



# Sands Capital Emerging Markets Growth Fund Manager Review – December 2025

This document provides a comprehensive review of the Sands Capital Emerging Markets Growth Fund, drawing on fund factsheets, presentations and due-diligence responses to assess the strategy, philosophy, performance and role within a diversified portfolio.

## Strategy and Objective

### Objective

The Fund aims to achieve long-term capital appreciation by investing primarily in equity and equity-related securities of companies that are either domiciled in, listed in, or derive more than 50% of revenues or profits from emerging and frontier markets.

It is a high-conviction, benchmark-agnostic growth strategy, not managed to track the MSCI Emerging Markets Index, although that index is used as a reference for the opportunity set and reporting.

### Key structural features

- UCITS fund domiciled in Ireland, launched October 2013; AUM c. \$1.9bn (A USD share class factsheet, 31 Oct 2025).
- Concentrated portfolio of 30–50 growth businesses; currently 43 holdings across 16 countries.
- Focus on companies benefiting from secular change:
  - Digitalisation

- Industry consolidation/formalisation
- Life sciences & innovation

## Investment Philosophy & Edge

Sands Capital frames Emerging Markets Growth as a pure, long-term growth strategy, built around three pillars:

1. **Business-quality focus** – They seek “the best long-term growth businesses” in EM and frontier markets, using six internal investment criteria (e.g. sustainable competitive advantage, financial strength, management quality, and long runway for growth).
2. **Secular themes** – Preference for companies that are shaping or benefiting from structural trends (e-commerce, digital payments, formalising financial systems, healthcare innovation, etc.).
3. **Conviction-weighted portfolios** – Positions sized by conviction and risk, not by benchmark weight, often including off-index names.

## Sources of edge

- Globally integrated, analyst-led research with deep fundamental work and on-the-ground engagement with management.
- A collaborative, flat team structure – portfolio managers are analysts first, with decisions taken by consensus to reduce key-person risk.
- Proprietary multi-year earnings models and a “what matters” framework that keeps debates focused on the handful of drivers that really determine long-term outcomes.
- Long-term incentives – team remuneration is based primarily on three- and five-year portfolio-level results rather than stock-picking “wins”, to reinforce patience and collaboration.

## Team and Resources

The strategy is run by Sands Capital's Emerging Markets Growth team, supported by a wider global research platform. Portfolio managers are backed by sector specialists and a dedicated risk analytics function that monitors factor exposures, correlations and macro sensitivities across EM.

### Global Research and Portfolio Management Team

RESEARCH ANALYSTS				EMERGING MARKETS GROWTH PORTFOLIO MANAGERS			
Katherine Bates Research Analyst	2012*	Christopher Jenkins Sr. Proxy Specialist	2017	Daniel Pilling Portfolio Manager, Sr. Research Analyst	2018		Teeja Boye, CFA Portfolio Manager, Sr. Research Analyst Joined Sands Capital in 2014
Ben Betcher, CFA Sr. Research Analyst	2021	Jacob Kann, CFA Sr. Research Analyst	2025	Michael Raab, CFA Portfolio Manager, Sr. Research Analyst, Director of Research	2007		Brian Christiansen, CFA Sr. Portfolio Manager, Research Analyst Joined Sands Capital in 2006
Eric Black Sr. Research Analyst	2013	Brian Keegan, CFA Research Analyst	2011	Eduardo Leal, CFA Sr. Research Analyst	2022		Michael Rallo, CFA Research Analyst
Emerson Bluhm, CFA Portfolio Manager, Sr. Research Analyst	2010	Matthew Luneburg, CFA Sr. Research Analyst	2006	Karin Riechenberg Director of Stewardship	2020		Kelly Rogal, CFA Sr. Research Analyst
Teeja Boye, CFA Portfolio Manager, Sr. Research Analyst	2014	Massimo Marolo, CFA Sr. Research Analyst	2018	Thomas Rogers, CFA Research Analyst	2014		Ashley Patton Stewardship Analyst
Brian Crofton, CFA Research Analyst	2014	Danielle Menichella, CFA Portfolio Manager, Sr. Research Analyst	2013	Jessica Sun, CFA Research Analyst	2025		Christina Hang Research Analyst
Daniel Fu Sr. Research Analyst	2025						

Research Analysts are organized by their primary area of responsibility, which is defined by a business space or geography that aligns with their domain expertise and personal strengths. Analysts typically find businesses that meet our criteria in industries levered to consumers, health care, technology, financials, and industrials.

Our investment team is organized to balance resources and coverage in a way that encourages agility and collaboration.

<b>46</b> TEAM SIZE	<b>-150</b> BUSINESSES OWNED	<b>16</b> LANGUAGES SPOKEN	<b>12 Years</b> AVG ANALYST FIRM TENURE	<b>34</b> COUNTRIES VISITED IN 2024
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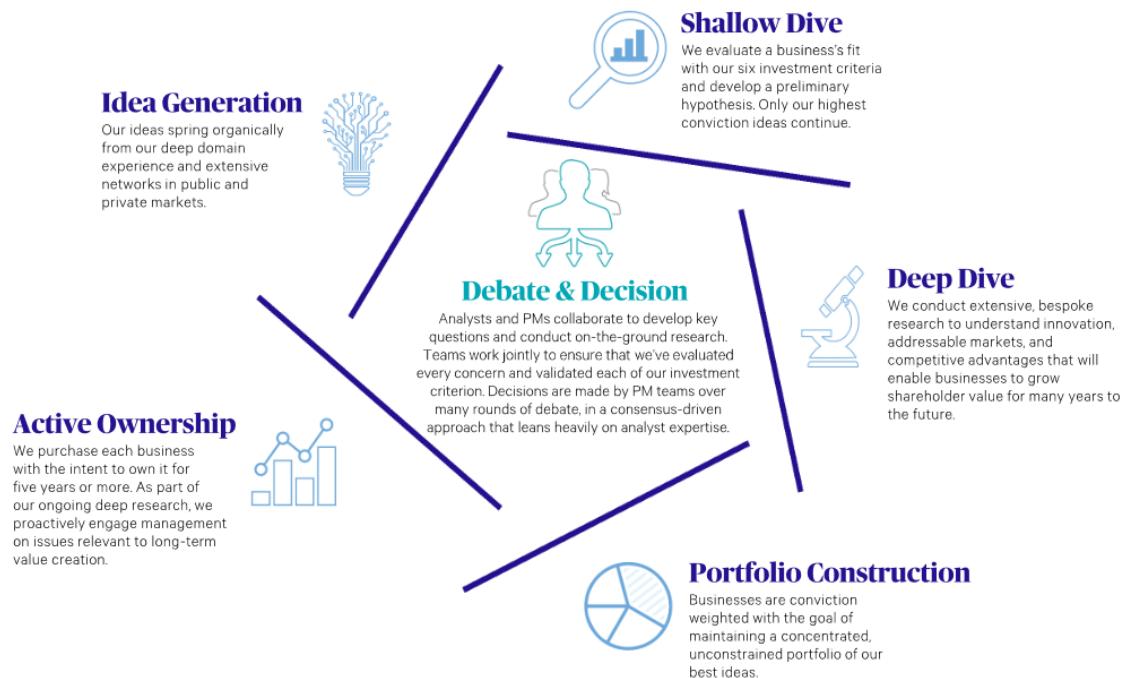
- Sands Capital itself has a long history in global growth investing and claims GIPS®-compliant performance with independent verification across the firm.
- The EM team leverages a single global research platform, rather than siloed regional desks, which should help in comparing opportunities across regions and sectors on a consistent basis.

From a Money Wise UK perspective, the organisational set-up and incentive structure look well aligned with a genuinely long-term, high-conviction approach. The key dependency is on Sands Capital maintaining depth and continuity in its EM research bench over time.

## Investment Process

The process is deliberately fundamental, bottom-up and long-term:

The objective is to consistently identify businesses that meet our six criteria.



### 1. Idea generation & research

- Analysts look for EM and frontier businesses tied to secular themes.
- Each candidate is assessed against the six investment criteria, with heavy emphasis on earnings power, competitive advantage and management quality.

### 2. Valuation & modelling

- Proprietary models focus on multi-year earnings trajectories and realistic terminal values; these models are updated regularly to reflect new information.

### 3. Portfolio construction

- The team builds a 30–50 stock portfolio with active share around 70%+ versus MSCI EM.
- Position sizes reflect conviction, risk, liquidity and correlations; it is not uncommon to hold off-benchmark positions where the team sees mispriced growth.

#### **4. Ongoing monitoring & sell discipline**

- Holdings are re-assessed continuously through the same lens as initial research.
- Companies can be reduced or sold if:
  - The investment thesis weakens,
  - Long-term growth prospects deteriorate, or
  - Valuation becomes inconsistent with expected returns.

#### **5. Risk management**

- A dedicated risk analytics team monitors factor tilts, liquidity, concentration and macro exposures.
- Risk is managed primarily through stock-level research and diversification, rather than index constraints or formal tracking-error controls.

## Portfolio Characteristics (31 Oct 2025)

### CHARACTERISTICS as of 31-Oct-2025 (USD)

	Fund	MSCI EM
Number of Holdings	43	1,190
Number of Countries	16	24
Weighted Avg. Market Cap	\$282.3B	\$272.7B
Median Avg Market Cap	\$57.7B	\$10.9B
Forward P/E – Next 12 mos.	20x	14x
Strategy Turnover Rate – Trailing 12 mos.	39%	n/a
Fund Turnover Rate – Trailing 12 mos.	76%	n/a

### CARBON METRICS as of 31-Oct-2025 (USD)

This Fund does not have a specific decarbonisation objective. Data shown is measured as Scope 1 (direct operational greenhouse-gas emissions) & Scope 2 (indirect emissions from purchased energy) and includes holdings for which data is available.

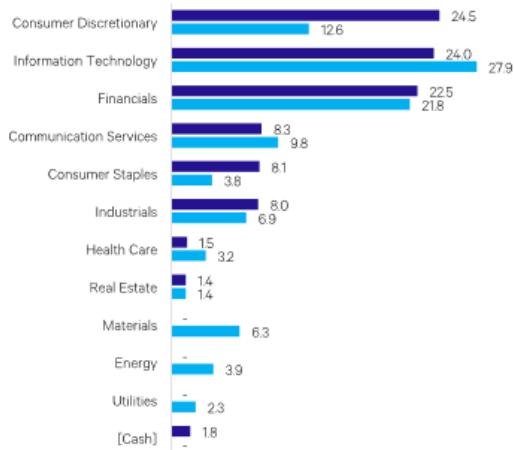
	Fund	MSCI EM
Carbon Emissions (tCO <sub>2</sub> /\$M Invested)	11	186
Total Carbon Emissions (tCO <sub>2</sub> )	10,910	185,520
Carbon Intensity (tCO <sub>2</sub> /\$M Sales)	46.3	3514
Wtd. Avg. Carbon Intensity (tCO <sub>2</sub> /\$M Sales)	57.6	277.6
Carbon Data Availability (Market Value)	91%	99%

### TOP TEN HOLDINGS (46.9% OF ASSETS) as of 31-Oct-2025 (USD)

Company	Sector	Weight (%)
Taiwan Semiconductor	Information Technology	9.4
Tencent	Communication Services	6.2
Bajaj Finance	Financials	4.8
MercadoLibre	Consumer Discretionary	4.8
HDFC Bank	Financials	3.9
Nu Holdings	Financials	3.9
Samsung Electronics	Information Technology	3.7
Sea	Consumer Discretionary	3.5
AIA	Financials	3.5
SK hynix	Information Technology	3.1

### SECTOR

● Fund ● MSCI EM



### KEY RISKS

**Capital:** All investments are subject to market risk, including the possible loss of principal. All investors should consider the risks that may impact their capital, before investing. The value of your investment may become worth more or less than at the time of the original purchase. The Fund may experience high volatility.

**Concentration:** Concentration of investments within securities, sectors or industries, or geographical regions may impact performance. The strategy is concentrated in a limited number of holdings. As a result, poor performance by a single large holding of the strategy would adversely affect its performance more than if the strategy were invested in a larger number of companies.

**Political and economic:** Country, regional and economic events may impact performance. Emerging market countries may be subject to higher than usual risks of political changes, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of the relevant countries and thus the value of investments in those countries.

**Currency:** The value of the Fund may be affected by changes in exchange rates between the investor's currency of reference, the base currency of the Fund, and the currency of the asset, which may lead to a depreciation of the value of the investment.

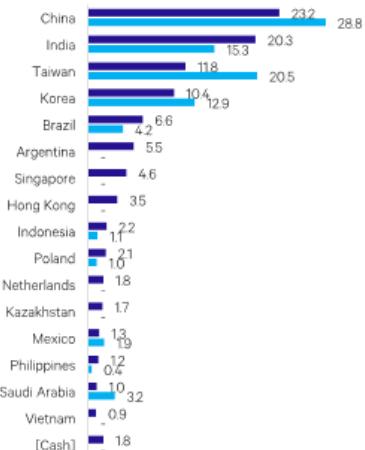
**Market Liquidity:** The value of the Fund may be affected by market liquidity risk, which may negatively affect how the fund executes transactions.

**Sustainability:** A Sustainability Risk is an environmental, social or governance risk that, if it occurs, would likely cause a material negative impact on the value of the Fund. The Fund integrates these risks solely for financial risk management rather than for any explicit sustainability goal.

**Investment Style:** The Fund's growth investing style may become out of favor, which may result in periods of underperformance. Holdings are subject to change; there is no assurance that any securities listed will remain in the Fund.

### COUNTRY

● Fund ● MSCI EM



Characteristics, carbon metrics and sector (and regional, country, and industry where applicable) are for the Sands Capital Emerging Markets Growth Fund accumulating share classes including the A USD Accumulated Class; allocations may not sum to 100% due to rounding. Source: Northern Trust, FactSet, MSCI

### Key metrics vs MSCI EM:

- Holdings / Countries: 43 stocks / 16 countries (index: 1,190 stocks / 24 countries).
- Market cap:
  - Weighted average: \$282bn vs \$273bn (index) – large-cap bias.
  - Median market cap: \$57.7bn vs \$10.9bn – strong tilt to larger, more established EM names.
- Valuation & growth:
  - Forward P/E: 20–21x vs 14x for MSCI EM, reflecting a willingness to pay up for perceived quality and growth.
  - Internal long-term EPS growth estimate 23% vs EM market.
- Dividend yield: 1.3% vs 2.3% – income is clearly not an objective.

### Sector profile (Fund vs MSCI EM):

- Overweights:
  - Consumer Discretionary (24.5% vs 12.6%)
  - Information Technology (24.0% vs 27.9% – broadly similar but tilted to specific growth franchises)
  - Financials (22.5% vs 21.8%)
  - Communication Services (8.3% vs 9.8%)
- Underweights / near-zero:
  - Materials, Energy, Utilities, Real Estate – sectors often associated with state ownership, cyclical earnings and higher carbon intensity.

### Country profile (Fund vs MSCI EM):

- Structural tilts towards India, Taiwan, Brazil and selected LatAm/Asia names, with a more benchmark-like exposure to China but focused on specific growth franchises (e.g. Tencent).
- Overall, the portfolio is more concentrated in a subset of EM countries where Sands sees strong rule of law, innovation and shareholder alignment.

### Carbon profile

- Carbon emissions per \$1m invested: 11 vs 186 tCO<sub>2</sub>e for MSCI EM.
- Carbon intensity: 46 vs 351 tCO<sub>2</sub>e/\$m sales, with a much lower weighted average carbon intensity.

While the fund does not have a formal decarbonisation objective, its quality-growth bias and sector exclusions result in a materially lower carbon footprint than the EM index.

## Performance Overview (to 31 Oct 2025)

### UCITS Fund – A USD Acc share class

#### **TOTAL RETURNS NET OF FEES AND EXPENSES, USD (%) as of 31-Oct-2025**

Returns are shown net of all fees and expenses. Past performance does not predict future returns and an investment can lose value. Performance data is expressed in US dollars and returns may increase or decrease as a result of currency fluctuations. Since Launch results are annualised for the period starting 31-Oct-2013.



#### **CALENDAR YEAR RETURNS, USD (%)**

Returns are shown net of all fees and expenses. Past performance does not predict future returns. Returns may increase or decrease as a result of currency fluctuations.

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A USD Acc	2.7	11.4	-34.8	-9.1	54.0	28.1	-14.1	38.9	1.8	-10.3
MSCI Emerging Markets Index (MSCI EM)	7.5	9.8	-20.1	-2.5	18.3	18.4	-14.6	37.3	11.2	-14.9

Total returns net of fees (annualised where >1 year):

- YTD: 23.1% (fund) vs 32.9% (index)
- 1 year: 15.2% vs 27.9%
- 3 years: 15.0% vs 21.1%
- 5 years: -0.3% vs 7.5%
- 10 years: 6.9% vs 7.7%
- Since launch (2013): 5.3% vs 5.0%

So, short- and medium-term performance has lagged a very strong EM benchmark, particularly in the rebound years post-2020, but since launch the strategy remains slightly ahead of MSCI EM in USD terms.

The composite presentation shows the same pattern – meaningful value added in some years (e.g. 2013, 2017, 2020), sharp underperformance in others (notably 2021–2022) where quality-growth EM under-performed more cyclical and state-linked sectors.

For advisers, this is important:

- You are buying a style-pure EM growth strategy, not a “closet indexer”.
- Expect extended periods of relative underperformance when value, deep cyclicals or state-owned enterprises lead EM markets.

## Strengths

1. **Clear, consistent philosophy** – long-term, high-conviction EM growth with an explicit focus on secular change.
2. **Deep research culture** – integrated global analyst platform, proprietary models, consensus-driven decisions and long-term incentives all point to a robust research environment.
3. **Concentrated yet diversified** – 30–50 holdings across 16 countries, with meaningful single-stock exposure but diversified across themes and regions.
4. **Quality and governance bias** – larger-cap, financially stronger businesses with lower carbon intensity than the EM market; typically avoids state-owned and highly cyclical sectors.
5. **Long-term track record** – slightly ahead of the EM index since inception, despite recent headwinds to growth style.

## Key Risks & Considerations

1. **Style risk / cyclical**
  - The fund is unapologetically growth-biased, with higher valuations and lower yields than the broader EM universe.
  - It has materially underperformed during periods when EM returns were driven by value, commodities, or state-owned enterprises (e.g. 2021–2022 and the recent strong index rebound).
2. **Concentration risk**
  - Top 10 positions account for 47–50% of assets; single names such as TSMC, Tencent, MercadoLibre and Bajaj Finance are large weights.
  - Stock-specific disappointments can meaningfully impact returns.
3. **Emerging and frontier market risk**
  - Political, regulatory and liquidity risks remain elevated in EM; frontier exposures add another layer of idiosyncratic risk.
4. **Valuation risk**
  - Paying 20–21x forward earnings assumes the team is broadly right about long-term growth durability; de-rating risk is non-trivial if sentiment turns or earnings disappoint.

## 5. Currency risk

- Returns are sensitive to EM currency moves vs USD/GBP; no systematic hedging is indicated.

## Role in a Portfolio

From a Money Wise UK lens, the Sands Capital Emerging Markets Growth Fund is best viewed as a satellite or specialist allocation within a diversified equity strategy, rather than a stand-alone EM solution:

- **Use cases**
  - To tilt EM exposure towards quality, innovative growth franchises (digital platforms, consumer champions, financials driving formalisation, etc.).
  - As a complement to a broad, low-cost EM index fund, blending “beta” with concentrated growth alpha.
  - Within growth-oriented model portfolios where clients accept higher volatility for potential long-term upside.
- **Less suitable where**
  - The objective is income or capital preservation.
  - The client is uncomfortable with extended periods of underperformance versus EM indices.
  - A more balanced/value-aware EM profile is required for risk-budget reasons.

Position sizing, in our view, should reflect its concentrated growth style and drawdown potential—for most balanced or growth portfolios, that likely means a modest single-digit allocation as part of a broader EM/Global equity sleeve.

## Points of Difference

What distinguishes this fund versus a generic EM index or typical EM manager?

- Pure-play growth with clear thematic anchors (digitalisation, formalisation, life sciences) rather than broad EM exposure.
- High active share (70%+) and off-benchmark positions, reflecting conviction rather than index weights.
- Integrated research platform and long-term incentive structure designed specifically to support patient, collaborative decision-making.
- Lower carbon and governance bias as a by-product of the quality-growth focus, though not marketed as an ESG or sustainable fund.

## Money Wise UK Summary View

The Sands Capital Emerging Markets Growth Fund is a high-conviction, quality-growth EM strategy with a clear philosophy, strong research culture and a long, albeit cyclical, performance record. It seeks to monetise the earnings power of a relatively small number of exceptional EM and frontier businesses, rather than offering broad market exposure.

However, advisers and clients must be comfortable with sizeable tracking error and style risk. Recent underperformance reflects a tough period for EM growth and the dominance of more cyclical and state-linked segments within the index. For investors willing to look beyond that, the combination of structural growth themes, strong franchises and lower carbon intensity is attractive.

In short:

A specialist EM growth fund for patient, growth-oriented investors, best used as a satellite allocation alongside broader EM or global equity exposure—capable of adding long-term value, but with meaningful style and concentration risk that must be carefully sized and explained under Consumer Duty.

## Disclaimer

Past performance is not a reliable guide to future results. The value of investments can fall as well as rise, and investors may not get back the amount originally invested.

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This review has been prepared for informational purposes only, based on publicly available fund documentation, performance materials, and meetings with the fund manager. Money Wise UK has not received any fee for preparing this review.

Private investors should conduct their own research and seek independent financial advice before making investment decisions. Financial advisers may use this material as part of their own due diligence, but it should not be relied upon as the sole basis for making recommendations.

Review Completed: December 2025