



Capturing Sustainable Growth in Emerging Markets

September 2020

 SANDS CAPITAL

Disclosures

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. The views expressed were current as of the date indicated and are subject to change. This material may contain forward-looking statements, which are subject to uncertainty and contingencies outside of Sands Capital's control. Readers should not place undue reliance upon these forward-looking statements. There is no guarantee that Sands Capital will meet its stated goals. Past performance is not indicative of future results. 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 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. 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. GIPS®-compliant presentations and additional disclosures for the related composites may be found at http://sandscapital.com/media/Sands_Capital_Annual_Disclosure_Presentation.pdf. Except where otherwise noted, the companies illustrated represent a sub-set of current portfolio holdings in the Emerging Markets Growth strategy. These holdings were chosen based on their weights within key secular themes that the portfolio management team believes can support above-average growth and because we believe they best illustrate the growth stage-specific learnings addressed in the presentation. There is no assurance that any security listed has remained or will remain in the portfolios or that securities sold have not been repurchased. A complete list of portfolio holdings is available upon request.

Charts and graphs are for illustrative purposes only. This presentation may contain forward-looking statements, which are subject to uncertainty and contingencies outside of Sands Capital's control. Readers should not place undue reliance upon these forward-looking statements. There is no guarantee that Sands Capital will meet its stated goals.

To receive a complete list and description of the firm's composites, a presentation that adheres to the GIPS® standards, 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.

Source: Company filings and documents, SCM analysis.

FOR INSTITUTIONAL USE ONLY

**Sands Capital exists to
add value and enhance the
wealth of our clients with
prudence over time**

We are active, long-term investors in leading innovative growth businesses, globally.

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.

YEAR FOUNDED

1992

OWNERSHIP

Independent
100% Staff Owned

AUM

\$51.4 Billion USD

STAFF

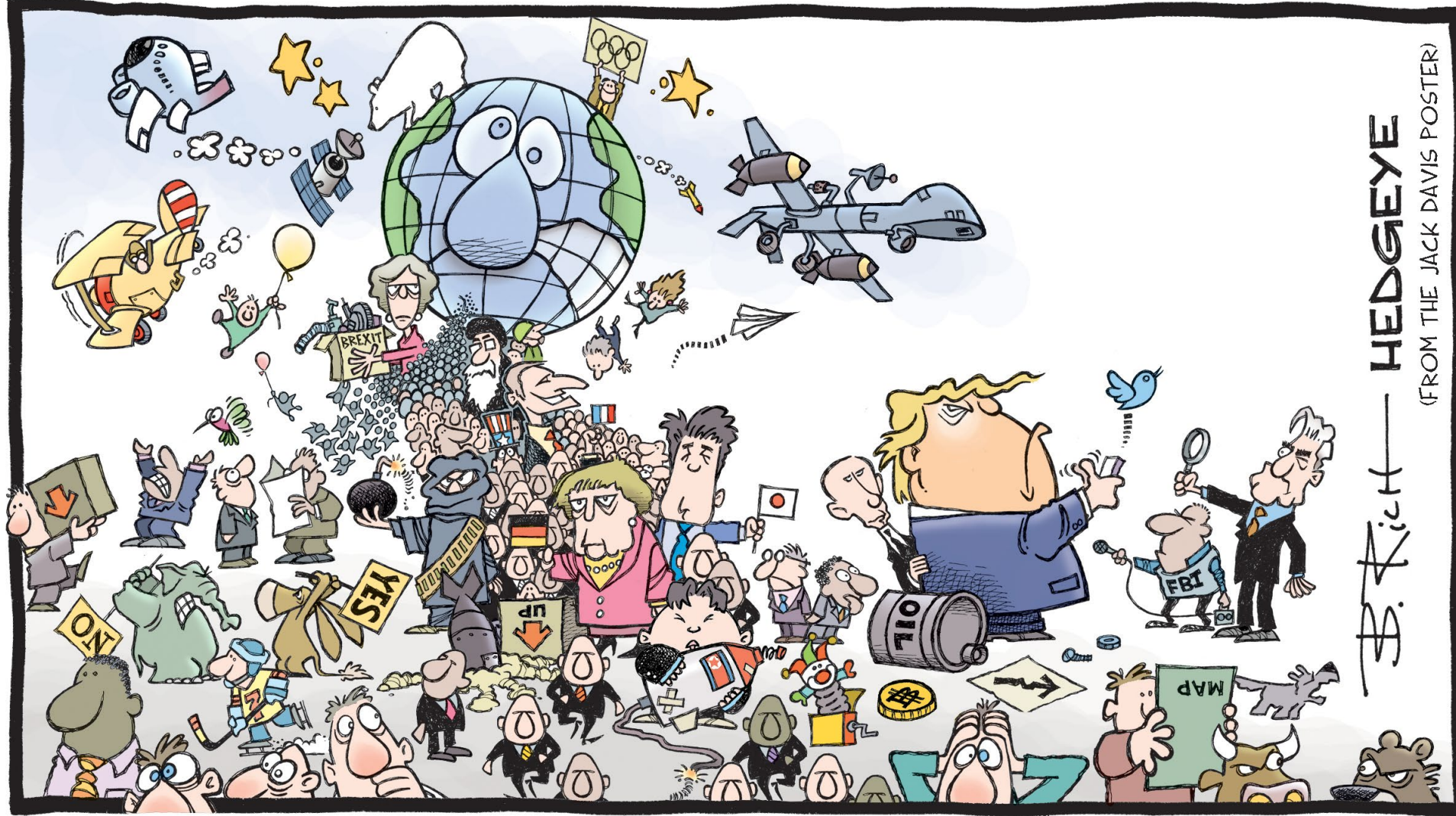
149

HEADQUARTERS

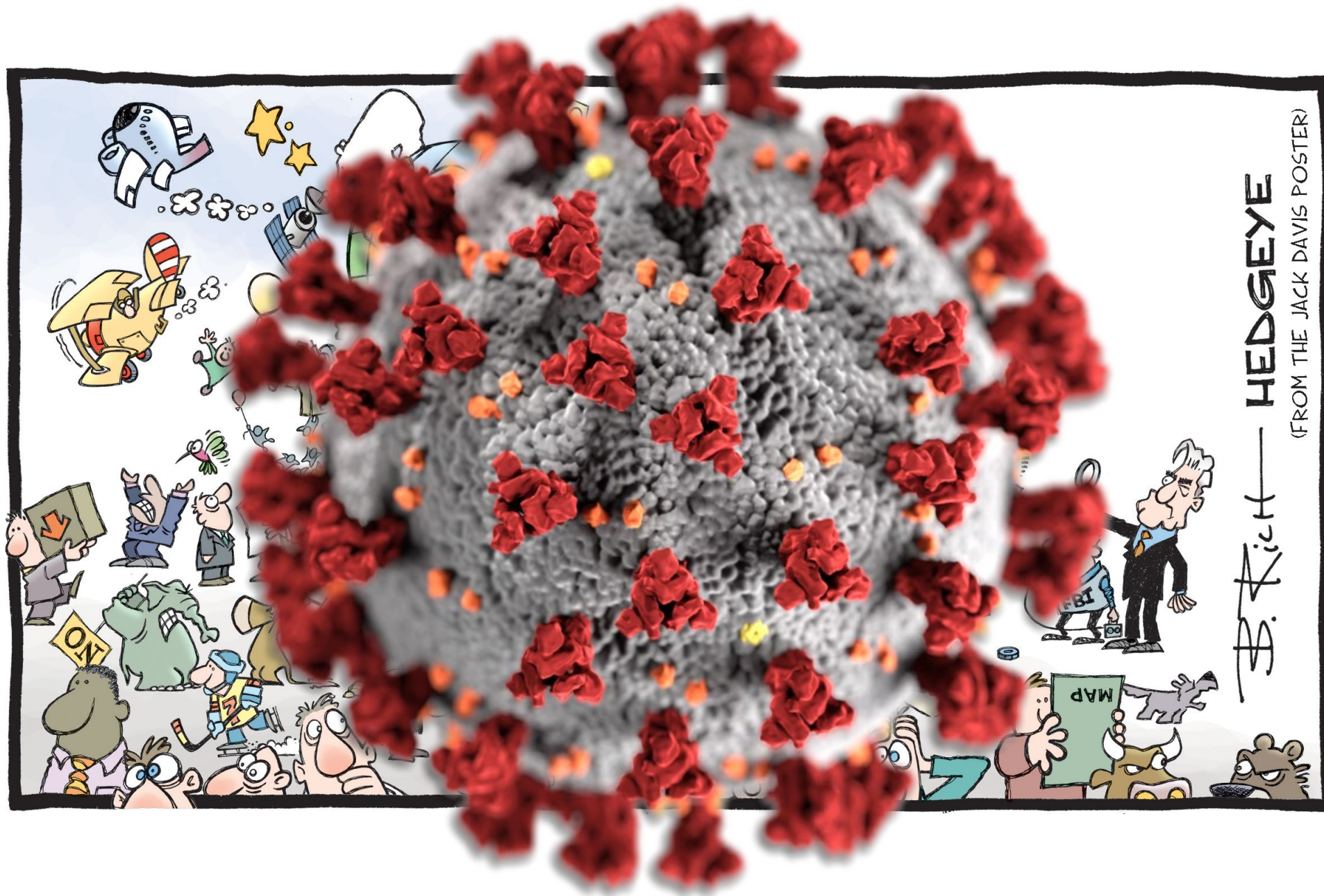
Arlington, VA, USA

**Growth investing is about
predicting the future...**

**...but the world is an
unpredictable place**



HEDGEYE
(FROM THE JACK DAVIS POSTER)



**We believe that some
things, however, are
predictable over time.**

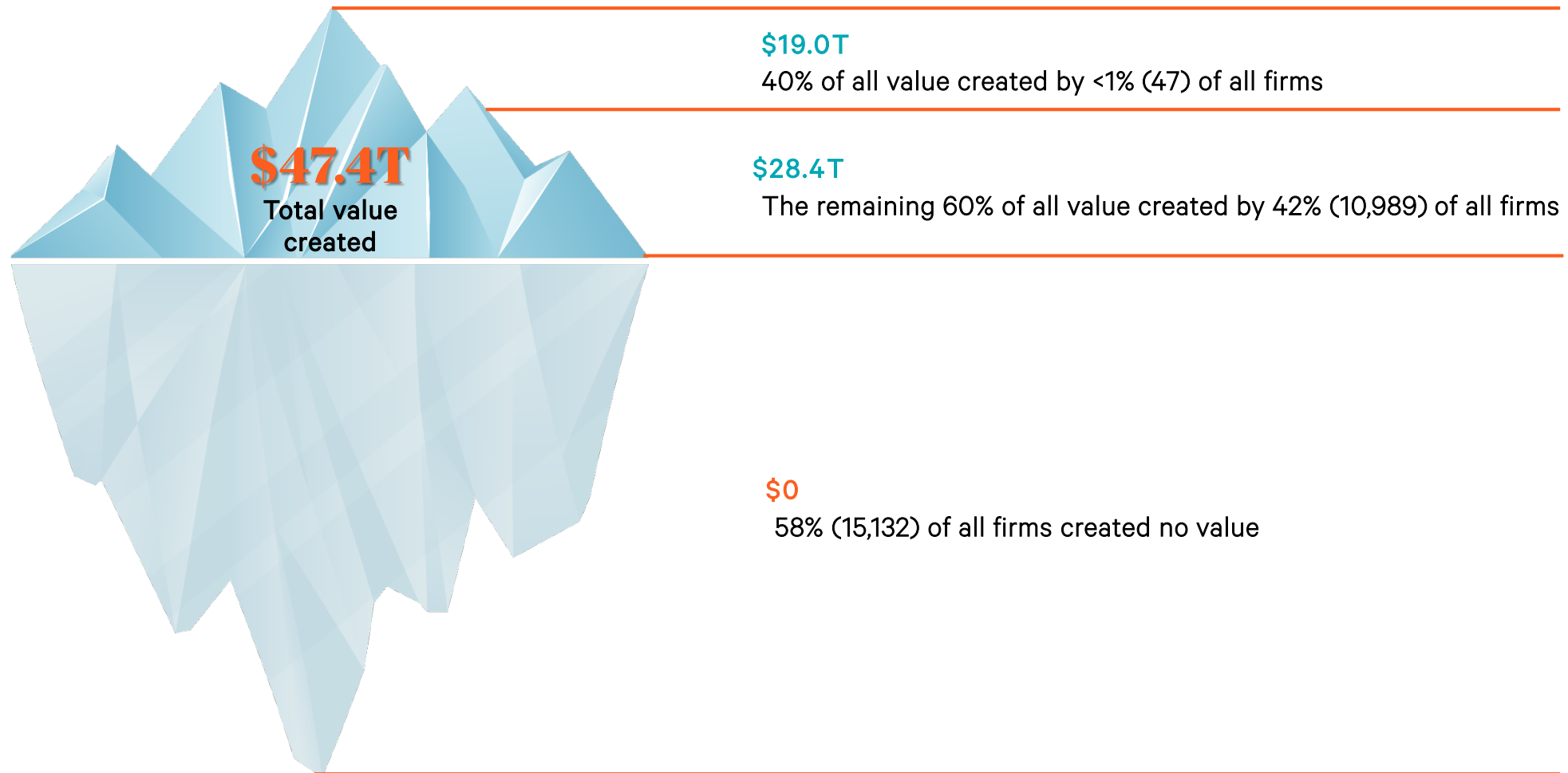
Earnings Growth Tends to Drive Long-Term Stock Returns...



Source: NYU Stern School of Business. Raw data obtained from Bloomberg and S&P last updated January 5, 2020.

...and a Select Few Companies Tend to Create Most of the Value

Total Net Wealth Created by all Listed U.S. Common Stocks 1926-2019



**So what's
the **playbook?****

Private Equity Mindset in the Public Equity Markets

Our investment philosophy is that over time, common stock prices will reflect the earnings power and growth of the underlying businesses. To be successful we must:

- Identify the few truly exceptional businesses with sustainable above-average growth
- Construct a concentrated, conviction-weighted portfolio
- Accept short-term market volatility in exchange for long-term wealth creation

“As long-term investors, we buy leading growth businesses...we do not trade stocks.”

Frank M. Sands, Sr., Founder

Buy the Few, But Seek to Buy the Very Best

The cornerstone of our investment strategy is our proprietary global research:
Fundamental, bottom-up, and business-focused.

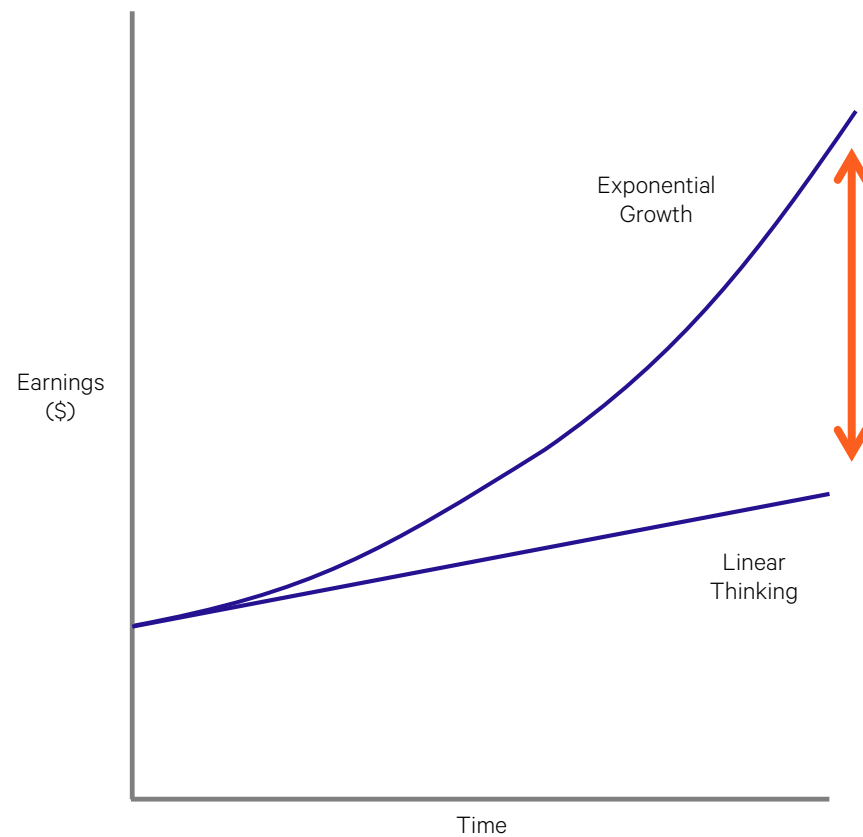
We seek to identify leading growth businesses that meet the following criteria:

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

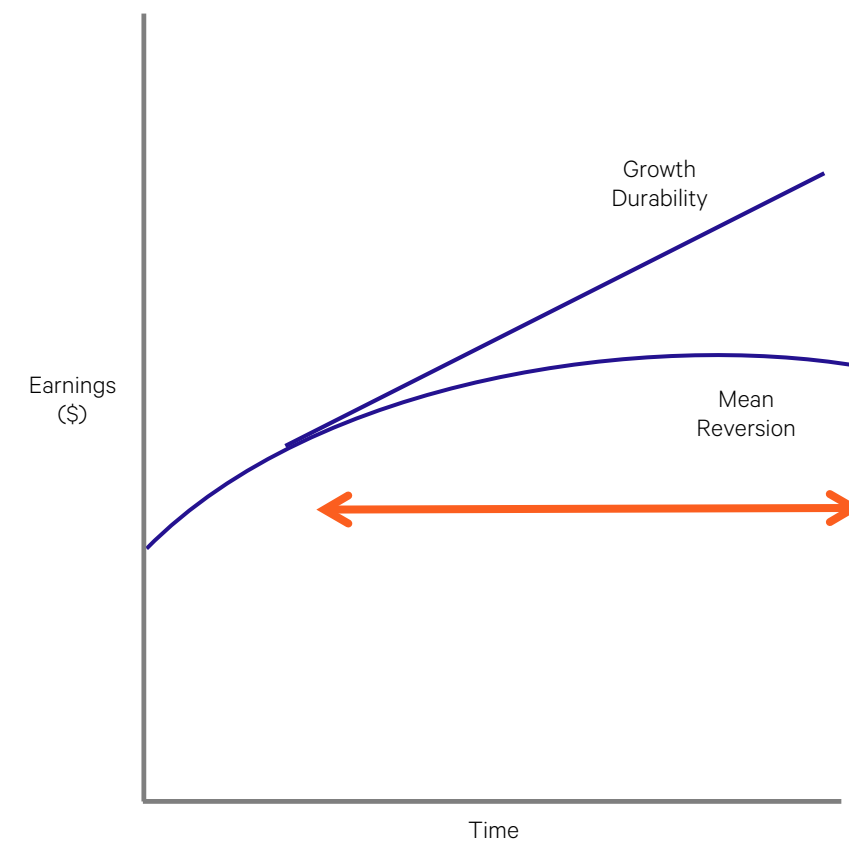
Different Views Produce Different Results

Our three decades of growth investing experience can help us appreciate what the market often discounts.

GROWTH MAGNITUDE



GROWTH DURATION



Going Where the Growth Is

Our domain experience gives us confidence in our ability to identify tomorrow’s winners. Below are a few of the areas where we see significant growth opportunities in EM.

CHINA BIOTECH

China’s biotech industry is rapidly moving up the innovation curve to address massive unmet needs. We prefer both innovative drug companies (with differentiated assets, multinational validation, and world-class management teams) as well as businesses providing the “picks and shovels” to the industry.



FINANCIAL PENETRATION

Approximately a third of the world’s adult population remains unbanked, and nearly all of them live in emerging markets. New technologies are enabling access to basic financial products and services.



EARLY ECOMMERCE AND CLOUD COMPUTING

Ecommerce adoption is in early stages and accelerating in large consumer markets, such as ASEAN and Latin America. Cloud computing is modernizing developed-market businesses but remains early in EM.



ENTERPRISE DIGITAL TRANSFORMATION & PRODUCTIVITY

New digital capabilities are changing how consumers access services and interact with companies. IT spending continues to shift toward innovations that make enterprises more agile and efficient.



The companies illustrated represent a sub-set of the Emerging Markets Growth Equity Composite. They were chosen because they are the largest-weighted companies in the portfolio that reflect the business model/trend listed, without duplicating examples. The views expressed are the opinions of SCM and are not intended as a forecast, a guarantee of future results, investment recommendations, or an offer to buy or sell any securities. There is no assurance that any securities listed will remain in the portfolio. A company's fundamentals or earnings growth is no guarantee that its share price will increase. The views expressed were current as of the date indicated and are subject to change. 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. 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.



The opinions expressed in this presentation are those of the contributors and are subject to change. No forecasts are guaranteed.

For Institutional Use Only. Not for Distribution to the Public.
Institutions affirm they shall exercise independent judgment in their evaluation.