William Blair

3Q 2017

Fund Manager Commentary
William Blair SICAV US All Cap Growth Fund

Market Summary

Third quarter returns for U.S. equities were strong as stocks continued their upward movement from the first two quarters of the year. Improving economic data and solid corporate earnings growth were the primary reasons for the robust equity returns year-to-date in 2017. Specific to the third quarter, returns were generally positive for the first six weeks of the quarter as favorable corporate earnings growth was in focus. As a barometer, corporations in the S&P 500 Index reported second quarter earnings growth of over 10% compared to the same period in the prior year, and approximately 73% of companies in the S&P 500 reported higher earnings per share for the second quarter than was expected. Domestic equities then took a slight pause mid-quarter as heightened geopolitical tensions and concern regarding the impact of two major hurricanes weighed on the minds of investors. However, tensions eased in early September and the projected financial impact of Hurricane Irma, the second of the two hurricanes, appeared to be less than originally feared. Later in September, the U.S. Federal Reserve reiterated its expectation to raise interest rates a third time this year, giving confidence to investors that the U.S. economy continued to improve. Also, the current Administration released details of its tax reform plan which would cut the corporate tax rate from 35% to 20%. Both the projected rate increase and tax reform plan were viewed as positive for U.S. equities and most major indices finished the quarter at all-time highs.

Top 10 Holdings as of 30.09.2017

Company Name	*% of Fund*
Alphabet Inc.	6.7%
Microsoft Corporation	6.4%
Mastercard Incorporated	4.9%
Amazon.com, Inc.	4.5%
Facebook, Inc.	3.9%
Unitedhealth Group Incorporated	3.5%
Starbucks Corporation	3.4%
Red Hat, Inc.	3.4%
Intercontinental Exchange, Inc.	3.2%
Zoetis Inc.	2.9%
Total of Top 10	**42.8%**

Fund Review and Outlook

The William Blair SICAV US All Cap Growth Fund underperformed its benchmark, the Russell 3000 Growth Index, during the third quarter. Underperformance was largely the result of stock-specific dynamics as style factors were largely offsetting. From a style perspective, our emphasis on companies with more durable business models was a headwind as companies with more volatile fundamentals outperformed, a common dynamic in strong up markets such as the third quarter. Offsetting this was our higher growth bias, and resulting lower dividend yield exposure, as stocks with higher growth characteristics generally outperformed. On a stock specific basis, our top detractors were Newell Brands (Consumer Discretionary), Starbucks (Consumer Discretionary), Westinghouse Air Brake Technologies (Industrials) and j2 Global (Information Technology). Newell Brands underperformed primarily after the company lowered 2017 earnings guidance due to higher input costs resulting from factory closures related to Hurricane Harvey. Our Health Care holdings lagged those of the benchmark in the quarter, driven by our position in Allergan and the performance of select non-held stocks in Biotechnology. Shares of Allergan declined in the quarter on fears that patents for a particular product were weaker than previously assessed and on downward earnings estimate revisions based on higher marketing spend for new product launches and product development. In large cap biotech, the significant outperformers in the quarter were companies with attractive free cash flow yields but where some combination of either slowing growth, high single product exposure or significant patent risk cloud the intermediate to long term earnings visibility. Our decision to not own companies with these characteristics (namely AbbVie and Gilead) challenged relative performance in the quarter given the strong performance of the group. Our top contributors in the quarter included

MasterCard (Information Technology), Red Hat (Information Technology), Raytheon (Industrials), Texas Instruments (Information Technology) and Align Technology (Health Care). MasterCard outperformed in the quarter given strong fundamentals and optimism around the company's investor day, where management raised guidance highlighting strength in its core business and opportunities in faster payments and international markets as key drivers for the increasingly positive outlook. Cloud-based enterprise software provider Red Hat outperformed on continued strong business results as CIO's increasingly view Red Hat's offering as a strategic investment in shifting toward more agile cloud IT infrastructures.

While positive economic data and corporate earnings growth fueled robust equity returns for the first three quarters of 2017, it remains to be seen if the level of equity returns experienced so far this year is sustainable in an environment where many risks remain. Pertaining to fiscal policy, it is unclear whether the current Administration will be able to implement pro-growth initiatives such as tax reform and infrastructure spending after being unsuccessful in implementing meaningful health care reform to date. Lack of progress on pro-growth initiatives could dampen optimism that the U.S. economy will have sustained higher growth going forward. Regarding monetary policy, the U.S. Federal Reserve, after two federal funds rate increases so far this year, remains focused on the health of the labor market and its 2% inflation target. While job gains have remained solid and unemployment is at historically low levels, headline inflation remains low. If inflation does not accelerate, the Federal Reserve may have to balance interest rate increases with inflation below targeted levels. The U.S. economy is also subject to risks from abroad. A major geopolitical conflict in the Korean Peninsula, an aggressive pull back in quantitative easing in Europe or a financial crisis from high debt levels in China all have the potential to derail positive economic momentum in the U.S.

We continue to focus our attention analyzing businesses from a bottom-up, fundamental perspective. As such, impacts of economic developments are analyzed on a company-by-company basis. We continue to invest in companies with durable growth drivers and whose stocks present compelling risk/reward opportunities. It is our view that a portfolio constructed in this way is less dependent on economic growth and will be rewarded over time.

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Fund Documents
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 our website SICAV.williamblairs.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 (Paying agent in Switzerland is NPB New Private Bank Ltd, Limmatquai 1, CH-8022 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.

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Further specific risks may arise in relation to specific investments and you should review the risk factors very carefully before investing. Intended risk profile of the Fund may change overtime. The Fund is designed for long-term investors. For the most current month-end performance information, please visit our web site at SICAV.williamblair.com.

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