

Sands Capital Ventures, LLC

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This brochure provides information about the qualifications and business practices of Sands Capital Ventures, LLC (“*Sands Capital Ventures*”). If you have any questions about the contents of this brochure, please contact us at (703) 562-4000. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “*SEC*”) or by any state securities authority.

Sands Capital Ventures is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Sands Capital Ventures is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Sands Capital Ventures is 155517.

ITEM 2. MATERIAL CHANGES

Additional disclosures have been made regarding risks and conflicts of interest in Items 8 and 11, respectively.

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ITEM 4. ADVISORY BUSINESS

Sands Capital Ventures is an investment adviser formed in October 2010 as a wholly-owned subsidiary of Sands Capital Management, LP (“*Sands Capital LP*”). An affiliate of Sands Capital LP, Sands Family Trust, LLC, serves as the manager of Sands Capital Ventures. The ownership structure of Sands Capital LP is described in *Item 10*.

Sands Capital Ventures provides investment advisory and management services to pooled investment vehicles (the “*Funds*”) that are exempt from registration under the U.S. Investment Company Act of 1940, as amended (the “*1940 Act*”), and whose securities are not registered under the U.S. Securities Act of 1933, as amended (the “*Securities Act*”), regarding venture capital, private equity and related investments. Sands Capital Ventures’s investment strategy and methods of analysis are described in *Item 8*. As the investment adviser of each Fund, Sands Capital Ventures and its affiliates identify investment opportunities for, and participate in the acquisition, management, monitoring and disposition of investments of, each Fund.

Sands Capital Ventures focuses its investment research and due diligence efforts across geographies and industries, including life sciences, technology and consumer. The Funds invest in businesses across stages, from seed through late-stage growth equity, with a particular focus on mid-to late-stage growth equity. Such investments take the form of privately negotiated instruments, including unregistered equity from both U.S. and non-U.S. issuers. Sands Capital Ventures’s investment advisory services are performed in accordance with the advisory agreement and/or organizational documents of each Fund and subject to the direction and control of the general partner of each Fund, if any. Investment advice is provided directly to the Funds and not individually to the investors in the Funds.

Any restrictions on investments in certain types of securities are established by the general partner of a Fund and are set forth in the documentation received by an investor prior to investment in the Fund. Once invested in a Fund, investors cannot impose restrictions on the types of securities in which a Fund may invest.

Clients generally have no right to redeem their interests in a Fund prior to the expiration of its term, and can obtain liquidity only upon the termination of the Fund or a partial disposition of its investments.

Sands Capital Ventures had assets under management of approximately \$136 million as of March 17, 2016.

ITEM 5. FEES AND COMPENSATION

Investors in a Fund typically are subject to an investment management fee payable by the Fund to Sands Capital Ventures as the investment manager of the Fund equal to a percentage (generally 2%) of the capital commitments to, or the capital invested by, such Fund (the “*Management Fee*”). The Management Fee is paid by the Fund quarterly in advance and is reduced by certain fees, if any, received by Sands Capital Ventures or its affiliates and certain operational and transaction expenses. The Management Fee is not generally negotiable, although the Funds may, but do not currently, charge different rates depending on the size of investment or, if consistent with the applicable Fund’s organizational documents, reduce or waive the Management Fee with respect to

certain investors. Generally, Sands Capital Ventures personnel or affiliates who invest in a Fund will not be subject to a Management Fee. In addition, and in accordance with the applicable Fund's organizational documents, Sands Capital Ventures anticipates entering into letter agreements or other similar agreements (collectively, "*Side Letters*") with one or more investors that provide such investors with additional and/or different rights (including, without limitation, with respect to management fees) than provided in the governing documents of the Funds.

Investors in the Funds are also typically subject to an incentive allocation paid to Sands Capital Ventures or its affiliate equal to a percentage (generally 20%) of the net realized gains on the full or partial disposition of the investments held by the Fund. Generally, an incentive allocation will be distributed following a full or partial disposition of a Fund's assets, or another liquidity event that gives rise to a distribution by the Fund to the investors. An incentive allocation will generally only be made with respect to an investor after the investor has received a full return of its capital contributions to the Fund. Although Sands Capital Ventures has never agreed to modify a Fund's incentive allocation structure at the request of an investor, Sands Capital Ventures or its affiliate may in the future separately negotiate terms with individual investors, which may result in an investor being subject to an incentive allocation that is different from those applicable to other investors of the same Fund. The incentive allocation applicable to certain investors may be reduced or eliminated for such period(s) as Sands Capital Ventures or its affiliate determines, in its discretion. When Sands Capital Ventures personnel or affiliates invest in a Fund, they generally will not be subject to an incentive allocation (or may be subject to a reduced allocation), in Sands Capital Ventures's or its affiliate's discretion.

The payment by some, but not all, Funds of an incentive allocation, or the payment of incentive allocations at varying rates (including varying effective rates based on the past performance of a Fund) may create an incentive for Sands Capital Ventures to disproportionately allocate time, services or functions to Funds paying incentive allocations or Funds paying incentive allocations at a higher rate, or allocate investment opportunities to such Funds. Generally, and except as may be otherwise set forth in the organizational documents of the Funds, this conflict is mitigated by (i) certain limitations on the ability of Sands Capital Ventures to establish new investment vehicles, (ii) contractual provisions requiring certain Funds to purchase and sell investments contemporaneously and/or (iii) contractual provisions and procedures setting forth investment allocation requirements. Additionally, Sands Capital Ventures periodically reviews the time and services being devoted to the Funds to ensure that the necessary resources are being allocated to each Fund.

Each Fund bears its own start-up, offering and organizational expenses, as well as the ongoing fees or expenses incurred in connection with its business. In order to pay anticipated expenses, a portion of the investors' capital contributions may be maintained by a Fund in cash or cash management instruments. Expenses or liabilities that are attributable or allocable to more than one Fund are generally allocated in proportion to each Fund's relative capital subscriptions, *provided*, that such expenses or liabilities may be shared on a disproportionate basis if Sands Capital Ventures determines, in its discretion, that such disproportionate allocation would be more appropriate or equitable in view of the nature of such expenses or liabilities.

Sands Capital Ventures and certain third parties perform administrative services on behalf of the Funds (including, but not limited to, bookkeeping and financial reporting). The Funds will reimburse Sands Capital Ventures or the relevant third party for any expenses incurred on their

behalf. The Funds will pay fees to third parties for such services according to their standard fee schedules, and will reimburse such parties for authorized expenses incurred on behalf of the Funds.

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Incentive allocations are based on the net realized appreciation of assets held by a Fund. Such performance-based compensation may create an incentive for Sands Capital Ventures to make investment decisions that are riskier or more speculative than would be the case in the absence of a financial incentive based on performance. Moreover, certain investors, including Sands Capital Ventures's investment personnel and affiliates may not be subject to an incentive allocation (or may incur a reduced allocation).

Sands Capital Ventures monitors the investments held by the Funds on an ongoing basis, and will endeavor to ensure that it is appropriate to continue holding each investment without regard to the potential for performance-based compensation. In addition, each investor bearing an incentive allocation is required to represent that it is a "*qualified client*" within the meaning of Rule 205-3 under the U.S. Investment Advisers Act of 1940, as amended (the "*Advisers Act*").

ITEM 7. TYPES OF CLIENTS

Sands Capital Ventures's clients consist of the Funds. Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally "accredited investors" as defined in Regulation D under the Securities Act, and may include, among others, high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other entities. Subscription and capital commitment minimums are disclosed in the governing documents of the Funds.

Sands Capital Ventures may in the future organize other investment vehicles, including feeder funds for the Funds or parallel funds for employees of Sands Capital Management (as defined below), or manage investment funds or separately managed accounts that may either co-invest with the Funds or follow an investment program similar to or different from the Funds' programs. Sands Capital Ventures may also establish special purpose vehicles or subsidiaries, and it or the Funds may invest in or act through such special purpose vehicles or subsidiaries or manage additional separately managed accounts. The Funds may also co-invest with third parties through joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial, legal or regulatory difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of a Fund, or may be in a position to take (or block) action in a manner contrary to a Fund's investment objectives. In addition, the Funds may in certain circumstances be liable for the actions of its third-party co-venturers. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

In general, (i) no investor in a Fund has a right to participate in any co-investment opportunity, (ii) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of Sands Capital Ventures or its related persons or other participants in the applicable transaction (such as co-sponsors), (iii) co-investment opportunities may be offered to

some and not other investors in the Funds, in the sole discretion of Sands Capital Ventures or its related persons, and investors may be offered a smaller amount of co-investment opportunities than originally requested, (iv) certain persons other than investors in the Funds will likely from time to time be offered co-investment opportunities, in the sole discretion of Sands Capital Ventures or its related persons, and (v) co-investors will generally purchase their interests in a portfolio company at the same time as the Funds but may, on occasion, purchase their interests from the applicable Fund(s) after such Fund(s) have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer).

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Fundamental, bottom-up, company-focused research is the core of Sands Capital Ventures's investment process. Sands Capital Ventures uses input from various methods of security analysis and various combinations of methods in rendering investment advisory services. Sands Capital Ventures's method of security analysis include general market, specific industry, or individual security technical or trend analysis. Sands Capital Ventures's investment professionals often conduct on-site visits with senior management of companies it regards as potential investments.

Identification of Investments

Sands Capital Ventures's principal sources of information include company-prepared and disseminated information, physical inspections of corporate offices, plants, and other assets, discussions with corporate management, research materials prepared by others, scientific and medical literature, and discussions with consultants, physicians, scientists, or others concerning underlying technology. Sands Capital Ventures's uses input from various methods of security analysis and various combinations of analytical methods.

Targeted Investment Characteristics

Sands Capital Ventures focuses its investment research on venture capital, private equity and related investments, including in particular mid- to late-stage growth capital. Sands Capital Ventures evaluates businesses in varying stages of development, with a preference for revenue-generating businesses with validated technologies and platforms and with an identifiable path to profitability. Sands Capital Ventures may identify businesses that span various stages of financing, ranging from non-revenue-producing businesses to profitable businesses seeking growth capital.

Sands Capital Ventures may identify investment opportunities in domestic and foreign equity securities, including preferred and convertible stock as well as common stock of any type. Sands Capital Ventures may also from time to time identify investments in secured or unsecured debt, convertible debt, options, warrants, rights, or such other securities as it deems advisable.

Investment Risks

Investing in securities involves risk of loss, which investors must be prepared to bear; investments of the type targeted by Sands Capital Ventures involve a particularly high level of risk, and clients should be able to bear the loss of all or part of their investment. The risk factors listed below represent a limited summary of the various risks presented by the investment opportunities

Sands Capital Ventures's identifies. Additional risks associated with an investment in a Fund are disclosed in the offering documents of such Fund.

Risk Inherent in Venture Capital Investments. The investments Sands Capital Ventures's identifies will involve a high degree of risk. In general, the financial and operating risks confronting these companies are often significant. While targeted returns should reflect the perceived level of risk in any investment situation, there is no assurance that investors will be adequately compensated for risks taken.

Early stage and development stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately solved. In addition, such companies often require substantial amounts of financing, which may not be available through institutional private placements or the public markets. The percentage of companies that survive and prosper can be small.

Investments in more mature companies in the expansion or profitable stage also involve substantial risks. In certain cases, companies have previously obtained capital in the form of debt or equity to expand rapidly, reorganize operations, acquire a business, or develop new products and markets. By definition, these activities involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing, and general management of these activities.

Additional Capital Requirements of Portfolio Companies. Certain of the companies Sands Capital Ventures identifies as investment opportunities, especially those in a development or "platform" phase, require additional financing to satisfy their working capital requirements or acquisition strategies. Following its initial investment in portfolio companies, a Fund is often called upon to provide additional funds to portfolio companies or will have the opportunity to increase its investment in a portfolio company. Although the Fund may make follow-on investments, there is no assurance that the Fund and its co-investors will provide all necessary follow-on capital. If the funds provided are not sufficient, a company may have to raise additional capital at a price unfavorable to the existing investors, including the Fund. In addition, a Fund may make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such company in order to preserve the Fund's proportionate ownership when a subsequent financing is planned, or to protect the Fund's investment when such portfolio company's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of a Fund or any portfolio company. There can be no assurance that the portfolio companies will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

Investment in Companies Dependent Upon New Scientific Developments and Technologies. Investment opportunities will often involve companies developing new technologies or methods. Companies reliant upon the development of new technologies pose certain risks, including:

- rapidly changing science and technologies;
- products or technologies that may quickly become obsolete;

- exposure to a high degree of government regulation, making these companies susceptible to changes in government policy and failures to secure, or unanticipated delays in securing, regulatory approvals;
- scarcity of management, technical, scientific, research and marketing personnel with appropriate training;
- the possibility of lawsuits related to patents and intellectual property; and
- changing investor sentiments and preferences with regard to the specific industry sector relevant to the development or technology.

Illiquid Investments. The investments in companies Sands Capital Ventures identifies will be illiquid. Due to the illiquid nature of the investments, Sands Capital Ventures is often unable to predict with confidence what the exit strategy will ultimately be, or that one will become available. Exit strategies that appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

Non-controlling Investments. The Funds are likely to hold non-controlling interests in portfolio companies and, therefore, often have a limited ability to protect their position in such portfolio companies in part due to lack of operational involvement.

Concentration of Investments. The Funds' investment portfolios are not constructed to achieve a specific kind of diversification. While diversification among industries and geographies is a consideration, from time to time a Fund's portfolio may be heavily concentrated in a single position or a particular industry. Further, there is no limitation on the level of concentration of investments in any geographic region. All such concentration increases the risk of loss to a Fund in the event of a decline in the market value of any security or sector in which a Fund has invested a large percentage of its assets, or in the event of a market disruption in a geographic region in which a Fund has invested a large percentage of its assets.

Potential for Unexpected Risks. In researching potential investments, Sands Capital Ventures will in many instances rely on materials created or provided by a company or its affiliates. Such materials are often provided on an "as-is" basis, and Sands Capital Ventures has a limited ability to verify the information they contain. There is no assurance that the information provided to Sands Capital Ventures will fairly represent the business, operations and financial outlook of a potential investment. As a result, it is often difficult to identify, assess and quantify with confidence the risks involved in an investment in the company. These unforeseen and unidentified risks could have an adverse effect on the investment.

Current Market Conditions. Recent events in the financial sector have resulted, and may continue to result, in an unusually high degree of volatility in the financial markets. Both debt and equity markets, domestic and foreign, have experienced and may continue to experience increased volatility and turmoil. It is uncertain whether or for how long these conditions will continue. In addition, the U.S. government has taken a number of unprecedented actions to support certain financial and other institutions and segments of the financial markets that have experienced extreme volatility and, in some cases, a lack of liquidity. These events and possible continued market turbulence may have an adverse effect on the investments we identify.

Equity Securities. The investments Sands Capital Ventures identifies will usually be in equity securities. Investment in equity securities offers the potential for substantial capital appreciation. However, it also involves certain risks, including issuer, industry, market, dilution and general economic related risks. While offering greater potential for long-term growth, equity securities are more volatile and more risky than some other forms of investment.

Options and Warrants. In addition to equity securities, in certain circumstances an investment opportunity may also involve options or warrants.

The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, either to purchase or sell the underlying security or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium.

Warrants can be more speculative than certain other types of investments in that they do not entitle a holder to dividends or voting rights, nor do they represent any rights in the assets of the issuing company. Investment in warrants involves certain additional risks, including the possible lack of a liquid market for the resale of the warrants, potential price fluctuations as a result of speculation or other factors, and failure of the price of the underlying security to reach a level at which the warrant can be prudently exercised (in which case the warrant may expire without being exercised, resulting in the loss of the entire investment).

Convertibles. An investment may also involve debt securities, preferred stock, or other securities that may be converted into common or other stock (convertibles). Convertibles typically accrue current income as either interest (debt security) or dividends (preferred stock). A convertible's value usually reflects both the stream of current income payments and the value of the underlying stock. The market value of a convertible performs like that of a regular debt security; that is, if market interest rates rise, the value of a convertible usually falls. Since it is convertible into stock, a convertible generally has the same types of market and issuer risk as the underlying stock. Convertibles that are debt securities are also subject to the normal risks associated with debt securities, such as interest rate risk, credit spread expansion and ultimately default risk. Convertibles are also prone to liquidity risk, as demand can dry up periodically and bid/ask spreads on bonds can widen significantly.

An issuer may be more likely to fail to make regular payments on a convertible than on its other debt because other debt securities may have a prior claim on the issuer's assets, particularly if the convertible is preferred stock. However, convertibles usually have a claim prior to the issuer's common stock. In addition, for some convertibles, the issuer can choose when to convert to common stock, or can "call" (redeem) the convertible, which may be at times that are disadvantageous.

Reliance on Portfolio Company Management. The day-to-day operations of a portfolio company are the responsibility of such company's management team. Although Sands Capital Ventures will monitor the performance of portfolio companies and generally will seek to invest in companies operated by capable management, there can be no assurance that an existing management team, or any successor team, will be able to successfully operate a portfolio company in accordance with Sands Capital Ventures's strategy.

Board Participation. It is expected that employees of Sands Capital Ventures may serve as directors of some of the Funds' portfolio companies and, as such, may have duties to persons other than the investing Fund. Although holding board positions may be important to a Fund's investment strategy and may enhance the ability of a Fund to manage investments, director seats may also have the effect of impairing a Fund's ability to sell the related securities when, and upon the terms, it may otherwise desire, and may subject the investing Fund, its general partner and Sands Capital Ventures's personnel to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims, and other director-related claims. In general, the Funds will indemnify the general partner, the Sands Capital Ventures and relevant employees from such claims. In addition, it is possible that employees of Sands Capital Ventures may serve as directors of publicly-traded companies in a Fund's investment portfolio. In the event that an employee serving as a director is exposed to material, nonpublic information with respect to a particular company, the Funds may be prohibited for periods of time from purchasing or selling the securities of such company. Such restrictions may have an adverse effect on the value of the investments of the relevant Fund.

Emerging Markets. Investing in emerging markets involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (a) the risk of nationalization or expropriation of assets or confiscatory taxation; (b) social, economic and political uncertainty including war; (c) dependence on exports and the corresponding importance of international trade; (d) price fluctuations, less liquidity and smaller capitalization of securities markets; (e) currency exchange rate fluctuations; (f) rates of inflation; (g) controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for U.S. dollars; (h) governmental involvement in and control over the economies; (i) that governments may decide not to continue to support economic reform programs generally and could impose centrally planned economies; (j) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (k) less extensive regulation of the securities markets; (l) the settlement period of securities transactions in non-U.S. markets may be longer; (m) less developed laws regarding fiduciary duties of officers and directors, the protection of investors and the enforcement of contractual obligations; and (n) certain considerations regarding the maintenance of portfolio securities and cash with non-U.S. subcustodians and securities depositories.

Non-U.S. Securities. Investing in securities of non-U.S. companies involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of U.S. companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Foreign Currency and Exchange Rate Risks. A Fund's assets and income may be denominated in various currencies. Contributions and distributions, however, are denominated in U.S. dollars. As a result, the return of a Fund on any investment may be adversely affected by fluctuations in currency exchange rates, any future imposed devaluations of local currencies, inflationary pressures, and the success of the investment itself. The Funds may, but does not expect to, engage in hedging against

currency risk. In addition, a Fund may incur costs in connection with conversions between various currencies.

Foreign Tax Risk. While the Funds typically attempt to structure their investments to minimize taxes in non-U.S. jurisdictions, there is no guarantee that such efforts will be successful, and, as such, the Funds may be subject to non-U.S. withholding or other taxes, duties, or levies. In addition, there may be changes in tax laws in the United States or in non-U.S. jurisdictions or interpretations of such tax laws adverse to the Funds. There can be no assurance that the structure of the Funds or of any investment will be tax-efficient.

Risk of Loss. The strategies Sands Capital Ventures employs in the Funds and the financial instruments used to implement those strategies are highly speculative. The strategies may not be successful in meeting their performance objectives, and potential clients and fund investors should not invest with Sands Capital Ventures unless they can bear the risk of a complete loss of their capital. There is no assurance that the strategies will be able to generate returns or that the returns will be commensurate with their inherent risks. The past investment performance of any Funds cannot be taken to guarantee future results of those or any other Funds.

ITEM 9. DISCIPLINARY HISTORY

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of their advisory business or the integrity of their management. Sands Capital Ventures has no such events and therefore no information to disclose pursuant to this item.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Sands Capital LP is the sole member of Sands Capital Ventures, and Sands Family Trust, LLC is the manager of Sands Capital Ventures. In addition, affiliates of Sands Capital Ventures serve as general partners of the Funds as well as private funds advised by Sands Capital Ventures's affiliate Sands Capital Management, LLC, a SEC-registered investment adviser ("*Sands Capital Management*").

Sands Capital Ventures has entered into a services agreement with Sands Capital Management, pursuant to which Sands Capital Management is providing the personnel and resources to conduct Sands Capital Ventures's business. Certain investors doing business with Sands Capital Management may become investors in the Funds or investment vehicles operated by Sands Capital Ventures, and vice versa. Sands Capital Ventures and Sands Capital Management may refer potential investors to each other from time to time. Sands Capital Management and its affiliates and their officers and employees invest, and may in the future invest, in the Funds or on a side-by-side basis through separate investment vehicles, and, subject to the governing documents of the Funds, may invest in opportunities that are not presented to the Funds or their investors. In the event the securities issued by a portfolio company in which Sands Capital Ventures's clients, officers, employees or affiliates have indirectly invested become listed on a national securities exchange, Sands Capital Management may invest, and has invested, in such securities for its client accounts. For a description of potential material conflicts of interest created by the relationship among Sands Capital Ventures and its related persons, as well as a description of how such potential conflicts are addressed, please see Item 11 below.

Sands Capital LP is the majority owner of Sands Capital Management. Sands Family Trust, LLC, the general partner of Sands Capital LP, owns a nominal interest in Sands Capital Management and serves as Sands Capital Management's manager. Officers and employees of Sands Capital Management own interests in Sands Capital LP.

Sands Capital LP is controlled by two limited liability companies, each of which own less than fifty percent of Sands Capital LP. Frank M. Sands, Sr. ultimately controls one of these limited liability companies; Frank M. Sands, Jr. ultimately controls the other.

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics and Personal Trading

Sands Capital Ventures has adopted a code of ethics in compliance with the Advisers Act. The code of ethics is based on the principle that Sands Capital Ventures and its personnel owe a fiduciary duty to Sands Capital Ventures's clients. As fiduciaries, Sands Capital Ventures's personnel must act at all times in the best interests of clients and avoid actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

Sands Capital Ventures's code of ethics permits Sands Capital Ventures personnel to trade in securities for their own accounts, *provided* that they comply with the restrictions imposed by the code. Under the code, certain personal securities transactions must receive written approval from Sands Capital Ventures's or its affiliate's Chief Compliance Officer (or his or her delegate) before a transaction can be initiated. The code also requires periodic reporting of personal securities transactions and holdings. Each calendar quarter, Sands Capital Ventures personnel are required to provide copies of all transactions in covered securities to Sands Capital Ventures's or its affiliate's Chief Compliance Officer (or his or her delegate).

Subject to the requirements of the code of ethics, Sands Capital Ventures and its principals, employees and other affiliates, either directly or through investment vehicles, often invest in certain of the Funds. However, such investments are not considered in Sands Capital Ventures's management of those Funds, and the Funds are treated without preference in relation to Sands Capital Ventures's other clients. In addition, Sands Capital Ventures and its principals, employees and other affiliates, either directly or through investment vehicles, may invest on a joint and side-by-side basis with the Funds in private transactions that are typically entered into directly with the issuer of the securities being purchased.

Sands Capital Ventures generally does not buy securities from, or sell securities to, investment advisory clients. However, from time to time, Sands Capital Ventures or its principals or employees may purchase, hold or sell securities that are recommended to clients. In particular, this may be the case where Sands Capital Ventures or its principals or employees invest in a Fund managed by Sands Capital Ventures or its affiliates and receive a distribution of securities from such a vehicle. However, Sands Capital Ventures has adopted policies and procedures, primarily as reflected in the code of ethics, to ensure that neither it nor its principals or employees personally benefit from the recommendations to clients. Dispositions of the securities described above by Sands Capital Ventures or its principals or employees would be subject to those policies and procedures.

Investors in the Funds may request a copy of the Sands Capital Ventures's code of ethics by contacting the Chief Compliance Officer at (703) 562-5293, writing to 1000 Wilson Blvd., Suite 3000, Arlington, VA 22209, or emailing jgoodman@sandscap.com.

Inside Information. Sands Capital Ventures personnel may at times come into possession of material non-public information through a number of means, including as a result of sitting on or serving as an observer to the board of directors of a company whose securities are held by a Fund. Sands Capital Ventures has adopted policies addressing the handling and protection of material non-public information. In accordance with these policies, Sands Capital Ventures and its personnel will be prohibited from using material non-public information to buy or sell securities until the information has been disclosed to the public or is no longer material and such information is not subject to any contractual restrictions on its use and disclosure. This may cause Sands Capital Ventures to be unable to dispose of or otherwise take action with respect to an investment at a given time, even if the action were in the best interests of applicable Funds.

Restricted List. In certain circumstances, Sands Capital Ventures or its affiliate may conclude that a particular security should be placed on a "restricted list" or "blackout list." While a security is on this list, purchases, sales, or other transactions in the security must be pre-cleared with Sands Capital Ventures's or its affiliate's Chief Compliance Officer (or his or her delegate). The reasons for placing a security on the restricted list include, but are not limited to, (i) preventing the appearance of impropriety in connection with a trading decision, and (ii) preventing the misuse, or appearance of the misuse, of material non-public information.

Participation or Interest in Client Transactions

Sands Capital Ventures's related persons have invested, and will likely invest in the future, in a Fund alongside other investors or in investment opportunities on a side-by-side basis with a Fund, and may (subject to any restrictions set forth in the Fund's operating agreement) invest in opportunities that are not presented to a Fund (or its investors). Related persons who invest in a Fund will receive distributions in respect of their pro-rata interest at the same time as other investors, and their interest will be subject to the same limitations on withdrawal pursuant to the Fund's governing documents. Related persons who invest alongside a Fund will make their respective investments contemporaneously with the Fund's investment, on the same terms and conditions as the Fund, and will dispose of each such investment at substantially the same time and terms as the Fund.

Sands Capital Ventures's discretion in providing access to investments could result in a conflict of interest, as Sands Capital Ventures may have an incentive to allocate the most promising investments to its personnel or affiliates, or third parties it believes could provide Sands Capital Ventures or its affiliates with some strategic benefit. Sands Capital Ventures believes, however, that this potential conflict will not be of significance because the governing documents of the Funds specify any restrictions and procedures relating to the allocation of investment opportunities.

The Funds expect to distribute carried interest (or otherwise make incentive allocations) to Sands Capital Ventures's affiliates (generally the relevant Fund general partner) from profits derived from the investments. This performance-based compensation and the related conflicts of interest are discussed in *Item 6*.

Sands Capital Ventures or its related persons may be compensated by the companies whose securities are held by the Funds for advisory, consulting, or other services rendered in connection with the investment. Please refer to *Item 14* for additional information.

Sands Capital Ventures and certain third parties perform administrative services on behalf of the Funds (including, but not limited to, bookkeeping and financial reporting). The Funds will reimburse Sands Capital Ventures or the relevant third party for any authorized expenses incurred on their behalf.

ITEM 12. – BROKERAGE PRACTICES

Sands Capital Ventures anticipates that the Funds generally will purchase investments in private placement transactions, without the assistance of a broker-dealer and without payment of any brokerage commissions or dealer mark-ups. In certain cases, however, particularly in the disposition of investments, Sands Capital Ventures has the authority and discretion to select brokers or dealers to execute securities transactions for the Funds.

In selecting brokers and dealers, Sands Capital Ventures seeks to obtain the best overall execution available. In assessing the best overall terms available for any transaction, Sands Capital Ventures considers factors that it deems relevant, such as the breadth of the market in the security, the price of the security, the financial condition and execution capability of the broker or dealer, and the reasonableness of the commission, if any, both for the specific transaction and on a continuing basis. In evaluating the best overall terms available, and in selecting the broker or dealer to execute a particular transaction, Sands Capital Ventures may also consider the brokerage and research services (within the meaning of Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended (the “*Exchange Act*”)); *provided*, that Sands Capital Ventures determines in good faith that the amount of commission is reasonable in relation to the value of the brokerage and research services provided, viewed in terms of either the particular transaction or Sands Capital Ventures’s overall responsibilities with respect to the clients as to which it exercises investment discretion.

Sands Capital Ventures may execute securities transactions on an agency or principal basis with a broker-dealer, which may result in a Fund (and thus its investors) incurring two transaction costs for a single trade: a commission paid to the executing broker plus the market maker’s mark-up.

Sands Capital Ventures anticipates that transactions normally will not provide it with the opportunity to generate soft dollars. If, however, it were to generate soft dollars, Sands Capital Ventures would only use such soft dollars within the “*safe harbor*” provided under Section 28(e) of the Exchange Act.

In selecting or recommending broker-dealers, Sands Capital Ventures does not consider whether it or a related person receives client referrals from a broker-dealer or third party.

Underlying investors are not permitted to direct brokerage with respect to purchases or sales of securities by the Funds or other investment vehicles operated by Sands Capital Ventures.

Soft Dollars

Section 28(e) of the Exchange Act provides a “*safe harbor*” for investment advisers who use commission dollars of their clients to obtain brokerage and investment research services that provide lawful and appropriate assistance to the adviser in performing its investment decision-making responsibilities. Any products or services that we obtain with soft dollars fall within the requirements of Section 28(e) of the Exchange Act.

When we believe more than one brokerage firm meets our selection criteria, we may select broker-dealers that provide us with brokerage services, as well as research products and services. We effect portfolio transactions through broker-dealers furnishing these services even though the commissions charged for the transactions may be higher than the commissions another broker would have charged for effecting the same transactions. We are not able to determine the specific dollar value of any research products and services or brokerage services obtained with clients’ commission dollars. We will make a good faith determination that the amount of commission paid is reasonable in relation to the value of the brokerage and research products and services provided. We may use the research products and services furnished by broker-dealers in servicing all of our clients and for clients other than those that pay the commissions to the brokers that arrange for such research or other services; not all such products and services will be used exclusively for the benefit of the clients that pay the brokerage commissions.

Research services may include: advice as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or seller of securities; analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; and market data, stock quotes, last sale prices, and trading volumes.

Research services received may also be in the form of seminars, written reports, telephone contacts, and personal meetings with sell-side security analysts, economists, and senior issuer representatives. Brokers may provide us with proprietary research where the cost of such research is incorporated into their commission rate structure. Research services received from brokers and dealers are supplemental to our own research efforts and, when used, are subject to internal analysis before being incorporated into our investment process.

We do not have any arrangement that contractually or financially obligates us regarding the amount of brokerage commissions directed to a particular broker. However, we do accept proprietary research (bundled research) from broker-dealers and this is a factor in determining broker-dealer selection. We believe that bundled research is generally made available to all institutional investors doing meaningful business with such broker-dealers. Research is made available to us on a solicited and unsolicited basis. We do not separately compensate broker-dealers for this research. We consider clients who choose not to participate in soft dollar commissions to be opting out of generating contractually obligated soft dollar credits used to pay for third-party research and not opting out of bundled research. Thus, client accounts that have soft dollar restrictions may still be traded with broker-dealers that provide us with bundled research; and, consequently, overall commission costs paid by these clients may not decrease.

The use of brokerage commissions to obtain research and research-related products and services may create a conflict of interest because a client’s brokerage commissions may pay for

products and services that do not exclusively benefit that client and that may benefit us. To the extent that we are able to obtain these products and services without expending our own resources, the use of soft dollars tends to increase our profitability. In addition, the availability of these non-monetary benefits may influence our selection of a particular broker-dealer over another to perform client services.

Trade Aggregation and Allocation

Investment actions by us or our affiliates may result in multiple Funds, accounts or strategies seeking to trade the same security at the same time. When more than one client seeks to acquire the same security at the same time it may not be possible to acquire a sufficiently large number of shares or a higher price may be paid. Similarly, when more than one client seeks to sell a particular security, clients may not be able to obtain as high a price or as large an execution of the security. Under these circumstances we generally aggregate or “block” orders for accounts for which we and our affiliates have investment discretion. We believe that blocking will result in a more favorable overall execution. We maintain records that specify the client accounts that are participating in the aggregated order and the amount of securities intended to be purchased or sold for each account. We seek to aggregate transactions before execution of the order; however, in certain instances, the order may not be blocked prior to entering the order. In that event, we will seek to block the order at the earliest practicable time.

Client accounts for which orders are aggregated receive the average price of the transaction, which could be higher or lower than the price that would otherwise be paid by a client absent aggregation. Any transaction costs incurred are shared pro rata based on each client's participation in the transaction. In some instances, this procedure could have an adverse effect on a particular client. In our opinion, however, the results of this procedure will, on the whole, be in the best interests of each of the participating clients.

If an aggregated order is executed in its entirety, it will be allocated in accordance with the allocation established for the trade. If the order is partially filled, we will, to the extent practicable, allocate the order on a *pro rata* basis among participating accounts, which may be subject to rounding to ensure that accounts receive round lots. When *pro rata* allocation is not practicable, we will allocate the order in a fair and equitable manner consistent with the factors identified above.

From time to time we may not be able to aggregate client orders or aggregation may not be in the clients’ best interest. Factors which may preclude order aggregation include country-specific rules which forbid omnibus trading, ID market trading, and prefunding requirements, among others. In cases where order aggregation is appropriate but not possible we will execute orders on a random basis.

ITEM 13. – REVIEW OF ACCOUNTS

The investment team of Sands Capital Ventures (including Managing Partners, Principals and other investment professionals) monitors the portfolio companies of each Fund on a continuous basis. Sands Capital Ventures’s personnel have assumed, and likely will continue to assume, seats on portfolio company boards of directors and serve as an observer to the board. In conjunction with such positions, Sands Capital Ventures may provide operational, strategic and scientific support to the company.

Sands Capital Ventures may provide underlying investors with periodic written status reports on investments then held by a Fund, to the extent permitted or required under the operating agreements of the Fund.

ITEM 14. – CLIENT REFERRALS AND OTHER COMPENSATION

Sands Capital Ventures or its related persons may be compensated by the companies whose securities are held by the Funds for advisory, consulting, or other services rendered in connection with the investment. Clients have no claim to, or offset against, such compensation, nor will the payment of any fees to Sands Capital Ventures or its related persons result in a reduction of compensation or distributions otherwise payable to Sands Capital Ventures or its related persons, unless the operating agreement for the applicable Fund provides otherwise. Sands Capital Ventures addresses the conflict of interest this presents by negotiating at arm's length and generally seeking to ensure that the fees are, in its good faith opinion, in accordance with prevailing market rates in the relevant industry. Sands Capital Ventures does not take into consideration whether a company will pay it or an affiliate a service fee when making an investment determination. Sands Capital Ventures discloses all fees that are known or reasonably expected to be received from a particular company at the time an investment is made.

Neither Sands Capital Ventures nor any related person directly or indirectly compensates any person who is not a supervised person for client referrals.

ITEM 15. – CUSTODY

Sands Capital Ventures generally does not have physical custody of client funds or securities. However, Sands Capital Ventures or its affiliate, by virtue of their positions with the Funds, may be deemed to have custody of the funds and securities of the Funds under Advisers Act Rule 206(4)-2. In such cases, (a) Fund assets will be held with a “*qualified custodian*”, as defined in the rule (generally a bank or broker-dealer) independent of Sands Capital Ventures; and (b) the Funds will be subject to either an annual audit in accordance with generally accepted accounting principles or actual examination at least once during each calendar year by an independent public accountant. Investors in a Fund that is not subject to an annual audit receive at least quarterly statements from the Fund's qualified custodian and should review such statements carefully.

ITEM 16. – INVESTMENT DISCRETION

Sands Capital Ventures generally provides its investment advisory services to clients on a discretionary basis, subject to the direction and control of the general partners of the Funds. Such authority, and any policies, restrictions or limitations relating to such authority, are set forth in the advisory agreements and the operating agreements of the Funds.

ITEM 17. – VOTING CLIENT SECURITIES

Sands Capital Ventures has adopted policies and procedures with respect to the voting of securities held by the Funds. Sands Capital Ventures's policy is to evaluate and vote in a manner consistent with a Fund's best interest. Sands Capital Ventures believes that it acts in the best interest of a Fund when it votes in a manner that maximizes the economic value of the Fund's holdings. Prior to a voting deadline, Sands Capital Ventures determines how to vote on each proposal based on Sands Capital Ventures's analysis of the information received and its proxy voting guidelines. In

voting, Sands Capital Ventures typically is neither an activist in corporate governance nor an automatic supporter of management. Further, there may be times when it determines that refraining from voting is in a Fund's best interest, such as when the cost of voting exceeds the expected benefit to the Fund. Investors in a Fund (and the Fund itself) are not able to direct the vote of Sands Capital Ventures.

If a material conflict exists, Sands Capital Ventures takes steps to ensure that its voting decision is based on the best interests of the relevant Fund and is not a product of the conflict. If the Chief Compliance Officer determines that a material conflict of interest exists, then Sands Capital Ventures may, at its discretion: (a) disclose the conflict of interest to the investors in a Fund (or a committee thereof) and consult with such investors (or committee thereof) or defer to such investors' (or committee's) voting recommendation; (b) defer to the voting recommendation of an independent third party provider of proxy voting services; or (c) take such other action that Sands Capital Ventures in good faith believes would serve the best interests of the relevant Fund. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar (or identical).

Clients may obtain information regarding how Sands Capital Ventures voted proxies relating to securities held by a Fund, or request a copy of Sands Capital Ventures's proxy voting policies and procedures, by contacting the Chief Compliance Officer at (703) 562-5293, writing to 1000 Wilson Blvd., Suite 3000, Arlington, VA 22209, or emailing jgoodman@sandscap.com.

ITEM 18. – FINANCIAL INFORMATION

Sands Capital Ventures does not believe that there are any financial commitments that are reasonably likely to impair the ability of Sands Capital Ventures to meet its contractual commitments to its clients. Further, Sands Capital Ventures has not been the subject of a bankruptcy petition at any time during the past 10 years.

ITEM 19. – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.