

SVB Background and What Happened:

Silicon Valley Bank (SVB) is a California-based bank focused on banking in the innovative sectors of the economy such as health care and information technology. A key aspect of our original thesis was the bank's ability to de-risk its loan book significantly over time. As of end of day March 8, 2023, SVB accounted for less than 60 basis points of the Global Leaders strategy.

SVB's share price plunged more than 60% on Thursday as it booked a \$1.8bn loss on the sale of \$21bn worth of securities from its AFS (available for sale) portfolio. Moody's issued a downgrade on Wednesday to Baa1, with a negative outlook, highlighting that the vast majority of the bank's liquid resources are in its held-to-maturity portfolio – which stood at \$91bn in Dec '22 with about \$15bn of unrealized losses. This, combined with the slow cash burn and lack of new funding that startups experienced in 2022, has put the bank in a precarious position. A fresh issuance of \$2.25bn of shares to shore up its balance sheet is ongoing. Funds and startups from around the world use SVB for their banking needs, so insolvency or further distress could have a large impact on the industry.

William Blair Reaction and Sell Decision

We initiated a sell order given the significant increase in risk, particularly around the rationale and timing of the capital raise, catalyst to sell AFS portfolio, concerns on cash burn, higher funding costs, deposit outflows, size of dilution, having to recognize large HTM losses and if a deal would get done. Concerns on liquidity and capital increased substantially (which is the number one risk for a bank), and lack of communication from the company is making matters worse. When the stock was halted on Friday, SVB accounted for less than 10 basis points of the Global Leaders fund.

Implications for Banking Industry

SVB is the go to place for venture capital and startups. The company going into insolvency could have significant impact on other startups/VCs. Banks overnight moved down in lockstep as you'd expect a ripple effect.

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Fund Information

The Fund is a sub-fund of William Blair SICAV, a "société d'investissement à capital variable", incorporated under the laws of the Grand Duchy of Luxembourg having its registered office at 31, Z.A.I. Bourmicht, Bertrange, registered in the R.C.S. Luxembourg under n° 98806 and approved by the Luxembourg Supervisory Authority of the Financial Sector (the "CSSF") as an undertaking for collective investment in transferable securities ("UCITS") in accordance with the EU directive 2009/65/EC, as amended (the "Company"). Authorization of the Company by the CSSF is not an endorsement or guarantee nor is the CSSF responsible for the contents of any marketing material or the Company's Prospectus or applicable Key Investor Information Document ("KIID"). Authorization by the CSSF shall not constitute a warranty as to the performance of the Company, and the CSSF shall not be liable for the performance of the Company. The investments in the Fund may not be suitable for all recipients. This material is for informational purposes only, is not contractually binding, and does not contain personalized recommendations or advice and is not intended to substitute any professional advice on investment in financial products. The Company may not be registered to be marketed in or may only be marketed to certain categories of investors in your jurisdiction. For information regarding jurisdictions in which the Company is registered or passported, please contact your William Blair representative. This document should not be used or distributed in any jurisdiction, other than those in which the Fund is authorized, where authorization for distribution is required. This document has been prepared and issued by WILLIAM BLAIR INVESTMENT MANAGEMENT, LLC in its capacity as a delegate of the FUNDROCK MANAGEMENT COMPANY S.A., a "société anonyme", incorporated under the laws of the Grand Duchy of Luxembourg having its registered office at 33, rue de Gasperich, L-5826 Hesperange and registered in the R.C.S. Luxembourg under n° 104196 (the "Management Company"). The Management Company is authorised and regulated by CSSF as the management company of UCITS under the EU directive 2009/65/EC, as amended. The Management Company has been appointed as the management company of the Company and has appointed WILLIAM BLAIR INVESTMENT MANAGEMENT, LLC, the asset management business of WILLIAM BLAIR & COMPANY, LLC., having its registered office at 150 North Riverside Plaza Chicago, IL 60606, USA as the investment manager for the Fund. WILLIAM BLAIR & COMPANY, L.L.C. is authorized as the global distributor of the Company and to facilitate the distribution of Shares in certain jurisdictions through financial intermediaries. 5 Fourth Quarter 2022 William Blair SICAV | 31 rue, Z.A. Bourmicht | L-8070 Bertrange | Luxembourg B 98.806 | sicav.williamblair.com William Blair SICAV Global Leaders Fund Summary and Outlook The Articles of Incorporation, the Prospectus, the 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.