



## SANDS CAPITAL

### **Disclosure Pursuant to U.S. Department of Labor Regulation 29 C.F.R. 2550.408b-2 (“408(b)(2) Regulation”) under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”)**

This disclosure is intended to satisfy the requirements of the U.S. Department of Labor’s (“DOL”) 408(b)(2) Regulation, which requires disclosure of certain information about the services Sands Capital Management, LLC (“Sands Capital”) provides to ERISA-covered defined benefit and defined contribution pension plans and the compensation Sands Capital receives for those services. **Please check <http://sandscapital.com/downloads/> from time to time for any updates, as this disclosure will be updated periodically as required under the 408(b)(2) Regulation.**

Sands Capital is an investment adviser registered under the Investment Advisers Act of 1940, and the firm provides portfolio management and advisory services to ERISA-covered pension plans. Sands Capital manages your plan assets, and its services include the exercise of investment discretion and, if authorized, proxy voting and brokerage selection discretion on behalf of your plan. As set forth in the investment management agreement, Sands Capital is acting as a fiduciary under ERISA in providing these services, which involve the management of plan assets pursuant to proprietary model portfolios. For additional information about the services provided by Sands Capital and the types of compensation it may receive, please see Sands Capital’s Form ADV, Part 2A, also at <http://sandscapital.com/downloads/>.

#### **Direct Compensation**

Sands Capital’s direct compensation consists of investment management fees described in each advisory agreement. Sands Capital does not receive any other direct compensation for providing its portfolio management or other advisory services. Additionally, Sands Capital only expects to receive compensation until such time a plan sponsor may terminate the firm’s services along with any reasonably negotiated termination period. Sands Capital does not charge a termination fee, and any prepaid amounts covering periods following the termination period will be refunded.

#### **Indirect Compensation**

##### ***Brokerage and Research Services***

Section 28(e) of the Securities Exchange Act of 1934 provides a “safe harbor” for investment advisers who use the commission dollars of their advised accounts to obtain brokerage and investment research services that provide lawful and appropriate assistance to the adviser in performing its investment decision-making responsibilities. Any products or services that Sands Capital obtains with soft dollars fall within the requirements of Section 28(e). To the

extent allowed in our investment management agreement with you, Sands Capital may receive indirect compensation from the broker dealers selected to execute the transactions of plan assets in providing the investment management services described above. In some instances, Sands Capital may pay a broker dealer providing “brokerage and research services” to the investment adviser a higher commission than it may otherwise pay another broker dealer. This may occur if Sands Capital determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services provided, viewed in terms of either a particular transaction or the firm’s overall responsibilities to the client and to other client accounts over which it exercises investment discretion. None of these broker dealers is affiliated with Sands Capital.

In recognition of the volume of trades directed to particular broker dealers, Sands Capital may also receive brokerage and research services that are provided at no charge. Some of the products and services that may be provided by a broker to Sands Capital through soft dollar benefits arrangements may include, without limitation: market and economic data; specialized publications such as financial newsletters, trade magazines and other publications intended to serve narrowly defined markets; introductions to corporate executives; and access to brokers, analysts, and economists. Research services received may also be in the form of seminars, written reports, telephone contacts, and personal meetings with sell-side security analysts, economists, and senior issuer representatives.

In addition, Sands Capital participates in commission sharing arrangements that are consistent with the requirements of Section 28(e). Under these arrangements, Sands Capital allocates a portion of the total commissions paid to a pool of “credits” that can also be used to obtain soft dollar benefits made available by research providers. Accordingly, Sands Capital’s clients may be deemed to be paying for research and these other services with commission dollars. Research furnished through commission sharing arrangements may be used in servicing any or all of the firm’s clients and may be used for client accounts other than those that pay commissions to the broker or dealer providing the research.

Sands Capital may also receive soft dollar credits based on certain “riskless” principal securities transactions with brokerage firms. With respect to certain products and services used for both research/brokerage and non-research/brokerage purposes, Sands Capital generally allocates the costs of such products and services between their research/brokerage and non-research/brokerage uses, and generally uses soft dollars to pay only for the portion allocated to research/brokerage uses. Services provided by brokers or dealers may be used by the firm in servicing all or some of its accounts, including accounts other than those bearing the relevant commissions.

The European Unions’ Markets in Financial Instruments Directive II (“MiFID II”) provides that investment advisers registered in the European Union may receive investment research provided by third parties only if certain requirements are met. While Sands Capital is not directly subject to MiFID II, it has contractually agreed with a number of clients in the European

Union to adhere to MiFID II's requirements with respect to receiving investment research. In light of these requirements and effective January 1, 2018, Sands Capital, through its own resources, endeavors to bear the cost of all soft dollar benefits received in connection with managing client accounts. In doing so, Sands Capital's preference is to pay directly for such benefits out of its own resources. For additional information about soft dollars payments and client reimbursements, please see Sands Capital's Form ADV, Part 2A.

### *Gifts and Entertainment*

Sands Capital's staff members may periodically receive gifts, entertainment, or meals from third parties or attend educational conferences hosted by third parties. No agreement or arrangement exists between Sands Capital and any third party regarding the provision of gifts, entertainment, meals, or conferences based on service contracts or arrangements with any particular plan, and none of the foregoing is received by Sands Capital for services provided to a particular plan. Additionally, Sands Capital's staff members are subject to the firm's internal policies and procedures relating to gifts, entertainment, meals, and conferences that are consistent with regulatory requirements.

If Sands Capital can be of any further assistance, please contact a member of the Client Service Team at 703-562-4000 or [clientserviceteam@sandscap.com](mailto:clientserviceteam@sandscap.com).