SANDS CAPITAL

Global Leaders

Quarterly Report
June 30, 2026
USD

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Global Leaders

Global Leaders is a quality growth portfolio with an explicit emphasis on the efficiency of return generation. The objective is to construct a portfolio with a broad diversity of growth drivers and an idiosyncratic return stream to create balanced access to growth.

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	**37 businesses**
Top Ten Weight	**42%**

Long-Term Investment Horizon

Turnover (Annual Avg.)	**26%**
Expected Holding Period	**5+ years**

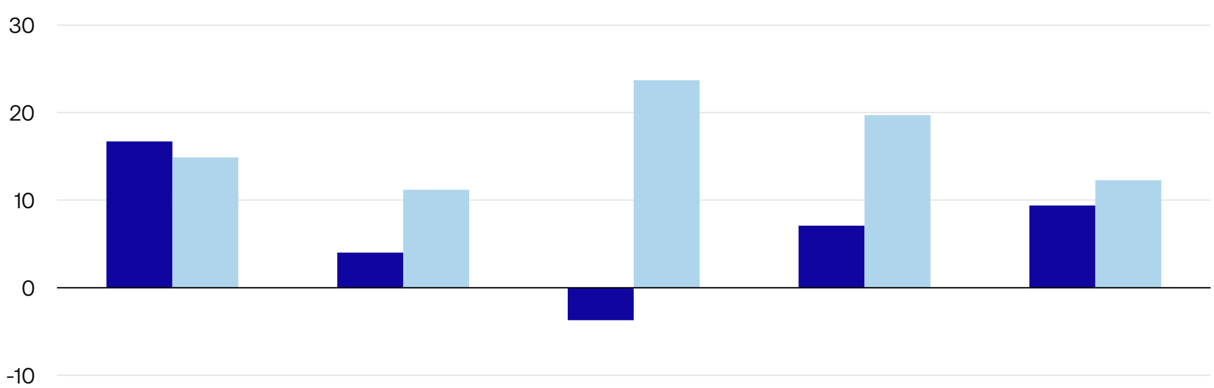
Growth-Oriented

Sands Capital Long-Term EPS Growth Estimate	**26%**

Investment Results (%)

Global Leaders vs. MSCI All Country World Index

As of 06/30/2026



	QTD	YTD	1 Year	3 Years	5 Years	Since Inception
Portfolio (Net)	16.7	4.0	-3.7	7.1	0.0	9.4
Benchmark	14.9	11.2	23.7	19.7	11.0	12.3
Value Added (%)	1.8	-7.2	-27.4	-12.6	-11.0	-2.9

Calendar Year Returns (%)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Portfolio (Net)	21.3	2.0	35.8	27.0	7.7	-29.1	20.9	9.4	2.6	4.0
Benchmark	16.0	-9.4	26.6	16.3	18.5	-18.4	22.2	17.5	22.3	11.2
Value Added (%)	5.3	11.5	9.2	10.7	-10.8	-10.8	-1.3	-8.1	-19.7	-7.2

Inception date is 03/31/2017. Returns over one year are annualized. For strategies that commenced during a calendar year, the first annual return period shown will reflect less than 12 months of performance and is calculated from the strategy's inception date through December 31. In such cases, benchmark returns for the corresponding period are shown for the same partial-year timeframe. 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 Global Leaders Equity Composite. Net of fee performance was calculated by reducing Global Leaders Equity Composite's monthly gross return by 1/12 of the highest applicable annual fee of 0.85% for the period from April 1, 2017 to February 29, 2020. Beginning on March 1, 2020, 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 the highest applicable annual fee of 0.65%. Past performance is not indicative of future results. Data Load ID: 666

Portfolio Characteristics

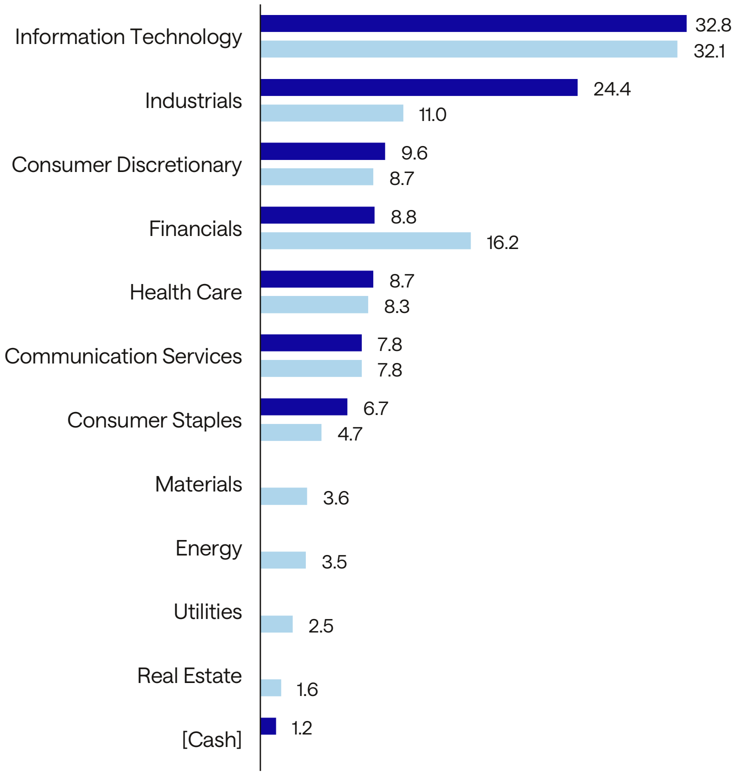
	Portfolio	Benchmark
Strategy Assets (USD)	$3.4B	n/a
Portfolio Businesses	37	2,461
Active Share	82%	n/a
5-Year Historical EPS Growth	36%	20%
Consensus Forward P/E - Next 12 mos.	21x	17x
Weighted Avg. Market Cap (USD)	$742.5B	$985.9B
Median Market Cap (USD)	$90.7B	$18.7B
Turnover - Trailing 12 mos.	49%	n/a

Efficiency and Volatility Metrics

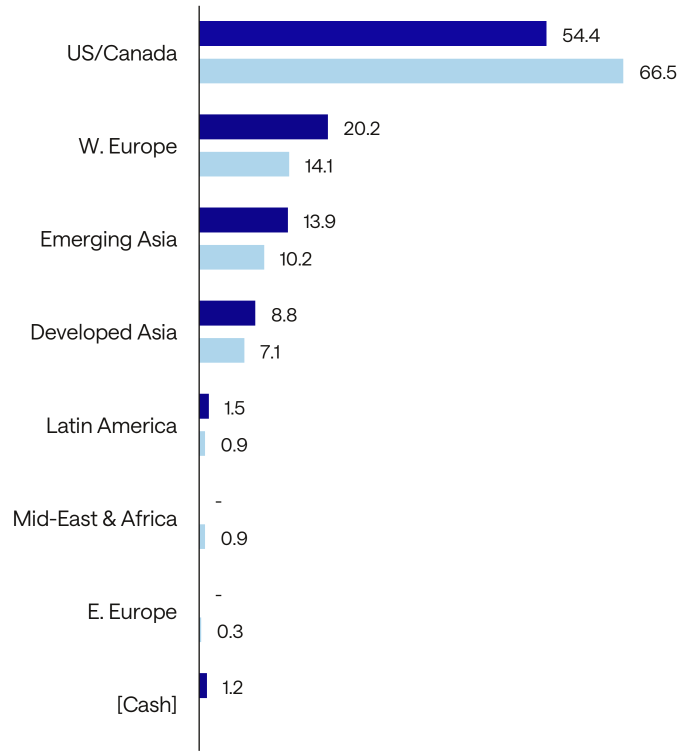
(Trailing 5 Years Net of Fees)	Portfolio	Benchmark
Beta	1.15	1
Information Ratio	-1.4	n/a
R-Squared	83.6%	100.0%
Sharpe Ratio	-0.2	0.5
Standard Deviation	18.8%	14.9%
Tracking Error	7.9%	n/a
Up Capture	83.2%	100%
Down Capture	128.2%	100%

Past performance is not indicative of future results.

Sector Exposure (%)



Region Exposure (%)



Top Ten Holdings (42.0% of Assets)

Company	Sector	Domicile	Weight (%)	Owned Since
Taiwan Semiconductor	Information Technology	Taiwan	6.2	2025
SK hynix	Information Technology	Korea	5.1	2026
NVIDIA	Information Technology	United States	4.9	2025
Visa	Financials	United States	4.6	2017
Quanta Services	Industrials	United States	3.9	2025
Amphenol	Information Technology	United States	3.8	2025
Alimentation Couche-Tard	Consumer Staples	Canada	3.6	2017
TransDigm	Industrials	United States	3.4	2017
Cloudflare	Information Technology	United States	3.3	2021
Axon Enterprise	Industrials	United States	3.1	2023

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			**7.8**	**7.8**	
Alphabet	Interactive Media & Services	United States	2.0	3.7	2026
Formula One	Entertainment	United Kingdom	3.0	0.0	2022
Meta Platforms	Interactive Media & Services	United States	1.5	1.2	2026
Tencent	Interactive Media & Services	China	1.3	0.3	2026
Consumer Discretionary			**9.6**	**8.7**	
Compass Group	Hotels, Restaurants & Leisure	United Kingdom	2.9	0.1	2025
Coupang	Broadline Retail	Korea	1.3	0.0	2022
Dollarama	Broadline Retail	Canada	2.0	0.0	2024
Ferrari	Automobiles	Italy	1.9	0.0	2023
MercadoLibre	Broadline Retail	Argentina	1.5	0.1	2025
Consumer Staples			**6.7**	**4.7**	
Ajinomoto	Food Products	Japan	3.1	0.0	2024
Alimentation Couche-Tard	Consumer Staples Distribution & Retail	Canada	3.6	0.0	2017
Financials			**8.8**	**16.2**	
3i Group	Capital Markets	United Kingdom	2.1	0.0	2025
Intercontinental Exchange	Capital Markets	United States	2.1	0.1	2017
Visa	Financial Services	United States	4.6	0.6	2017
Health Care			**8.7**	**8.3**	
Eli Lilly	Pharmaceuticals	United States	1.5	0.9	2026
Galderma	Pharmaceuticals	Switzerland	2.2	0.0	2026
Intuitive Surgical	Health Care Equipment & Supplies	United States	2.7	0.1	2025
McKesson	Health Care Providers & Services	United States	2.4	0.1	2025
Industrials			**24.4**	**11.0**	
Axon Enterprise	Aerospace & Defense	United States	3.1	0.0	2023
Itochu	Trading Companies & Distributors	Japan	2.8	0.1	2024
Quanta Services	Construction & Engineering	United States	3.9	0.1	2025
Rentokil Initial	Commercial Services & Supplies	United Kingdom	2.0	0.0	2019
Safran	Aerospace & Defense	France	2.7	0.1	2025
Siemens Energy	Electrical Equipment	Germany	2.4	0.1	2026
TransDigm	Aerospace & Defense	United States	3.4	0.1	2017
Waste Connections	Commercial Services & Supplies	United States	2.2	0.0	2024
Woodward	Aerospace & Defense	United States	1.9	0.0	2026
Information Technology			**32.8**	**32.1**	
Advanced Micro Devices	Semiconductors & Semiconductor Equipment	United States	1.6	0.9	2026
Amphenol	Electronic Equipment, Instruments & Components	United States	3.8	0.2	2025
ASML Holding	Semiconductors & Semiconductor Equipment	Netherlands	1.1	0.8	2026
Cloudflare	IT Services	United States	3.3	0.1	2021
Keyence	Electronic Equipment Instruments & Components	Japan	2.9	0.1	2017
Microsoft	Software	United States	2.5	2.6	2019
NVIDIA	Semiconductors & Semiconductor Equipment	United States	4.9	4.6	2025
Shopify	IT Services	Canada	1.3	0.1	2025
SK hynix	Semiconductors & Semiconductor Equipment	Korea	5.1	0.9	2026
Taiwan Semiconductor	Semiconductors & Semiconductor Equipment	Taiwan	6.2	1.8	2025
Cash			1.2		

Data presented is that of the Global Leaders Equity 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

Global equities rebounded sharply in the quarter, with the MSCI ACWI posting its strongest quarterly advance since 2020 and one of its best quarters since 1999. The rally was broad, with 10 of 11 sectors advancing, though leadership remained concentrated in information technology. Semiconductor- and hardware-related businesses accounted for more than 60 percent of the index's rise, and the PHLX Semiconductor Sector Index recorded its strongest quarter ever.

AI infrastructure remained the leading market theme. 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, and tanker traffic through the Strait of Hormuz further supported sentiment.

Emerging markets outperformed U.S. and developed market equities for the sixth consecutive quarter, led by strength in Korea and Taiwan.

Investment Results and Attribution

Global Leaders outperformed the MSCI ACWI during the quarter and delivered its second largest absolute return since its inception. Second quarter relative results were primarily driven by our holdings in AI infrastructure, aerospace, and our underweight value-oriented sectors such as energy. Notably the portfolio's investment results were driven by earnings growth. Despite strong performance, the portfolio trades at 21 times forward earnings. This represents one of its lowest premiums to the market multiple, at 17 times, in the strategy's history.

From a sector perspective, energy (a zero percent weight) and consumer staples were the top relative contributors to results, while health care and financials were the top detractors. From a regional perspective, Emerging Asia and Developed Asia were the top relative contributors, while the U.S./Canada and Latin America were the top detractors.

The top individual absolute contributors were SK hynix, Taiwan Semiconductor (TSMC), Amphenol, Quanta Services, and Keyence.

SK hynix is one of the world's largest dedicated producers of memory chips, including dynamic random-access memory (DRAM), NAND flash memory, and high-bandwidth memory (HBM) used in AI servers and other computing applications. Shares rose as investors gained confidence that accelerating AI adoption is driving a sustained tightening in memory markets, supporting stronger pricing across both DRAM and NAND. First-quarter 2026 results reinforced this view. Revenue increased 198 percent year over year, while operating profit rose 405 percent, driving record profitability and industry-leading margins. While HBM remains an important growth driver, strength extended across the broader memory portfolio. Conventional DRAM pricing accelerated significantly during the quarter, while NAND pricing increased even faster, reflecting robust demand for memory and storage as AI workloads become increasingly data intensive. We raised our revenue and earnings estimates materially to reflect stronger pricing, continued supply constraints, and improving industry fundamentals. We believe SK hynix's technology leadership, deep customer relationships, and focused memory strategy position the business as a key beneficiary of growing AI infrastructure investment.

TSMC benefited from strong AI demand, supported by its position as the world's largest scaled 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.

Amphenol is the second-largest electronics connector manufacturer by revenue globally. The business delivered strong first quarter results, supported by broad demand and exceptional growth in its IT datacom segment. Revenue rose 58 percent year over year, and exceeded consensus expectations. Orders also outpaced sales in every end market, signaling healthy demand across the business. IT datacom was the standout contributor, growing 81 percent year over year on a constant-currency basis. The segment continues to benefit from rising demand for high-performance data center interconnect solutions, including those tied to NVIDIA's Blackwell architecture. Amphenol also strengthened its long-term positioning through the acquisition of CommScope's Connectivity Solutions business, which expands its fiber optic capabilities. While some investors are focused on the potential shift from copper to optical technologies, we believe Amphenol's broad portfolio, close customer relationships, and ability to adapt quickly should help it remain a key supplier as data center architectures evolve.

Quanta Services is the largest U.S. provider of skilled labor and equipment for energy and communications infrastructure. The business is benefiting from rising investment in electrification and AI infrastructure, as customers expand power generation, modernize the grid, and add transmission capacity. First-quarter results reinforced this view, even before several previously announced large transmission and data center projects begin contributing meaningfully. Revenue increased 26 percent year over year, or 14 percent organically, led by 31 percent growth in Electric Infrastructure. Operating income rose 37 percent, and earnings per share increased 51 percent, supported by scale, project mix, and execution. Demand visibility also improved. Order backlog increased 38 percent year over year, while data center exposure, now about 10 percent of revenue, is growing more than 100 percent year over year. We believe Quanta's specialized labor force, customer relationships, and electric infrastructure exposure position the business to benefit as major projects ramp in coming periods.

Keyence is a leading designer of high-end factory automation sensors and sensor systems. Shares advanced sharply during the second quarter after the company reported strong fiscal fourth-quarter results in April, pointing to a broadening recovery in global factory automation. Revenue grew 18 percent year over year, its fastest quarterly pace in more than three years, with acceleration across Japan and every overseas region in local currency, suggesting genuine demand strength rather than a currency tailwind. Operating margin expanded to 54 percent in the quarter, helping ease concerns about Chinese competition, AI disruption, and margin dilution. Management also signaled a more shareholder-friendly stance, sharply raising the final dividend and amending its articles to permit board-authorized share buybacks. In our view, accelerating fundamentals alongside improving capital allocation can drive a re-rating, and we believe the strength of this recovery remains underappreciated.

The top individual absolute detractors were Intercontinental Exchange, McKesson, Intuitive Surgical, Itochu, and Tencent.

Intercontinental Exchange is a leading provider of financial market infrastructure, spanning global exchanges, clearing houses, fixed-income data, and mortgage technology. Shares fell in the second quarter, extending a multiple de-rating driven by fears that AI will erode its mortgage technology business, even as fundamentals strengthened. First-quarter 2026 results were the strongest in company history, with revenue up 20 percent year over year and Exchanges revenue up 30 percent on record energy-trading volumes amid Middle East conflict. We believe the market is conflating the company's data-rich systems of record, which AI models are more likely to draw upon than displace, with workflow software at risk of disruption. Its data and connectivity businesses are in fact accelerating, with rising automated data consumption suggesting AI is embedding the company more deeply in customer operations rather than displacing it. With the multiple compressed from roughly 25 to 16 times earnings, we expect Intercontinental Exchange to compound earnings at a low-double-digit rate over the next five years and re-rate toward its historical 20 times multiple as concerns fade.

McKesson helps ensure the reliable delivery of pharmaceuticals, particularly complex specialty drugs, across the country, serving as a vital conduit between manufacturers and providers. Shares sold off as drug utilization normalized after several quarters of elevated demand that had driven strong results across drug distributors. Channel checks had pointed to softer volumes, and the stock appeared to anticipate weaker distributor results. The quarter was mixed. Revenue missed consensus expectations, though revenue is less meaningful for a distributor than profitability. More importantly, adjusted operating income missed in North America pharmaceutical distribution and in oncology and multispecialty. Total adjusted operating income was in line, and earnings per share slightly beat expectations. Guidance also appeared modestly soft versus the prior year, but McKesson plans to increase share repurchases in fiscal 2027, supporting guidance for earnings growth of 12 percent to 14 percent. Our thesis remains unchanged given McKesson's strong returns on invested capital and durable business quality, though we did lower our terminal multiple estimate.

Intuitive Surgical shares came under pressure with the broader medtech industry. Health care equipment and supplies was among the weakest industries in the quarter, as investors weighed fewer product cycles, health care utilization concerns, inflation, competition for capital from AI infrastructure, and concerns about ex-U.S. competition. We believe the share price pressure obscures a stronger fundamental setup. First-quarter 2026 results beat consensus estimates across key metrics, including revenue, non-GAAP earnings, non-GAAP operating margins, da Vinci procedures, and overall robot placements. Looking ahead, we expect Intuitive to roll out several AI features over the next few years, including anatomy identification, critical-structure highlighting during surgery, and, over time, support for surgeon dexterity and automation. These features could accelerate robotic surgery adoption and create a software licensing opportunity that we expect to carry higher gross margins than the corporate average. While we do not expect a quick rerating in the shares, which trade at levels not seen since the 2022 market selloff, we favor the risk-reward profile given Intuitive's recurring revenue base, market leadership, and longer-term AI potential.

Itochu is a 150-year-old Japanese "sogo shosha," or general trading company, that operates a diverse portfolio of businesses across eight segments. Shares retreated after strong year-to-date performance. The business delivered steady results, supported by its diversified business mix and disciplined capital allocation. Net profit rose 2 percent to ¥900.3 billion, slightly above company guidance, as growth in non-resource businesses helped offset weaker results in resource-related areas. Results were driven by food, textiles, financial services, and turnaround progress in select businesses, including two coking coal projects and Dole. Itochu's long-running shift toward consumer-related businesses in Japan and away from overseas resource assets has helped make the company more resilient during volatile economic periods. Management guided to 6 percent net profit growth for the next fiscal year, supported by new investments, organic growth, and further improvements in underperforming businesses. This outlook includes an expected headwind from the Middle East conflict, which management assumes will affect the first quarter before easing. Itochu also announced a record ¥300 billion share repurchase plan and reiterated its focus on achieving a 15 percent return on equity target.

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.

Portfolio Activity

During the quarter we purchased Woodward (growth cyclical), Advanced Micro Devices (growth cyclical), and ASML Holding (growth cyclical). We exited Boston Scientific (compounder).

Woodward is a leading designer and manufacturer of fuel control systems for aerospace and industrial engines. Its products regulate fuel flow and engine performance, making them mission-critical components embedded within engine systems, with high switching costs and long lifecycles. We believe that the business is undergoing a multi-year acceleration in aerospace aftermarket demand as next-generation engines, such as LEAP and GTF, enter heavy maintenance cycles. Woodward has significantly higher content on these platforms, often 2-9x greater than prior generations, which is expected to support stronger revenue growth and margin expansion. We believe this aftermarket opportunity has the potential to grow faster than the broader industry and persist for decades, supported by a rising installed base and increasing shop visits. As more engines require servicing, Woodward benefits from both higher volumes and greater per-engine content. Woodward is also strengthening its competitive position by transitioning from a component supplier to a sole-source systems provider, reinforcing customer reliance on its technology while supporting pricing power and margin expansion across both segments.

Advanced Micro Devices is a leading provider of high-performance computing and AI semiconductor solutions. The company has built its position through sustained innovation in CPUs, GPUs, and adaptive computing, emerging as a scaled alternative to incumbent providers. Demand for compute is rising rapidly, driven by generative AI, inference, agentic applications and broader cloud infrastructure investment, all of which require higher-performance and more energy-efficient processing. We believe AMD is well positioned to benefit as customers seek greater supplier diversity, open standards and cost-effective alternatives in AI infrastructure. More specifically, we expect the business to benefit from emerging architectures needed to support agentic AI, as expanding orchestration and workflow management workloads may require materially greater CPU resources per accelerator.

ASML Holding is the world's largest vendor of semiconductor production equipment by revenue. It is a global market-leading supplier of lithography equipment, which uses concentrated light to imprint circuit patterns onto silicon wafers. Extreme ultraviolet (EUV) lithography systems—a critical manufacturing component for the world's most advanced, or leading-edge, microchips—are ASML's primary product by revenue and what we expect to be its biggest growth driver. EUV systems print the most intricate layers on microchips using a wavelength of just 13.5 nanometers, and ASML is the world's sole provider of this technology. We expect unit and pricing growth of ASML's EUV systems to be driven by the increased manufacturing complexity of semiconductors, given the growing computing power demanded by data centers, connected devices, personal computers, and other use cases. We view ASML as a toll taker on an open-ended growth opportunity, as the proliferation of AI drives demand for chips that require ASML's exclusive technology.

We exited our position in **Boston Scientific** as our original investment thesis began to weaken. Our thesis centered on the company's leadership in structural heart and electrophysiology, driven by products such as WATCHMAN and Farapulse, which we believed could sustain durable, above-consensus growth through innovation and strong execution. Recent performance challenged that view. Growth in Electrophysiology has shown unexpected weakness, with signs of increasing competitive pressure, while WATCHMAN growth has decelerated, raising questions about its ability to remain a consistent driver of outperformance. These developments contrast with our expectation that these core franchises would continue to lead the company's growth trajectory. Management's explanation of these trends further reduced our confidence in near-term execution and visibility. While upcoming clinical catalysts, including the CHAMPION trial, could improve the outlook, uncertainty around timing and impact remains. Taken together, we determined the risk-reward profile had become less compelling relative to other opportunities. We chose to reallocate capital to businesses with clearer, more durable paths to high-quality growth.

Portfolio Construction and Guiderails

Global Leaders seeks to construct a quality growth portfolio based on a diversity of growth drivers to create an idiosyncratic return stream. These diversity of growth drivers—when applied to businesses with varying degrees of growth magnitude and duration—can also help reduce intra-portfolio correlations and overall portfolio volatility. While each business in Global Leaders is underpinned by different growth drivers, certain businesses also feature similar characteristics. To reflect this in our portfolio construction, we segment our portfolio into three categories:

Higher growth - These are rapidly growing businesses with a wider cone of potential outcomes. These are typically companies that are established leaders with profitable operations, limited binary risk, and improving unit economics. These businesses typically make up no more than 25 percent of the portfolio.

Compounders -These are established businesses with strong competitive moats that have highly visible above-average long-duration growth. These businesses are more insulated from economic cycles. Compounders typically make up 50-70 percent of the portfolio.

Growth cyclicals - These are above-average cross-cycle growth businesses with known sensitivity to industry or economic cycles. These companies have an additional emphasis on their competitive advantages, cash generation, and capital return abilities. Growth cyclicals typically make up no more than 25 percent of the portfolio.

At the end of June, Global Leaders had a 56 percent weight in compounders, a 27 percent weight in growth cyclicals, and a 16 percent weight in higher growth.

Outlook

The opportunity set for growth investors is shifting, and we have positioned Global Leaders 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.

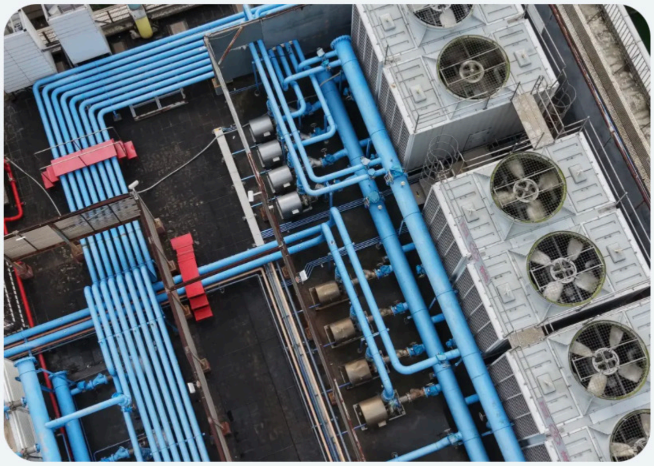
We believe Global Leaders is well positioned. The portfolio maintains material exposure to businesses benefiting from AI-related infrastructure investment, but we continue to look beyond AI for durable earnings growth. In our view, the portfolio's high and rising earnings growth expectations, combined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

Related Perspectives

Korea in Demand

Korea's opportunity set has broadened as global demand rises for trusted suppliers across AI infrastructure, semiconductors, power equipment, shipbuilding, nuclear, robotics, and beauty.

Article | Emerging Markets | On the Road | 12 min read



The AI Supply Shock

AI adoption may be moving from experimentation to deployment faster than infrastructure can expand, creating potential opportunities for companies positioned at key bottlenecks across the AI value chain.

Article | Artificial Intelligence | Semiconductors | Secular Trends | 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.

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Differences in account size, timing of transactions and market conditions prevailing at the time of investment may lead to different results, and clients may lose money. A company's fundamentals or earnings growth is no guarantee that its share price will increase. Forward earnings and revenue projections are not predictors of stock price or investment performance, and do not represent past performance. Characteristics, sector exposure and holdings information are subject to change, and should not be considered as recommendations. 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. You should not assume that any investment is or will be profitable. Upon request, a complete list of securities purchased and sold will be provided. A full list of public portfolio holdings, including their purchase dates, are available here. To receive a complete list of and description of the calculation methodology for the attribution analysis and complete list detailing each holding's attribution please contact a member of the Client Relations Team at 703-562-4000.

Contribution Analysis (Net %)

Quarter to Date

Top Absolute Contributors

Company Name	Avg. Weight	Return	Contribution
SK hynix	4.4	224.5	4.8
Taiwan Semiconductor	7.1	37.6	2.3
Amphenol	3.3	39.6	1.2
Quanta Services	3.9	31.0	1.1
Keyence	2.8	44.4	1.0

Bottom Absolute Detractors

Company Name	Avg. Weight	Return	Contribution
Intercontinental Exchange	2.7	-21.6	-0.6
McKesson	3.2	-12.8	-0.5
Intuitive Surgical	3.1	-13.9	-0.5
Itochu	3.2	-8.3	-0.3
Tencent	1.5	-10.4	-0.2

Trailing 1 Year

Top Absolute Contributors

Company Name	Avg. Weight	Return	Contribution
SK hynix	1.5	183.3	4.3
Taiwan Semiconductor	5.2	107.8	4.0
Amphenol	3.2	78.6	1.9
Quanta Services	1.9	61.0	1.6
Ajinomoto	2.5	33.8	0.9

Bottom Absolute Detractors

Company Name	Avg. Weight	Return	Contribution
ServiceNow	2.0	-50.2	-2.0
Axon Enterprise	3.2	-33.5	-1.7
Constellation Software	1.3	-31.3	-1.3
Roper Technologies	1.8	-38.8	-1.3
Microsoft	3.8	-25.6	-1.2

Trailing 3 Year

Top Absolute Contributors

Company Name	Avg. Weight	Return	Contribution
SK hynix	0.5	183.2	4.3
Cloudflare	2.7	271.2	4.2
Taiwan Semiconductor	2.0	112.8	4.1
Axon Enterprise	3.1	183.3	3.9
Amphenol	1.3	152.8	2.8

Bottom Absolute Detractors

Company Name	Avg. Weight	Return	Contribution
AIA	1.5	-34.8	-1.3
3i Group	0.6	-37.9	-1.2
Rentokil Initial	2.1	-27.0	-1.1
Boston Scientific	0.3	-43.5	-1.1
Charter Communications	2.1	-31.2	-1.0

Trailing 5 Year

Top Absolute Contributors

Company Name	Avg. Weight	Return	Contribution
SK hynix	0.3	183.5	4.3
Axon Enterprise	2.0	192.6	3.8
TransDigm	3.2	143.2	3.7
Taiwan Semiconductor	1.7	78.0	3.6
Constellation Software	3.1	48.7	3.3

Bottom Absolute Detractors

Company Name	Avg. Weight	Return	Contribution
Chegg	1.4	-92.4	-7.2
DocMorris	0.9	-97.8	-4.1
Charter Communications	2.7	-67.0	-3.6
NAVER	0.6	-70.2	-3.4
AIA	2.5	-46.1	-2.3

All values are those of the Global Leaders Equity Composite. The companies identified above represent a subset of current holdings in the Global Leaders 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

Global Leaders vs. MSCI All Country World Index (MSCI ACWI)
Reported June 30, 2026

Carbon Footprint

	Carbon Emissions	Carbon Intensity	Weighted Average Carbon Intensity	Carbon Emissions Data Availability
Global Leaders	8.9	29.3	55.0	99%
MSCI ACWI	49.6	143.1	115.3	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	Contribution to Weighted Average Carbon Intensity
Waste Connections	2.2	875.1	19.8
Taiwan Semiconductor	6.3	185.9	11.8
SK hynix	5.2	168.5	8.8
Ajinomoto	3.2	112.7	3.6
Quanta Services	3.9	37.5	1.5

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.

Global Leaders Voting Activity
TTM Ending June 30, 2026

Votes	Businesses	Resolutions	%
Cast in Favor of Management	33	464	96%
Cast Against Management	8	13	3%
Abstentions	1	6	1%
		483	100%

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

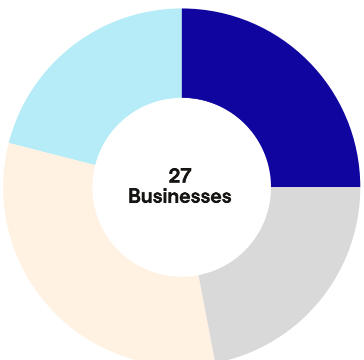
We meet regularly with the management teams of our portfolio businesses. Typically, they recognize us for our long-term investment orientation and focus on value creation.

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.

Global Leaders Engagement Activity
TTM Ending June 30, 2026



- Business Strategy: 25%
- Governance: 22%
- Social: 32%
- Environment: 21%

ESG Topics Generally Addressed

Governance

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

Social

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

Environment

GHG emissions or climate change strategy
Energy use and efficiency
Materials use and sourcing
Environmental policy and strategy
Pollution and waste management
Water use and efficiency
Regulation

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.

Galderma

Business: Galderma is a leading Switzerland-based dermatology company selling injectables, skin care products, and pharmaceutical grade drugs.

Key issues: Executive compensation.

Background

Galderma is a Switzerland-based global dermatology company focused on advancing skin health through science-based solutions. Founded in 1981 as a joint venture between L'Oréal and Nestlé, the company has become the world's largest independent dermatology business, as measured by sales. It produces more than 400 million units annually across injectable aesthetics, dermatological skincare, and therapeutic dermatology.

Executive compensation was the central focus of our engagement with Galderma's board and management. We met with company representatives to assess how the compensation framework aligns with governance best practices and supports long-term value creation.

Encouraging executive compensation alignment

During our meeting with Galderma representatives, we encouraged greater transparency in peer benchmarking to strengthen the credibility of compensation decisions. Specifically, we provided feedback on the company's peer group selection, noting that several competitors did not appear well aligned with Galderma's business. Without a clearly defined and appropriate peer group, compensation decisions may face increased scrutiny from investors. We recommended enhanced disclosure of the methodology used to select peers so investors can better evaluate the appropriateness of pay levels.
Additionally, we emphasized the importance of aligning executive compensation with global biopharma standards to support talent retention while maintaining a strong link to long-term performance. We noted that competitive pay can help mitigate executive attrition in a global talent market. At the same time, we stressed that any one-time awards should include robust vesting schedules and holding periods to reinforce alignment with long-term outcomes.

Finally, we recommended further strengthening downside protections within the compensation structure. In particular, we encouraged the introduction of a clawback mechanism for short-term incentives to enhance accountability and align with evolving governance expectations.

Next steps

During the meeting, we also discussed L'Oréal's increased ownership and its intention to nominate two non-independent board members. Galderma indicated that these members would recuse themselves from discussions involving potential conflicts. We will assess these nominees' access to strategic information, particularly given the direct competition between Galderma and L'Oréal in skincare.

Governance developments remain an important consideration for compensation oversight. We will continue to monitor board composition and committee assignments, given their potential influence on compensation decisions.

We believe this engagement could support a more transparent, competitive, and well-aligned compensation framework. We will continue to monitor Galderma's progress and engage with the company as it refines its approach.

Global Leaders Equity Composite (GLEC) GIPS Report

			GLEC			MSCI ACWI				
Year End	# Accounts	End of Period AUM (USD $M)	Returns (Net)	Returns (Gross)	Annualized 3Y Std. Dev. (Net)	MSCI ACWI	Annualized 3Y Std. Dev.	Non-Fee Paying % of Composite	Asset Wgt'd Std. Dev. (Gross)	Firm Total Assets (USD $M)
2025	<5	$3,726.87	2.60	3.28	14.54	22.34	11.18	0.04	n.m. [1]	$48,202.34
2024	5	$2,986.80	9.42	10.12	20.59	17.49	16.20	0.05	0.05	$47,462.52
2023	7	$3,620.03	20.89	21.67	20.78	22.20	16.27	0.09	0.13	$46,746.96
2022	9	$3,002.72	-29.14	-28.66	22.70	-18.36	19.86	0.09	0.17	$40,707.08
2021	7	$3,378.02	7.72	8.42	17.03	18.54	16.84	0.09	0.08	$75,340.29
2020	7	$2,719.58	26.96	27.80	17.67	16.26	18.13	0.10	0.15	$68,621.83
2019	5	$1,361.96	35.76	36.89	— [2]	26.60	— [2]	0.16	n.m. [1]	$44,636.85
2018	<5	$351.83	2.04	2.90	— [2]	-9.42	— [2]	0.45	n.m. [1]	$35,387.67
2017 [3]	<5	$49.95	21.30	22.04	— [2]	15.96	— [2]	3.10	n.m. [1]	$41,331.26

Net Returns

As of 06/30/2026	QTD	YTD	1 Year	3 Years	5 Years	Since Inception (03/31/2017)
GLEC	16.7	4.0	-3.7	7.1	0.0	9.4
MSCI ACWI	14.9	11.2	23.7	19.7	11.0	12.3

[1] n.m. – Not statistically meaningful, five or less accounts in the composite for the entire year. [2] The 3-year annualized standard deviation is not shown due to the composite having less than 36 months of returns. [3] Annual performance results for 2017 reflect partial period performance. Returns are calculated from 3/31/17 to 12/31/17 for both the composite and the index. 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 Global Leaders Equity Composite ("GLEC") has had a performance examination for the periods March 31, 2017 through December 31, 2025. The verification and performance examination reports are available upon request. The GLEC reflects information from all fee paying and non-fee paying accounts managed in the Global Leaders strategy. The Global Leaders strategy is a concentrated portfolio that normally consists of the equity securities of 30 to 50 primarily large and mid-capitalization growth businesses. The strategy employs a portfolio construction approach that intends to balance growth and volatility and places additional emphasis on leadership and competitive advantage, as well as strong free cash flow generation and high return on invested capital. Portfolio companies are domiciled in both developed and emerging markets. The portfolio may invest a significant percentage of its assets in U.S. listed securities, ADRs, and 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 GLEC is the MSCI All Country World Index("MSCI ACWI"). The MSCI ACWI is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The GLEC holds securities not included in the MSCI ACWI 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 monthly gross composite return by 1/12 of the highest applicable annual fee of 0.85% for the period from April 1, 2017 to February 29, 2020. Beginning on March 1, 2020, the highest applicable annual fee was lowered, and net of fee returns were calculated by reducing the monthly gross composite return by 1/12 the highest applicable annual fee of 0.65%. 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 0.65% on the first $250 million and 0.55% on all assets above $250 million. 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 GLEC was created on March 8, 2017 and the inception date for performance is March 31, 2017. MSCI is the source of all MSCI data presented. The MSCI information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. 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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.