

Mirabaud - William Blair US Smid Growth Fund Update: November 2022

	Value	Core	Growth
Month to Date			
Russell 3000	6.05	5.22	4.37
Russell 1000	6.25	5.41	4.56
Russell Midcap	6.32	6.01	5.44
Russell 2500	5.02	4.22	2.98
Russell 2000	3.06	2.34	1.63
Quarter to Date			
Russell 3000	17.08	13.85	10.71
Russell 1000	17.14	13.86	10.67
Russell Midcap	16.37	15.42	13.73
Russell 2500	16.11	14.22	11.34
Russell 2000	16.03	13.60	11.27
Year to Date			
Russell 3000	-3.96	-14.18	-23.14
Russell 1000	-3.65	-14.13	-23.26
Russell Midcap	-7.32	-12.59	-22.04
Russell 2500	-7.59	-13.21	-21.54
Russell 2000	-8.48	-14.91	-21.31

Market Performance

- U.S. equity indices continued to recover in November as investors responded positively to data showing inflation had pulled back modestly.
- Inflation, as measured by the consumer price index (CPI), reported for October rose 7.7% year-over-year, while the core components of food and energy advanced at a slower pace and pulled back from a multi-decade high.
- The Fed confirmed that tighter monetary policy is still needed and raised its target rate by 75 basis points for the fourth consecutive time.
- In the U.S. midterm elections, Democrats retained control of the Senate, but ceded control of the House.
- U.S. corporate earnings were resilient, while forward-looking guidance generally reflected considerable uncertainty.

Style Performance

- For the month, quarter-to-date, and year-to-date periods, value indices outperformed growth indices across the size spectrum.

Market Cap Performance

- Among value indices, large caps outperformed small caps for the for the month, quarter-to-date and year-to-date periods.
- Among growth indices, large caps outperformed small caps for the month while small caps outperformed large caps over the year-to-date period. There was minimal performance dispersion among market caps over the quarter-to-date period.

Source: FactSet; Eagle

Past Performance is not a guarantee of future results. A direct investment in an index is not possible.

The Russell 3000 Index measures the performance of the all-cap segment of the U.S. equity universe. The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell Midcap Index measures the performance of the mid cap segment of the U.S. equity universe. It includes approximately 800 of the smallest securities in the Russell 1000 Index based on a combination of their market cap and current index membership. The Russell 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe. It includes approximately 2500 of the smallest securities in the Russell 3000 Index based on a combination of their market cap and current index membership. The Russell 2000 Index measures the performance of the small cap segment of the U.S. equity universe. It includes approximately 2000 of the smallest securities in the Russell 3000 Index based on a combination of their market cap and current index membership. Core returns represent the Total Return indices. The value segments of these indices include companies with lower price-to-book ratios and lower forecasted growth values. The growth segments of these indices include companies with higher price-to-book ratios and higher forecasted growth values.

Portfolio Review

The SMID Growth strategy outperformed the Russell 2500 Growth benchmark for the month of November. Relative performance was driven by stock-specific dynamics and style factors. Stock selection in Health Care, including our positions in Abiomed and Horizon Therapeutics, contributed positively to relative returns. Other top individual contributors included SolarEdge Technologies (Information Technology), Axon Enterprise (Industrials) and Burlington Stores (Consumer Discretionary). From a style perspective, our typical underweight to unprofitable companies and our larger market cap bias were modest tailwinds. Top individual detractors included Chart industries (Industrials), HealthEquity (Health Care), Varonis Systems (Information Technology), Ritchie Brothers Auctioneers (Industrials) and Advanced Drainage Systems (Industrials).

Monthly Contributors

ABIOMED, Inc. (ABMD) develops, manufactures and markets advanced medical technologies designed to assist or replace the pumping function of a failing heart. Its products provide circulatory support and a continuum of care in heart recovery to acute heart failure patients. ABIOMED's Impella product line (the world's smallest heart pump) provides better care than legacy balloon pump technologies that have been around for decades and we believe it will increasingly be seen as the standard of care. We believe ABIOMED's heart pump will continue to become the standard of care in high risk PCI and cardiogenic shock settings. Further, expansion into additional indications and increased penetration globally should support many years of growth. Johnson & Johnson (JNJ) saw similar growth opportunities and announced its intent to acquire the company for a 50% premium, with an expected closing by end of 1Q' 2023.

Horizon Therapeutics (HZNP) is a specialty biopharmaceutical company focused on drug formulations that target the treatment of arthritis pain, inflammation and rare diseases. The company reported quarterly results during the month of November with strong sales and earnings driven by all three of its product lines, and management raised its full year sales and EBITDA guidance. In addition, speculation around a possible takeout of the company supported the stock.

Monthly Detractors

Chart Industries (GTLS) is a leading global manufacturer of highly engineered cryogenic equipment for liquified natural gas and other industrial gases. Specifically, the equipment is used to store gases, to convert gases into liquids for transport and storage and, and then to re-gasify the liquids for consumption. The core competency of the company is in managing gases/liquids that are either stored under very high pressures or cryogenic temperatures. The surprise November announcement of their intent to acquire Howden left investors uncertain of both the permanent financing and the post deal leverage, pressuring the stock.

HealthEquity (HQY) is a provider of consumer directed benefits including health savings accounts (HSAs), Flexible spending accounts (FSAs), COBRA and commuter services. Investor fear of interest rate rises slowing and potentially impacting custodial rates created unwarranted pressure on the stock. We believe the company's laddered deposit maturities insulate the risk of flattening or declining interest rates and its influence on their business.

Important Disclosures – William Blair SICAV

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The Articles of Incorporation, the Prospectus, the Key Investor Information Documents (KIID), the Annual and Half-yearly Reports of the Fund and the Subscription Form are available free of charge in English and German from the website sicav.williamblair.com or at the registered office of the Management Company (33, rue de Gasperich, L-5826 Hesperange, Grand Duchy of Luxembourg), at the registered office of the Fund (William Blair SICAV, 31, Z.A. Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg) or from the Swiss representative, First Independent Fund Services Limited, Klausstrasse 33, CH-8008 Zurich, and in German language at Marcard, Stein & Co., Ballindamm 36, 20095 Hamburg, Germany, and at Bank of Austria Creditanstalt AG, Am Hof 2, 1010 Vienna, Austria. Paying agent in Switzerland is NPB New Private Bank Ltd, Limmatquai 1, CH-8024 Zurich