	Joined 2007	1050% vs 41%
Clean Harbors, Inc. (CLH)	1Q 2020	Alan McKim (1980-2023)	Founder 1980, Currently Chairman	223% vs. 60%
		Eric Gerstenberg co-CEO (2023-present	Joined 1989	61% vs. 26%
		Mike Battles co-CEO (2023-present)	Joined 2013	
Vertiv Holdings Co. Class A (VRT)	4Q 2021	Rob Johnson (2016-2022)	Joined 2016	(44%) vs. (30%)
		Giordano Albertazzi (2023-present)	Joined predecessor Emerson Network Power 1998	741% vs. 33%

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Appendix B - Cautionary Tales + Four

Company	Quarter of First Investment	CEO(s) During Fund Ownership	Founder, Family, Long-Tenured	Stock Performance since First Purchase vs. Russell 2000 Growth Performance * **
Founder CEOs				
sTec, Inc. (Acquired)	4Q 2010	Manouch Moshayedi (1980-2012)	Co-Founder 1980	(56%) vs. 55%
KVH Industries, Inc. (KVHI)	2Q 2013	Martin Kits van Heyningen (1990 - 2022)	Co-Founder 1982	(31%) vs. 118%
		Brent Bruun (2022-present)	Joined 2008	(36%) vs. 20%
DIRTT Environmental Solutions Ltd. (DRT-TSE)	1Q 2017	Morgens Smed (2005-2018)	Co-Founder 2004	3% vs. 20%
		Kevin O'Meara (2018-2022)	Joined 2018	(74%) vs. 0%
Vacasa, Inc. (VCSA)	3Q 2021	Matt Roberts (2021-2022)	Joined Board 2018	(62%) vs. (26%)
		Rob Greyber (2022-present)	Joined 2022	(94%) vs. 17%
Family CEOs				
Educational Development Corp. (EDUC)	4Q 2021	Craig White (2021-present)	Joined 1995	(80%) vs. 3%
Long-Tenured CEOs				
Emulex Corp. (Acquired)	3Q 2010	James McCluney (2006-2013)	Joined 2003	(25%) vs. 58%
		Jeffrey Benck (2013-2015)	Joined 2008	(18%) vs. 15%

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[1] 2024 Berkshire Hathaway, Inc. Letter to Investors
[2] 2022 Berkshire Hathaway, Inc. Letter to Investors
[3] Growth Factor 33: Maintaining Conviction During Volatile Markets
[4] Growth Factor 29: Private Company Spotlight - Vacasa, Inc.
[5] Standardized Performance found on: needhamfunds.com/mutual-funds/aggressive-growth-fund/

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Current month-end performance and a copy of the prospectus are available at www.needhamfunds.com or by contacting the Fund's transfer agent, U.S. Bancorp Fund Services, LLC at 1-800-625-7071. Investment returns and principal value will fluctuate, and when redeemed, shares may be worth more or less than their original cost. Past performance does not guarantee future results and current performance may be higher or lower than these results.

Total return figures include reinvestment of all dividends and capital gains. Needham & Company, LLC, member FINRA/SIPC, is the distributor of The Needham Funds, Inc.

All three of the Needham Funds have substantial exposure to small and micro capitalized companies. Funds holding smaller capitalized companies are subject to greater price fluctuation than those of larger companies. Also, all the of the Needham Funds are permitted to engage in short sales, options, futures, and leveraged trading strategies. The Funds' use of short sales, options, futures strategies, and leverage may result in significant capital loss.

Portfolio holdings are subject to change and may be long or short. Needham Aggressive Growth Fund's ownership as a percentage of net assets in the stated securities as of December 31, 2024: AAPL: 0.42%, ARLO: 1.77%, BRK.A: 0.00%, BRK.B: 0.00%, CLH: 0.95%, CRAI: 1.90%, DRT-TSE: 0.00%, EDUC: 0.16%, ENTG: 0.78%, EQIX: 0.65%, KVHI: 0.31%, LMAT: 0.43%, MKSI: 0.59%, NVMI: 1.55%, ODC: 3.00%, PDFS: 3.92%, SITM: 0.25%, SMCI: 2.98%, SMID: 1.15%, TTD: 0.17%, VCSA: 0.00%, VICR: 3.07% and VRT: 3.62%.

The Russell 3000® Index measures the performance of the largest 3,000 US companies representing approximately 96% of the investable US equity market, as of the most recent reconstitution. The Russell 3000 Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are included. The Russell 2000 Growth Index includes those Russell 2000 Index companies with higher price-to-value ratios and higher forecasted growth values. An investor cannot invest directly in an index. Needham & Company, LLC is a wholly owned subsidiary of The Needham Group, Inc. Needham & Company, LLC, member FINRA/SIPC, is the distributor of The Needham Funds, Inc.

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