

Flash Report – June 30, 2021

OVERVIEW

Select Growth focuses primarily on U.S. businesses at the forefront of the most vital areas of positive structural change in our economy. These businesses are built on disruptive innovation, and generate growth by inspiring profound change within existing industries or creating entirely new ones.

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 ATTRIBUTES³

CONCENTRATED AND CONVICTION-WEIGHTED

30

Businesses

57%

Top Ten Weight

LONG-TERM INVESTMENT HORIZON

22%

Turnover - Annual Avg.¹

5+ Yr

Expected Holding Period

ABOVE-AVERAGE EPS GROWTH FORECAST²

28%

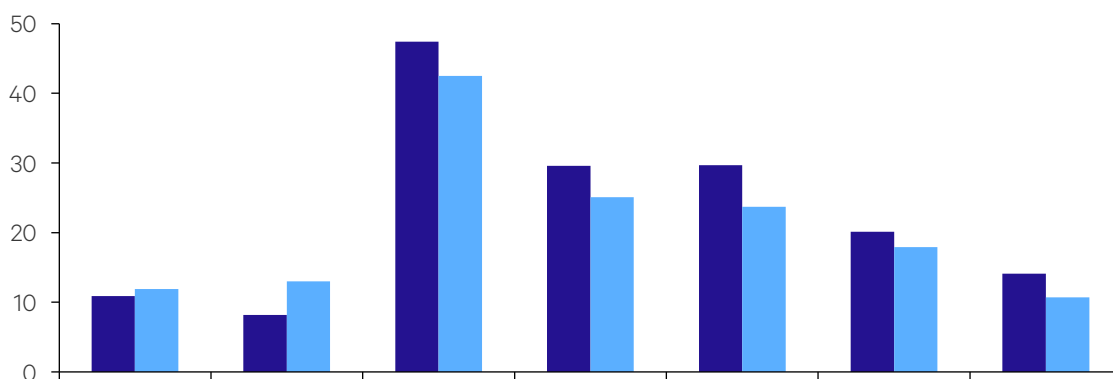
Select Growth

21%

Russell 1000 Growth Index

INVESTMENT RESULTS (%)

Select Growth vs. Russell 1000 Growth Index



Inception: 2/29/92

● Portfolio (Net)
● Benchmark
Value Added (bps)

	2Q21	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Portfolio (Net)	10.9	8.2	47.4	29.6	29.7	20.1	14.1
Benchmark	11.9	13.0	42.5	25.1	23.7	17.9	10.7
Value Added (bps)	-100	-480	490	450	600	220	340

CALENDAR YEAR RETURNS (%)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD
Portfolio (Net)	24.1	42.2	8.9	2.9	-7.1	35.1	6.8	33.3	71.4	8.2
Benchmark	15.3	33.5	13.0	5.7	7.1	30.2	-1.5	36.4	38.5	13.0
Value Added (bps)	880	870	-410	-280	-1,420	490	830	-310	3,290	-480

Inception date is 2/29/92. 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 Tax-Exempt Institutional Equity Composite. GIPS® Reports 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.

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PORTFOLIO CHARACTERISTICS³

	Portfolio	Benchmark
Portfolio Businesses	30	499
Active Share ⁴	84%	n/a
5-Year Historical EPS Growth	52%	27%
Consensus Long-Term EPS Growth	28%	21%
Consensus Forward P/E - Next 12 mos. ⁵	53x	29x
Weighted Avg. Market Cap (\$B)	225.3	795.0
Median Market Cap (\$B)	65.8	18.7
Turnover - Trailing 12 mos. ¹	25%	n/a
Weighted Average Carbon Intensity ¹⁴	12.4	33.6

RETURN & VOLATILITY METRICS³

(Trailing 5 Years Net of Fees)	Portfolio	Benchmark
Annualized Excess Return ⁶	6.1%	n/a
Beta ¹⁶	1.08	1.00
Information Ratio ⁷	0.7	n/a
R-Squared ¹¹	81.8%	100.0%
Sharpe Ratio ⁸	1.5	1.4
Standard Deviation ¹⁰	19.1%	16.0%
Tracking Error ⁹	8.2%	n/a
Up Capture ¹²	112%	100%
Down Capture ¹³	88%	100%

TOP TEN HOLDINGS (56.9% OF ASSETS)³



Company	Business Space ¹⁷	Domicile ¹⁵	Portfolio (%)	Owned Since
Sea	Internet Software and Services	Singapore	10.5	2019
Netflix	Internet Video	United States	6.9	2015
Visa	Payment Processing	United States	6.5	2008
Square	Payment Processing	United States	6.4	2020
ServiceNow	Software-as-a-Service - IT Service Management	United States	5.4	2016
Twilio	Computer Communications	United States	4.7	2019
Uber Technologies	Personal Mobility, Food Delivery, and Freight	United States	4.4	2020
Facebook	Online Media	United States	4.3	2012
Amazon	Internet Retail and Infrastructure-as-a-Service	United States	4.0	2015
Match Group	Online Classifieds	United States	4.0	2018

SECTOR EXPOSURE^{3,19}

	Portfolio	Relative to Benchmark
Information Technology	34.1	-10.0
Communication Services	32.4	19.8
Consumer Discretionary	12.0	-6.5
Health Care	10.7	1.6
Industrials	6.8	0.4
Consumer Staples	1.1	-2.8
Financials	-	-2.3
Real Estate	-	-1.7
Materials	-	-1.0
Energy	-	-0.3
Utilities	-	0.0
[Cash]	2.9	2.9

CONTRIBUTION (%)²⁰

Top Absolute Contributors

Top Absolute Detractors

QUARTER TO DATE

Company Name	Average Weight	Return	Contribution	Company Name	Average Weight	Return	Contribution
Sea	10.3	23.0	2.3	Uber Technologies	4.9	-8.1	-0.4
Intuit	3.6	28.1	1.0	Airbnb	0.9	-18.5	-0.2
Facebook	4.2	18.1	0.7	Zillow	2.3	-5.7	-0.2
Visa	6.7	10.6	0.7	Grocery Outlet	1.3	-6.0	-0.1
Match Group	4.1	17.4	0.7	Illumina	0.7	0.6	0.0

YEAR TO DATE

Company Name	Average Weight	Return	Contribution	Company Name	Average Weight	Return	Contribution
Sea	9.9	38.0	3.4	Adobe	1.2	-12.6	-0.5
Facebook	3.8	27.3	1.0	Coupa Software	1.2	-22.7	-0.4
Intuit	3.4	29.4	1.0	Sarepta Therapeutics	1.2	-54.4	-0.3
Square	6.8	12.0	0.7	Netflix	7.1	-2.3	-0.3
Twilio	4.3	16.4	0.7	Zillow	2.5	-5.8	-0.2

TRAILING 1 YEAR

Company Name	Average Weight	Return	Contribution	Company Name	Average Weight	Return	Contribution
Sea	8.7	156.1	9.4	Sarepta Therapeutics	1.2	-51.5	-0.3
Square	6.2	132.3	5.2	Grocery Outlet	1.4	-15.1	-0.2
Align Technology	3.0	122.6	2.8	DoorDash	0.6	-5.9	-0.1
Twilio	3.8	79.6	2.5	Coupa Software	1.3	-5.4	-0.1
ServiceNow	5.8	35.7	2.4	Illumina	1.8	4.3	-0.1

TRAILING 3 YEAR

Company Name	Average Weight	Return	Contribution	Company Name	Average Weight	Return	Contribution
Sea	3.4	630.1	15.3	Abiomed	0.4	-55.0	-1.5
ServiceNow	6.6	218.6	13.6	Activision Blizzard	1.1	-6.0	-1.1
Match Group	3.7	372.7	9.6	Booking	0.7	-13.6	-0.9
Amazon	7.6	102.4	9.3	BioMarin Pharmaceutical	0.7	-19.8	-0.9
Square	2.3	242.7	6.9	Texas Instruments	0.5	-16.1	-0.8

TRAILING 5 YEAR

Company Name	Average Weight	Return	Contribution	Company Name	Average Weight	Return	Contribution
Amazon	7.3	380.7	25.5	Under Armour	0.4	-71.0	-4.6
Netflix	5.8	477.4	23.0	Snap	0.2	-49.4	-2.0
ServiceNow	5.2	597.0	21.2	Abiomed	0.3	-55.0	-1.5
Visa	7.7	225.8	20.8	Chipotle Mexican Grill	0.6	-23.8	-1.0
Adobe	4.4	356.2	17.1	Cerner	0.2	-13.8	-1.0

Contribution and performance are calculated using end of day prices, and do not reflect actual purchase prices. This can affect the presentation of contribution and performance of IPOs and other transactions amid heightened volatility. Select Growth may participate in IPOs in eligible accounts and purchase additional shares in the secondary market. ¹Turnover Rate is calculated excluding cash using a Select Growth model portfolio eliminating the effect of client directed cash flows in the calculation. Annual Average Turnover Rate reflects the average value over the past five calendar years. ²Consensus long-term EPS growth forecast. ³Select Growth calculations are based on the Tax-Exempt Institutional Equity Composite. ⁴Active Share represents the share of portfolio holdings that differ from the benchmark, grouped at company level, with 0% meaning perfect index replication and 100% indicating no overlapping holdings. ⁵P/E forecasts are consensus estimates. ⁶Annualized Excess Return represents the difference between the strategy's performance and the benchmark's performance. ⁷Information Ratio is the ratio of excess return to risk, as measured by standard deviation. ⁸The Sharpe Ratio measures excess return above the risk free rate to standard deviation of returns. ⁹Tracking Error is the amount by which the performance of the strategy differed from that of the benchmark. ¹⁰Standard Deviation is a measurement of dispersion of a set of data from its mean. ¹¹R2 is a measurement of how much performance reflects the returns from the benchmark. ¹²The Up Capture is a measure of how a manager performed during phases of positive benchmark returns. ¹³The Down Capture is a measure of how a manager performed during phases of negative benchmark returns. ¹⁴Expressed 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. © 2021 MSCI ESG Research LLC. Reproduced by permission; no further redistribution. ¹⁵Based on MSCI definitions. ¹⁶Beta is a measure of an asset's risk in relation to the market, as typically represented by a broad index. ¹⁷Business Space is based on SCM classifications. ¹⁸The 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. ²⁰Data presented is that of the Tax-Exempt Institutional 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 Select Growth portfolio and were selected based on the performance measures presented.

At Sands Capital, we are active, long-term investors in leading 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.

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.

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.

Tax-Exempt Institutional Equity Composite (TEIEC) GIPS Report

Year End	Number of Accounts	Assets at End of Period (USD Millions)	TEIEC			Russell 1000 Growth Index (R1000G)		Non-Fee Paying Assets as Percentage of Composite	Asset Weighted Standard Deviation of Gross Returns	Firm's Total Assets (USD Millions)
			Net Return	Gross Return	Annualized 3 Yr. Ex-Post Standard Deviation of Net Returns	R1000G	Annualized 3 Yr. Ex-Post Standard Deviation			
2020	82	\$12,888.65	71.42	72.15	22.42	38.49	19.64	0.00	0.71	\$68,621.83
2019	84	\$10,063.97	33.34	33.91	17.22	36.39	13.07	0.00	0.15	\$44,636.85
2018	90	\$9,140.97	6.77	7.27	17.03	-1.51	12.13	0.00	0.19	\$35,387.67
2017	102	\$11,646.37	35.15	35.74	15.07	30.21	10.54	0.00	0.48	\$41,331.26
2016	115	\$10,192.82	-7.13	-6.70	15.58	7.08	11.15	0.00	0.18	\$34,914.29
2015	146	\$14,686.78	2.92	3.40	14.56	5.67	10.7	0.00	0.50	\$44,192.42
2014	155	\$17,737.17	8.95	9.63	14.51	13.05	9.59	0.00	0.18	\$47,659.83
2013	155	\$16,244.61	42.19	42.95	15.55	33.48	12.18	0.00	0.17	\$42,067.92
2012	141	\$11,421.39	24.08	24.69	18.39	15.26	15.66	0.00	0.22	\$27,001.96
2011	122	\$8,572.50	2.47	3.02	19.92	2.64	17.76	0.00	0.15	\$18,759.70

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 December 31, 2019. 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 Tax-Exempt Institutional Equity Composite ("TEIEC") has been examined for the periods February 29, 1992 through December 31, 2019. The verification and performance examination reports are available upon request. The TEIEC contains all fee-paying, tax-exempt institutional equity accounts managed according to the Select Growth Equity Strategy on a fully discretionary basis and for comparison purposes is measured against the Russell 1000 Growth Index ("R1000G"). The Select Growth Equity Strategy (formerly "Large Cap Growth") is a concentrated portfolio that typically includes 25 to 30 companies. Portfolio investments are typically U.S. domiciled large-capitalization leaders in their respective business spaces and usually operate on a global basis. The portfolio may invest in mid-capitalization companies. While primarily constructed of domestic companies, the portfolio may contain foreign securities that trade on a U.S. exchange. The R1000G measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The TEIEC holds securities that are not included in the R1000G, and Sands Capital Management, LLC may invest in securities not covered by the index. Performance results in presentations prior to January 1, 2002 were measured against the S&P 500 Index. The benchmark was changed to be more representative of the composite strategy, however, information regarding the comparison to the S&P 500 is available upon request. Effective April 1, 1997, the minimum account size for this composite is \$3 million. The minimum account size was \$1 million from February 7, 1992 through March 31, 1997. 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. Returns are presented gross and net of management fees and performance fees, if applicable, and include the reinvestment of all income. For periods prior to 2013, gross returns are shown as supplemental information and are stated gross of all fees and transaction costs for bundled fee accounts; net returns are reduced by all fees and transaction costs incurred. Net returns presented are calculated using actual fees. Bundled fee accounts pay a fee based on a percentage of assets under management. Other than brokerage commissions this fee may have included portfolio monitoring, consulting services, and in some cases, custodial services. As of January 1, 2013, bundled fee accounts are no longer included in the TEIEC. The U.S. Dollar is the currency used to express performance. 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 0.75% on the first \$50 million of assets under management and 0.50% on assets under management greater than \$50 million. In addition to the management fee, some accounts may also pay an incentive fee. Additional information regarding the incentive fee is available upon request. Actual investment advisory fees incurred by clients may vary. The Select Growth Equity Strategy of the portfolio manager was created and fully invested February 7, 1992. The TEIEC was created on February 29, 1992 and the inception date for performance is February 29, 1992. Russell 1000® Growth Index is a trademark of the Frank Russell Company. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.