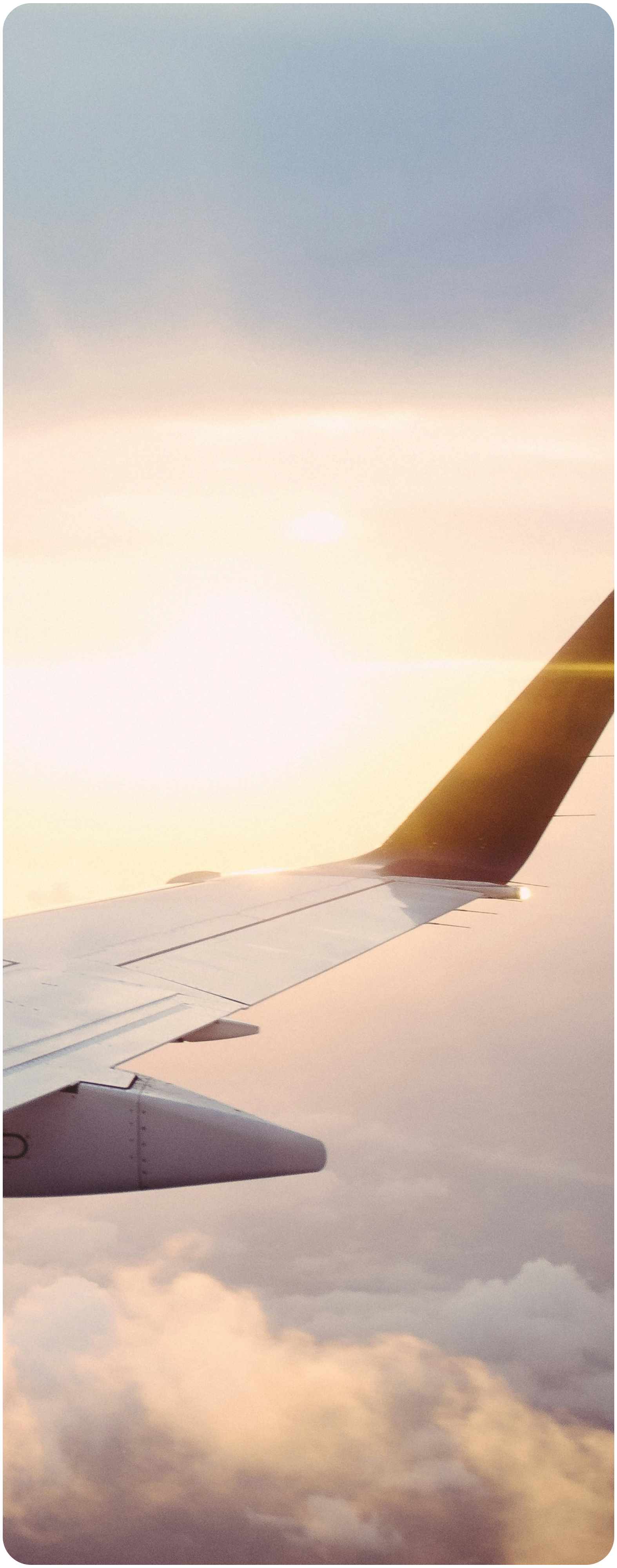

SANDS CAPITAL

International Growth

Quarterly Report
June 30, 2026
USD

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Strategy Team

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Co-Portfolio Manager

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Co-Portfolio Manager

International Growth

International Growth seeks to own the best growth businesses outside of the United States. These businesses often feature durable, above-average earnings growth underpinned by secular change in both developed and emerging markets.

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	36 businesses
Top Ten Weight	54%

Long-Term Investment Horizon

Turnover (Annual Avg.)	19%
Expected Holding Period	5+ years

Growth-Oriented

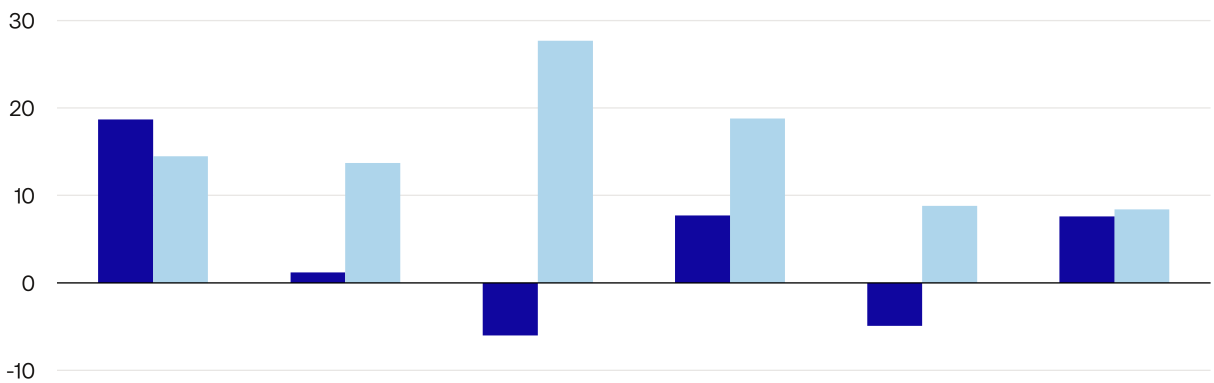
Sands Capital Long-Term EPS Growth Estimate	29%

Number of portfolio businesses includes securities that were in process of sale.

Investment Results (%)

International Growth vs. MSCI All Country World Index ex USA

As of 06/30/2026



	QTD	YTD	1 Year	3 Years	5 Years	Since Inception
Portfolio (Net)	18.7	1.2	-6.0	7.7	-4.9	7.6
Benchmark	14.5	13.7	27.7	18.8	8.8	8.4
Value Added (%)	4.2	-12.5	-33.7	-11.1	-13.6	-0.7

Calendar Year Returns (%)

	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Portfolio (Net)	-7.1	46.3	60.2	1.4	-41.0	16.0	8.4	10.9	1.2
Benchmark	-13.2	21.5	10.7	7.8	-16.0	15.6	5.5	32.4	13.7
Value Added (%)	6.0	24.8	49.5	-6.5	-25.0	0.4	2.9	-21.5	-12.5

Inception date is 03/31/2018. 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 International Growth Equity Composite. Net of fee performance was calculated by reducing International Growth Equity 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)	$520.3M	n/a
Portfolio Businesses	36	1,934
Active Share	86%	n/a
5-Year Historical EPS Growth	22%	17%
Consensus Forward P/E - Next 12 mos.	23x	14x
Weighted Avg. Market Cap (USD)	$465.7B	$274.5B
Median Market Cap (USD)	$47.4B	$15.0B
Turnover - Trailing 12 mos.	21%	n/a

Number of portfolio businesses includes securities that were in process of sale.

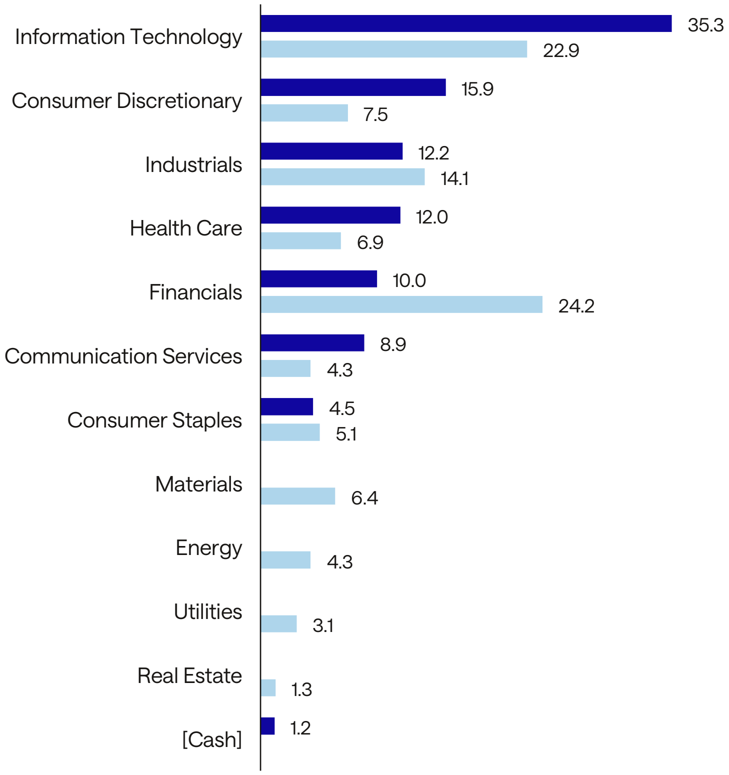
Efficiency and Volatility Metrics

(Trailing 5 Years Net of Fees)	Portfolio	Benchmark
Beta	1.22	1
Information Ratio	-1.0	n/a
R-Squared	69.1%	100.0%
Sharpe Ratio	-0.4	0.3
Standard Deviation	22.6%	15.4%
Tracking Error	13.0%	n/a
Up Capture	88.7%	100%
Down Capture	144.8%	100%

Past performance is not indicative of future results.

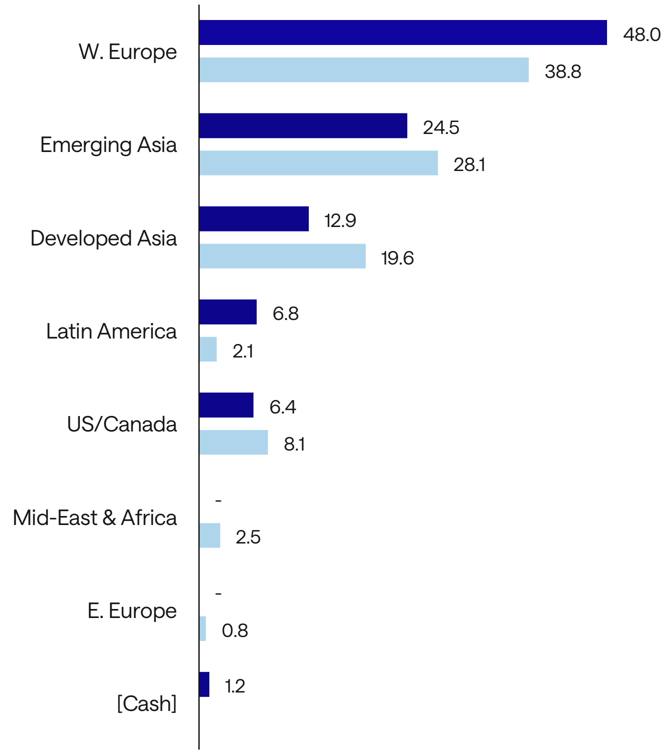
Sector Exposure (%)

● Portfolio ● Benchmark



Region Exposure (%)

● Portfolio ● Benchmark



Top Ten Holdings (53.8% of Assets)

Company	Sector	Domicile	Weight (%)	Owned Since
Taiwan Semiconductor	Information Technology	Taiwan	11.4	2018
ASML Holding	Information Technology	Netherlands	7.5	2018
Galderma	Health Care	Switzerland	5.0	2025
VAT Group	Industrials	Switzerland	4.9	2018
Shopify	Information Technology	Canada	4.5	2018
Ajinomoto	Consumer Staples	Japan	4.5	2024
SK hynix	Information Technology	Korea	4.3	2026
Keyence	Information Technology	Japan	4.2	2018
Addtech	Industrials	Sweden	4.1	2023
Spotify	Communication Services	Sweden	3.5	2024

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			**8.9**	**4.3**	
CTS Eventim	Entertainment	Germany	2.6	0.0	2022
Formula One	Entertainment	United Kingdom	2.8	0.0	2022
Spotify	Entertainment	Sweden	3.5	0.2	2024
Consumer Discretionary			**15.9**	**7.5**	
Dollarama	Broadline Retail	Canada	1.9	0.1	2024
Ferrari	Automobiles	Italy	2.3	0.1	2023
Lenskart Solutions	Specialty Retail	India	1.1	0.0	2026
MercadoLibre	Broadline Retail	Argentina	3.5	0.0	2018
On Holding	Textiles, Apparel & Luxury Goods	Switzerland	1.8	0.0	2025
Sea	Broadline Retail	Singapore	3.2	0.1	2019
Titan	Textiles, Apparel & Luxury Goods	India	2.1	0.0	2024
Consumer Staples			**4.5**	**5.1**	
Ajinomoto	Food Products	Japan	4.5	0.1	2024
Financials			**10.0**	**24.2**	
3i Group	Capital Markets	United Kingdom	1.9	0.1	2025
Adyen	Financial Services	Netherlands	2.1	0.1	2019
Bajaj Finance	Consumer Finance	India	2.3	0.1	2018
HDFC Bank	Banks	India	1.9	0.3	2018
Nu Holdings	Banks	Brazil	1.7	0.1	2025
Health Care			**12.0**	**6.9**	
argenx	Biotechnology	Belgium	2.6	0.2	2025
EssilorLuxottica	Health Care Equipment & Supplies	France	1.8	0.2	2025
Galderma	Pharmaceuticals	Switzerland	5.0	0.1	2025
Pro Medicus	Health Care Technology	Australia	1.1	0.0	2025
Stevanato Group	Life Sciences Tools & Services	Italy	1.5	0.0	2023
Industrials			**12.2**	**14.1**	
Addtech	Trading Companies & Distributors	Sweden	4.1	0.0	2023
Siemens Energy	Electrical Equipment	Germany	1.6	0.4	2026
VAT Group	Machinery	Switzerland	4.9	0.1	2018
WEG	Electrical Equipment	Brazil	1.6	0.0	2022
Information Technology			**35.3**	**22.9**	
Arm Holdings	Semiconductors & Semiconductor Equipment	United Kingdom	1.5	0.0	2026
ASML Holding	Semiconductors & Semiconductor Equipment	Netherlands	7.5	2.1	2018
Hexagon*	Electronic Equipment, Instruments & Components	Sweden	0.5	0.0	2018
Keyence	Electronic Equipment Instruments & Components	Japan	4.2	0.3	2018
Samsung Electronics	Technology Hardware, Storage & Peripherals	Korea	1.5	3.0	2026
Shopify	IT Services	Canada	4.5	0.4	2018
SK hynix	Semiconductors & Semiconductor Equipment	Korea	4.3	2.6	2026
Taiwan Semiconductor	Semiconductors & Semiconductor Equipment	Taiwan	11.4	5.1	2018
Cash			1.2		

*Hexagon was completely exited from the International Growth Equity Composite on 7/02/26.

Data presented is that of the International Growth 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

International equity markets advanced strongly in the second quarter, supported by easing geopolitical risk, resilient results in select sectors, and continued enthusiasm around artificial intelligence. The period began with significant volatility as the Iran conflict disrupted global energy markets and pushed oil prices sharply higher. However, sentiment improved as ceasefire talks progressed and a formal U.S.-Iran framework agreement helped reopen the Strait of Hormuz. The subsequent decline in oil prices relieved stagflationary pressure and allowed investors to refocus on structural growth opportunities.

European equities delivered broad gains, with the STOXX 600 rising 10 percent. Technology was the clear standout, supported by continued demand tied to AI infrastructure and strong results from European semiconductor companies. Banks also performed well, benefiting from market volatility, trading revenues, capital returns, and a supportive rate environment. Energy lagged as crude prices retreated from their conflict-driven highs, while Autos & Parts remained pressured by Chinese electric vehicle competition and margin concerns. The macro backdrop was mixed: the European Central Bank raised rates for the first time since 2023 in response to energy-driven inflation, but falling oil prices later reduced expectations for additional tightening.

Asian markets also posted strong gains, led by technology-heavy markets in South Korea, Taiwan, Japan, and parts of China. The MSCI Asia Pacific ex-Japan Index rose more than 26 percent, driven by powerful demand for AI-related products and improving sentiment as Middle East tensions eased. South Korea's KOSPI was the standout, gaining more than 66 percent on extraordinary strength in semiconductor leaders, while Japan's Nikkei 225 rose nearly 35 percent. India also advanced as lower oil prices and policy support helped stabilize the rupee. China's performance was more mixed, with export strength and industrial output offset by weak domestic demand, contracting retail sales, continued housing pressure, and softer credit growth.

Investment Results and Attribution

International Growth outperformed the MSCI ACWI ex-USA Index as geopolitical uncertainty eased, allowing for AI enthusiasm and risk assets to bounce back. The second quarter marked the highest absolute return for the strategy since the fourth quarter of 2023.

Thematically, International Growth benefited from higher exposure to artificial intelligence. Businesses exposed to this theme account for nearly 28 percent of the strategy representing an overweight of approximately 8 percent compared to the benchmark. Additionally, the portfolio benefited from its underweight to Chinese businesses. The country was the largest absolute detractor to benchmark results and from a country perspective, the second largest contributor to International Growth's results. China remains a large weight in the MSCI ACWI ex-USA at approximately 7 percent. Despite International Growth's strong results in the quarter, it continues to trade at an attractive multiple at 23x forward earnings. This represents a near historic discount to the market at 14x.

From a sector perspective, information technology and consumer discretionary were the top contributors to relative results, while communication services and financials were the top detractors. From a regional perspective, Emerging Asia and Developed Asia were the top contributors to relative results. Eastern Europe was the sole detractor from relative results and the Mid-East and Africa (a zero percent weight) contributed the least.

The top individual absolute contributors were Taiwan Semiconductor (TSMC), ASML Holding, SK hynix, VAT Group, and Keyence.

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.

ASML is a Dutch semiconductor equipment company specializing in lithography systems, which chipmakers use to print patterns on silicon wafers. ASML's investment results primarily reflected rising long-term expectations for memory systems sales, as AI demand increases the need for advanced DRAM and logic chips. We believe lithography capacity could become one of the hardest constraints to scaling AI infrastructure, potentially creating tight supply conditions for years. Our bottom-up analysis suggests both Chinese and non-Chinese fabs may need to materially increase lithography capacity to meet AI chip demand. Agentic AI could also increase CPU intensity in data centers, with some observers expecting the CPU-to-GPU ratio to move from one CPU per four to eight GPUs toward one-to-one or higher. For ASML, more advanced CPUs and broader AI infrastructure buildout should support additional leading-edge logic demand. We believe ASML remains well positioned as AI drives greater chip complexity, higher wafer requirements, and increased lithography intensity.

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.

VAT Group is the leading global manufacturer of high-precision vacuum valves for semiconductor manufacturing equipment, holding roughly 70 percent share in its core application. Shares rose sharply during the second quarter to near record highs, extending a rally fueled by accelerating wafer fab equipment demand tied to the AI buildout. A first-quarter trading update reinforced the momentum, with order intake reaching the second-highest level in company history, up 47 percent year over year, lifting book-to-bill to 1.6 times and order backlog 42 percent above year-end. The principal investor debate is valuation, as the stock trades near 64 times forward earnings after roughly doubling over the past year. We believe VAT remains a differentiated beneficiary of rising chip complexity, as additional deposition and etch steps, leading-edge logic, and high-bandwidth memory increase vacuum-valve content per tool, while a growing installed base and recurring service revenue add durability.

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 EssilorLuxottica, Dino Polska, Shopify, Spotify, and Nu Holdings.

EssilorLuxottica shares declined despite a first-quarter 2026 revenue update that we viewed as thesis-confirming. Revenue grew 11 percent in constant currency, in line with expectations, with strength across segments and geographies despite weaker consumer conditions, conflict in the Middle East, and poor results from luxury peers. Much of the underperformance appeared tied to broader multiple compression across European luxury and European medtech stocks, alongside concerns that AI glasses could prove to be a fad rather than a durable new category. We believe the results suggest otherwise. Recent China checks indicate smart glasses demand remains on track, and management said April trends were similar to the first quarter. The market also appears concerned about near-term margin pressure as the category scales and potential share loss as technology companies enter the market. We believe new entrants are more likely to expand the category, while EssilorLuxottica's Ray-Ban, Oakley, and broader brand portfolio provide a meaningful first-mover advantage.

We exited **Dino Polska** during the quarter. Please see the portfolio activity section for more detail.

Shopify is a leading commerce platform providing software and financial services that merchants use to start, run, and scale their businesses. Shares declined during the second quarter as concerns over AI-related costs and decelerating revenue guidance overshadowed strong first-quarter 2026 results. Revenue grew 34 percent year over year, the fastest pace since 2021, gross merchandise volume rose 35 percent, and payments penetration climbed to 66 percent of volume. Investors focused on second-quarter guidance implying sequential deceleration against tougher comparisons, and on rising large language model costs tied to Sidekick, Shopify's AI assistant, which the company does not directly monetize. We view these concerns as overdone. Shopify is embedding AI to improve merchant productivity, discovery, and conversion, reinforcing competitive differentiation and latent pricing power. Early traction is encouraging, with Sidekick usage up fourfold and AI-driven traffic up thirteenfold year over year. We maintain conviction in Shopify's long-term growth, supported by enterprise adoption, international expansion, and AI-driven differentiation.

Spotify shares declined following first-quarter results after management guided margins lower due to a near-term increase in operating expenses. In our view, this spending reflects investment in future product development rather than a structurally higher cost base, and likely signals the early stages of a new AI-enabled product cycle. Spotify's 2026 investor day helped address concerns around AI by reinforcing that AI could expand, rather than impair, the business model. Management highlighted a path to mid-teens revenue growth through 2030, supported by new monetization opportunities, including AI music features, Audiobook+, and personal podcasts. The UMG partnership also provides a potential path to turn AI music into a paid feature. We believe Spotify's scale, pricing power, and distribution advantage position it to convert AI-enabled products into higher ARPU and long-term margin expansion.

Nu Holdings operates Nubank, a digital financial services platform serving more than 100 million customers in Latin America. First-quarter 2026 revenue growth was in line with expectations, but higher-than-expected provisions weighed on gross profit and raised investor concerns about household debt and credit quality. We are less concerned, as Brazil's low unemployment and real wage growth are more relevant, in our view, to future credit losses than household debt service ratios. We also believe Brazilian Central Bank data may overstate loan delinquencies because of an accounting change that affects how long banks can keep nonperforming loans on their books before recognizing a write-off. Importantly, after a detailed inspection of the bank's balance sheet and interaction with the management, we feel comfortable about Nu's prospects of generating healthy risk-adjusted net interest income in the coming quarters. Asset quality concerns may take time to resolve, but Nu continues to execute against a large and expanding addressable market. Its measured entry into the United States also appears unlikely to alter its long-term efficiency goals. With the business trading at its lowest forward earnings multiple as a public company, we believe investor concerns may be overstated.

Portfolio Activity

During the quarter International Growth purchased Arm Holdings, Siemens Energy, and Samsung Electronics. It sold Flutter, Dino Polska, and Hexagon.

Arm Holdings is a leading designer of leading-edge semiconductors. The crux of our investment case is that Arm stands to benefit from rising central processing unit (CPU) demand driven by agentic AI. While graphics processing units (GPUs) are optimized for token generation through model inference and training, CPUs are better suited for agentic workflows such as scheduling, memory management, and tool execution. CPUs effectively function as the operating system for agentic AI workflows. We expect agentic AI adoption to drive an inflection in CPU demand, increasing Arm's CPU royalties from approximately 10 percent of revenue in 2026 to more than 30 percent by 2031. Arm's energy-efficient architecture provides what we view as a competitive advantage in selling AI CPUs to cloud hyperscaler customers while also helping preserve its more than 90 percent share within smartphones. SoftBank's majority ownership of Arm could provide additional upside potential, as SoftBank seeks to expand AI adoption across its broader investment ecosystem using Arm-based chips.

Siemens Energy is a leading global supplier of gas turbines and grid equipment. Gas turbines are emerging as the preferred technology for powering data centers and providing dispatchable baseload capacity to grid systems undergoing energy transition. Their combination of reliability, competitive cost, and relatively lower emissions supports their role in stabilizing power systems. We believe power demand tied to AI will continue to rise as countries beyond the United States build AI infrastructure and as new generative AI applications, including video and agentic systems, require more compute-intensive workloads. Against this backdrop, we expect the United States to face constrained power capacity for the remainder of the decade and likely beyond. Lengthy grid interconnection queues and political sensitivity around electricity costs are pushing data centers and large industrial users toward onsite generation, where turbines offer footprint efficiency and dispatchability. We believe leading turbine manufacturers, which together hold roughly 90 percent share in this concentrated market, will manage supply and pricing carefully. As AI-related orders convert from backlog to revenue, we see potential for meaningful margin expansion. Over the next several years, we expect Siemens Energy to also benefit from large U.S. high-voltage direct current transmission projects, higher-margin gas aftermarket activity, and progress in restructuring its wind business.

Samsung Electronics is one of the world's largest diversified technology businesses. We believe Samsung is approaching an inflection point in its earnings trajectory. As one of the world's leading producers of memory chips, the company is positioned to become a critical supplier of high-bandwidth memory (HBM) for artificial intelligence applications. We expect customer announcements from notable customers such as Tesla and Apple to eventually help Samsung's foundry business reach breakeven after years of losses. In mobile, Samsung's yearslong decline in global market share may slow and potentially reverse. In the premium market segment, the company has an opportunity to gain share from Apple, which faces its own AI challenges. In the mass market segment, Samsung has strengthened its position through its operating system ecosystem, while geopolitical considerations may discourage emerging-market consumers from purchasing Chinese devices. Additional drivers include edge AI use cases and adoption of new form factors such as foldable phones. Samsung's national importance further reinforces its long-term opportunity. As South Korea develops sovereign AI capabilities, Samsung is likely to be favored over foreign competitors to partner with local AI companies. Over time, we believe the company could evolve from being primarily a memory supplier to becoming a platform partner for startups building foundational models and a leading logic supplier for South Korea's sovereign AI ecosystem.

Flutter Entertainment is the world's leading sports betting and gaming business by revenue. The company operates a multibrand global portfolio across sports betting and online gaming, with FanDuel representing what we viewed as the most attractive asset within the portfolio. Flutter is one of several internet businesses facing what we describe as terminal value purgatory (TVP). In Flutter's case, the primary investor concern centers on the potential impact of prediction markets on long-term revenue growth and margins. We are seeking to consolidate into businesses in which we have the highest conviction in our investment cases. While Flutter's valuation and expected returns remain attractive, we believe the business faces a wider range of potential outcomes than other internet businesses in the International Growth peer group that are also facing TVP.

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.

Hexagon is a leading provider of integrated hardware and software tools that create digital reality solutions. We exited Hexagon to fund what we view as more attractive opportunities. Hexagon remains a high-quality industrial software business, but the investment case has become less compelling. What once looked like a differentiated growth story now appears to be a more mature core business with fewer clear drivers of meaningful upside.
We believe its spinoff of Octave and other portfolio clean up initiatives should improve strategic clarity, but they also reduce Hexagon's exposure to the software attributes that initially strengthened our conviction. In our view, the path forward now depends more on improved investor perception than on a new leg of fundamental growth. We believe capital can be better allocated to businesses with clearer growth opportunities, stronger AI relevance, or more visible near-term catalysts.

Outlook

The opportunity set for growth investors is shifting, and we have positioned International 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 International 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

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

Beyond GPUs: The Broadening of AI Infrastructure

As AI systems evolve from passive prediction engines into autonomous agents capable of reasoning, planning, and executing complex tasks, the nature of infrastructure demand is beginning to change.

Article | Artificial Intelligence | Secular Trends | 5 min read

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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.

The STOXX® Europe 600 is a broad measure of the European equity market. With a fixed number of 600 components, the index provides extensive and diversified coverage across 17 countries and 11 industries within Europe's developed economies, representing nearly 90% of the underlying investable market. The FTSE 100 is a market-capitalization weighted index of UK-listed blue chip companies. The index is part of the FTSE UK Series and is designed to measure the performance of the 100 largest companies traded on the London Stock Exchange that pass screening for size and liquidity. The MSCI AC Asia Pacific ex Japan Index captures large and mid cap representation across Developed Markets countries (excluding Japan) and Emerging Markets countries in the Asia Pacific region. The index covers approximately 85% of the free float-adjusted market capitalization in each country. The Korea Composite Stock Price Index is the index of all common stocks traded on the Stock Market Division. The Nikkei 225, or the Nikkei Stock Average , more commonly called the Nikkei is a stock market index for the Tokyo Stock Exchange (TSE). It is a price-weighted index, operating in the Japanese Yen (JP¥), and its components are reviewed twice a year. The Nikkei 225 measures the performance of 225 highly capitalized and liquid publicly owned companies in Japan from a wide array of industry sectors.

Contribution Analysis (Net %)

Quarter to Date

Top Absolute Contributors

Company Name	Avg. Weight	Return	Contribution
Taiwan Semiconductor	10.6	41.2	3.9
ASML Holding	6.4	50.5	2.9
SK hynix	2.7	224.3	2.7
VAT Group	4.6	46.8	1.9
Keyence	4.1	44.2	1.5

Bottom Absolute Detractors

Company Name	Avg. Weight	Return	Contribution
EssilorLuxottica	2.2	-16.4	-0.4
Dino Polska	1.9	-16.0	-0.3
Shopify	4.9	-4.1	-0.3
Spotify	3.9	-5.7	-0.2
Nu Holdings	1.9	-7.4	-0.2

Trailing 1 Year

Top Absolute Contributors

Company Name	Avg. Weight	Return	Contribution
Taiwan Semiconductor	8.3	111.6	6.6
ASML Holding	4.2	148.9	4.4
VAT Group	3.2	109.7	2.8
SK hynix	0.8	131.6	2.2
Galderma	4.2	57.1	1.9

Bottom Absolute Detractors

Company Name	Avg. Weight	Return	Contribution
CTS Eventim	3.9	-52.6	-3.0
Flutter Entertainment	2.5	-65.2	-2.5
Spotify	4.5	-41.2	-2.4
Sea	4.5	-41.1	-2.3
Adyen	3.3	-49.7	-2.2

Trailing 3 Year

Top Absolute Contributors

Company Name	Avg. Weight	Return	Contribution
Taiwan Semiconductor	5.6	385.8	10.8
ASML Holding	4.8	177.3	5.7
MercadoLibre	5.4	39.9	4.0
VAT Group	3.2	118.2	3.1
Sea	3.8	61.7	2.6

Bottom Absolute Detractors

Company Name	Avg. Weight	Return	Contribution
Stevanato Group	2.2	-47.1	-1.9
EssilorLuxottica	0.5	-47.3	-1.8
Genmab	1.0	-42.4	-1.7
Flutter Entertainment	2.2	-52.6	-1.5
M3	0.5	-50.4	-1.4

Trailing 5 Year

Top Absolute Contributors

Company Name	Avg. Weight	Return	Contribution
Taiwan Semiconductor	5.3	319.7	8.8
ASML Holding	5.3	195.6	7.0
VAT Group	3.0	182.3	4.2
MercadoLibre	4.7	5.1	3.5
Addtech	2.2	61.1	2.5

Bottom Absolute Detractors

Company Name	Avg. Weight	Return	Contribution
Nihon M&A Center	1.1	-83.9	-4.6
M3	1.0	-82.4	-4.1
Zalando	1.8	-74.5	-3.8
Tencent	0.7	-60.2	-3.2
Wuxi Biologics	0.8	-68.0	-3.1

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

International Growth vs. MSCI All Country World ex USA Index
Reported June 30, 2026

Carbon Footprint

	Carbon Emissions	Carbon Intensity	Weighted Average Carbon Intensity	Carbon Emissions Data Availability
International Growth	4.2	28.3	42.3	94%
MSCI All Country World Index ex USA	91.0	177.6	154.7	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
Taiwan Semiconductor	11.5	185.9	22.8
SK hynix	4.3	168.5	7.7
Ajinomoto	4.5	112.7	5.4
Samsung Electronics	1.5	96.6	1.6
Sea	3.2	29.9	1.0

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.

International Growth Voting Activity
TTM Ending June 30, 2026

Votes	Businesses	Resolutions	%
Cast in Favor of Management	39	432	93%
Cast Against Management	9	20	4%
Abstentions	2	12	3%
		464	100%

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

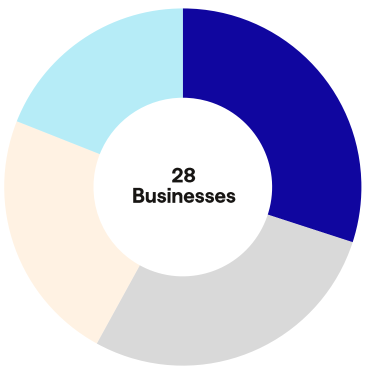
We meet regularly with the management teams of our portfolio businesses. Typically, they recognize us for our long-term investment orientation and focus on value creation.

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.

International Growth Engagement Activity
TTM Ending June 30, 2026



ESG Topics Generally Addressed

Governance

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

Social

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

Environment

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

On Holding

Business: On Holding is an emerging premium global sportswear brand, rooted in innovation, design, and sustainability.

Key issues: Board structure or composition, executive compensation, and ESG strategy and oversight.

Background

On Holding is a Switzerland-based athletic footwear and apparel company known for its premium running shoes and innovation-driven product development. As founder-led businesses mature, governance structures often evolve alongside the business to strengthen board oversight, executive accountability, and shareholder alignment. Our engagement focused on opportunities to enhance On Holding's governance framework through board leadership, executive compensation, and ongoing shareholder engagement.

Strengthening board oversight

During our engagement, we discussed opportunities to strengthen the board's governance structure as the company continues to grow. A key topic was the concentration of leadership responsibilities. The company's founders, who also serve as co-chairs, recently assumed the additional role of co-CEOs. We asked whether the company plans to separate the chair and CEO roles in the future. Management said it has not considered separating the roles but noted that it has discussed establishing a lead independent director.

We expressed our support for creating a Lead Independent Director role as an important step toward strengthening independent board oversight while maintaining the company's current leadership structure. We also encouraged the company to continue evaluating board composition over time to ensure the board maintains the breadth of experience and perspectives needed to support the business as it scales. Although management did not have any current plans to expand the size of the board, it agreed to consider our feedback.

Encouraging continued executive compensation enhancements

Executive compensation was another focus of our discussion. We acknowledged recent governance improvements, including the company's decision to extend the vesting period for long-term equity awards from two years to three years. We also noted that the outgoing CEO will forfeit a one-time equity award. In our view, these changes strengthen the long-term alignment between executive compensation and shareholder interests.

We also encouraged the company to continue enhancing its compensation framework over time by considering longer vesting periods, post-vesting holding requirements, or minimum executive share ownership guidelines. In addition, we recommended improving disclosure around both short-term and long-term incentive programs, including target, threshold, and maximum payout opportunities, to provide shareholders with greater transparency into how executive compensation aligns with long-term performance. Management noted that similar feedback has been received from other investors and confirmed that these perspectives have been shared internally.

Supporting ongoing governance engagement

We also discussed opportunities to strengthen engagement with shareholders outside of the annual proxy season. We noted that governance-focused discussions held throughout the year can also provide a constructive forum for stewardship topics.

As part of that dialogue, we offered to serve as a resource on governance and ESG matters by sharing examples of effective shareholder communications and stewardship practices observed at other portfolio companies. Management welcomed the offer and expressed interest in continuing the dialogue.

Next steps

We appreciate On Holding's willingness to engage on governance matters and its openness to shareholder feedback. We will continue to monitor developments related to the potential establishment of a Lead Independent Director role, executive compensation design and disclosure, and broader governance practices as the company continues to mature.

International Growth Equity Composite (IGEC) GIPS Report

Year End	# Accounts	End of Period AUM (USD $M)	IGEC Returns (Net)	IGEC Returns (Gross)	IGEC Annualized 3Y Std. Dev. (Net)	MSCI ACWI ex USA	MSCI ACWI ex USA Annualized 3Y Std. Dev.	Non-Fee Paying % of Composite	Asset Wgt'd Std. Dev. (Gross)	Firm Total Assets (USD $M)
2025	<5	$137.55	10.89	11.83	18.47	32.39	11.56	0.69	n.m.[1]	$48,202.34
2024	<5	$127.58	8.45	9.36	24.95	5.53	16.02	1.37	n.m.[1]	$47,462.52
2023	<5	$74.96	15.98	16.95	25.26	15.62	16.07	2.14	n.m.[1]	$46,746.96
2022	<5	$53.23	-41.00	-40.46	26.68	-16.00	19.25	2.58	n.m.[1]	$40,707.08
2021	<5	$64.79	1.35	2.22	19.30	7.82	16.79	3.55	n.m.[1]	$75,340.29
2020	<5	$2.25	60.19	61.53	—[2]	10.65	—[2]	100.00	n.m.[1]	$68,621.83
2019	<5	$1.40	46.28	47.49	—[2]	21.51	—[2]	100.00	n.m.[1]	$44,636.85
2018[3]	<5	$0.95	-7.14	-6.54	—[2]	-13.17	—[2]	100.00	n.m.[1]	$35,387.67

Net Returns

As of 06/30/2026	QTD	YTD	1 Year	3 Years	5 Years	Since Inception (03/31/2018)
IGEC	18.7	1.2	-6.0	7.7	-4.9	7.6
MSCI ACWI ex USA	14.5	13.7	27.7	18.8	8.8	8.4

[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 reflect partial period performance. The returns are calculated from 03/31/18 to 12/31/18 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 International Growth Equity Composite ("IGEC") has had a performance examination for the periods March 31, 2018 through December 31, 2025. The verification and performance examination reports are available upon request. The IGEC reflects information from all fee paying and non-fee paying accounts managed in the International Growth Equity strategy. The International Growth strategy is a concentrated portfolio that normally consists of the equity securities of 25 to 40 primarily large and mid-capitalization growth businesses. Portfolio companies are domiciled, operated, listed, or derive a significant portion of their revenues, profits, or productive assets outside of the United States in both developed and emerging 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 IGEC is the MSCI ACWI ex USA, a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed (excluding the US) and emerging markets. The IGEC holds securities not included in the MSCI ACWI ex USA and Sands Capital may invest in securities not covered by the index. Results are based on fully discretionary accounts under management. 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 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 assets 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 IGEC was created on March 21, 2018 and the inception date for performance is March 31, 2018. 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. 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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.