Global Growth

Quarterly Report
September 30, 2020

SANDS CAPITAL

Contents

On the Cover

Located in Shenzhen, Global Growth holding Tencent is estimated to account for over 40 percent of total mobile-internet time spent in China.

OVERVIEW

Global Growth takes an unconstrained approach to seeking the best growth businesses anywhere. With the research team free to scour all pockets of the world incubating new ideas, the Global Growth strategy taps into the power of sustainable competitive advantages 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 advantages/unique business franchise
4. Clear mission and value-added focus
5. Financial strength
6. Rational valuation relative to the market and business prospects

PORTFOLIO CHARACTERISTICS[4]

	Portfolio	Benchmark
Strategy Assets	$23.2B	
Portfolio Businesses	38	2,994
Active Share[5]	90%	n/a
5-Year Historical EPS Growth	29%	15%
Consensus Long-Term EPS Growth Estimate[3]	23%	12%
Forward P/E - Next 12 mos.[6]	46x	19x
Weighted Avg. Market Cap ($B)	259.4	292.1
Median Market Cap ($B)	48.3	9.6
Turnover - Trailing 12 mos.[2]	15%	n/a
Weighted Average Carbon Intensity[7]	17.1	156.5

STRATEGY TEAM

Brian A. Christiansen, CFA
Co-Portfolio Manager

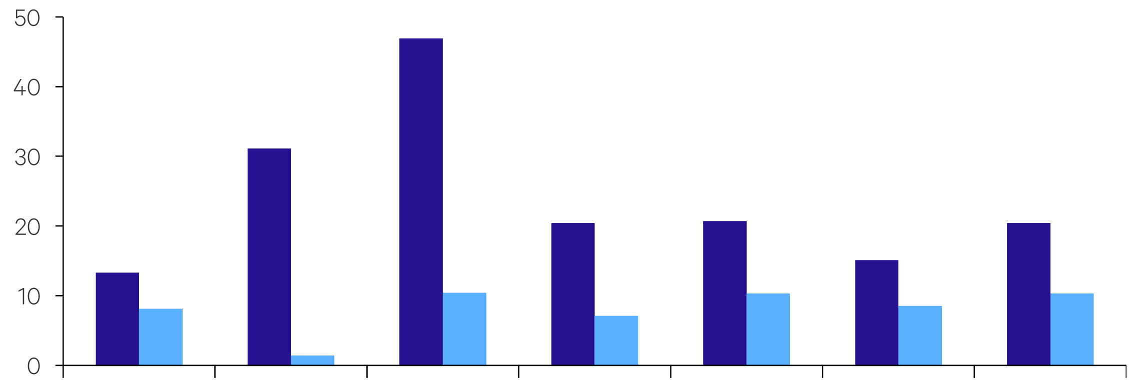
David E. Levanson, CFA
Co-Portfolio Manager

T. Perry Williams, CFA
Co-Portfolio Manager

Strategy Update

INVESTMENT RESULTS (%)

Global Growth vs. MSCI All Country World Index



Inception: 12/31/08	3Q20	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
● Portfolio (Net)	13.3	31.1	46.9	20.4	20.7	15.1	20.4
● Benchmark	8.1	1.4	10.4	7.1	10.3	8.5	10.3
Value Added (bps)	520	2,970	3,650	1,330	1,040	660	1,010

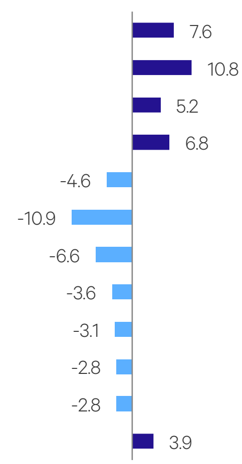
CALENDAR YEAR RETURNS (%)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD
Portfolio (Net)	-2.0	20.4	27.9	5.4	0.4	0.5	38.9	-2.8	30.7	31.1
Benchmark	-7.3	16.1	22.8	4.2	-2.4	7.9	24.0	-9.4	26.6	1.4
Value Added (bps)	**530**	**430**	**510**	**120**	**280**	**-740**	**1,490**	**660**	**410**	**2,970**

Inception date is 12/31/08. Periods greater than one year are annualized. The investment results shown are net of advisory fees and reflect the reinvestment of dividends and any other earnings. The investment results are that of the Global Growth Equity Composite. GIPS®-compliant presentations and additional disclosures for the related composites may be found at http://sandscapital.com/media/Sands_Capital_Annual_Disclosure_Presentation.pdf or at the end of this presentation. Past performance is not indicative of future results. Source: SCM, MSCI.

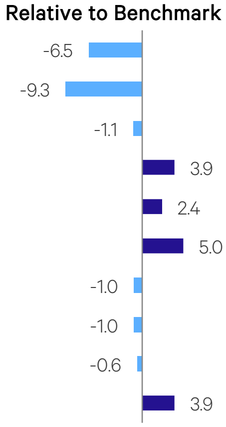
SECTOR EXPOSURE[12]

	Portfolio	Relative to Benchmark
Information Technology	29.3	7.6
Consumer Discretionary	23.7	10.8
Health Care	17.8	5.2
Communication Services	16.1	6.8
Industrials	5.0	-4.6
Financials	1.6	-10.9
Consumer Staples	1.4	-6.6
Materials	1.2	-3.6
Utilities	–	-3.1
Real Estate	–	-2.8
Energy	–	-2.8
[Cash]	3.9	3.9



REGIONAL EXPOSURE[8]

	Portfolio	Relative to Benchmark
Developed	**81.1**	-6.5
US/Canada	51.6	-9.3
W. Europe	15.7	-1.1
Developed Asia	13.8	3.9
Emerging	**15.0**	2.4
Emerging Asia	15.0	5.0
Latin America	–	-1.0
Mid-East & Africa	–	-1.0
E. Europe	–	-0.6
[Cash]	3.9	3.9



TOP TEN HOLDINGS (42.6% OF ASSETS)[4, 9, 11]

PORTFOLIO HOLDINGS BY SECTOR[1, 10, 12]

SECTOR/COMPANY	BUSINESS SPACE	PORTFOLIO (%)	BENCHMARK (%)	OWNED SINCE
Communication Services		16.1	9.3	
Alphabet	Internet Search and Media	2.7	1.7	2008
Facebook	Online Media	1.9	1.2	2012
Netflix	Internet Video	3.0	0.4	2017
Sea[1]	Internet Software and Services	5.3	–	2019
Tencent	Internet Communications and Entertainment	3.1	0.7	2018
Consumer Discretionary		23.7	12.9	
Alibaba[1]	Internet Retail	5.2	1.1	2014
Amazon	Internet Retail and Infrastructure-as-a-Service	5.0	2.6	2015
Aptiv	Automotive Technology	1.8	0.0	2019
GVC Holdings	Integrated Casino Resort Development	2.3	0.0	2019
Nike	Athletic Apparel and Footwear	3.7	0.3	2010
Titan	Jewelry, Watch, and Eyewear Retail	1.6	0.0	2013
Zalando	Internet Retail	4.1	0.0	2017
Consumer Staples		1.4	8.0	
CP All	Food Retail	1.4	0.0	2012
Energy		–	2.8	
Financials		1.6	12.5	
Housing Development Finance	Mortgage Financing and Financial Services	1.6	0.1	2014
Health Care		17.8	12.6	
Abiomed	Medical Devices	1.8	0.0	2018
Align Technology	Medical Devices	2.0	0.0	2018
Bluebird Bio	Biotech Therapeutic Drugs	0.7	–	2019
Dexcom	Medical Devices	2.7	0.1	2020
Edwards Lifesciences	Health Care Equipment and Supplies	2.3	0.1	2015
Galapagos[1]	Biotech Therapeutic Drugs	1.4	0.0	2017
Illumina	Genome Sequencing and Genotyping	2.0	0.1	2015
iRhythm Technologies	Medical Devices	1.9	–	2020
Peptidream	Biotech Therapeutic Drugs	0.9	0.0	2017
Regeneron Pharmaceuticals	Biotech Therapeutic Drugs	2.1	0.1	2013
Industrials		5.0	9.6	
Airports of Thailand	Airport Operations	0.9	0.0	2014
Nihon M&A Center	M&A Advisory Services	2.3	0.0	2020
Uber Technologies	Personal Mobility, Food Delivery, and Freight	1.8	0.1	2020
Information Technology		29.3	21.7	
Adyen	Payment Processing	3.9	0.1	2018
ASML Holding[1]	Semiconductors and Semiconductor Equipment	3.9	0.3	2010
Atlassian	Enterprise Software	2.3	–	2018
Keyence	Industrial Sensors and Controls	2.9	0.2	2018
Okta	Software-as-a-Service - IT Service Management	1.7	0.0	2019
Shopify	Software-as-a-Service - Ecommerce Platforms	3.6	0.2	2017
Snowflake	Enterprise Software	1.1	0.0	2020
Visa	Payment Processing	4.4	0.7	2008
Workday	Enterprise Software	3.4	0.1	2014
Zoom Video Communications	Enterprise Software	2.0	0.1	2019
Materials		1.2	4.8	
Asian Paints	Paints and Chemicals	1.2	0.0	2011
Real Estate		–	2.8	
Utilities		–	3.1	
[Cash]		3.9	–	

Quarterly Letter

Dear Clients and Consultants,

Quality investing is a popular topic these days. It seems that everywhere one turns in the investment industry, there is another manager touting its "quality" growth approach.

The search for growth is not surprising. Investors want their investments to increase in value. But why are we suddenly seeing this upsurge in managers who are advertising quality? What's the alternative? Low quality? Has such an investment style ever been in vogue?

Perhaps the marketing of "quality" strategies is an attempt to assuage investors who have been unsettled by recent periods of acute market volatility or uncertainty. During such times, it's not surprising that investors seek strong assets with defensible businesses or secure long-term values.

But what does it really mean to integrate "quality" into an investment strategy? The term is highly subjective and varies by manager and investment process.

We believe that sustainable, above-average growth (our first investment criterion) is what defines a "quality" company. To us, the concept of quality is inextricably linked to companies that can increase their market share at the expense of competitors, sell ever more value-adding goods and services, and expand their leadership in attractive business spaces (our second investment criterion) through innovation and disruption. We believe such businesses are likely to deliver increased cash flows and earnings back to their investors and in doing so, are likely to generate above-average investment outcomes. To us, such outcomes are the essence of quality.

Quality Inputs Versus Quality Outcomes

Over the past decade or so, there has been an explosion of methods to quantify investment factors, including quality. Independent quantitative analysts have crunched massive volumes of historical data and conducted extensive back testing in attempts to break the genetic code of quality. By codifying quality metrics into different measurable outputs, they seek to enable investors to measure and calibrate the quality bias in their portfolios. Index publishers use these same factors to create benchmarks intended to democratize low-cost access to quality. Though the rubric used to define quality differs somewhat by factor provider, the commonality is a set of metrics that often includes return on equity, financial leverage, stability of earnings and sales growth, net profit margins, and return on invested capital.

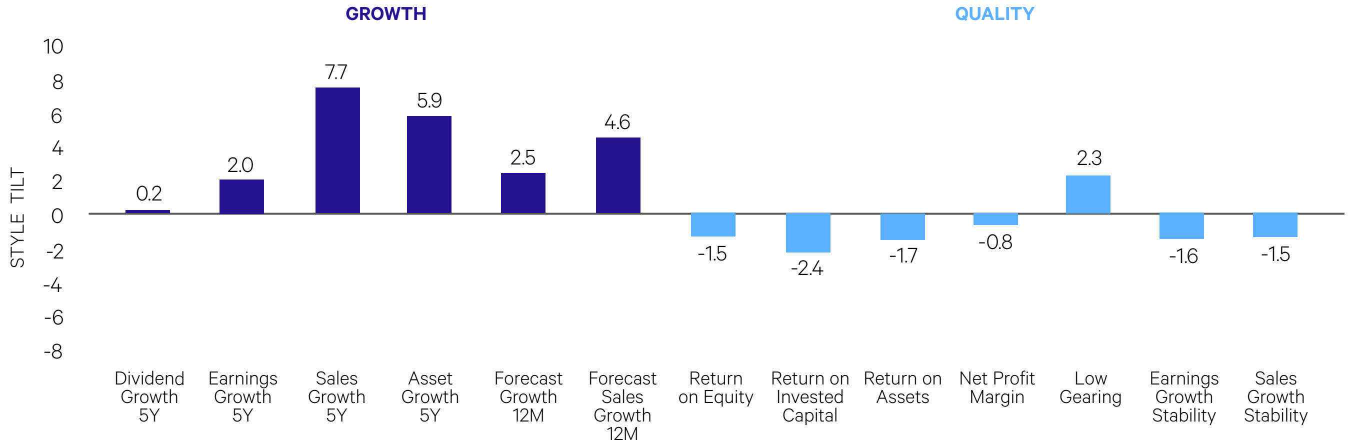
As fundamental, business-focused investors, we do not initiate our investments based on factor analysis, nor do we quantitatively apply factor-based overlays to our portfolio construction process or weighting of our portfolio businesses. However, as analysts we are eager to understand any available information that might help our client outcomes. As a result, we regularly review factor attribution and many other common analytical tools. As one might expect, our growth exposure is off the chart, and our value exposure is the inverse. What's less intuitive however, is that our quality exposure is average to low.

We were initially puzzled by this dichotomy and struggled to understand how our portfolio of businesses, which we consider leaders, innovators, and growing enterprises, did not have a higher-quality correlation. We concluded there are two clear reasons.

The first has to do with the criteria used to measure quality. We don't believe that "stability" in past financial metrics is by definition a sign of quality. Rather, stability could be a sign that a company has not made innovations or changes that alter its short-term operating metrics, or perhaps, that the industry that the company operates in has been relatively static and free from disruption.

The second and perhaps more important reason has to do with the time period of measurement. Any historical analysis will rely on what *has* happened, over one or many years. However, we believe the objective of investing, particularly growth investing, is to identify what *will* happen. On this point, our definition of quality diverges quite substantially from the quantitative definition, which focuses on stability and high (*past*) return on capital.

GLOBAL GROWTH'S STYLE TILT VERSUS THE MSCI ACWI

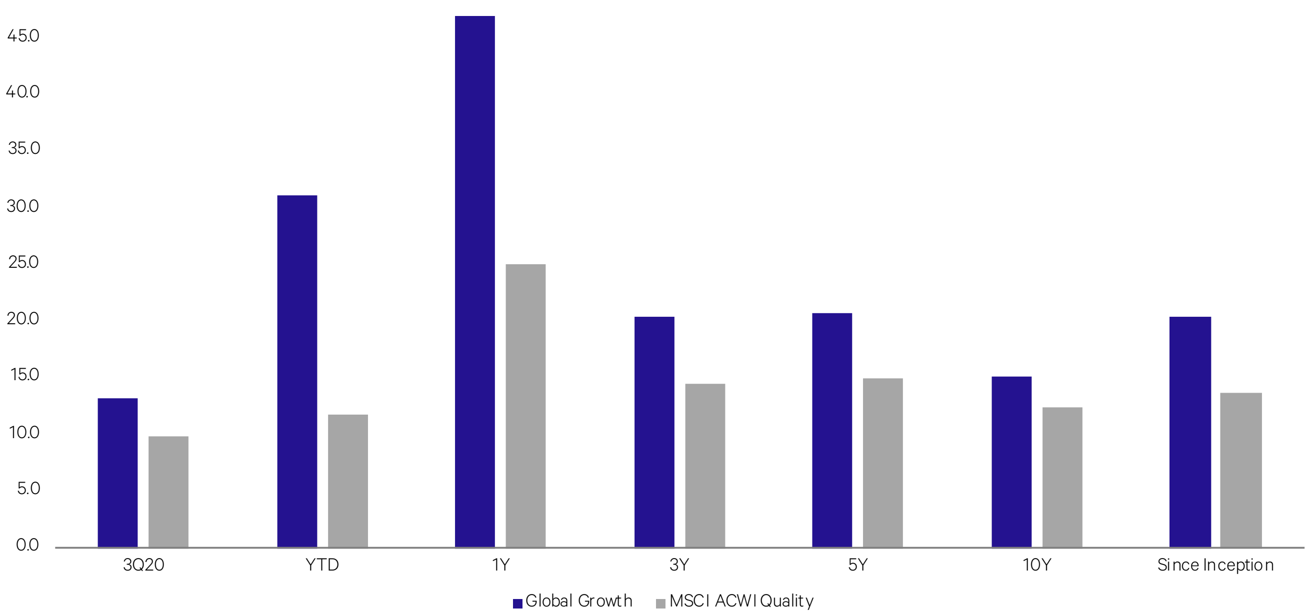


Source: StyleAnalytics.[i] Data as of March 31, 2020. Most recently available data. Methodology: The Style Research Portfolio Style Skyline™ shows how a portfolio is positioned or Tilted relative to a benchmark with respect to key themes or Styles. In addition to revealing differences in exposures to fundamental investment factors, these Style Tilts™ are also designed to capture how significant or "deliberate" these differences are and to facilitate direct comparisons of benchmark-relative Style orientation between portfolios.

But before we delve further into our own definition of quality, we should first understand why quality matters. Many academic and industry research studies indicate that "high quality" outperforms low quality over long time periods. So, given our lower portfolio exposure to quality factors, one might expect our strategies to underperform a factor-neutral benchmark and most certainly a high-quality benchmark or index. However, over our nearly 30-years of investment experience, we have found that is often not the case.

So, what explains the dichotomy between our lower exposure to quality factors and the annualized investment returns over the 1-year, 3-year, 5-year, and 10-year periods? We believe it results from the typical growth trajectory of the businesses we tend to prefer and from our aim to participate in the formative growth stages of these businesses. It's not unusual that a fast-growing business operates at a razor-thin profit margin or even a loss in its early days, during which it often reinvests earnings to fuel future growth and achieve critical scale. Therefore,

GLOBAL GROWTH VERSUS QUALITY INDEX[ii]



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these companies are not earning the full return on the assets they employ and may appear to have lower margins and returns.

While we fully expect that our companies will screen well on traditional quality metrics when they mature, we'd prefer not to give up the return potential found in early growth stages while we wait for the business to mature and achieve a traditional "quality" rank.

Backward-looking traditional metrics used to assess quality exposure—such as return on invested capital, return on equity, and net profit margin—are alone not adequate for assessing future business potential during these early growth stages because they can't anticipate future gains. In contrast, an active manager can anticipate future gains by using a more comprehensive and qualitative analysis. We believe our value as an active manager comes partly from our ability to analyze unquantifiable qualities in fast-growing businesses.

Seeking Truly Exceptional Businesses

We seek to identify truly exceptional businesses that have the capacity to generate sustainable, above-average earnings growth over time. This is the first pillar of our investment philosophy. We use six investment criteria as a compass to seek to identify businesses whose innovative products and services are disrupting existing markets or creating new ones. These businesses are often differentiated leaders in an attractive business space and boast sustainable competitive advantages. We believe owning companies that can effectively "create their own weather" can be a durable approach to add value across different markets and economic cycles. Our research indicated that faster growing companies based on revenue tend to produce higher returns than slower-growing companies in most years and certainly over 10-year investment horizons.[iii] When we compound this dynamic over time, the gains can be exponential.

With a global research platform spanning both private and public markets, we strive to identify attractive growth opportunities around the world and at all stages of a company's lifecycle. Our research analysts are students of secular trends that are driving industry transformations. They have honed their ability to recognize—sometimes before the rest of the market—shared patterns and characteristics of companies that are the major leaders or beneficiaries of these changes.

Our analysts are trying to envision the future. That is a creative exercise that involves anticipating how markets, economies, and society will evolve. Often, the path and duration of major paradigm

SANDS CAPITAL SIX INVESTMENT CRITERIA

SUSTAINABLE ABOVE-AVERAGE EARNINGS GROWTH	High Growth Rate; Long Duration/Runway; Clear Visibility; Recurring Revenues; New Products, Markets, Geographies; Share Gains; Accretive/Strategic Acquisitions
LEADERSHIP IN ATTRACTIVE BUSINESS SPACE	Attractive Secular Trend; High Market Growth Rate; Low Exogenous Risk (Legal, Reg, Geopolitical); Market Share Leader; Strategic Position in Value Chain (Choke Point); Attractive Business Model; High Margins/Profitability; High and Rising ROIC; Innovation; Applying Technology to Add Value; Pricing Power
SUSTAINABLE COMPETITIVE ADVANTAGE	Unique Products or Services; Value-Added/Productivity Enhancing Products; Patents/Intellectual Property; Strong Brand/Reputation; Scale Advantage; Strong Distribution; Benign Competitive Environment or Natural Monopoly/Oligopoly; Network Effects
CLEAR MISSION AND VALUE-ADDED FOCUS	Clear, Focused Mission; Value-Added Orientation; High Quality/Visionary Management; Shareholder-Centric Capital Management; Track Record of Strong Execution
FINANCIAL STRENGTH	Sufficient Cash; Reasonable Debt; Transparent/Understandable Business; High Free Cash Flow Generation
RATIONAL VALUE	Attractive Relative Valuation Using Relevant Metric; High Expected Return; Attractive Range of Outcomes; Positive Differential vs. Consensus

HIGH CONVICTION

Presented for illustrative purposes only to highlight investment considerations within each of our six criteria. No assurance can be given that Sands will be able to implement its investment strategy or achieve its investment objective.

changes are unknowable, and yet the change itself is inevitable. While we may not know how long that evolution will take, we are highly confident that it will happen. That forward-looking qualitative thought process has helped us build the portfolio we own today.

We find fast-growing businesses across sectors and geographies. Many lie in the intersections of technology, life sciences, and consumer businesses and are disruptive innovators that we expect have long runways of growth. We believe their visionary services or products and innovative business models position them to generate above-average growth rates in the years ahead. In their early stages, however, these businesses, as shown in Exhibit A, do not always measure well on the basis of backward-looking quality attributes.

EXHIBIT A: EARNINGS QUALITY FACTOR

COMPANY	LOW EXPOSURE TO EARNINGS QUALITY
Titan	-1.76
Nihon M&A Center	-1.26
Housing Development Finance	-1.25
Keyence	-0.95
Edwards Lifesciences	-0.81
Asian Paints	-0.70
Regeneron Pharmaceuticals	-0.67
Nike	-0.61
Illumina	-0.59
ASML Holding	-0.51

Source: Barra. Earnings data as of 9/30/2020. This chart was created using Barra's earning quality style factor, which explains stock return differences due to uncertainty around a company's operating fundamentals (sales, earnings, cash flows) and the accrual components of earnings. This factor includes cash earnings to earnings, accruals (balance sheet version), accruals (cashflow statement version). The companies in the chart represent the 10 companies held in Global Growth that have the lowest earnings quality rating.

Finding Opportunity in Paradigm Shifts

Traditional metrics used in quality factor analysis do not identify paradigm shifts. Astute analysts do. We have been investing in technology businesses for nearly 30 years. As such, we are keenly aware of the value proposition for companies that play a role in transforming traditional industry practices to more modern standards through technology solutions.

An example of one such company is Keyence. It sells automation solutions that allow products to be produced faster and cheaper, more efficiently with resulting higher quality, more safely with less human intervention, and more sustainably with fewer raw materials and less waste.

Keyence is a Japan-based company that has achieved a leadership position in a rapidly changing sector. Keyence has already achieved a global reach, selling to more than 200,000 customers in over 100 countries through direct sales. Although automation has historically been limited to the automotive and consumer electronics industries, we expect such automation will expand to any industry requiring complex processes and/or inspection. This expansion will likely be enabled by next-generation automation technologies, including 3D vision and machine learning. Within this massive and rapidly growing market, Keyence is viewed as a leader, due to its highly trained direct salesforce, diverse product line, innovative R&D efforts, and product quality. We expect the company to maintain its leadership position as it expands into new industries, solutions, and applications over the next decade, resulting in sustained above-average earnings growth. However, its short-term financial metrics don't always suggest the long-term gains that we are able to envision through our fundamental research. Keyence's historic exposure to the automotive and consumer electronics industries resulted in swings in capital expenditures. That created short-term volatility in Keyence's historical operating metrics like sales, earnings and cash flow even though the long-term trend of increasing demand, sales, margins, and earnings was apparent. The expansion of Keyence's total addressable market beyond traditional automotive and consumer electronics and to many other industries, including food and beverage; pharmaceutical and medical devices; chemical plants, textiles, toys, furniture, logistics, etc. means that not only does Keyence have the opportunity to significantly increase its sales, but that it could also benefit from greater end-market diversity and less cyclicality over time.

Creating a powerful network effect that succeeds in matching buyers and sellers is a model that has gained traction not only in the technology sector but in other industry verticals as well. Japan's Nihon M&A Center has seized the first-mover advantage to become the leading Japanese broker network for mergers and acquisitions (M&A) among small and medium-sized enterprises (SMEs). Thanks to its early entry in the space, Nihon has become the primary M&A partner for 80 percent of Japan's accountancies, 90 percent of regional banks, most government chambers of commerce, and the two largest investment banks. It has achieved a scale that now creates a powerful network effect, which positions Nihon for future expansion in Japan and in other Asian countries as well as for the ability to launch ancillary business services for existing clients. Despite the positive outlook, Nihon does not receive a positive quality measure because of historic earnings volatility, particularly on a quarterly basis. Deal size and flow can vary significantly on a quarterly-to-quarter basis, but we believe this will naturally decrease as the company grows. Low leverage, which is common among Japanese corporations, also affects its quality measures.

We believe Nihon can and should borrow to accelerate its M&A pipeline (e.g. using debt to fund larger acquisitions like Strike Co.) but we also believe low leverage makes sense for a pro-cyclical business, particularly given the economic shocks related to the spread of the coronavirus.[iv] As Nihon's business becomes more stable—exits the "building the ecosystem" phase of growth and moves on to the "harvesting' phase"—we believe its high underlying profitability (about 30 percent net income margins and a ROIC of more than 30 percent) should increase its "quality" rank.

That Which is Essential…

Many of the characteristics that distinguish fast-growing companies, such as Keyence and Nihon M&A, are qualitative. Indeed, measuring them presents a challenge to a short-term-focused industry that's obsessed with numbers and precision. But we believe the characteristics of a business that matter more are those that are uncovered through deep fundamental analysis through a long-term lens and many years of investment experience.

The qualitative nature of evaluating things such as leadership and competitive advantage, in our view, is why they are so often overlooked by traditional measures, or at the very least underappreciated. That is what also creates opportunities for long-term investors. We believe our criteria and investment approach not only steer us toward more sustainable, higher-growth businesses but also toward what, according to our six criteria, we consider to be higher-quality businesses. These metrics may also be affected by the types of businesses we may invest in. For example, once at scale, network effect businesses have been able to defy the traditional laws of mean reversion for much longer than most anticipate because by definition the value of the network grows as each user is added. As a result, the cost of acquiring each additional user declines. This is essentially the inverse of the issues of increasing capital intensity and law of large numbers which typically impact industrial era businesses much more meaningfully. And because these businesses often have poor "quality metrics" during the network effect formation phase, investors focused predominantly on those metrics may "miss" out on what we believe to be one of the most powerful business models of our time.

The durability, adaptability, and flexibility of these businesses are also hard to capture using traditional "quality metrics." But these variables are very important, especially during times of crises, such as the current pandemic. Many of the technology-enabled businesses that we are describing are often able to use their underlying technology or their direct relationship with their customers to create secondary and tertiary growth drivers.

Our portfolios have many examples of businesses with secondary and tertiary growth drivers. They include cloud infrastructure for Amazon (AWS) and Alibaba (Alicloud), which utilize the scale in high-performance computing they built for their ecommerce engines; autonomous driving for Alphabet (leveraging experience in AI/ML); food delivery for Uber Technologies (leveraging its ride-sharing customer base and driver operations); ecommerce and fintech for Sea (built on its gaming franchise). In all these examples, companies have been able to extend their growth wall and fortify their leadership and competitive advantages by adding an additional growth pillar.[iv]

The Power of Concentration

Much of the dichotomy between our lower-quality factor exposure (in terms of traditional quality metrics) and our value-added investment results can be understood by looking at the nature of the companies that we invest in. It also results from our emphasis on constructing a concentrated, conviction-weighted portfolio and acceptance of short-term volatility in exchange for long-term wealth creation potential, the second and third pillars of our investment philosophy. These aspects of our philosophy are also at odds with quantitative measures of quality.

Exceptional businesses are, by definition, rare. We have found it is challenging to find companies that we believe are exceptional and that fit our six criteria. When we find such a business, we want to hold it in a portfolio weight that is large enough to be impactful for our clients. In our Global Growth portfolio, we are disciplined to own just 35 to 40 businesses that we believe represent the best growth opportunities.

Notably, some of the quality indexes hold as many as 300 companies, while we currently own about 140 companies globally across all our strategies. Some investors assume that a concentrated portfolio poses a greater risk in terms of higher short-term volatility. Instead, we believe that a portfolio diluted with many holdings may introduce the risk of a permanent loss of capital when the manager doesn't know the portfolio's businesses well enough.

The Power of Patience and Perspective

We accept that long-term wealth creation is not a linear process. We are trying to identify companies that have the potential to be exponentially larger in five or more years. However, the path to this growth is often not a straight one—a concept that backward-looking measures of quality fail to capture. Our investment horizon is five or more years. In the interim, a business may have good periods and bad. We expect variability in the short term, because we believe that over our investment horizon, most of our businesses are likely to grow larger than when we first purchased them. In turn, we expect their values will reflect this growth.

However, along the way, these businesses can experience volatility—due to a crisis, decision to increase investment, or regulatory issue—that can penalize businesses when viewed with a backward-looking lens. And this volatility is often more pronounced in businesses earlier on their growth path. Understanding this dynamic is essential for long-term investors. We focus on trying to understand the strength and duration of the future growth drivers for each business. As a result, we are willing to accept short-term stock price volatility in exchange for wealth creation potential over the long term.

Conclusion

During a recent due diligence review, an investor expressed his surprise that we had not referred to our "quality" bias once during our discussion of philosophy and strategy. He was of course joking but he went on to detail how quickly most managers in recent meetings had pointed to their "high-quality" tilt.

Obviously, in these trying times, we all want to be surrounded by quality, but quality is in the eye of the beholder. At Sands Capital, for nearly 30 years we have consistently used the same six investment criteria to seek to identify the businesses capable of generating sustainable, above-average earnings growth over long periods. Today, your portfolio comprises a select group of businesses that, because of their fit with our criteria, are, in our view, of high quality. By concentrating your investment in these businesses and owning them at large weights for long periods of time, we will to continue to confidently focus on our mission to you.

Sincerely,

THE SANDS CAPITAL INVESTMENT TEAM

[i]StyleAnalytics Definitions:

Growth Factors

+**Dividend Growth 5 Year:** The average annual growth rate of dividends over a trailing five years.

+**Earnings Growth 5 Year:** The average annual growth rate of earnings (adjusted for amortizations of intangibles, extraordinary charges and credits) over a trailing five years.

+**Sales Growth 5 Year:** The average annual growth rate of net sales per share over a trailing five years.

+**Asset Growth 5 Year:** The average annual growth rate of total assets over a trailing five years.

+**Forecast Growth 12M:** IBES consensus forecast growth of earnings over the next 12 months.
The IBES 12 Month Forward is calculated on a pro-rata basis from the forecasts for each company's next 2 annual reporting periods.

+**Forecast Sales Growth 12M:** Consensus forecast growth of sales over the next 12 months. The 12-month growth is calculated on a pro-rata basis from the forecasts for each of the company's next 2 annual reporting periods.

Quality Factors

+**Return on Equity:** Net income before preferred dividends divided by the book value of shareholders' common equity.

+**Return on Invested Capital:** (Net income + ((interest expense on debt - interest capitalized) * (1-tax rate))) / average of last year's and current year's (total capital + short term debt & current portion of long-term debt). The Return on Invested Capital measures the profitability of a company as measured by its operating income in relation to the total capital invested in the company.

+**Return on Assets:** (Net income + ((interest expense on debt - interest capitalized) * (1-tax rate))) / average of last year's and current year's total assets. The Return on Assets (ROA) of a company measures its operating efficiency in terms of the profits generated from its total assets.

+**Net Profit Margin:** The "net margin", annual net income before preferred dividends (plus policyholders' surplus for insurance companies), divided by annual net sales. This measure attempts to assess the company's potential for profitable, sustained expansion or growth.

+**Low Gearing:** The negative of debt to equity. Low geared companies can be regarded as being of higher quality as they are less burdened by debt repayment costs.

+**Earnings Growth Stability:** This quality factor is calculated as the negative of the standard deviation of earnings growth over the most recent three years of growth data.

+**Sales Growth Stability:** This quality factor is calculated as the negative of the standard deviation of sales growth over the most recent three years of growth data.

[ii]The MSCI ACWI Quality Index is based on the MSCI ACWI Index, its parent index, which includes large and mid-cap stocks across 23 Developed Market and 26 Emerging Markets countries. The index aims to capture the performance of quality growth stocks by identifying stocks with high quality scores based on three main fundamental variables: high return on equity (ROE), stable year-over-year earnings growth and low financial leverage.

[iii]Source: Factset, Sands Capital analysis of returns for the MSCI All Country World Index based on growth rate deciles, defined by revenue growth rate, over a 10-year period as of 11/30/19.

[iv] Strike is not held in any Sands Capital strategy.

[v] The companies identified represent a subset of current holdings in Sands Capital portfolios. These were chosen on an objective basis and are shown because they illustrate what we consider to be examples of how companies have created new drivers of growth. Amazon is held in Select Growth and Global Growth. Alibaba is held in Global Growth and Emerging Markets Growth. Alphabet is held in Select Growth and Global Growth. Uber is held in Select Growth and Global Growth. Sea is held in Select Growth, Emerging Markets Growth, Global Growth and Global Leaders.

Contribution Analysis

CONTRIBUTION (%)[13]

Top Absolute Contributors | Top Absolute Detractors

QUARTER TO DATE

Company Name	Average Weight	Return	Contribution	Company Name	Average Weight	Return	Contribution
Sea	4.9	43.6	1.9	Galapagos	1.7	-28.1	-0.6
Alibaba	4.9	36.3	1.6	Illumina	2.4	-16.5	-0.4
Zoom Video Communications	1.9	85.4	1.4	CP All	1.6	-13.3	-0.2
Zalando	3.8	32.9	1.1	Regeneron Pharmaceuticals	2.4	-10.2	-0.2
Adyen	3.7	26.7	1.0	Sarepta Therapeutics	1.1	-18.6	-0.2

YEAR TO DATE

Company Name	Average Weight	Return	Contribution	Company Name	Average Weight	Return	Contribution
Sea	3.2	283.0	5.5	Housing Development Finance	2.2	-30.2	-1.8
Shopify	3.6	157.3	4.8	Maruti Suzuki	0.8	-36.9	-1.5
Amazon	4.9	70.4	3.6	Bluebird Bio	1.1	-38.5	-0.8
Zoom Video Communications	1.3	590.9	3.2	Titan	1.7	-2.2	-0.8
Adyen	3.0	124.7	3.0	Galapagos	2.5	-31.4	-0.7

TRAILING 1 YEAR

Company Name	Average Weight	Return	Contribution	Company Name	Average Weight	Return	Contribution
Shopify	3.5	228.2	5.8	Maruti Suzuki	1.2	-31.2	-1.2
Sea	2.5	313.0	5.5	Titan	1.9	-9.4	-1.1
Amazon	4.7	81.4	4.0	Housing Development Finance	2.4	-15.5	-1.0
Adyen	2.7	179.9	3.6	CP All	2.1	-27.1	-0.9
Alibaba	4.9	75.8	3.2	Bluebird Bio	1.2	-41.2	-0.8

TRAILING 3 YEAR

Company Name	Average Weight	Return	Contribution	Company Name	Average Weight	Return	Contribution
Shopify	2.9	778.2	10.1	Maruti Suzuki	2.3	-46.6	-2.1
Amazon	4.7	227.5	8.0	ASOS	0.8	-51.9	-1.8
Sea	0.8	313.0	5.5	Eicher Motors	1.0	-63.2	-1.7
ASML Holding	4.0	121.1	4.7	Bluebird Bio	0.5	-55.0	-1.5
Visa	5.2	93.7	4.7	Incyte	1.4	-22.8	-0.9

TRAILING 5 YEAR

Company Name	Average Weight	Return	Contribution	Company Name	Average Weight	Return	Contribution
Alibaba	4.6	398.5	12.9	Under Armour	0.3	-64.6	-1.6
Shopify	2.0	1752.5	12.5	Bluebird Bio	0.3	-55.0	-1.5
Amazon	4.0	449.4	11.3	BioMarin Pharmaceutical	1.4	-34.1	-1.4
ASML Holding	3.7	338.7	10.0	Incyte	1.0	-25.2	-1.3
Visa	5.0	197.0	9.2	Chipotle Mexican Grill	0.4	-24.4	-0.8

[1] ADRs [2] Turnover Rate is calculated excluding cash using a Global Growth model portfolio eliminating the effect of client directed cash flows in the calculation. [3] Consensus long-term EPS growth forecast. [4] Global Growth calculations are based on the Global Growth Equity Composite. [5] Active Share represents the share of portfolio holdings that differ from the benchmark, with 0% meaning perfect index replication and 100% indicating pure active management. [6] P/E forecasts are consensus estimates. [7] Expressed as tons CO2 emissions/$Million sales, this metric indicates the portfolio's exposure to potential climate change related risks relative to the benchmark. At a business level, MSCI ESG Research calculates Carbon Intensity as carbon emissions per dollar of sales. The portfolio-level Weighted Average Carbon Intensity is the sum product of the business weights and their intensities. © 2020 MSCI ESG Research LLC. Reproduced by permission; no further redistribution. [8] Based on MSCI definitions. [9] There is no assurance that any securities listed will remain in the portfolio. The information provided should not be considered a recommendation to purchase or sell any particular security. You should not assume that any of the holdings were or will be profitable. [10] Business Space is based on SCM classifications. [11] Company logos are used for illustrative purposes only and were obtained directly from the company websites. Company logos are trademarks or registered trademarks of their respective owners and use of a logo does no imply any connection between Sands Capital and the company. [12] The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by Sands Capital Management, LLC. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim express or implied warranties or representations with respect to any such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. [13] Data presented is that of the Global Growth Equity Composite. Top and bottom absolute contribution figures were calculated by multiplying the security's average weight by the security's return. The investment results shown are gross of advisory fees and reflect the reinvestment of dividends and any other earnings. The client's return will be reduced by these fees and expenses in addition to any other costs incurred in the management of the account. 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. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI. The companies illustrated represent a sub-set of current holdings in the Global Growth portfolio and were selected based on the performance measures presented. The views expressed are the opinion of Sands Capital Management and are not intended as a forecast, a guarantee of future results, investment recommendations, or an offer to buy or sell any securities. A company's fundamentals or earnings growth is no guarantee that its share price will increase. Data generated by Factset. Forward earnings projections are not predictors of stock price or investment performance, and do not represent past performance. 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. Characteristics, sector exposure and holdings information are subject to change, and should not be considered as recommendations. Rounding may cause figures to vary from 100.0%. GIPS® -compliant presentations and additional disclosures for the related composites may be found at http://sandscapital.com/media/Sands_Capital_Annual_Disclosure Presentation.pdf or at the end of this presentation. Past performance is not indicative of future results. Sources: Factset, MSCI, GICS Sector Classifications.

3Q20 CONTRIBUTOR

Alibaba shares traded higher as the business emerged stronger after pandemic-related disruptions, as well as following the announced IPO of its investee, Ant Group. Gross merchandise volume (GMV) and revenue growth have reaccelerated with the reopening of China's economy, and the GMV of its Tmall unit has resumed growing at pre-pandemic levels. Management expects fiscal 2021 revenue to be 27 percent higher than fiscal 2020's, implying Tmall and Taobao revenue growth in the mid-20s. We continue to expect strong growth from Alibaba's ecommerce business. Looking past ecommerce, COVID-19 has accelerated online penetration and digitization of several strategic areas, including grocery delivery, cloud computing, and work collaboration. Alibaba has the leading market share in each of these nascent categories. Importantly, Alibaba announced at its most recent investor day that it expects the cloud computing business to turn profitable, and its logistics business, Cainiao, to start generating positive operating cash flow during the fiscal year ending March 31, 2021, indicating these new businesses could become profitable and drive sustained earnings growth. Alibaba has a 33 percent stake in Ant, which is a leading digital financial services business serving over 1.3 billion users globally. Ant was valued at $200 billion in 2019, following a new share issuance. Management is targeting a dual Shanghai/Hong Kong public listing by the year's end.

TRAILING 1 YEAR CONTRIBUTOR

Adyen's business has been resilient amid the pandemic, and we believe it is well positioned to benefit from accelerating longer-term trends. While the pandemic has had a mixed effect on near-term results—with declining travel and in-store sales volumes offsetting higher ecommerce and digital goods volumes—it has catalyzed behavioral changes among consumers and merchants. Among these changes, we believe that omnichannel adoption is the clear standout that specifically benefits Adyen, given the compelling differentiation of its channel-agnostic processing platform. Management noted a significant rise in merchants adding a second payment channel, better performance from merchants with multiple channels vs. single channels, and higher adoption of Pay-By-Link within merchant segments that historically eschewed remote transactions. Looking ahead, we believe that Adyen is uniquely positioned, given its exposure to industries both helped and hurt by the pandemic. We believe this provides us with more growth visibility, while also lowering the risk from tough comparables or stock-rotation dynamics associated with other digitally advantaged growth businesses.

3Q20 DETRACTOR

Illumina shares traded lower during the quarter following worse-than-expected second-quarter 2020 results, as well as the announced acquisition of Grail, a leading cancer blood-test developer. Revenue fell 25 percent year-over-year in the second quarter, as sequencing volumes at academic and government labs remain well below pre-pandemic levels. We speculate that the ensuing stock weakness was related to investor expectations getting ahead of themselves following management's optimistic outlook on the first-quarter earnings call. In September, the announced Grail acquisition gave investors pause, given the transaction's $8 billion valuation, expected dilution from the deal, and broader questions around the deal's strategic rationale. The acquisition is a bold move, in our view, to expand Illumina's presence in the fast-growing content-provider arena, which we view as an attractive portion of the genomics ecosystem. We are conducting research to determine 1) if Grail will be the leader in early cancer detection, and 2) if the near-term earnings impact is worth the long-term growth potential. Illumina remains positioned at the center of the genomics ecosystem as its the key technology provider to the field. Our current work focuses on the long-term potential of liquid biopsy, and the time frame in which we could reasonably expect to benefit.

TRAILING 1 YEAR DETRACTOR

CP All shares fell in the third quarter, along with Thai equities more broadly. Despite the country's relative success in containing the novel coronavirus, its effect on international trade and travel has crippled Thailand's economy. Second-quarter 2020 results were expectedly weak, with 7-Eleven same-store sales falling 20 percent year-over-year, largely attributable to a 31 percent decline in traffic. Gross profit fell 13 percent, driven by a decline in higher-margin goods such as alcohol (due to a temporary government ban) and personal care products (COVID-19 lockdown). Despite the weak results, we believe that CP All should benefit from a gradual Thai macro recovery, and is better positioned than ever to take advantage of its omnichannel opportunity as it has used the crisis to take further market share by continuing to open new stores while competitors close or scale back store openings. We expect omnichannel, along with data-driven store optimization and white-label products, to increasingly drive CP All's growth. During the quarter, CP All's store count grew five percent, and, importantly, the business accelerated several of its omnichannel initiatives, including 7-Eleven Delivery, All Online, and 24Shopping. All of these, we believe, position the company well to take share from traditional grocery retail.

Purchases & Sales

PURCHASES*

IRHYTHM

Life Sciences

iRhythm Technologies is a pioneer in atrial fibrillation (irregular heartbeat) detection. Atrial fibrillation (AFib) is a leading cause of stroke—a debilitating if not fatal condition—and is a significant cost burden on the health care system. Early detection can prevent 80 percent of AFib-induced strokes, yet legacy technologies fail to detect half of AFib cases. iRhythm's Zio XT patch addresses these shortcomings, as its small, waterproof design allows patients to wear them for more consecutive days (14 days) and it collects more comprehensive diagnostic information. Through its proprietary ZEUS software, iRhythm processes these data, increasing doctors' efficiency and profitability because they can see and treat more patients. As this collection of heart rhythm data grows, the algorithm should become faster, better, and cheaper. The addressable market for AFib diagnostics is large—with over 20 million people affected globally—and we expect iRhythm to grow its market share threefold over our investment horizon by converting legacy technology. In addition to new products and international expansion, we believe extension into asymptomatic AFib monitoring could provide meaningful upside over our investment horizon.

SNOWFLAKE

Technology

Snowflake is a leading global cloud-native data platform. Snowflake's data platform enables companies to store their data and run queries for a wide range of use cases with a pay-as-you-go model, helping its customers seamlessly scale up usage over time. Data infrastructure is a key piece of enterprise digital transformation, a massive secular trend. Enterprises are increasingly recognizing that data can be a competitive advantage, and that data siloed in legacy systems impedes analysis and decision-making capabilities. Snowflake's offering benefits from its proprietary architecture, enabling a step-change improvement in ease of use, speed, and scalability relative to alternative solutions. Its compatibility with all of the leading public cloud vendors provides its customers with a flexible solution compatible with their existing IT configurations. Longer term, we expect the business to continue to expand from its core data warehouse use case and to further monetize its customer base through its data exchange.

SALES*

CHARLES SCHWAB

Financial Services

We sold **Charles Schwab** due to its slowing growth profile and the opportunity cost of continued ownership relative to new businesses we're evaluating. Schwab was a long-held Global Growth business, and has been an innovator and scale leader within the asset management industry over the last several decades. Schwab stands to benefit from several secular trends, in our view, and continues to meet our criteria. However, the business's underlying organic growth profile is maturing—especially absent a higher-interest rate environment—and we are completing research work on what we view as a strong set of new, earlier-stage growth opportunities for the portfolio.

SAREPTA THERAPEUTICS

Life Sciences

We sold **Sarepta Therapeutics** to fund our investment in iRhythm Technologies, a rapidly growing medical device pioneer in atrial fibrillation (irregular heartbeat) detection. This decision was more about our conviction in iRhythm's business than any change in our thinking about Sarepta's potential. We believe that iRhythm is positioned to transform the standard of care in atrial fibrillation detection, and will grow several times larger than it is today. Meanwhile, Sarepta's business continues to track our investment case, but our risk-adjusted return expectations have fallen below those of other leading life sciences businesses in our constantly evolving global opportunity set. We continue to believe that Sarepta's microdystrophin gene therapy for Duchenne muscular dystrophy likely provides real and significant benefits to patients, along with multi-blockbuster sales potential. However, as we've known since first investing in Sarepta, this opportunity still faces material clinical and regulatory risks. Upcoming data readouts for the microdystrophin program will be crucial events for the business, with significant impacts on its longer-term future. To justify these risks, we must believe the potential reward is sufficient, with an overall risk/reward profile superior to alternatives. It became apparent to us that this was not the case relative to iRhythm.

*The securities identified represent new securities purchased and sold within the prior three month period but do not include weight changes. The list above does not include in progress purchase investment actions. Upon request, a complete list of securities purchased and sold in the Sands Capital Global Growth Equity Composite will be provided.

Active Ownership

VOTING ACTIVITY - TRAILING 12 MONTHS ENDING SEPTEMBER 30, 2020

	BUSINESSES	RESOLUTIONS	%
Cast in Favor of Management	32	417	96%
Cast Against Management	10	19	4%
Abstentions	0	0	0%
		436	**100%**

ENGAGEMENT ACTIVITY - TRAILING 12 MONTHS ENDING SEPTEMBER 30, 2020

BUSINESSES	GOVERNANCE	SOCIAL	ENVIRONMENT
37	Board diversity, skills, and experience Executive compensation General governance Board independence Shareholder protections and rights Management accountability Capital structure Audit and accounting Related-party transactions	Human capital management Product safety and impact Supply chain management Data security and privacy Labor rights Human rights	Environmental policy and strategy Energy use efficiency Pollution and waste management Water use efficiency

SELECT ENGAGEMENT REPORTS

GVC HOLDINGS

June & September 2020

Key issues: Investigation into Turkish operations; Problem gambling

GVC is a British sports betting and gaming company with operations across twenty countries.

This past quarter, we engaged with the board and management of GVC regarding an investigation into possible bribery scandals related to its Turkish business. GVC had been helping provide information related to an investigation into a third-party supplier of its discontinued Turkish Operations. On July 20th, the investigation was expanded to include GVC's operations themselves. GVC had previously sold the Turkish operations to a largely unknown LLC to avoid additional scrutiny during its acquisition of the much larger Ladbrokes Coral businesses.

We expect that the outcome of the investigation will likely be immaterial to our investment case. The investigation will likely last for over a year and any fines should be immaterial relative to the size of the broader GVC group given that the Turkish business was relatively small and disposed of years ago. We continue to expect that GVC will consistently be under regulatory scrutiny in its European markets given the rising tide of regulation in those markets generally.

Our engagement with GVC also touched upon the issue of problem gambling. GVC's Board Chair, Barry

Gibson, is particularly sensitive to this issue and understands the importance of being a responsible gaming company. GVC is working to identify and prohibit problem gambling behaviors and is cooperating with regulators in all major markets. The recently retired CEO, Kenny Alexander, has been in front of the House of Lords to talk about what sort of advertising is and is not appropriate. The company understands that their actions in the UK and Germany will reverberate to other jurisdictions. For example, there are protocols in place that require a consumer to demonstrate source of funds. Still, GVC recognizes that there is room for improvement and we will continue the dialogue on this topic. We believe that strong self-regulation will ultimately grow the market opportunity and provide a better offering for their clients.

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. More information is available in the Sands Capital Engagement Policy at https://sandscapital.com/media/Sands-Capital-Engagement-Policy-Statement.pdf. The companies illustrated represent a sub-set of current holdings in the Global Growth portfolio and were selected by the author on an objective basis to illustrate the views expressed in the Commentary. These examples were selected based on the recent date of the engagements and topics discussed. The assessment of each business is based on factors that we believe are material to the long-term investment case. To receive a complete list of company engagements for the prior twelve months please contact a member of the Client Relations Team at 703-562-4000.

Impact Profile

BLUEBIRD BIO

Life Sciences

Working to Find Cures For Underserved Diseases

Bluebird Bio is an early stage therapeutics company focused on the treatment of rare disease and cancer using gene therapy and cell therapy. The company is developing innovative therapies in areas that can profoundly help patients, in some cases with one-time treatments that hold the life-altering promise of a removing a disease. One of its high-profile efforts is the treatment of sickle cell disease.

Bluebird uses next-generation tools, including gene therapy, cell therapy, and genomic editing, to develop one-time curative treatments for genetic disorders and cancers. Development of these treatments is expensive, requiring Bluebird to charge higher prices in order to achieve profitability. Bluebird's business model includes an innovative risk-based pricing structure to make these expensive medicines more affordable for patients and healthcare systems. That shows Bluebird is actively engaged in one of the biggest challenges facing this area of medicine: making a profitable and sustainable business model that results in equitable distribution of advanced gene therapies.

Bluebird is currently focused on commercializing products that aim to treat four diseases: sickle cell disease; transfusion-dependent beta-thalassemia (TDT), cerebral adrenoleukodystrophy and multiple myeloma.

Gene and cell therapies lend themselves to a high success rate given they are addressing the disease at the genetic/molecular level. In the case of gene therapy, Bluebird's treatment replaces genes to effectively eliminate disorders caused by gene mutations.

Bluebird's first four development programs should result in approved drug products in the commercial setting by 2022. So far, one of its treatments, for TDT, received conditional approval in Europe and is expected to generate the company's first product revenue this year.

Sickle Cell Treatment

Bluebird's LentiGlobin gene therapy is designed to treat sickle cell disease, a genetic blood disorder that disproportionately affects people of African descent, historically a vulnerable population without access to healthcare. The condition was named for the sickle or crescent moon shape of affected red blood cells, which causes the infected cells to slow down or stick within blood vessels. This blockage causes anemia and other painful symptoms and can result in organ damage and shortened lifespan. Current treatment of the disease involves multiple expensive and lengthy hospital stays for conditioning transplantation. Bluebird's LentiGlobin gene therapy would serve as a one-time curative treatment of the disease.

We expect the first European Union (EU) patients to be treated with LentiGlobin later this year. In the U.S., Bluebird expects to receive FDA approval for LentiGlobin in the second half of 2022. Meanwhile, the company is working with CMS (Centers for Medicare & Medicaid) and commercial payors to make the high-priced, one-time treatment affordable for patients.

Other Diseases

Beyond sickle cell disease, Bluebird is developing therapies that treat other devastating disease states, including beta-thalassemia, cerebral adrenoleukodystrophy, and multiple myeloma. Beta-thalassemia is a genetic blood disorder that causes mutations in the beta-globin gene, resulting in less hemoglobin, meaning patients are deficient in healthy red blood cells. This can lead to severe anemia and is traditionally treated with regular blood transfusions, as often as every two to five weeks, which can have the knock-on effect of iron overload. Iron overload is treated with lifelong iron chelation therapy. Bluebird's Zynteglo treatment for beta-thalassemia is similar to LentiGlobin for sickle disease, in that it requires stem cells from each individual patient, which are modified and delivered via transfusion for patients to develop healthy red blood cells with normally functioning hemoglobin.

Cerebral adrenoleukodystrophy (CALD) is a fatal, rare neurodegenerative disease that primarily affects young boys. Stem cell transplantation is the only approved therapy that can halt the progression of CALD. Bluebird's treatment is eli-cel/Lenti-D (elivaldogene autotemcel), a product consisting of a lentiviral vector containing DNA that encodes for the ABCD1 gene. We expect eli-cel/Lenti-D to be approved in the United States and EU in 2021.

Bluebird is working with Bristol Myers Squibb on a treatment for multiple myeloma, a cancer of blood plasma cells.[a] While its cause is not known, it is the second-most common blood cancer. Traditional cancer treatments can lead to remission, but some patients experience relapsed or refractory multiple myeloma. For those patients, the two companies are developing a treatment called idecabtagene vicleucel (Ide-cel), a T-cell immunotherapy. In the U.S., we expect approval for third-line patients in the second half of next year. The treatment is also being tested in patients with no other treatment options, where it has shown sustained results in saving people's lives. It is also being tested as an earlier line of therapy for multiple myeloma patients.

A Risk-Sharing Business Model

Bluebird's business model recognizes the financial hurdles for gene therapy patients and their respective insurance companies: for instance, the cost of gene therapy presents a challenge for both stakeholders. In the case of beta-thalassemia, the lifetime cost of $1.8 million over five years for Bluebird's Syntel is considerable. However, this cost is broken up into five annual installments of $360,000 predicated on transfusion independence. After five years of sustained results, there is no additional cost to the patient, and the healthcare system will have seen a reduction in hospitalizations and transfusions for these patients, which the company estimates can cost up to $30 million over a patient's lifetime. Bluebird is using the same pricing model for its sickle cell disease product. We believe Bluebird is driving changes to the global healthcare system using this model, which will benefit all stakeholders, including patients, healthcare systems, and payors.

UN SDGs

The Sands Capital six investment criteria tend to lead us to businesses that are innovators or vital facilitators of change in industries undergoing significant transformation. Many of these businesses operate in high impact spaces such as technology and life science.

Bluebird Bio is one of many portfolio businesses that create impact by addressing at least one major social and environmental challenge identified by the United Nations Sustainable Development Goals (SDGs). Bluebird Bio addresses UN SDG 3: Good Health and Well Being.

[a]Bristol Myers Squibb is not a GG holding
All data is for Fiscal Year 2019 unless otherwise noted.
The business profiled was selected based on its reported alignment with one or more UN Sustainable Development Goals.

Global Growth Equity Composite (GGEC) Annual Disclosure Presentation

Year End	Number of Accounts	Assets at End of Period (USD Millions)	GGEC			MSCI All Country World Index (MSCI ACWI)		Percentage of Firmwide Assets	Percentage of Non-Paying Accounts	Asset Weighted Standard Deviation	Firm's Total Assets (USD Millions)
			Net Return	Gross Return	Annualized 3 Yr. Ex-Post Standard Deviation	MSCI ACWI	Annualized 3 Yr. Ex-Post Standard Deviation				
2019	18	$12,690.57	30.65	31.72	14.24	26.60	11.22	28.43	0.00	0.41	$44,636.85
2018	15	$9,713.59	-2.85	-2.03	14.93	-9.42	10.48	27.45	0.00	0.14	$35,387.67
2017	14	$10,812.64	38.88	40.01	13.85	23.97	10.36	26.16	0.00	0.20	$41,331.26
2016	21	$9,019.25	0.54	1.41	14.56	7.86	11.06	25.83	0.00	0.12	$34,914.29
2015	18	$9,129.68	0.40	1.27	13.92	-2.36	10.79	20.66	0.00	0.18	$44,192.42
2014	19	$9,285.34	5.37	6.26	13.72	4.16	10.5	19.48	0.00	0.25	$47,659.83
2013	18	$7,531.91	27.89	28.97	16.28	22.80	13.94	17.90	0.00	0.25	$42,067.92
2012	11	$3,746.92	20.38	21.37	18.55	16.13	17.13	13.87	0.00	0.21	$27,001.96
2011	<5	$1,544.95	-1.98	-1.14	22.67	-7.35	20.59	8.24	0.00	n.m.[1]	$18,759.70
2010	<5	$1,529.67	27.67	28.74	—[2]	12.67	—[2]	9.53	0.00	n.m.[1]	$16,057.27

[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. Sands Capital Management ("Sands Capital" and "SCM") is an independent registered investment advisor. 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 September 30, 2019. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The Global Growth Equity Composite ("GGEC") has been examined for the periods December 31, 2008 through September 30, 2019. The verification and performance examination reports are available upon request. The GGEC reflects information from all fee paying and non-fee paying accounts managed in the Global Growth Equity Strategy on a fully discretionary basis. The Global Growth Equity Strategy is a concentrated global portfolio that typically includes 30 to 50 companies that are domiciled around the world. Portfolio investments are typically large-capitalization leaders in their respective business spaces. The portfolio may invest in mid-capitalization companies. The portfolio may invest a significant percentage of its assets in U.S. companies, ADRs, and foreign securities traded on foreign exchanges, and may include the use of derivative access products to gain exposure to certain foreign markets where direct investment is not always practical or cost efficient. There is no account minimum. The benchmark for the GGEC 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 GGEC holds securities not included in the MSCI ACWI and Sands Capital Management, LLC 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. Returns are presented gross and net of management fees and include the reinvestment of all income. Composite performance is presented net of 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 withholding taxes from a Luxembourg tax perspective. Net of fee performance was calculated by deducting the highest applicable fee of 0.85% from the monthly gross composite return. Sands Capital may use access products as needed to gain exposure to securities of companies in markets that restrict foreign ownership of local companies. (1) A Low Exercise Price Warrant ('LEPW') is a warrant in which the value and performance of its intrinsic value is effectively identical to that of the underlying security. LEPWs are used to allow participation in the performance of a foreign equity security where there are legal or financial obstacles to purchasing the underlying directly. (2) Participation Notes ("P-Notes") are unsecured, bearer securities typically issued by financial institutions, the performance of which is generally linked to the performance of the underlying listed shares of a company in an emerging market (for example, the shares in a company incorporated in India). Investors in P-Notes do not have or receive any rights relating to the underlying shares, and the issuers of the notes may not be obligated to hold any shares in the underlying companies. LEPWs and P-Notes bear counterparty risk and may bear additional liquidity risk. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. A list of composite descriptions is available upon request. Past performance is not indicative of future results. The investment management fee schedule for the strategy is 0.85% on the first $50 million, 0.65% on the next $200 million and 0.55% on all assets above $250 million. 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At Sands Capital, we are active, long-term investors in innovative growth businesses, globally. Our approach combines rigorous fundamental analysis with inspired thinking to seek innovative, high-quality businesses that are creating the future. By enabling our clients to participate in the growth of these businesses, our mission is to add value and enhance their wealth with prudence over time.

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.

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.

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.

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