SANDS CAPITAL

Emerging Markets Growth

Quarterly Report
June 30, 2026
USD

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Notice for non-U.S. Investors.

Disclosures and definitions found here.

Emerging Markets Growth

Emerging Markets Growth seeks to selectively own what we view as premier emerging market growth businesses. The portfolio consists of businesses benefiting and driving secular change, including digitalization, industry consolidation and formalization, and life sciences innovation.

Investment Criteria

1. Sustainable above-average earnings growth
2. Leadership position in a promising business space
3. Significant competitive advantage/unique business franchise
4. Clear mission and value-added focus
5. Financial strength
6. Rational valuation relative to the market and business prospects

Key Attributes

June 30, 2026

Concentrated and Conviction-Weighted

Holdings	44 businesses
Top Ten Weight	52%

Long-Term Investment Horizon

Turnover (Annual Avg.)	23%
Expected Holding Period	5+ years

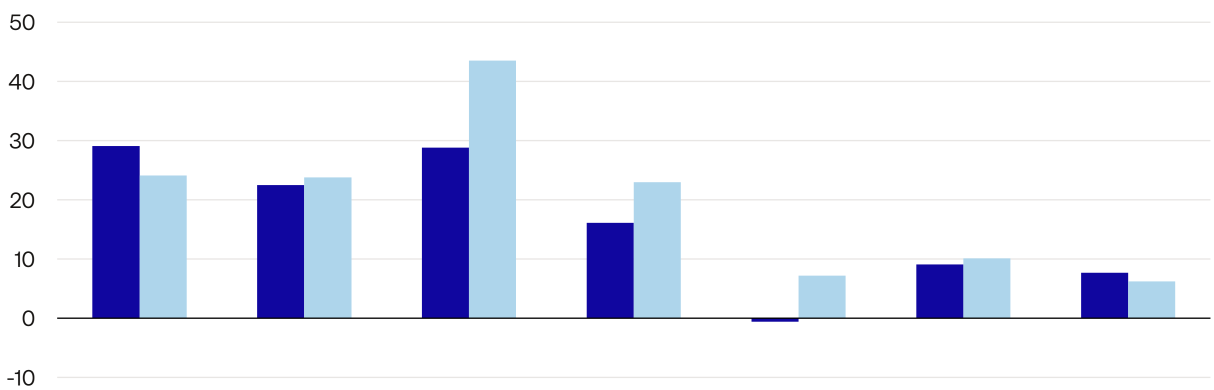
Growth-Oriented

Sands Capital Long-Term EPS Growth Estimate	35%

Investment Results (%)

Emerging Markets Growth vs. MSCI Emerging Markets Index

As of 06/30/2026



	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Portfolio (Net)	29.1	22.5	28.8	16.1	-0.6	9.1	7.7
Benchmark	24.1	23.8	43.5	23.0	7.2	10.1	6.2
Value Added (%)	5.0	-1.3	-14.7	-6.9	-7.8	-1.0	1.5

Calendar Year Returns (%)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Portfolio (Net)	39.1	-14.0	28.2	54.8	-9.0	-34.2	11.7	3.1	21.6	22.5
Benchmark	37.3	-14.6	18.4	18.3	-2.5	-20.1	9.8	7.5	33.6	23.8
Value Added (%)	1.8	0.6	9.8	36.5	-6.5	-14.1	1.8	-4.4	-11.9	-1.3

Inception date is 12/31/2012. Returns over one year are annualized. The investment results shown are net of advisory fees and expenses and reflect the reinvestment of dividends and any other earnings. The investment results are those of the Emerging Markets Growth Composite. Net of fee performance was calculated by reducing Emerging Markets Growth Composite's monthly gross return by 1/12 of the highest applicable annual fee of 1.25% for the period from January 1, 2013 to March 31, 2019. Beginning on April 1, 2019, the highest applicable annual fee was lowered, and net of fee returns were calculated by reducing the composite's monthly gross return by 1/12 of the highest applicable annual fee of 0.85%. Past performance is not indicative of future results. Data Load ID: 666

Portfolio Characteristics

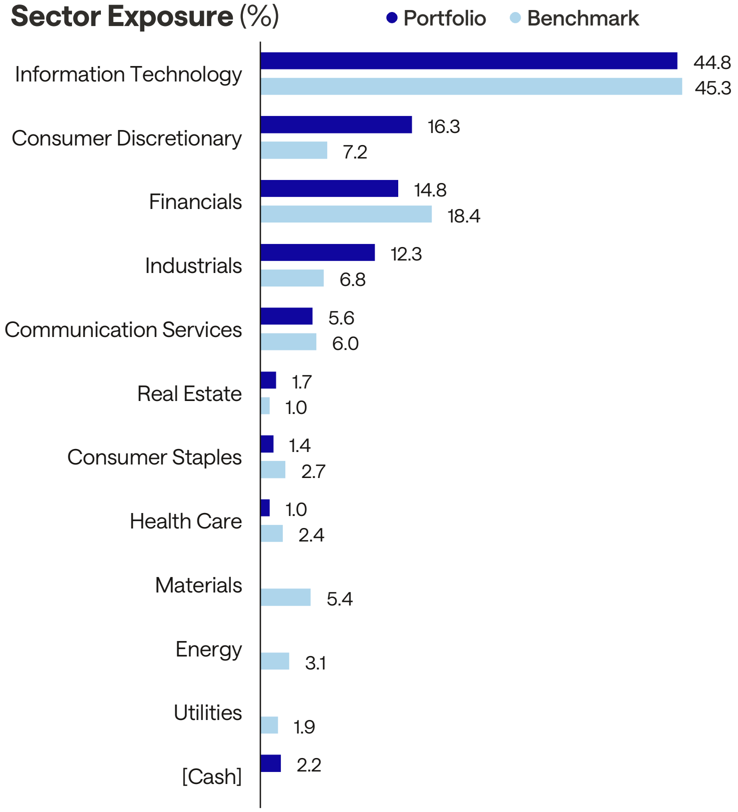
	Portfolio	Benchmark
Strategy Assets (USD)	$5.6B	n/a
Portfolio Businesses	44	1,178
Active Share	59%	n/a
5-Year Historical EPS Growth	26%	19%
Consensus Forward P/E - Next 12 mos.	13x	11x
Weighted Avg. Market Cap (USD)	$542.6B	$570.4B
Median Market Cap (USD)	$54.3B	$12.1B
Turnover - Trailing 12 mos.	58%	n/a

Efficiency and Volatility Metrics

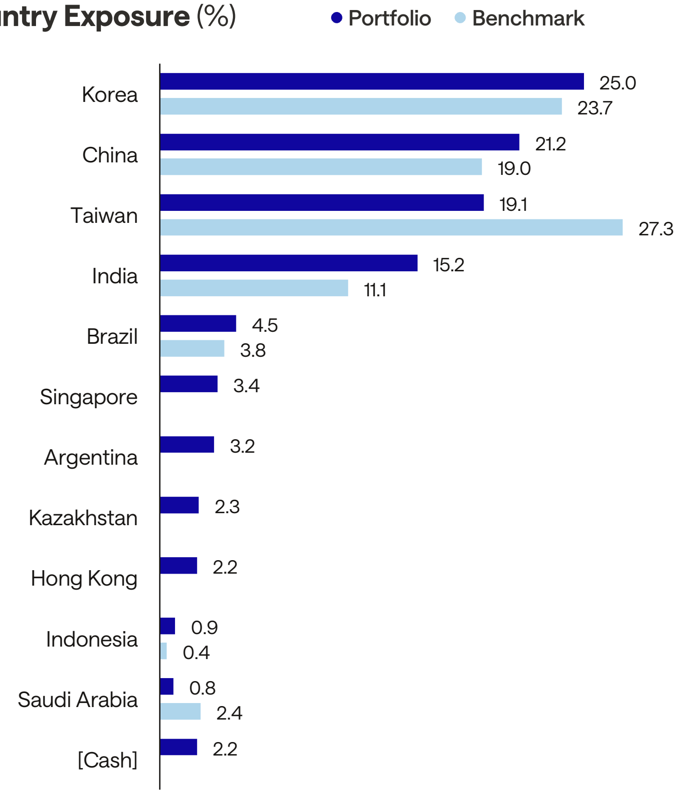
(Trailing 5 Years Net of Fees)	Portfolio	Benchmark
Beta	0.88	1
Information Ratio	-0.9	n/a
R-Squared	80.3%	100.0%
Sharpe Ratio	-0.2	0.2
Standard Deviation	18.2%	18.5%
Tracking Error	8.4%	n/a
Up Capture	70.6%	100%
Down Capture	102.3%	100%

Past performance is not indicative of future results.

Sector Exposure (%)



Country Exposure (%)



Top Ten Holdings (51.7% of Assets)

Company	Sector	Domicile	Weight (%)	Owned Since
Taiwan Semiconductor	Information Technology	Taiwan	11.1	2015
SK hynix	Information Technology	Korea	9.4	2025
Samsung Electronics	Information Technology	Korea	9.0	2025
SK Square	Industrials	Korea	3.8	2026
Tencent	Communication Services	China	3.5	2012
MercadoLibre	Consumer Discretionary	Argentina	3.2	2012
MediaTek	Information Technology	Taiwan	3.2	2025
Bajaj Finance	Financials	India	3.0	2018
Advanced Micro-Fabrication Equipment	Information Technology	China	2.8	2026
Delta Electronics	Information Technology	Taiwan	2.8	2026

Source: Benchmark data sourced from Benchmark providers. Company domicile, sector, industry, regional, and country classifications, where applicable, are sourced from MSCI. Other data sourced from FactSet.

Portfolio Holdings by Sector

Sector/Company	GICS Industry	Domicile	Portfolio (%)	Benchmark (%)	Owned Since
Communication Services			**5.6**	**6.0**	
Bharti Airtel	Wireless Telecommunication Services	India	2.1	0.4	2025
Tencent	Interactive Media & Services	China	3.5	2.7	2012
Consumer Discretionary			**16.3**	**7.2**	
Alibaba	Broadline Retail	China	1.7	1.6	2025
Amber Enterprises	Household Durables	India	1.1	0.0	2026
Anta Sports Products	Textiles, Apparel & Luxury Goods	China	1.5	0.1	2016
BYD	Automobiles	China	0.9	0.3	2024
Coupang	Broadline Retail	Korea	1.5	0.0	2022
Eternal	Hotels, Restaurants & Leisure	India	0.9	0.1	2025
H World	Hotels, Restaurants & Leisure	China	1.9	0.1	2024
Meituan	Hotels, Restaurants & Leisure	China	0.4	0.4	2025
MercadoLibre	Broadline Retail	Argentina	3.2	0.0	2012
Sea	Broadline Retail	Singapore	2.3	0.0	2017
Titan	Textiles, Apparel & Luxury Goods	India	0.9	0.1	2019
Consumer Staples			**1.4**	**2.6**	
COSMAX	Personal Care Products	Korea	0.5	0.0	2025
Raia Drogasil	Consumer Staples Distribution & Retail	Brazil	0.9	0.0	2012
Financials			**14.8**	**18.4**	
AIA	Insurance	Hong Kong	2.2	0.0	2018
Al Rajhi Bank	Banks	Saudi Arabia	0.8	0.4	2024
Bajaj Finance	Consumer Finance	India	3.0	0.2	2018
Bank Central Asia	Banks	Indonesia	0.9	0.1	2018
HDFC Bank	Banks	India	2.0	0.8	2017
HDFC Life Insurance	Insurance	India	1.0	0.0	2023
Kaspi	Consumer Finance	Kazakhstan	2.3	0.0	2020
Nu Holdings	Banks	Brazil	2.7	0.4	2021
Health Care			**1.0**	**2.4**	
Apollo Hospitals	Health Care Providers & Services	India	1.0	0.1	2012
Industrials			**12.3**	**6.7**	
Adani Ports and Special Economic Zone	Transportation Infrastructure	India	1.6	0.1	2026
Contemporary Amperex Technology	Electrical Equipment	China	2.8	0.3	2023
DiDi Global	Ground Transportation	China	0.6	0.0	2025
Full Truck Alliance	Ground Transportation	China	0.6	0.0	2024
Grab Holdings	Ground Transportation	Singapore	1.1	0.0	2024
Hyosung Heavy Industries	Electrical Equipment	Korea	1.0	0.1	2026
SK Square	Industrial Conglomerates	Korea	3.8	0.8	2026
WEG	Electrical Equipment	Brazil	0.9	0.1	2023
Information Technology			**44.8**	**45.3**	
Advanced Micro-Fabrication Equipment	Semiconductors & Semiconductor Equipment	China	2.8	0.0	2026
Chroma ATE	Electronic Equipment, Instruments & Components	Taiwan	1.1	0.2	2026
Delta Electronics	Electronic Equipment, Instruments & Components	Taiwan	2.8	1.0	2026
eMemory Technology	Semiconductors & Semiconductor Equipment	Taiwan	0.9	0.0	2026
MediaTek	Semiconductors & Semiconductor Equipment	Taiwan	3.2	1.6	2025
Montage Technology	Semiconductors & Semiconductor Equipment	China	1.4	0.0	2026
NAURA Technology	Semiconductors & Semiconductor Equipment	China	2.5	0.0	2026
Samsung Electronics	Technology Hardware, Storage & Peripherals	Korea	9.0	9.0	2025
SK hynix	Semiconductors & Semiconductor Equipment	Korea	9.4	7.6	2025
Taiwan Semiconductor	Semiconductors & Semiconductor Equipment	Taiwan	11.1	15.1	2015
Xiaomi	Technology Hardware, Storage & Peripherals	China	0.6	0.4	2025
Real Estate			**1.7**	**1.0**	
Phoenix Mills	Real Estate Management & Development	India	1.7	0.0	2025
Cash			2.2		

Data presented is that of the Emerging Markets Growth Composite. The index represented will differ in characteristics, holdings, and sector weightings from that of the composite. The index does not contain cash and does not reflect the reinvestment of dividends. Rounding may cause totals to vary from 100.0%. Source: Sands Capital, FactSet, MSCI

Second Quarter 2026 Commentary

Market Environment

Emerging market equities rebounded sharply in the quarter, with the MSCI EM posting its strongest quarterly advance since 2009. The second quarter also marked the sixth consecutive quarter of outperformance versus U.S. and developed market equities.

Index returns were again largely driven by AI infrastructure-related businesses. Semiconductor- and hardware-related businesses accounted for 90 percent of the index's rise. Demand for compute capacity showed few signs of slowing, and large technology companies continued to signal robust capital investment. Micron Technology's results late in the quarter reinforced this narrative, as management described persistent supply-demand tightness in memory chips and resilient demand from strategic customers. These updates supported investor confidence in the broader AI supply chain, particularly among businesses tied to semiconductors, memory, and hardware.

The macroeconomic backdrop also improved. Cooling tensions between the United States and Iran, including a cease-fire and renewed negotiations, helped ease concerns about a wider conflict. Brent crude oil prices retraced much of their earlier war-driven spike.

Korea and Taiwan led the MSCI EM higher, accounting for roughly 95 percent of the overall index gain. Korea itself rose nearly 90 percent in the second quarter. Meanwhile, the median index constituent rose less than 1 percent. Against an index return of 24 percent, this illustrates the dispersion and narrow leadership that persist within the opportunity set. India lagged the overall index but posted its first quarterly double-digit return since mid-2024.

China, Brazil, and Indonesia were the largest index detractors. China lagged the MSCI EM by more than 30 percentage points, largely driven by weakness in internet stocks. Similar to the dynamic we have observed in other markets, Chinese AI infrastructure-related stocks, including semiconductors, were perceived as a more direct way to invest in the future of AI, with domestic internet businesses used as a source of funding.

The quarter also saw a reversal in some of the cyclically oriented sectors that had been strong since the beginning of 2025, including energy and materials. Consumer discretionary remained weak and was the index's worst-performing sector and top detractor.

Investment Results and Attribution

Emerging Markets Growth delivered its second-best quarter of absolute investment results on record and one of its 10 best quarters relative to the MSCI EM. Second-quarter results were driven primarily by the portfolio's AI infrastructure businesses. Notably, the strong absolute results were supported largely by earnings growth. Despite the nearly 30 percent rise, the portfolio ended the quarter trading at 13 times forward earnings. This represents one of its lowest absolute valuation levels, as well as one of its lowest premiums to the MSCI EM, which traded at 11 times forward earnings.

Overall, Korea and China were the top-contributing countries to Emerging Markets Growth's relative results, while Taiwan and Hong Kong were the top detractors. From a sector perspective, information technology and materials, a zero percent weight, were the top relative contributors, while consumer discretionary and consumer staples were the top detractors.

The top individual absolute contributors were SK hynix, Samsung Electronics, Taiwan Semiconductor (TSMC), SK Square, and MediaTek.

SK hynix, **SK Square**, and **Samsung** contributed positively during the quarter as the memory shortage broadened beyond high-bandwidth memory (HBM) into conventional DRAM and NAND. AI inference and agentic workloads are increasing demand across the memory stack, while the industry faces physical limits on how quickly it can add supply. SK hynix described the shortage as structural, multiyear, and across products, with meaningful capacity additions difficult before the second half of 2027. Samsung also said pre-booked demand points to a wider supply-demand gap in 2027 than in 2026, even as capital spending rises. Pricing shows how acute the imbalance has become. SK hynix reported DRAM prices up in the mid-60 percent range sequentially and NAND prices up in the mid-70 percent range. Samsung reported even stronger gains, with DRAM prices up in the low-90 percent range and NAND prices up in the high-80 percent range. Industry checks suggest prices could continue rising in the second half of 2026, as AI data center demand continues to absorb available supply. The key implication is durability. HBM remains strategically important, but conventional DRAM and NAND are now driving a larger share of near-term earnings revisions. Tight conventional memory pricing should also strengthen future HBM negotiations, as customers compete for scarce capacity across product categories. All three companies ended the quarter trading at less than 10 times forward earnings, given that their investment results were driven by earnings revisions.

TSMC benefited from strong AI demand, supported by its position as the world's largest manufacturer of leading-edge chips by market share. The biggest takeaway from first-quarter 2026 results, in our view, was a gross margin beat that came in well ahead of consensus and our expectations. We believe the margin improvement reflects strong demand for leading-edge nodes and advanced packaging, rather than unsustainable pricing. Demand for TSMC's N2 to N5 nodes reinforces our view that the company will play a central role in the agentic AI hardware cycle, supported by emerging demand for AI CPUs and broad demand for accelerator chips. TSMC's competitive position also remains differentiated despite recent attention on competitors' packaging advances. Our research indicates Broadcom will continue scaling with TSMC, even after evaluating Intel's EMIB-T packaging technology. We believe that major customers' continued reliance on TSMC, even after testing alternatives, underscores the company's technological advantage and ecosystem depth.

MediaTek is one of the world's largest fabless semiconductor designers and the largest in Asia by market share. It benefited in the second quarter from optimism about its custom AI chip opportunity with Google. The company is helping develop Google's seventh- and eighth-generation tensor processing units (TPUs) and will reportedly expand the scope of its work in future generations. As a result, management expects MediaTek's contribution per chip to rise meaningfully as designs become more complex, with larger dies, a move from 3 nanometers to 2 nanometers, and more advanced packaging requirements. We believe this opportunity will become a more important growth driver, especially as investor debate has shifted from whether Google's TPU project might be delayed or canceled to how much of the economics MediaTek could capture. That said, the opportunity also carries execution risk. Custom chip development represents a major strategic shift for MediaTek, and the pace of change is unusually fast. Engineering talent appears to be a relevant constraint, and the company must add resources without weakening other divisions. We believe our 3 percent weight in MediaTek appropriately balances MediaTek's opportunity and operational risk.

The top individual absolute detractors were BYD, Alibaba, Tencent, Hyosung Heavy Industries (HHI), and AIA.

BYD is a leading electric vehicle and battery manufacturer. Shares traded lower alongside Chinese equities, with company-specific pressure tied to domestic competition and the U.S. Department of Defense's June decision to add BYD to its Section 1260H list of "Chinese military companies," which weighed on sentiment. We see early signs of improvement across three drivers that could support a rerating: faster international volume growth, better profit per vehicle, and domestic volume recovery. Retail sales reported by foreign jurisdictions appear to be outpacing BYD's reported wholesale volumes, suggesting some international shipments may not yet have reached local dealers due to maritime delays. Profit per vehicle also exceeded consensus expectations in the first quarter, supported by export mix and premiumization, while domestic sales recovery remains moderate. BYD's May ADAS Technology Day reinforced its technology-driven positioning. The company introduced its in-house Xuanji A3 ADAS chip and announced one year of insurance coverage for city-level ADAS-related accidents. We view these steps as incremental improvements to BYD's product competitiveness and as further evidence that the company should be viewed as an innovative, technology-driven automaker, rather than a traditional manufacturer competing primarily on price.

Alibaba shares declined amid broader weakness in China internet stocks. Investors have increasingly used this market segment as a funding source for businesses more directly tied to China's semiconductor ecosystem, while Alibaba also faced company-specific concerns about weak consumption and rising AI capital expenditures. Despite recent share price pressure, our thesis remains intact. Alibaba's most recently reported quarterly results were solid, supported by strong cloud demand, more focused AI investment, and improving unit economics in quick commerce. Management noted that "no single chip was idle," and said the company has reached an inflection point in AI and cloud commercialization. Cloud revenue growth accelerated to 38 percent year over year, up from 35 percent in the prior quarter. We believe cloud margins can continue to improve as demand grows and utilization rises. We continue to view Alibaba as having an AI opportunity similar to Alphabet's, with the capability to serve enterprise demand through its cloud platform, AI models, and in-house chips. We believe Alibaba is well positioned to benefit from China's rapid AI adoption, power supply advantages, and deep technical talent pool.

HHI is a Korean industrial company specializing in energy and power solutions. Shares fell since we purchased the business in early May 2026, amid a narrowly driven Korean equity market. Although Korean stocks rose nearly 90 percent in aggregate during the quarter, roughly 70 percent of constituents traded lower. We purchased HHI during the quarter, and its recently announced joint venture with Quanta Services strengthened our view of the investment case. In June, the companies announced plans to manufacture high-voltage gas circuit breakers in Pennsylvania. This would make HHI the first Korean power equipment manufacturer with local U.S. production capabilities for both transformers and breakers. We view the partnership with Quanta, a leading contractor behind the

U.S. 765-kilovolt transmission buildout, as improving HHI's position in the 765-kilovolt value chain and expanding its opportunity across U.S. substation spending.

Tencent is China's largest technology company by market capitalization, operating leading platforms across gaming, advertising, and fintech, anchored by the WeChat super-app. Shares declined during the second quarter, amid broad weakness in Chinese internet stocks and ongoing debate about the company's position in AI. First-quarter 2026 results were solid at the core, with advertising revenue up 20 percent year over year and margins expanding once AI investment is excluded. The central question is whether Tencent can emerge as a credible winner in the next phase of AI. Tencent's latest AI model (HY3 Preview) has held a top-five position on OpenRouter's public leaderboard since launch, though it remains early. In our view, core strength provides downside support, while a durable re-rating likely depends on clearer evidence of AI leadership. Tencent appears well positioned if AI is embedded within existing ecosystems, but more exposed if standalone models dominate.

AIA is the largest pan-Asian life insurance business by market share. Shares fell in the second quarter, as tighter cross-border regulation affecting its mainland Chinese visitor business weighed on sentiment. We believe the multiple compression is overstated. The mainland Chinese visitor business accounts for only about one-fifth of AIA's overall new business value, while the rest of the franchise remains on track. The key debate is no longer whether mainland Chinese visitor risk exists, but whether the market is over-discounting AIA's broader growth and cash generation profile. We expect the business outside the mainland Chinese visitor channel to sustain healthy growth, supported by diversified market exposure and resilient demand across key Asian life insurance markets. Greater regulatory clarity, as well as a solid first-half 2026 report, expected in August 2026, could help improve sentiment.

Portfolio Activity

In the second quarter Emerging Markets Growth continued to broaden the portfolio's AI and semiconductor exposure, including businesses levered to interconnection, power, and testing.

Late in the quarter, we tactically added to more cyclically oriented businesses in India, reflecting our increasingly constructive view of the country's macroeconomic backdrop and market setup. India's economy has remained resilient despite higher energy costs, geopolitical uncertainty, and external market pressures, supported by steady public and private investment, disciplined policy priorities, and ongoing infrastructure, manufacturing, and energy security initiatives. At the same time, foreign investor outflows, tariff concerns, and the rotation toward AI hardware beneficiaries in other markets have weighed on Indian equities, contributing to valuation compression and leaving India more attractively valued than it has been in several years.

India's long-term opportunity remains supported by structural advantages that we believe the market may be underappreciating. The country benefits from favorable demographics, rising domestic consumption, expanding digital infrastructure, and improving private capital investment. It has also been viewed as an AI laggard, but that narrative may overlook its advantages in the next phase of AI adoption. India has a deep base of technical talent, a large domestic market for AI applications, cost-competitive infrastructure, and geopolitical relationships that could support access to advanced technologies. These strengths are already visible in data centers, renewable power, cloud infrastructure, and AI model development, suggesting India could play a more meaningful role as AI shifts from model training toward enterprise deployment.

During the second quarter Emerging Markets Growth completed the purchases of Chroma ATE, Hyosung Heavy Industries, Montage Technology, and SK Square. It completed the sales of ASML Holding, Dino Polska, and FPT.

Chroma ATE is a leading electronic test and measurement company for semiconductors. The business is the market-share leader in several system-level test segments, which enables it to benefit from several AI-related technology trends. These include the shift to 800-volt HVDC in data centers, growth in AI accelerator volumes (which require system-level testing), increasing adoption of advanced packaging such as CoWoS, and the growth of co-packaged optics (CPO). The nascent but high-potential opportunity in CPO is central to our investment case. CPO integrates optical transceivers directly with high-performance electrical components on the same substrate. By bringing the optics directly next to the chip, CPO reduces power consumption, lowers latency, and boosts bandwidth for AI and data center networks. We expect CPO to achieve 15 percent to 30 percent penetration in AI data centers by 2030, up from less than 5 percent in 2026. Chroma is a key CPO testing partner for NVIDIA, positioning it as a beneficiary of CPO adoption.

Hyosung Heavy Industries (HHI) is a Korean industrial company specializing in energy and power solutions. We view the business as a key beneficiary of the secular demand for power equipment. Three largely uncorrelated forces are driving a multiyear upcycle, including aging grid replacement, increasing electricity demand from AI and electrification initiatives, and renewable energy integration that requires long-distance transmission infrastructure. Our research suggests that global transformer supply is expected to remain structurally constrained through at least 2030, supporting what we believe will remain a favorable pricing environment. HHI is particularly well positioned in 765-kilovolt transformers, which address all three demand drivers by enabling high-capacity transmission with lower power loss and more efficient land usage. Within this category, HHI is the global market share leader and the only scaled producer serving the U.S. market. We believe the company's increasing exposure to the United States and higher-value 765-kilovolt transformers, combined with sustained pricing power, creates a compelling multiyear margin expansion opportunity.

Montage Technology is a leading fabless semiconductor company specializing in memory interface chips and high-speed interconnect solutions. The business plays a critical role in the data center ecosystem by enabling high-speed data transmission for AI, cloud computing, and memory-intensive workloads. Over the next decade, we believe one of the most important secular trends in computing will be the need to move significantly more data, faster and more reliably, within servers. As AI training and inference workloads scale, signal integrity, latency, bandwidth, and power efficiency are increasingly becoming system bottlenecks. Montage commands roughly one-third of the global market for memory interface chips within an oligopolistic industry structure. Its products sit in mission-critical parts of the server architecture that require extensive qualification and have long product lifecycles. The company is also one of a small number of trusted vendors helping shape industry standards through its position on the JEDEC board. We believe Montage's competitive position is reinforced by longstanding ecosystem relationships with Samsung, SK hynix, Micron, Intel, and AMD. We expect earnings growth to be driven by rising AI server demand, increasing server memory complexity, and expanding chip content per server.

SK Square is a Korean holding company with a significant stake in SK hynix, the world's largest producer of high-bandwidth memory chips. SK hynix accounts for the bulk of SK Square's net asset value (NAV), with revenue almost entirely comprised of SK hynix dividends. In addition to the economic interest in SK hynix, which we view as a primary beneficiary of AI-driven demand for computational power and data storage, we expect value to be created by narrowing SK Square's valuation discount to NAV. SK Square is explicitly targeting to narrow its NAV discount to 30 percent by 2028, from a historical high of over 70 percent in 2024. We expect compression to be driven by non-core asset divestment and buybacks. In our view, SK Square is an attractive way to gain economic exposure to SK hynix, with additional return potential from ongoing buybacks, asset simplification, and a narrowing holding company discount.

ASML Holding was added to the portfolio in August 2023 to diversify semiconductor exposure, which at the time consisted solely of Taiwan Semiconductor. Since then, technological advancements and the proliferation of AI have increased the number of businesses in the space that meet our criteria. In addition to businesses we have already purchased, we believe there are additional opportunities with more attractive risk-reward profiles that remain underappreciated by investors.

Dino Polska is a leading Polish supermarket chain. We expected the business to benefit from the continued consolidation and formalization of Poland's retail food industry. Key differentiators include its rural store footprint, vertical integration, and focus on fresh, locally sourced food. However, the secular opportunity has been challenged by operating headwinds that we now view as more persistent. These include heightened competition, low food inflation, and elevated wage inflation. Management also signaled that volume growth, rather than margin expansion, will be the priority in 2026, acknowledging that brand perception has weakened and requires additional investment to contain traffic loss to competitors. These earnings growth headwinds, combined with a premium valuation relative to peers, create meaningful opportunity cost relative to other businesses we could own.

FPT is Vietnam's largest technology business by market capitalization. We sold the business due to concerns about AI disruption risk. FPT consists of three main units, with its IT services segment as the primary revenue driver. Beyond the competitive threat from AI, our research indicates that margin improvement potential is limited, with AI-related productivity gains largely passed through to clients. In addition, growth potential in Japan, its most important end market, is lower than initially expected, as growth is being driven primarily by share gains against Indian competition rather than strong underlying demand. Management lowered its growth guidance and effectively abandoned its 2030 target. FPT was a small strategic weight in Emerging Markets Growth, at less than 1 percent as of March 31, reflecting low liquidity and a wide range of potential outcomes. Given the reduced visibility into its growth durability and earnings power, we used the proceeds to help fund our purchase of SK Square.

Outlook

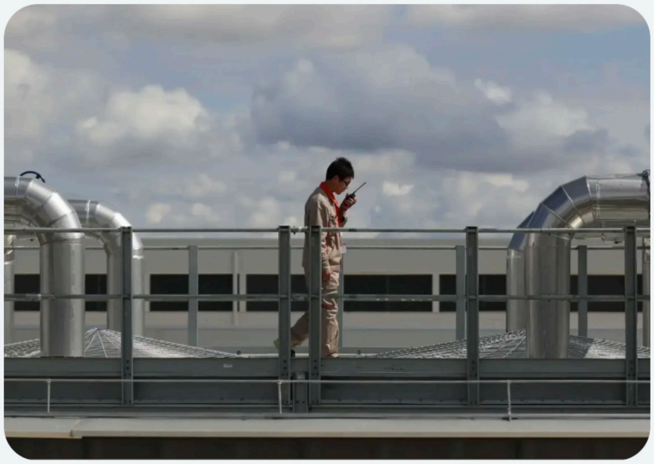
The opportunity set for growth investors is shifting, and we have positioned Emerging Markets Growth to go where we believe the growth will be. We continue to take a business owner's approach to investing in public equities, focused on long-term earnings power and driven by bottom-up research. However, the portfolio is evolving as the landscape changes. Where we find durable earnings growth may look different from where we found it in the past.

Technology and geopolitics are creating new business spaces and sources of durable earnings growth, but also new risks. AI infrastructure, and its increasing breadth, remains an important example, but it is not the only one. These forces are also transforming businesses that investors have traditionally viewed as cyclical, capital intensive, or less capable of sustained growth. In some areas, AI-related demand, supply discipline, and deeper customer commitments are changing earnings trajectories and improving the durability of business models. In others, especially software and internet, AI is raising new questions about competition, margins, and long-term value creation.

We believe this environment rewards research depth and adaptability. Our long time horizon remains an advantage, in our view, but the pace of change requires us to act more quickly when new information alters the facts. We seek to own businesses that can benefit from structural change, while also continuing to own and evaluate companies with idiosyncratic earnings drivers that can provide balance across multiyear cycles.

We believe Emerging Markets Growth is well positioned. The portfolio maintains material exposure to businesses benefiting from AI-related infrastructure investment, but we continue to look beyond AI for durable earnings growth. In our view, the portfolio's high and rising earnings growth expectations, combined with a historically low valuation, create an attractive setup for investors with a multiyear horizon.

Related Perspectives



The Stack That China Built

China's AI future requires more than models. It rests on the companies supplying the equipment, memory, cloud capacity, and data movement needed to make domestic AI work at scale.

Article | On the Road | Emerging Markets | Artificial Intelligence
14 min read

Lunch Delivery by Drone

Confidence in China's investibility is returning. Structural reforms, stronger policy execution, and accelerating innovation are reshaping investor sentiment and reinforcing the case for renewed engagement with companies aligned with long-term growth themes.

Article | Robotics | On the Road | 7 min read

The companies identified represent a subset of current holdings and were selected by the author on an objective basis to illustrate the views expressed in the commentary. The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for advisory clients. There is no assurance that any securities discussed will remain in the portfolio or that securities sold have not been repurchased. Individual contributors and detractors are determined using absolute contribution, which multiplies the portfolio weight for each security or group by its total return, calculated and compounded daily unless otherwise stated.

This material may contain forward-looking statements, which are subject to uncertainty and contingencies outside of Sands Capital's control. Readers should not place undue reliance upon these forward-looking statements. There is no guarantee that Sands Capital will meet its stated goals. Past performance is not indicative of future results.

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Contribution Analysis (Net %)

Quarter to Date

Top Absolute Contributors

Company Name	Avg. Weight	Return	Contribution
SK hynix	7.4	224.0	8.6
Samsung Electronics	9.8	97.0	7.6
Taiwan Semiconductor	11.9	33.6	4.1
SK Square	2.5	153.2	2.5
MediaTek	2.2	185.2	2.0

Bottom Absolute Detractors

Company Name	Avg. Weight	Return	Contribution
BYD	1.3	-31.9	-0.5
Alibaba	2.2	-22.0	-0.5
Tencent	4.1	-10.9	-0.4
Hyosung Heavy Industries	0.7	-30.2	-0.4
AIA	2.7	-15.0	-0.4

Trailing 1 Year

Top Absolute Contributors

Company Name	Avg. Weight	Return	Contribution
SK hynix	4.0	700.4	11.4
Samsung Electronics	5.5	324.2	11.2
Taiwan Semiconductor	12.0	101.2	10.1
SK Square	0.6	153.4	2.6
MediaTek	1.8	221.7	2.3

Bottom Absolute Detractors

Company Name	Avg. Weight	Return	Contribution
MercadoLibre	4.4	-37.1	-2.4
Alibaba	1.8	-50.7	-1.9
Xiaomi	1.7	-65.9	-1.8
Sea	3.4	-42.1	-1.6
HDFC Bank	3.2	-29.8	-1.3

Trailing 3 Year

Top Absolute Contributors

Company Name	Avg. Weight	Return	Contribution
Taiwan Semiconductor	9.5	362.2	20.6
SK hynix	1.3	700.7	11.4
Samsung Electronics	1.8	324.5	11.2
MercadoLibre	5.7	38.2	5.6
Nu Holdings	3.9	64.2	4.0

Bottom Absolute Detractors

Company Name	Avg. Weight	Return	Contribution
Globant	1.9	-77.5	-2.2
Localiza	1.4	-51.1	-1.9
XP	1.3	-46.3	-1.7
Alibaba	1.4	-29.9	-1.5
Xiaomi	0.7	-57.6	-1.4

Trailing 5 Year

Top Absolute Contributors

Company Name	Avg. Weight	Return	Contribution
Taiwan Semiconductor	8.2	300.2	18.6
SK hynix	0.8	701.4	11.4
Samsung Electronics	1.1	325.1	11.3
MercadoLibre	6.1	4.5	5.6
Nu Holdings	2.9	36.0	5.3

Bottom Absolute Detractors

Company Name	Avg. Weight	Return	Contribution
Sea	4.2	-69.6	-7.5
Alibaba	2.0	-77.7	-6.2
Wuxi Biologics	1.1	-90.2	-6.1
Yandex	0.5	-73.8	-4.0
Foshan Haitian Flavoring	1.7	-66.5	-3.7

All values are those of the Emerging Markets Growth Composite. The companies identified above represent a subset of current holdings in the Emerging Markets Growth portfolio and were selected based on the performance measures presented. With the exception of IPOs where actual transacted prices are used, contributions are calculated in FactSet Portfolio Analysis using FactSet end of day prices, and do not reflect actual purchase prices. This can affect the presentation of contribution and performance of transactions amid heightened volatility. Security return and contribution are net of advisory fees and expenses and reflect the reinvestment of dividends and any other earnings. Attribution generated returns will not match actual performance because FactSet uses different exchange rate sources, the performance does not capture intra-day trading, and the analysis removes the impact of cash flows. Relative Return calculations do not incorporate risk or volatility impacts and should not be exclusively relied upon. To receive a description of the calculation methodology for the attribution analysis and a complete list detailing each holding's attribution please contact a member of the Client Relations Team at 703-562-4000. Past performance is not indicative of future results.

Stewardship

Carbon Exposure

Emerging Markets Growth vs. MSCI Emerging Markets Index
Reported June 30, 2026

Carbon Footprint

	Carbon Emissions	Carbon Intensity	Weighted Avg. carbon intensity	Carbon emissions data availability
Emerging Markets Growth	8.1	44.3	68.1	95%
MSCI EM	152.0	358.9	254.4	100%
	tCO_2e/$M Invested	tCO_2e/$M Sales		Market Value

Carbon Emissions are calculated as Scope 1 & Scope 2 carbon emissions per $1 million invested. Portfolio and Benchmark Carbon Intensity is defined as the portfolio or benchmark carbon emissions per $1 million of portfolio or benchmark sales. At a business level, carbon intensity is calculated as carbon emissions per unit of sales (tons/$ 1 million sales). Weighted averages are computed as the sum product of the portfolio or benchmark companies' respective carbon values and portfolio or benchmark companies' weights.

Largest Contributors to Portfolio Weighted Average Carbon Intensity

Company	Portfolio Weight (%)	Carbon Intensity (S1+2) tCO_2e/$m	Contrib. to Wtd Avg. Carbon Intensity
Taiwan Semiconductor	11.4	185.9	22.1
SK hynix	9.6	168.5	16.9
Samsung Electronics	9.2	96.6	9.3
Contemporary Amperex Technology	2.8	120.0	3.6
Adani Ports and Special Economic Zone	1.6	132.8	2.3

Proxy Voting

Proxy voting is an important part of our commitment to being an active, long-term owner and to fulfilling our fiduciary duty to act in the best interests of our clients.

Who Makes the Decision?

Voting decisions are made by members of our investment research team, those who know the business, and are typically directed by the lead analyst on the business.

What Information Do We Consider?

Our evaluation of each meeting agenda typically considers company proxy documents, our own research on the business, recent discussions with management, and third-party analysis.

While we do consider independent proxy advisers' guidance, we do not delegate our voting or rely upon such guidance in our voting decisions.

How Do We Approach Management Proposals?

Because management quality is a key criterion in identifying businesses for our portfolios, we tend to vote proxy proposals in favor of management. When we intend to vote against management, we may discuss the rationale for our decision with management.

Emerging Markets Growth Voting Activity
TTM Ending June 30, 2026

Votes	Businesses	Resolutions	%
Cast in Favor of Management	64	434	84%
Cast Against Management	12	55	11%
Abstentions	7	25	5%
		514	100%

Engagement enables us to better understand management's long-term vision and discuss how they manage ESG risks and opportunities, among other issues.

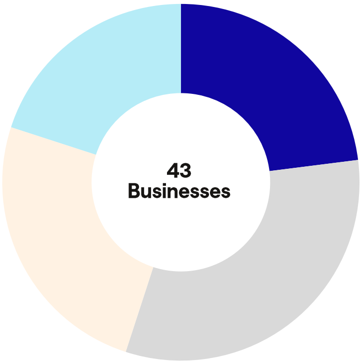
We meet regularly with the management teams of our portfolio businesses. Typically, they recognize us for our long-term investment orientation and focus on value creation.

We proactively express our views regarding business strategy, governance, financial reporting, executive compensation, and other stakeholder considerations when merited.

We are not activists and do not invest with the intention of pressuring management teams or pursuing campaigns to materially change our portfolio businesses.

We are objective and business-focused. We reserve the option to sell our shares if management is unable to address our concerns, which could reduce our conviction in the company's fit with our investment criteria.

Emerging Markets Growth Engagement Activity
TTM Ending June 30, 2026



- Business Strategy: 23%
- Governance: 32%
- Social: 25%
- Environment: 20%

ESG Topics Generally Addressed

Governance

Regulation
Board structure or composition
Capital structure
ESG strategy and oversight
Increasing transparency and disclosure
Shareholder protections and rights
Management accountability
Executive compensation
Related-party transactions
Audit and accounting

Social

Human capital management
Labor rights
Human rights
Regulation
Health and safety
Data security and privacy
Diversity and inclusion
Product safety and impact
Digital ethics

Environment

GHG emissions or climate change strategy
Environmental policy and strategy
Energy use and efficiency
Regulation
Material use and sourcing
Water use and efficiency

We may refrain from voting when issues arise that cause us to determine that voting proxies is not in the best interest of our clients or that it is not reasonably possible to determine whether voting proxies will be in the best interests of clients. Additionally, we do not vote in certain countries that require "share blocking," due to the possible liquidity constraints that could result in the cost of voting outweighing the benefit to the client. Shares out on loan also may not be voted. Sands Capital is not an activist investor and generally does not acquire or hold investments for the purpose or effect of changing or influencing the control of its investee companies.

As part of our ongoing research, Sands Capital regularly engages with the management teams and, if appropriate, board members of portfolio businesses to better understand each business's long-term strategic vision and management of risks and opportunities, including those pertaining to environmental, social, and governance (ESG) matters. The use of the term "active ownership" and Sands Capital's engagement with management teams and board members do not involve any direct or indirect attempt to exert pressure to implement specific measures, change policies, or otherwise influence control over the issuer.

Select Engagement Report

eMemory Technology

Business: eMemory Technology is a leading developer of a critical chip design technology, non-volatile memory.

Key issues: Data privacy and security.

Background

eMemory Technology is a Taiwan-based semiconductor intellectual property company that licenses embedded non-volatile memory and hardware security technologies used to authenticate, configure, and protect semiconductors throughout their lifecycle.

As semiconductor designs become more complex and connected devices proliferate, hardware-based security is becoming increasingly important to protect chip integrity and enable secure device authentication. Given the growing reliance on trusted hardware to secure sensitive data, connected devices, and critical infrastructure, we believe it is important to engage with companies developing foundational security technologies.

Understanding how eMemory Technology is responding to evolving customer security requirements and positioning its business to address emerging cybersecurity needs provides insight into its long-term strategy and approach to technology innovation. Our engagement focused on the adoption of hardware security technologies, customer demand for secure chip architectures, and the company's long-term strategy to expand into authentication and security services.

Discussing the evolution of hardware security

Management emphasized the growing importance of one-time programmable memory and antifuse technologies, noting that secure programming capabilities are increasingly viewed as essential components of modern chip designs. The company also discussed growing industry interest in physical unclonable function technology, which provides each chip with a unique hardware identity for authentication and security.

Management indicated that adoption of these technologies has accelerated as customers have become more confident in their reliability. The discussion also highlighted engagement with several large semiconductor companies that are evaluating or adopting these security solutions as hardware security requirements continue to evolve.

Exploring opportunities in authentication and security services

We also discussed eMemory Technology's strategy to expand its security capabilities. Management described ongoing efforts to develop token-based authentication services built on its existing hardware security technologies.

We discussed how this approach could allow the company to participate in a broader portion of the semiconductor security value chain by generating recurring transaction-based revenue alongside its licensing business. Management believes increasing connectivity across automotive, cloud, edge computing, and agentic AI applications will continue to expand demand for trusted device authentication over time.

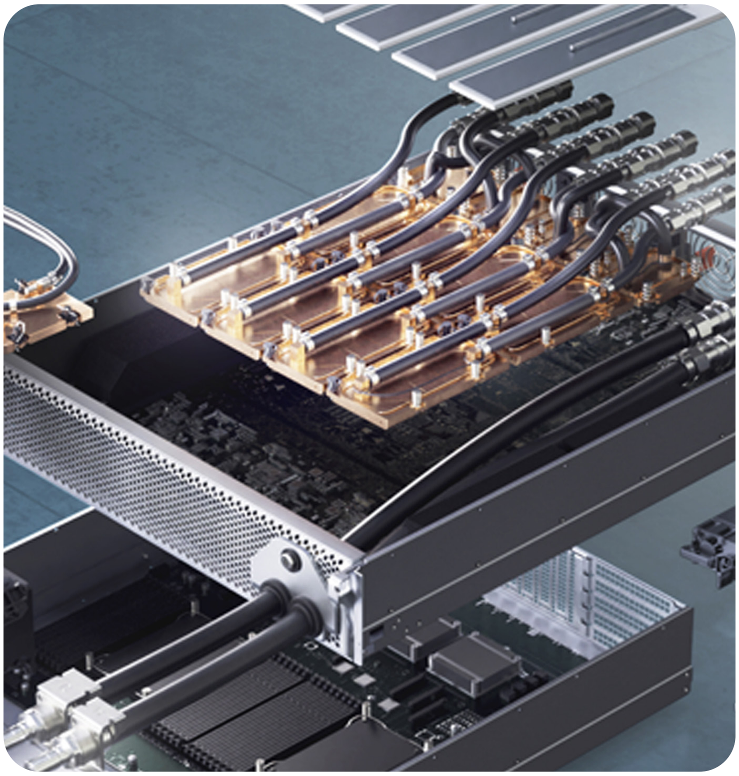
Next steps

We appreciate eMemory Technology's willingness to discuss the evolving hardware security landscape and the company's long-term strategy. We will continue to monitor customer adoption of hardware security technologies and the penetration of its intellectual property in more advanced process nodes.

This report is an example of the type of fundamental research Sands Capital conducts and, as such, contains the opinions and comments of Sands Capital at points in time. Additional or subsequent information may cause Sands Capital's views to change. This report is not a complete analysis of all material facts and therefore is not a sufficient basis alone on which to base an investment decision. This material may include summaries and references to research notes, emails, conference calls, and meetings, and there is no guarantee or representation that this information is complete, current, or accurate. The information contained herein has been prepared from sources believed reliable but is not guaranteed by us as to its timeliness or accuracy and is not a complete summary or statement of all available data. This report is for informational purposes only. As part of our ongoing research, Sands Capital regularly engages with the management teams and, if appropriate, board members of portfolio businesses to better understand each business's long-term strategic vision and management of risks and opportunities, including those pertaining to environmental, social, and governance (ESG) matters. Sands Capital's engagement with management teams and board members does not involve any direct or indirect attempt to exert pressure to implement specific measures, change policies, or otherwise influence control over the issuer. The company illustrated represents a holding in the Sands Capital strategies as of June 30, 2026, and was selected by the author on an objective basis to illustrate the views expressed in the Commentary. The example was selected based on the recent date of the engagements and topics discussed. The assessment of each business is based on factors that we believe are material to the long-term investment case. To receive a complete list of company engagements for the prior twelve months please contact a member of the Client Relations Team at 703-562-4000.

Impact Profile

Delta Electronics



Delta Rewires Electricity for Sustainability

Delta Electronics helps customers use electricity more efficiently across data centers, factories, transportation systems, commercial buildings, and telecommunications networks.

As artificial intelligence, electric vehicles, automation, and digital infrastructure increase electricity demand, efficiency is becoming more important to companies, governments, and consumers. Delta's power management, thermal management, automation, and energy-management technologies help customers reduce wasted energy, lower operating costs, and improve infrastructure reliability.

Taiwan-based Delta has built its business around a practical form of sustainability. Its products often work behind the scenes, addressing a major infrastructure challenge, using more electricity while wasting less.

Born With a Clear Vision

Since its founding in 1971, Delta has been guided by a clear mission: to provide innovative, clean, and energy-efficient solutions for a better tomorrow.[1] Delta began as a power electronics company and expanded into data centers, industrial automation, electric vehicle charging, smart buildings, and telecommunications infrastructure.

We believe that evolution made Delta increasingly relevant as electricity demand rises. Customers are not buying its products only to meet sustainability goals. In our view, they are buying them because efficient power, cooling, automation, and energy-management systems can lower costs, improve performance, and make infrastructure more reliable.

Delta's high-efficiency products shipped from 2010 to 2023 saved customers an estimated 46 billion kWh of electricity and reduced carbon emissions by nearly 24 million metric tons of CO_2e.[2] We believe these savings show why Delta's mission can also be a commercial advantage.

The Efficiency Template

Using less energy lowers costs.

That message resonates across several end markets. Data centers need advanced power and cooling systems to support AI workloads. Manufacturers need automation technologies that improve productivity while lowering energy use. Building owners need smarter systems to reduce electricity consumption. Transportation networks need efficient electrification infrastructure.

Demand for these solutions has contributed directly to Delta's financial growth. From 2014 to 2024, Delta's revenue increased from approximately $6 billion to $13 billion, more than doubling.[3] We believe this growth reflects rising demand for technologies that make power use cleaner, more efficient, and more reliable.

Efficiency in Action

AI infrastructure provides a clear example. As data centers become more power intensive, operators are investing in better power conversion and cooling. At NVIDIA GTC 2025, Delta introduced power and liquid cooling solutions designed to help NVIDIA-enabled AI and high-performance computing data centers manage rising power density, improve energy efficiency, and support reliable performance. The solutions included Power Capacitance Shelves, high-voltage direct current server power systems, and 1.5MW liquid-to-liquid coolant distribution units.[4]

In India, Delta's work with urban transit shows how efficiency can also support reliability and safety. In February 2026, Kolkata Metro inaugurated a 6.4 MWh/4 MW Battery Energy Storage System at the Central Sub-station of its Blue Line. Implemented by Delta Electronics India, the project made Kolkata Metro the first underground metro railway in India to install a large-scale battery storage system.

The system responds immediately if the grid fails, giving trains enough power to reach the nearest station rather than stopping in a tunnel. On normal operating days, it helps manage peak demand and improve energy efficiency. Delta built the core components in house, including the Power Conversion System, Energy Management System, and Battery Racks.[5]

Delta's own facilities provide another proof point. Its Americas headquarters has achieved energy savings of up to 94 percent compared with conventional office buildings, while facilities in Beijing and India have reduced energy consumption by as much as 73 percent and 76 percent, respectively.[6]

Beyond Commercial Solutions

Delta's sustainability commitment also extends beyond its commercial operations. In 1990, founder Bruce Cheng established the Delta Electronics Foundation in recognition of the role society had played in Delta's growth. The foundation initially sponsored academic research to nurture scientific and technological talent. As climate change became more pressing, it shifted toward climate work.[7]

Today, the foundation channels resources into energy and climate, green building and transport, biodiversity, and green-collar talent cultivation. One example is the Namasia Mincyuan Elementary School Affiliated Kindergarten in Kaohsiung. Donated and constructed by the foundation, it became the first educational facility in Taiwan to receive the Levels 1+ Low-Carbon Building Label. Its total carbon emissions were assessed at 273,139 $kgCO_2e$, a 38.67 percent reduction compared with the baseline.[8]

Difference Maker

Delta shows how business results and environmental results can reinforce one another. More AI infrastructure increases demand for efficient power and cooling. More electrification increases demand for charging infrastructure, battery storage, and grid-related technologies. More industrial automation increases demand for efficient controls, drives, and energy-management systems.

These trends have expanded Delta's addressable market while strengthening its relevance to customers. The company's 10-year revenue increase shows how demand for sustainable and efficient energy solutions has become a meaningful driver of growth. Delta has also continued to reinvest in innovation, spending nearly $1.4 billion on research and development in 2024.[9]

For long-term investors, Delta illustrates how sustainability and durable growth can become connected. Its brand promise, Smarter. Greener. Together, captures the connection between what Delta sells, how it grows, and the contribution it can make.

Sustainable Development Goals

The Sands Capital six investment criteria tend to lead us to businesses that are innovators or vital facilitators of change in industries undergoing significant transformation. Delta Electronics is one of many portfolio businesses that create impact by addressing at least one major social or environmental challenge identified by the United Nations Sustainable Development Goals.

Delta's products and technologies align with several United Nations Sustainable Development Goals, particularly SDG 7, affordable and clean energy, SDG 9, industry, innovation, and infrastructure, SDG 11, sustainable cities and communities, and SDG 13, climate action. Through education and community initiatives, including the Delta Electronics Foundation, the company also supports SDG 4, quality education.[10]

[1] https://www.deltaww.com/en-US/company/about-delta
[2] 2023 Delta Electronics ESG Report
[3] https://filecenter.deltaww.com/IR/download/annual_report/2024annual.pdf
[4] https://www.delta-americas.com/en-us/news/delta-unveils-next-generation-power-and-cooling-solutions-for-ai-data-centers-at-nvidia-gtc-2025
[5] Delta Electronics India, Kolkata Metro Battery Energy Storage System project announcement, 2026.
[6] https://brandnews.deltaww.com/en/SpecialDetail/12462
[7] https://foundation.deltaww.com/en
[8] https://www.deltaww.com/en-US/press/35296
[9] https://filecenter.deltaww.com/IR/download/annual_report/2024annual.pdf
[10] https://sdgs.un.org/goals

Emerging Markets Growth Composite (EMGC) GIPS Report

			EMGC			MSCI EM				
Year End	# Accounts	End of Period AUM (USD $M)	Returns (Net)	Returns (Gross)	Annualized 3Y Std. Dev. (Net)	MSCI EM	Annualized 3Y Std. Dev.	Non-Fee Paying % of Composite	Asset Wgt'd Std. Dev. (Gross)	Firm Total Assets (USD $M)
2025	15	$5,661.57	21.64	22.66	12.48	33.57	13.41	0.04	0.28	$48,202.34
2024	12	$5,496.63	3.08	3.95	16.75	7.50	17.50	0.03	0.23	$47,462.52
2023	13	$6,837.10	11.67	12.60	17.34	9.83	17.14	0.03	0.17	$46,746.96
2022	16	$6,626.47	-34.18	-33.60	24.23	-20.09	20.26	0.02	0.23	$40,707.08
2021	23	$13,014.02	-9.01	-8.23	21.42	-2.54	18.33	0.02	0.44	$75,340.29
2020	10	$6,521.97	54.79	56.05	22.43	18.31	19.60	0.04	0.17	$68,621.83
2019	8	$3,551.45	28.20	29.39	14.85	18.42	14.17	0.05	0.21	$44,636.85
2018	10	$2,432.63	-13.97	-12.86	15.97	-14.57	14.60	0.06	0.30	$35,387.67
2017	9	$2,010.72	39.12	40.82	14.51	37.28	15.35	0.08	0.28	$41,331.26
2016	9	$1,114.66	2.51	3.81	16.03	11.19	16.07	0.10	0.24	$34,914.29

Net Returns

As of 06/30/2026	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (12/31/2012)
EMGC	29.1	22.5	28.8	16.1	-0.6	9.1	7.7
MSCI EM	24.1	23.8	43.5	23.0	7.2	10.1	6.2

As of October 1, 2021, the firm was redefined to be the combination of Sands Capital Management, LLC and Sands Capital Alternatives, LLC (previously known as Sands Capital Ventures, LLC). Both firms are registered investment advisers with the U.S. Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940, as amended. The two registered investment advisers are combined to be one firm for GIPS purposes and are doing business as Sands Capital. Sands Capital operates as a distinct business organization, retains discretion over the assets between the two registered investment advisers, and has autonomy over the total investment decision making process. Prior to October 1, 2021, the firm was defined as Sands Capital Management, LLC, is an independent registered investment adviser. Sands Capital claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Sands Capital has been independently verified for the periods February 7, 1992 through December 31, 2025. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Emerging Markets Growth Composite ("EMGC") has had a performance examination for the periods December 31, 2012 through December 31, 2025. The verification and performance examination reports are available upon request. The EMGC reflects information from all fee-paying and non-fee-paying accounts managed in the Emerging Markets Growth strategy. The Emerging Markets Growth strategy is a concentrated portfolio that normally consists of the equity securities of 30 to 50 primarily large and mid-capitalization growth businesses. Portfolio companies are domiciled, listed, or have significant exposure (e.g., substantial portion of revenues, profits, or productive assets) to emerging and frontier markets. The portfolio may invest in ADRs, foreign securities traded on foreign exchanges, and may include the use of derivative access products including Low Exercise Price Warrants ("LEPWs") and Participation Notes ("P-Notes") to gain exposure to certain foreign markets where direct investment is restricted or not always practical or cost efficient. The strategy may experience losses as it is subject to equity securities risk, market and issuer risk, selection risk, growth style risk, concentration risk, currency exchange risk, foreign company risk, derivatives risk and other economic risks that may influence the returns of this strategy. The benchmark for the EMGC is the MSCI Emerging Markets Index ("MSCI EM"). The MSCI EM is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets. The EMGC may hold securities not included in the MSCI EM and Sands Capital may invest in securities not covered by the index. The annual composite dispersion presented is an asset-weighted standard deviation calculated of performance dispersion for accounts in the composite for the entire year, using beginning of period values. The U.S. dollar is the currency used to express performance. Returns include the effect of foreign currency exchange rates. Gross and net performance includes the reinvestment of all income and is presented net of expenses, foreign withholding taxes on dividends, interest income, and capital gains. Withholding taxes may vary according to the investor's domicile. The benchmark return is net of the maximum withholding tax rate of the constituent company's country of incorporation applicable to institutional investors. Net of fee performance was calculated by reducing the monthly gross composite return by 1/12 of the highest applicable annual fee of 1.25% for the period from January 1, 2013 to March 31, 2019. Beginning on April 1, 2019, the highest applicable annual fee was lowered and net of fee returns were calculated by reducing the monthly gross composite return by 1/12 of the highest applicable annual fee of 0.85%. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. A list of composite descriptions, pooled fund descriptions for limited distribution pooled funds, and broad distribution funds is available upon request. Past performance is not indicative of future results. The investment management fee schedule for separate accounts is 0.85% on the first $50 million, 0.65% on the next $200 million and 0.55% on all assets above $250 million. The Sands Capital Emerging Markets Growth Master Fund LP, which is included in the composite, has an investment management fee schedule of 0.85% on all assets and the total expense ratio is 1.00%. Accounts may also pay a performance- based fee that consists of a base fee plus a percentage of the annualized excess return versus the benchmark. Additional information regarding performance fees is available upon request. Actual investment advisory fees incurred by clients may vary which will result in performance that may be higher or lower. The EMGC was created on May 28, 2013 and the inception date for performance is December 31, 2012. MSCI is the source of all MSCI data presented. 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Sands Capital

We are an active, long-term investor in leading innovative growth businesses, globally. Our approach combines analytical rigor and creative thinking to identify high-quality growth businesses that are creating the future. Through an integrated investment platform spanning venture capital, growth equity, and public equity, we provide growth capital solutions to institutions and fund sponsors in more than 30 countries. Sands Capital is an independent, staff-owned firm founded in 1992 with offices in the Washington, D.C. area, New York, San Francisco, London, and Singapore.

All-In Culture

We are one team dedicated to one mission and one philosophy. As a fully independent and staff-owned firm, we attract and retain strong talent, focus on long-term outcomes, and are highly aligned with our clients' interests.

Insight Driven

Businesses that can build a sustainable advantage are few and far between. To seek them, we apply six criteria to separate signal from noise, identify what matters most, and construct differentiated views on tomorrow's businesses, today.

High Conviction for High Impact

All our strategies concentrate investments in only our best ideas and avoid mediocrity. With the intent to own businesses for five years or longer, we seek to create value for clients through the compounding of business growth over time.

Global Perspective with Local Understanding

Innovation-driven growth knows no geographic boundaries. Neither does our research team. We are hands on, on-the-ground, deeply immersed in the ecosystems in which our businesses operate.