



Technology Innovators

Quarterly Report
June 30, 2025



SANDS CAPITAL

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GIPS Reports found [here](#).

[Notice](#) for non-US Investors.

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[On the Cover](#)

PCB Processing on CNC machine, which is used by ASML, a holding in the Technology Innovators portfolio.

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Technology Innovators (USD)

Quarterly Report - June 30, 2025

OVERVIEW

Technology Innovators leverages our deep domain knowledge to seek leading innovative businesses globally that are the key facilitators or beneficiaries of powerful secular shifts enabled by technologies.

INVESTMENT CRITERIA

1. Sustainable above-average earnings growth
2. Leadership position in a promising business space
3. Significant competitive advantage/unique business franchise
4. Clear mission and value-added focus
5. Financial strength
6. Rational valuation relative to the market and business prospects

KEY ATTRIBUTES

CONCENTRATED AND CONVICTION WEIGHTED

29

Businesses

55%

Top Ten Weight

LONG-TERM INVESTMENT HORIZON

19%

Turnover-Annual Avg.

5+ Yrs

Expected Holding Period

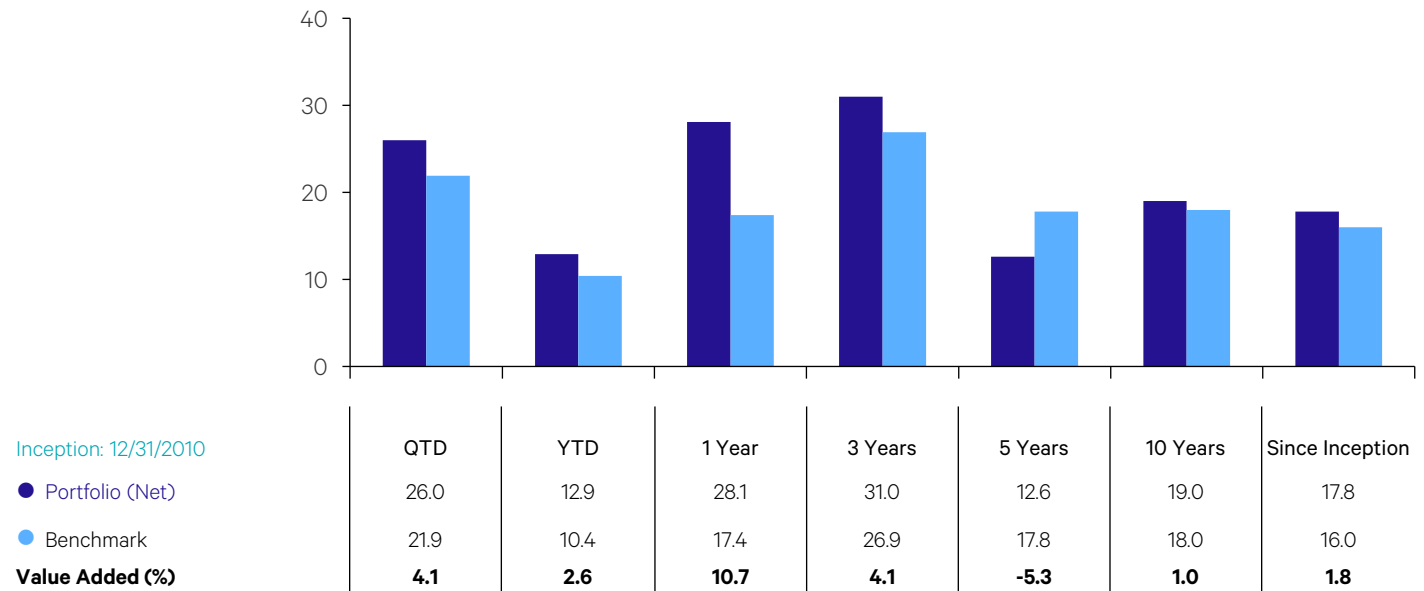
GROWTH-ORIENTED

34%

Sands Capital Long-Term
EPS Growth Estimate

INVESTMENT RESULTS (%)

Technology Innovators vs MSCI ACWI Info Tech and Communication Services Index



CALENDAR YEAR RETURNS (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Portfolio (Net)	-2.3	46.5	12.8	41.4	76.0	9.7	-47.9	50.8	37.7	12.9
Benchmark	12.2	41.8	-4.6	38.5	38.3	22.4	-32.3	47.7	31.6	10.4
Value Added (%)	-14.5	4.7	17.4	2.9	37.8	-12.6	-15.6	3.2	6.1	2.6

Inception date is 12/31/2010. Returns over one year are annualized. The investment results shown are net of advisory fees and expenses and reflect the reinvestment of dividends and any other earnings. The investment results are those of the Technology Innovators Composite. Net of fee performance was calculated by reducing Technology Innovator Composite's monthly gross return by 1/12 of the highest applicable annual fee of 0.85%. Past performance is not indicative of future results. GIPS Reports found [here](#).











PORTFOLIO CHARACTERISTICS

	Portfolio	Benchmark
Portfolio Businesses	29	430
Active Share	62%	n/a
5-Year Historical EPS Growth	48%	28%
Consensus Long-Term EPS Growth	16%	14%
Consensus Forward P/E - Next 12 mos.	37x	24x
Strategy Assets	\$1.6B	n/a
Weighted Avg. Market Cap (USD)	\$1.2T	\$1.7T
Median Market Cap (USD)	\$118.5B	\$15.9B
Turnover - Trailing 12 mos.	24%	n/a

RETURN & VOLATILITY METRICS

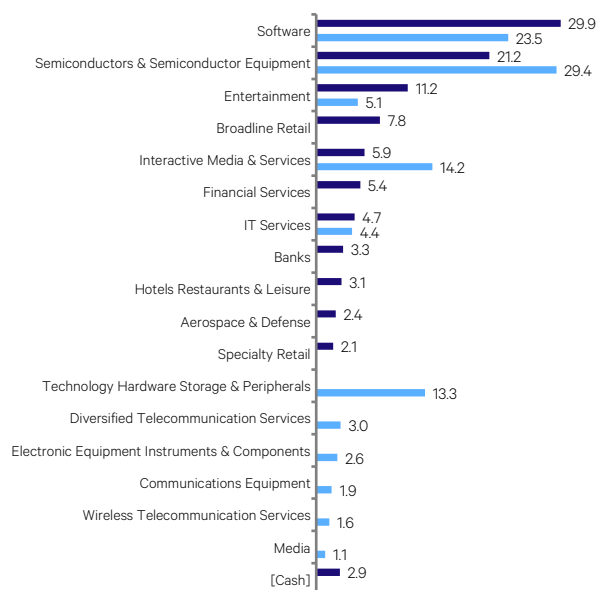
(Trailing 5 Years Net of Fees)	Portfolio	Benchmark
Annualized Excess Return	-5.3%	n/a
Beta	1.19	1
Information Ratio	-0.5	n/a
R-Squared	84.5%	100.0%
Sharpe Ratio	0.4	0.8
Standard Deviation	25.8%	21.5%
Tracking Error	10.8%	n/a
Up Capture	109.9%	100%
Down Capture	123.5%	100%

TOP TEN HOLDINGS (54.8% OF ASSETS)

Company	Sector	Domicile	Portfolio (%)	Owned Since
 NVIDIA	Information Technology	United States	13.5	2023
 Microsoft	Information Technology	United States	9.1	2023
 TSMC	Information Technology	Taiwan	6.3	2016
 Meta	Communication Services	United States	5.9	2023
 ServiceNow	Information Technology	United States	3.5	2016
 Netflix	Communication Services	United States	3.4	2017
 Visa	Financials	United States	3.3	2010
 Nu Holdings	Financials	Brazil	3.3	2021
 Amazon	Consumer Discretionary	United States	3.2	2015
 DoorDash	Consumer Discretionary	United States	3.1	2020

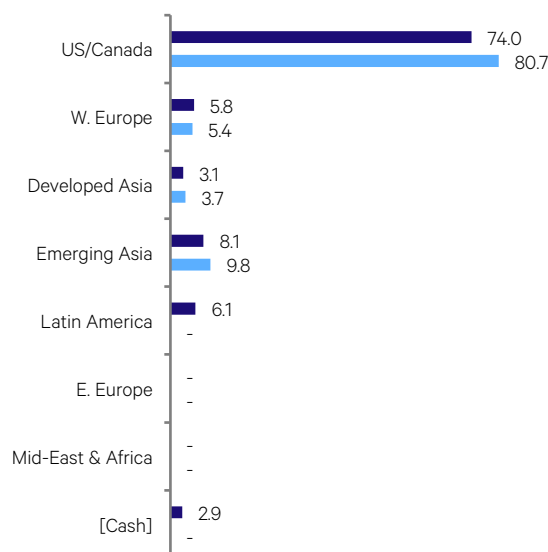
INDUSTRY EXPOSURE

● Portfolio ● Benchmark



REGION EXPOSURE

● Portfolio ● Benchmark



Source: Benchmark data sourced from Benchmark providers. Company domicile, sector, industry, regional, and country classifications, where applicable, are sourced from MSCI. Other data sourced from FactSet.

PORTFOLIO HOLDINGS BY SECTOR

SECTOR/COMPANY	GICS INDUSTRY	DOMICILE	PORTFOLIO (%)	BENCHMARK (%)	OWNED SINCE
Communication Services			17.1	24.9	
Meta Platforms	Interactive Media & Services	United States	5.9	5.6	2023
Netflix	Entertainment	United States	3.4	2.0	2017
Roblox	Entertainment	United States	2.6	0.2	2024
Sea	Entertainment	Singapore	3.1	0.2	2020
Spotify	Entertainment	Sweden	2.1	0.4	2025
Consumer Discretionary			13.1		
Amazon	Broadline Retail	United States	3.2	-	2015
Carvana	Specialty Retail	United States	2.1	-	2025
Coupang	Broadline Retail	Korea	1.8	-	2023
DoorDash	Hotels Restaurants & Leisure	United States	3.1	-	2020
MercadoLibre	Broadline Retail	Argentina	2.7	-	2020
Financials			8.7		
Block	Financial Services	United States	2.0	-	2020
Nu Holdings	Banks	Brazil	3.3	-	2021
Visa	Financial Services	United States	3.3	-	2010
Industrials			2.4		
Axon Enterprise	Aerospace & Defense	United States	2.4	-	2024
Information Technology			55.8	75.1	
AppLovin	Software	United States	2.3	0.3	2025
ASML Holding	Semiconductors & Semiconductor Equipment	Netherlands	1.4	1.1	2010
Atlassian	Software	United States	1.9	0.1	2018
CrowdStrike Holdings	Software	United States	1.4	0.4	2024
Datadog	Software	United States	2.0	0.1	2022
Klaviyo	Software	United States	2.3	-	2023
Microsoft	Software	United States	9.1	12.1	2023
monday.com	Software	Israel	2.3	0.0	2024
NVIDIA	Semiconductors & Semiconductor Equipment	United States	13.5	13.3	2023
Okta	IT Services	United States	1.9	0.1	2020
Palo Alto Networks	Software	United States	2.0	0.5	2025
Samsara	Software	United States	3.0	0.0	2021
ServiceNow	Software	United States	3.5	0.7	2016
Shopify	IT Services	Canada	2.9	0.5	2017
Taiwan Semiconductor	Semiconductors & Semiconductor Equipment	Taiwan	6.3	3.1	2016
Cash			2.9		

Source: Sands Capital, FactSet, MSCI. Data presented is that of the Technology Innovators Composite. The index represented will differ in characteristics, holdings, and sector weightings from that of the composite. The index does not contain and does not reflect the reinvestment of dividends GIPS Reports found [here](#).

Commentary

MARKET ENVIRONMENT

Global equities, as measured by the MSCI ACWI, ended the second quarter at all-time highs following a volatile beginning. The quarter opened with a sharp 10 percent decline after U.S. President Trump's April 2 "Liberation Day" tariff announcement, which pushed the CBOE Volatility Index to its highest closing level since the pandemic-induced market stress of March 2020.

Markets quickly recovered, surpassing February highs, supported by easing geopolitical concerns, renewed AI optimism, resilient macroeconomic data, strong corporate earnings, and technical tailwinds. The second quarter was the best for the MSCI ACWI since 2020, and all major regions delivered double-digit gains. Notably, emerging market equities outperformed developed markets—including the United States—for the second straight quarter and have now led in four of the last five quarters.

More than 70 percent of index constituents traded higher. Most sectors posted positive returns, with energy and health care the only quarterly decliners.

Information technology contributed roughly 50 percent of the index's rise, led by semiconductors. The PHLX Semiconductor Sector Index posted its strongest quarterly gain since 2020. The Magnificent Seven accounted for about one-third of the index's advance, with six of the seven names outperforming the index.

INVESTMENT RESULTS AND ATTRIBUTION

Broad-based contributions from security selection supported outperformance relative to the MSCI ACWI ITCS.

Selection aided results in four of the strategy's five sectors with positioning within the communication services and information technology services sectors serving as the most notable tailwind to relative performance. Within the information technology sector, our underweight to technology hardware contributed to relative returns, offsetting relative underperformance from holdings within the software and semiconductor industries.

Returns from consumer internet platforms were especially strong, spanning multiple sectors. These businesses aggregate the supply of goods and services across varied end markets—

including gaming, social media, streaming video and music, and food delivery. As these platforms scale, their low marginal costs allow each additional user to disproportionately enhance profitability, supporting margin expansion and reinvestment into growth, often through the addition of complementary services.

Recent strong performance from many of these businesses reflects, in part, their perceived status as tariff-resilient havens. Their asset-light business models are generally insulated from the margin pressures associated with higher input costs from tariffs. Because their products are embedded in consumers' daily routines, only a severe economic downturn is likely to disrupt usage or profitability.

First-quarter earnings highlighted this resilience, with profits continuing to accelerate. In many cases, these businesses command dominant and expanding market share in end markets that benefit from strong secular tailwinds. They have matched this growth opportunity with tighter cost discipline and new monetization levers, such as advertising, leading to margin improvement and better-than-expected earnings.

At the same time, the competitive landscape has shifted in their favor. Higher capital costs and waning private equity appetite have constrained access to funding for weaker competitors. This has led to industry consolidation and share gains for the market leaders we favor.

Looking ahead, we are encouraged by early signs that artificial intelligence may extend both the magnitude and duration of growth for these businesses. Initial applications suggest that AI can deepen user engagement through more personalized experiences and improve ad targeting. We also see margin upside as companies deploy AI to lower costs via productivity gains in areas such as content moderation and software development.

CONTRIBUTORS

The top five absolute individual contributors were NVIDIA, Microsoft, Taiwan Semiconductor, Netflix, and Meta Platforms.

NVIDIA is the market-leading provider of AI technology based on revenue. Its most recent results eased concerns about AI demand and the impact of export restrictions on China. Although the H2O ban created a \$10.5 billion revenue headwind

in the first half of 2025, demand remains strong. Excluding China, datacenter revenue grew 64 percent year-over-year and is expected to accelerate to 70 percent next quarter. Management also guided for gross margins to rise to the mid-70 percent range from 72 percent. Rack yield concerns were addressed, with major hyperscalers now deploying nearly 72,000 Blackwell GPUs per week. NVIDIA ended the quarter as the strategy's largest position and remains a high-conviction business at Sands Capital.

Microsoft is a leading global software and cloud infrastructure business. The company delivered better-than-expected quarterly results, with a reacceleration in Azure growth as the key highlight. Demand for AI-related services remains strong, and Microsoft also benefited this quarter from sequential improvement in non-AI-related Azure revenue. We believe Microsoft is well positioned to facilitate and benefit from enterprise adoption of AI services, both at the infrastructure and application layers.

Taiwan Semiconductor (TSMC), the world's largest producer of leading-edge logic chips, reported strong quarterly results, supported by ongoing demand for AI-related semiconductors. Management reiterated its 2025 revenue growth target in the mid-20 percent range, with second-quarter guidance coming in above consensus. The company plans to double capacity for chip-on-wafer-on-substrate (CoWoS) packaging this year, noting that demand continues to exceed supply and capacity remains fully booked. TSMC also reaffirmed its long-term goal to grow AI-related revenue at a mid-40 percent compound annual rate through 2029, reflecting its critical position in the semiconductor value chain and sustained momentum in AI infrastructure buildout.

Netflix is the world's largest producer and distributor of video streaming content, measured by content spending and subscriber base. Shares rose following strong first-quarter 2025 results, which reflected solid subscriber growth and retention, continued margin expansion, and increased capital returns, including a \$3.5 billion share repurchase—the largest in the company's history. Advertising momentum continued, bolstered by reports of a \$9 billion internal ad revenue target by 2030. In our view, these results underscore the compelling value of Netflix's robust content portfolio, competitive pricing, and growing ad-supported tier. Video entertainment has historically remained resilient during economic downturns, and we expect Netflix's scale and market leadership to support ongoing durability and long-term growth.

Meta Platforms is the global leader in social networking based on daily active users, engaging nearly half the world's population each month. Despite macroeconomic pressure on digital advertising, the company grew revenue 16 percent year-over-year in the second quarter, supported by its largest quarterly increase in daily active users in four years and a 10 percent rise in average revenue per user. As revenue growth outpaced expenses, operating income rose 27 percent. Amid a pullback in demand from Asia-based advertisers, these results underscore the resilience of Meta's dense, liquid advertising platform and the strength of its idiosyncratic growth drivers, supported by its leadership in artificial intelligence.

DETRACTORS

The top absolute detractors were Apple, Atlassian, Global-e, Okta, and Visa.

Apple is the leading provider of mobile devices and application services. We sold the business in the second quarter.

Atlassian is a leading provider of software applications designed to improve team collaboration and productivity. Shares declined after first-quarter results revealed a narrower-than-expected beat on cloud revenue guidance. While the market reacted to the narrow beat, we do not believe it signals any erosion in the company's competitive position or broader macroeconomic challenges. Enterprise seat expansion, product upgrades, cross-sells, and migrations from data center to cloud all tracked within or above expectations. Importantly, we continue to see no signs of weakness in the data supporting our view that Atlassian's momentum with enterprise customers and newer offerings like Jira Service Management remains underappreciated.

Global-e is a global leader in providing cross-border ecommerce services for direct-to-consumer brands. We sold the business in the second quarter.

Okta remains the leading independent provider of enterprise identity and access management software, based on revenue and breadth of integrations. Shares declined after first-quarter results showed current remaining performance obligations (cRPO) rose 14 percent year-over-year, slightly below investor expectations. Management also issued softer-than-expected cRPO guidance for 2026. While Okta has not yet reaccelerated top-line growth, we believe the business presents an

attractive risk-reward profile. Our outlook rests on the view that better sales execution and a broader product suite will support Okta's effort to capture more of the enterprise opportunity—its top strategic priority.

Visa operates the world's largest retail electronic payment network. Shares declined in June amid a broader selloff in card network stocks following stablecoin-related headlines. Unlike the market, we do not view stablecoin proliferation as a threat to card volumes; in fact, we believe it could expand the addressable market for card networks. While stablecoins may have utility in cross-border business-to-business transactions, we think they are unlikely to disrupt consumer-to-merchant payments, where cards offer a compelling value proposition—rewards, liquidity, ubiquity, buyer protections, and trust. Moreover, card networks could enhance stablecoin adoption by providing the rules, protections, and services needed for broader, mainstream use.

PORTFOLIO ACTIVITY AND POSITIONING

In the second quarter, we undertook a series of investment actions aimed at balancing long-term alpha generation potential with portfolio risk mitigation. Most of these changes focused on recalibrating exposures to mitigate risk and capture relative value opportunities amid trade-driven market volatility.

During April and May, we trimmed select ecommerce and digital advertising holdings that we viewed as most exposed to proposed tariff increases. This allowed us to raise cash and reallocate to businesses we believe are less economically sensitive.

As tariff concerns eased, we reversed some of these adjustments by reducing exposure to perceived safe havens and rebuilding our positions in ecommerce and advertising businesses.

We also added to semiconductor and cloud infrastructure holdings with meaningful exposure to artificial intelligence. These businesses faced near-term pressure from supply chain concerns and fears that advances in models like DeepSeek could weigh on chip demand. However, we see long-term demand for AI chips increasing—particularly for inferencing, or real-world AI usage—rather than speculative spending on training. This marks a shift toward more durable growth drivers.

As part of this repositioning, we adjusted our mega-cap weightings to reflect those we view as best positioned to benefit from AI. We exited our positions in Apple and Alphabet and increased our allocation to a high-conviction holding we believe is among the most direct AI beneficiaries with limited disruption risk.

PURCHASES

We initiated positions in Palo Alto Networks and Spotify. In our view, the addition Palo Alto Networks helps offset reduced exposure to duration-growth businesses following the exits from Apple and Alphabet.

Palo Alto Networks is a leading cybersecurity platform. It has leveraged its leading position in firewalls to build strong positions in key emerging segments such as Secure Access Service Edge (SASE), Security Information and Event Management (SIEM), and cloud security. These newer segments collectively make up its Next-Generation Security revenue which is now over \$5B in annual run-rate revenue with a significant growth runway. We expect cyber security will remain a top priority for customers and continued share gains will support sustainable above average revenue growth. Additionally, we expect AI will be a key factor driving cybersecurity decisions on multiple levels. The usage of AI can make adversaries more effective, can expand the attack surface, and require more advanced security. We believe Palo Alto is one of only a few companies with the necessary data and installed base to thrive in this environment.

Spotify is the world's largest subscription streaming audio service by market share. Recorded music has seen significant distribution shifts—from vinyl to cassette to CDs—over the past 50 years. Today, streaming accounts for the bulk of industry revenue, and we view streaming as the natural end-state, given the consumer value proposition and balance of power between artists and labels. Within streaming, Spotify has outsized market share and user engagement. This has resulted in relatively inelastic demand and, in turn, pricing power. We ultimately view the addressable market as anyone with internet access globally. Unlike with video streaming, consumers tend to subscribe to only a single audio streaming service. Spotify's leadership position has become further entrenched with music labels' growing dependence on streaming revenue. Over our five-year horizon, we expect gross margin improvement from advertising and partnership agreements with labels, with operating margin improvement also driven by cost discipline.

SALES

We sold **Alphabet** based on concerns about the future of its internet search business amid the growing adoption of generative AI. While Alphabet has many components necessary to thrive in the world of AI, search queries have begun to decline as consumers increasingly turn to generative AI assistants. Even if the current search share loss is not having a meaningful impact on monetization, competitors are building out functionality that should shift monetization from Alphabet to the primary large language model providers. For this reason, our confidence in Alphabet's ability to sustain above-average growth has declined and we chose to exit the position.

We exited **Apple** based on several factors that we view as threats to its ability to sustain above-average earnings growth. Technology Innovators initiated a position in Apple in June 2024 based on the view that the combination of Apple's integrated hardware, voice-activated assistant, and consumer data positioned the business well to deliver artificial intelligence (AI)-enabled personalized assistant capabilities and to collect tolls on the expansion of AI-enabled applications that we expected to scale alongside computing power. Since then, we see limited evidence that Apple has effectively leveraged AI to accelerate device replacement cycles or reignite Services growth by enhancing developer-facing AI functionality.

Apple's execution challenges are paired with demand headwinds in China, margin pressures, and challenges around search monetization. The company's outward position on privacy and security adds another layer of complexity as we move to a more agentic generative AI paradigm where software executes tasks on behalf of consumers. Altogether, it's increasingly uncertain how Apple will embrace this next paradigm shift while maintaining its position on privacy, fighting internal bureaucracy, and likely needing another reorganization around its internal AI research and development efforts. Considering these factors, we chose to exit Apple in favor of higher-conviction, duration-growth businesses.

We sold **Global-e** due to cybersecurity and execution concerns that may derail the business' ability to sustain the strong growth we expected. In recent months, three large customers have been hacked, resulting in significant operational challenges. While it's possible that these attacks were strictly due to vulnerabilities with third party vendors, it would be a material risk to the business and

stock if Global-e was implicated. This risk is exacerbated by the challenges higher tariffs may pose to its business, given its role in facilitating cross-border ecommerce. We still see a significant potential for the business, but these unforeseen challenges led us to exit the position in favor of higher conviction opportunities.

OUTLOOK

Growth equities now stand 21 percent above their trough in mid-April. Along with improved sentiment following a de-escalation in tariff negotiations, equity market gains were supported by healthy profit growth, led by better-than-expected results from several of the largest market capitalization U.S. growth businesses.

Underpinning this profit growth and market sentiment is the outlook for spending to support the transition to accelerated computing. While the return on this spending continues to receive scrutiny, advances in computing power continue to unlock new capabilities and lower cost models, which further increases demand for compute.

Amid the rapid pace of innovation, data points are emerging which help determine which businesses are best positioned to benefit from AI. Thus far, we have seen businesses use AI to reduce frictions in advertising, improve engagement through personalization, generate cost-saving insights from proprietary data, and reduce costs through efforts in fraud detection, code automation, and content moderation. Meanwhile, we've observed others struggle to execute, often faced with the dilemma of how they should adapt their core products as preferences from enterprises and consumers shift.

In this environment, we believe passive strategies are unlikely to position investors to appropriately capture this change. With market concentration near all-time highs, we see potential vulnerabilities among a subset of the index's largest holdings. Meanwhile, index concentration has also created a vacuum that may limit exposure to businesses with smaller benchmark weights that are best positioned to leverage AI to improve the magnitude or duration of their earnings growth.

Our forward-looking approach rooted in fundamental analysis positions us well to capture this opportunity, in our view. Our team of domain experts continue to assess the sustainability of AI infrastructure spending, triangulating signals from the cloud hyperscalers, model providers, and semiconductor value chain. Simultaneously, we are seeking

to identify those businesses with frictions that AI may alleviate, to strengthen their competitive positioning and earnings potential.

As our research uncovers new insights, our intent is to remain nimble, positioning portfolios to reflect the businesses we expect to be the leaders in this technology paradigm shift. With this said, it's important to note our portfolio is not solely reliant on the success of AI. Rather, it remains diversified across businesses directly exposed to demand for AI, businesses we expect to leverage AI to run more efficiently or enhance their products and services, and companies operating in end markets completely detached from AI-related spending.



AI at Scale: The Forces Shaping the Next Decade

Senior Research Analyst Daniel Pilling unpacks the global dynamics of model training versus real-time inference, the economics and energy demands of massive compute workloads, and the infrastructure constraints that could determine AI's future scale.

Watch now.

Contribution Analysis

CONTRIBUTION ANALYSIS (NET %)

Top Absolute Contributors

Quarter to Date

Company Name	Average Weight	Return	Contribution
NVIDIA	11.7	44.9	4.8
Microsoft	7.6	31.8	2.2
Taiwan Semiconductor	5.8	35.9	1.9
Netflix	3.6	42.7	1.6
Meta Platforms	5.7	27.3	1.5

Trailing 1 Year

Company Name	Average Weight	Return	Contribution
NVIDIA	11.6	26.1	3.3
DoorDash	3.1	124.8	3.0
Netflix	3.2	96.6	2.7
Sea	2.7	122.1	2.4
Meta Platforms	5.6	45.1	2.3

Trailing 3 Year

Company Name	Average Weight	Return	Contribution
NVIDIA	6.6	301.6	17.1
Netflix	3.4	659.5	11.3
Shopify	3.6	262.9	9.5
Samsara	3.6	249.8	7.6
ASML Holding	4.6	66.2	7.4

Trailing 5 Year

Company Name	Average Weight	Return	Contribution
NVIDIA	3.9	303.5	17.3
ServiceNow	5.6	147.9	7.7
Netflix	3.3	188.4	6.9
Taiwan Semiconductor	3.9	321.4	6.8
ASML Holding	4.6	120.2	6.8

Bottom Absolute Contributors

Company Name	Average Weight	Return	Contribution
Apple	1.6	-6.4	-0.7
Atlassian	2.3	-5.2	-0.1
Global-e Online	0.9	-11.2	-0.1
Okta	2.5	-5.9	-0.1
Visa	3.7	0.6	0.0

Company Name	Average Weight	Return	Contribution
ASML Holding	3.0	-22.8	-1.9
Lam Research	0.6	-28.6	-0.9
AppLovin	1.0	-4.2	-0.7
Apple	4.8	-2.0	-0.6
Alphabet	2.2	-9.8	-0.4

Company Name	Average Weight	Return	Contribution
Atlassian	3.5	2.1	-2.2
Match Group	0.4	-36.6	-2.0
Adyen	2.5	-22.0	-0.9
AppLovin	0.3	-4.3	-0.7
Apple	1.6	-3.5	-0.7

Company Name	Average Weight	Return	Contribution
Atlassian	3.3	6.8	-4.6
Match Group	1.5	-60.4	-4.1
UiPath	0.7	-70.6	-3.5
Twilio	1.3	-63.0	-3.3
Cloudflare	0.9	-20.0	-3.3

All values are those of the Technology Innovators Composite. The companies identified above represent a subset of current holdings in the Technology Innovators portfolio and were selected based on the performance measures presented. With the exception of IPOs where actual transacted prices are used, contributions are calculated in FactSet Portfolio Analysis using FactSet end of day prices, and do not reflect actual purchase prices. This can affect the presentation of contribution and performance of transactions amid heightened volatility. Security return and contribution are net of advisory fees and expenses and reflect the reinvestment of dividends and any other earnings. Attribution generated returns will not match actual performance because FactSet uses different exchange rate sources, the performance does not capture intra-day trading, and the analysis removes the impact of cash flows. Relative Return calculations do not incorporate risk or volatility impacts and should not be exclusively relied upon. To receive a description of the calculation methodology for the attribution analysis and a complete list detailing each holding's attribution please contact a member of the Client Relations Team at 703-562-4000. Past performance is not indicative of future results. GIPS Reports found [here](#).

CARBON EXPOSURE

Technology Innovators vs MSCI ACWI Info Tech and Communication Services Index
Reported June 30, 2025

Carbon Footprint

	CARBON EMISSIONS	TOTAL CARBON EMISSIONS	CARBON INTENSITY	WTD AVG. CARBON INTENSITY	CARBON EMISSIONS DATA AVAILABILITY
Technology Innovators	1.8	1,825	21.9	21.1	100%
MSCI IT & Communication Services	5.6	5,558	34.2	25.3	100%
	tCO ₂ e/\$M Invested	tCO ₂ e	tCO ₂ e/\$M Sales		Market Value

Largest Contributors

to Portfolio Weighted Average Carbon Intensity

COMPANY	PORTFOLIO WEIGHT (%)	CARBON INTENSITY (S1+2) tCO ₂ e/\$m	CONTRIB. TO WTD AVG. CARBON INTENSITY
Taiwan Semiconductor	6.5	185.5	12.0
Microsoft	9.4	38.8	3.6
MercadoLibre	2.8	40.4	1.1
Amazon	3.3	29.7	1.0
Sea	3.2	21.3	0.7

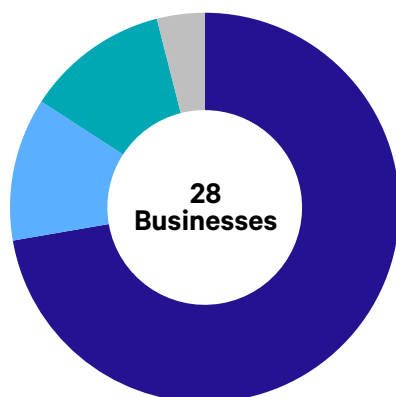
Carbon Emissions are calculated as Scope 1 & Scope 2 carbon emissions per \$1 million invested. Portfolio and Benchmark Carbon Intensity is defined as the portfolio or benchmark carbon emissions per \$1 million of portfolio or benchmark sales. At a business level, carbon intensity is calculated as carbon emissions per unit of sales (tons/\$ 1 million sales). Weighted averages are computed as the sum product of the portfolio or benchmark companies’ respective carbon values and portfolio or benchmark companies’ weights.

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VOTING ACTIVITY - TRAILING 12 MONTHS ENDING JUNE 30, 2025

VOTES	BUSINESSES	RESOLUTIONS	%
Cast in Favor of Management	26	342	98%
Cast Against Management	4	7	2%
Abstentions	0	0	0%
		349	100%

ENGAGEMENT ACTIVITY - TRAILING 12 MONTHS ENDING JUNE 30, 2025



- Business Strategy: 73%
- Governance: 12%
- Social: 12%
- Environment: 3%

TOPICS ADDRESSED

Governance

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

Social

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

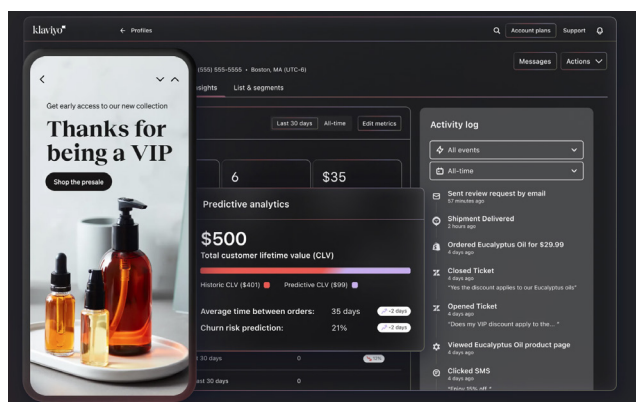
Environmental

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

We may refrain from voting when issues arise that cause us to determine that voting proxies is not in the best interest of our clients or that it is not reasonably possible to determine whether voting proxies will be in the best interests of clients. Additionally, we do not vote in certain countries that require "share blocking," due to the possible liquidity constraints that could result in the cost of voting outweighing the benefit to the client. Shares out on loan also may not be voted. Sands Capital is not an activist investor and generally does not acquire or hold investments for the purpose or effect of changing or influencing the control of its investee companies.

As part of our ongoing research, Sands Capital regularly engages with the management teams and, if appropriate, board members of portfolio businesses to better understand each business's long-term strategic vision and management of risks and opportunities, including those pertaining to environmental, social, and governance (ESG) matters. Sands Capital's engagement with management teams and board members does not involve any direct or indirect attempt to exert pressure to implement specific measures, change policies, or otherwise influence control over the issuer.

Klaviyo



Business: Klaviyo is an innovative provider of business-to-consumer (B2C) marketing technology.

Key issues: Executive compensation and increasing transparency and disclosure.

Klaviyo is a marketing automation, analytics, and customer engagement platform that enables businesses to better understand and serve their customers. While we currently have no material environmental, social, and governance (ESG) concerns with the company, Klaviyo is relatively new to the public equity markets, having gone public in late 2023, and still has room to mature its ESG practices.

In our first ESG-focused engagement with Klaviyo since its IPO, we discussed key areas of improvement, particularly in executive compensation and ESG transparency.

Executive Compensation Feedback

We expressed support for Klaviyo's well-designed annual bonus program, which is based on revenue and earnings before interest and taxes (EBIT) targets—both metrics

we value. We also reviewed the company's long-term incentive plan (LTIP), which currently consists solely of restricted stock units (RSUs). During our conversation, we advocated for a shift toward performance stock units (PSUs) in the LTIP. We recommended that any PSUs be tied to measurable, value-driving performance metrics, such as revenue growth, profit margins, and net new annual recurring revenue (NNARR). The Klaviyo team was receptive to this feedback and indicated openness to incorporating PSUs with ambitious targets in the coming years.

Improving ESG Transparency

Another key focus of our engagement was encouraging greater public disclosure of ESG practices. We highlighted the importance of emissions reporting—even for software companies, where emissions are generally less material. In the absence of company-reported data, third-party ESG providers often rely on estimates, which can lead to notable inaccuracies. Klaviyo acknowledged this challenge and noted that while emissions are not currently material to their business, they are actively working to build the internal capacity for emissions reporting and target-setting.

We also discussed the growing relevance of artificial intelligence (AI) governance. Given Klaviyo's increasing use of AI technologies, we advised the company to publicly disclose its AI policy as a straightforward step to enhance stakeholder trust and transparency. Company representatives responded positively to our advice.

Overall, this initial ESG engagement with Klaviyo was constructive and reflects the collaborative, long-term approach we aim to take with our portfolio companies. We appreciate the company's openness to feedback and look forward to monitoring its progress on enhancing executive compensation practices and ESG disclosures.

This report is an example of the type of fundamental research Sands Capital conducts and, as such, contains the opinions and comments of Sands Capital at points in time. Additional or subsequent information may cause Sands Capital's views to change. This report is not a complete analysis of all material facts and therefore is not a sufficient basis alone on which to base an investment decision. This material may include summaries and references to research notes, emails, conference calls, and meetings, and there is no guarantee or representation that this information is complete, current, or accurate. The information contained herein has been prepared from sources believed reliable but is not guaranteed by us as to its timeliness or accuracy and is not a complete summary or statement of all available data. This report is for informational purposes only.

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Technology Innovators Composite (TIC) GIPS Report

YEAR END	NUM OF ACCTS	END OF PERIOD AUM (USD \$M)	TIC			MSCI ACWI IT COMM			NON-FEE PAYING % OF COMPOSITE	ASSET WGT'D STD. DEV. (GROSS)	FIRMS TOTAL ASSETS (USD \$M)
			NET RETURNS	GROSS RETURNS	ANN. 3 YR. STD. DEV. (NET)	MSCI ACWI IT COMM	ANN. 3 YR. STD. DEV.				
2024	7	\$1,761.86	37.66	38.81	28.14	31.59	21.57	0.45		0.11	\$47,462.52
2023	6	\$285.04	50.85	52.12	27.89	47.67	21.08	2.70		0.28	\$46,746.96
2022	6	\$173.48	-47.85	-47.37	27.68	-32.28	22.55	2.79		0.13	\$40,707.08
2021	<5	\$164.23	9.75	10.66	20.12	22.38	17.29	5.29		n.m. ¹	\$75,340.29
2020	<5	\$173.98	76.01	77.46	21.25	38.25	19.32	4.25		n.m. ¹	\$68,621.83
2019	<5	\$141.10	41.40	42.58	16.79	38.53	14.17	3.01		n.m. ¹	\$44,636.85
2018	<5	\$118.18	12.78	13.73	17.18	-4.59	14.28	2.55		n.m. ¹	\$35,387.67
2017	<5	\$117.97	46.48	47.73	16.64	41.77	13.68	2.31		n.m. ¹	\$41,331.26
2016	<5	\$122.94	-2.32	-1.48	18.56	12.20	13.32	1.52		n.m. ¹	\$34,914.29
2015	<5	\$138.46	5.48	6.38	18.23	3.20	11.19	1.38		n.m. ¹	\$44,192.42

Net Returns

As of 06/30/2025	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (12/31/2010)
TIC	26.0	12.9	28.1	31.0	12.6	19.0	17.8
MSCI ACWI IT COMM	21.9	10.4	17.4	26.9	17.8	18.0	16.0

¹ n.m. – Not statistically meaningful, five or less accounts in the composite for the entire year. As of October 1, 2021, the firm was redefined to be the combination of Sands Capital Management, LLC and Sands Capital Alternatives, LLC (previously known as Sands Capital Ventures, LLC). Both firms are registered investment advisers with the U.S. Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940, as amended. The two registered investment advisers are combined to be one firm for GIPS purposes and are doing business as Sands Capital. Sands Capital operates as a distinct business organization, retains discretion over the assets between the two registered investment advisers, and has autonomy over the total investment decision making process. Prior to October 1, 2021, the firm was defined as Sands Capital Management, LLC, is an independent registered investment adviser. Sands Capital claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sands Capital has been independently verified for the periods February 7, 1992 through December 31, 2024. 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 Technology Innovators Composite ("TIC") has had a performance examination for the periods December 31, 2010 through December 31, 2024. The verification and performance examination reports are available upon request. The composite reflects information from all fee paying and non-fee paying accounts managed in the Technology Innovators strategy. The Technology Innovators strategy is a concentrated portfolio that normally consists of the equity securities of 20 to 35 primarily large and mid-capitalization growth businesses which are publicly or privately held, with a particular emphasis placed on companies facilitating or benefitting from powerful secular shifts enabled by technologies. Portfolio companies are domiciled in both developed and emerging markets. The portfolio may invest in U.S. listed securities, ADRs, foreign securities traded on foreign exchanges, and may include the use of derivative access products including Low Exercise Price Warrants ("LEPWs") and Participation Notes ("P-Notes") to gain exposure to certain foreign markets where direct investment is restricted or not always practical or cost efficient. The strategy may experience losses as it is subject to equity securities risk, market and issuer risk, selection risk, growth style risk, concentration risk, currency exchange risk, foreign company risk, derivatives risk, sector focus risk and other economic risks that may influence the returns of this strategy. The benchmark for the TIC is the MSCI ACWI Info Tech and Communication Services Index ("ACWI ITCS"). The ACWI ITCS is an unmanaged capitalization-weighted index that measures the performance of the information technology and communication services sectors of the MSCI All Country World Index. The MSCI All Country World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. This composite may hold securities that are not included in the MSCI ACWI ITCS, and Sands Capital may invest in securities not covered by the ACWI ITCS. Performance results in presentations between April 30, 2012 and December 3, 2018 were measured against the MSCI All Country World Information Technology Index, which is shown for that period of time. The benchmark was changed to be more representative of the composite strategy, however, information regarding the comparison to the MSCI All Country World Information Technology Index is available upon request. Performance results in presentations prior to April 30, 2012 were measured against the S&P Composite 1500 Information Technology Index. The benchmark was changed to be more representative of the composite strategy, however, information regarding the comparison to the S&P Composite 1500 Information Technology Index is available upon request. The U.S. dollar is the currency used to express performance. Returns include the effect of foreign currency exchange rates. Gross and net performance includes the reinvestment of all income and is presented net of expenses, foreign withholding taxes on dividends, interest income, and capital gains. Withholding taxes may vary according to the investor's domicile. The benchmark return is net of the maximum withholding tax rate of the constituent company's country of incorporation applicable to institutional investors. Net of fee performance was calculated by reducing the monthly gross composite return by 1/12 of the highest applicable annual fee of 0.85%. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. A list of composite descriptions, pooled fund descriptions for limited distribution pooled funds, and broad distribution funds is available upon request. Past performance is not indicative of future results. The investment management fee schedule for separate accounts is 0.85% on all assets. Accounts may also pay a performance-based fee that consists of a base fee plus a percentage of the annualized excess return versus the benchmark. Additional information regarding performance fees is available upon request. Net of fee returns displayed on GIPS Reports produced prior to October 31, 2022 displayed actual net of fee returns. Actual investment advisory fees incurred by clients may vary which will result in performance that may be higher or lower. The TIC was created on January 6, 2011 and the inception date for performance is December 31, 2010. MSCI is the source of all MSCI data presented. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Sands Capital Management. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. 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Sands Capital is an active, long-term investor in leading innovative growth businesses, globally. Our approach combines analytical rigor and creative thinking to identify high-quality growth businesses that are creating the future. Through an integrated investment platform spanning venture capital, growth equity and public equity, we provide growth capital solutions to institutions and fund sponsors in more than 40 countries. Sands Capital is an independent, staff-owned firm founded in 1992 with offices in the Washington, D.C. area, London, and Singapore.

ALL-IN CULTURE

We are one team dedicated to one mission and one philosophy. As a fully independent and staff-owned firm, we attract and retain strong talent, focus on long-term outcomes, and are highly aligned with our clients' interests.

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.