William Blair

3Q 2018

Fund Manager Commentary
William Blair SICAV US All Cap Growth Fund

Market Summary

Returns for U.S. growth style indices were robust in the third quarter as many finished the quarter at or near all-time highs. After a start to the year that included a spike in volatility amid concerns about rising input costs and elevated valuations, returns for the second and third quarters reflected a healthy domestic economy and strong corporate performance. Specific to the third quarter, investors appeared to dismiss concerns about an escalating trade war and a flattening yield curve, which has sometimes preceded an economic slowdown. Reported U.S. GDP growth improved to 4.2%, the fastest since 2014. Earnings growth continued to be robust as businesses benefited from the corporate tax cuts signed into law late last year as well as increased corporate and consumer spending. Earnings growth for the S&P 500 improved to 26% compared to the same period in 2017 with 76% of companies topping expectations in the most recent quarterly reporting season. While input costs have risen, they have not increased as quickly as some predicted and fears that inflation could dampen the improving backdrop seem to have subsided for the time being. Unemployment remained at historically low levels, while wage growth rose only modestly. Broadly speaking, the economic and corporate backdrop remained positive and equity markets continued their upward trajectory.

Top 10 Holdings as of 30.09.2018

Company Name	***% of Fund***
Microsoft Corporation	7.4%
Alphabet Inc.	6.8%
Amazon.com, Inc.	6.6%
Mastercard Incorporated	4.1%
Unitedhealth Group Incorporated	3.9%
Intercontinental Exchange, Inc.	2.7%
Worldpay, Inc.	2.4%
Raytheon Company	2.4%
The Progressive Corporation	2.4%
Zoetis Inc.	2.3%
Total of Top 10	**41.0%**

Fund Review and Outlook

The William Blair SICAV US All Cap Growth Fund performed approximately in-line with its benchmark, the Russell 3000 Growth Index, during the third quarter. Top stock contributors for the period were Worldpay (Information Technology) and Veeva Systems (Health Care). Shares of merchant acquirer Worldpay benefitted from strong consumer spending in the U.S., better execution in the U.K. and revenue synergies resulting from an acquisition that closed in early 2018. Veeva Systems, a cloud software and data solutions provider primarily for the life sciences industry, outperformed on strong growth of its content management software solution, which is increasingly becoming a significant source of revenue for the company. Other top contributors in the quarter included Ulta Beauty (Consumer Discretionary), Progressive Corporation (Financials) and Ball Corporation (Materials). Conversely, our largest detractor from relative performance was not holding Apple (Information Technology), the largest position in the benchmark. The valuation multiple on the stock expanded during the quarter on higher investor confidence in Apple's ability to grow revenue from services and higher priced phones. Given the saturation of the high-end smartphone market and reliance on pricing, we continue to question the durability of Apple's growth and have opted to own other stocks within the sector that are earlier in their maturation curves as growth companies. Our top owned detractor during the period was Copart, an online auction platform for salvage vehicles, which underperformed after the company reported fiscal fourth quarter earnings that were below expectations due to issues we believe to be transitory. Other laggards included Intercontinental Exchange (Financials), Carbon Black (Information Technology), BWX Technologies (Industrials) and Hilton Grand Vacations (Consumer Discretionary).

The U.S. economy remains healthy with robust corporate and consumer optimism and leading indicators that show no signs of a slowdown.

However, there are a number of risks still present that could slow or derail growth. The most prominent appears to be trade tensions with China, as both countries increased threats when the first round of tariffs were implemented in September. While the products affected by these tariffs are known, it remains to be seen how consumers and businesses will be impacted. An abrupt rise in the price of goods in either country could cause consumer sentiment to decline and be a headwind to growth. Additionally, many U.S. businesses rely on China as either a source of revenue or have aspects of their supply chain located within the country. These businesses could face disruption in the near to intermediate term.

Specific to the U.S., rising input costs and higher interest rates are both prominent risks that could dampen growth and impact valuations. Amidst a tight labor market, many companies are attempting to attract or retain workers by increasing wages which could pressure margins. Adding to expense pressures, the cost to transport goods has risen to higher-than-normal levels and the price of oil increased to over $70 per barrel at the end of the quarter. Higher interest rates could pressure corporate and consumer borrowing, and, in turn, spending.

While we remain optimistic about the U.S. economy, we believe it is important to be aware of these risks and how corporate performance could be affected. Given that we are now over nine years into an economic recovery and equity market returns have been particularly robust since early 2016, we believe it is as important as ever to focus on finding businesses with durable growth drivers and whose stocks present attractive risk/reward opportunities. We believe building a portfolio of companies and stocks with these characteristics will allow us to outperform in a variety of different economic scenarios.

The Fund, the Management Company and the Investment Manager

This document has been prepared and issued by 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 the Luxembourg Supervisory Authority of the Financial Sector (the "CSSF") as the management company of UCITS (defined below) under the EU directive 2009/65/EC, as amended.

The Management Company has been appointed as the management company of WILLIAM BLAIR SICAV, a "société d'investissement á 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 CSSF as an undertaking for collective investment in transferable securities (UCITS) in accordance with the EU directive 2009/65/EC, as amended (the "Fund").

The Management Company 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 ("William Blair Group") as the investment manager for the Fund (the "Investment Manager").

Fund Distribution

The Fund is currently registered for public offering only in the following countries: Austria, Denmark, Finland, France, Germany, Ireland, Luxembourg, Norway, Sweden, Switzerland and the UK.Therefore the Fund may not be registered to be marketed in your jurisdiction or may only be marketed to certain categories of investors in your jurisdiction.

Marketing Materials

William Blair Group makes no representations that these marketing materials are appropriate or available for use in any jurisdiction.

This document is not intended to be published or made available to any person in any jurisdiction where doing so would result in contravention of any laws or regulations applicable to the recipient.

This document shall constitute a marketing communication only in the countries in which the Fund has been registered for public offering.In any other countries, laws and regulations may restrict the access to the present website. The access to the present website is not to be considered as marketing communication or as the marketing of the shares of the Fund if such access to such information and documentation through a website would be unlawful.

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.

Recipients of this Document
The present document is not intended to be directed to those categories of investors to which the communication of this document would be unlawful in any country according to any applicable law or regulation.

This document is intended for the use of the persons to whom it is addressed, being persons who are Professional Investors as defined in the Markets in Financial Instruments Directive (2004/39/EC), understood as financial advisers, insurance companies, asset managers, discretionary wealth managers, banks and other authorised intermediaries.

Therefore, its content should not be used by retail clients. These materials are not intended to be distributed or passed on, directly or indirectly, to any other class of persons and may not be relied upon by such persons and is therefore not intended for private individuals or those who would be classified as retail clients. William Blair Group does not accept responsibility for retail clients accessing information intended exclusively for Professional Investors.

No Investment Advice
This document has been produced for information purposes only and is not to be construed as investment advice or a solicitation or an offer to purchase or sell investments or related financial instruments to any recipients.

The investments in the Fund may not be suitable for all recipients. This document does not contain personalized recommendations or advice and is not intended to substitute any professional advice on investment in financial products.

Recipients of this document should make their own investment decisions based upon the Fund Documents listed above (which can be obtained free of charge) and in accordance with their own financial objectives and financial resources and, if in any doubt, should seek advice from independent professional advice as to risks and consequences of any investment.

Risks
Recipients of this document should be aware of the risks detailed in this paragraph. Please be advised that any return estimates or indications of past performance on this document are for information purposes only. Past performance is not necessarily a guide to future performance and no assurance can be made that the profits will be achieved or that substantial losses will not be incurred. Returns for periods of one year or more are annualized. All charges and fees, except any entry, exit and switching charge, have been taken into account in calculating the Fund’s performance. The value of shares and any income from them can increase or decrease. An investor may not get back the amount originally invested.

Where investment is made in currencies other than the investor's base currency, the value of those investments, and any income from them, will be affected by movements in exchange rates. This effect could be unfavourable as well as favourable. Levels and bases for taxation may change.

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.

William Blair's Opinion
This document contains the opinions of William Blair, as at the date of issue based on sources believed to be reliable. However, William Blair does not guarantee the timeliness, accuracy, or completeness of the information contained in this document. All information and opinions may change without notice.

Property of William Blair
This document is the property of William Blair and is not intended for distribution or dissemination, directly or indirectly, to any other persons than those to which it has been addressed exclusively for their personal use. It is being supplied to you solely for your information and may not be reproduced, modified, forwarded to any other person or published, in whole or in part, for any purpose without the prior written consent of William Blair.

Liability
To the extent permitted by applicable law, William Blair will accept no liability for any direct or consequential loss, damages, costs or prejudices whatsoever arising from the use of this document or its contents.

As used in this document, "William Blair" means William Blair Investment Management, LLC and the Investment Management division of William Blair & Company, L.L.C.

Copyright © 2018 William Blair. William Blair is a registered trademark of William Blair & Company, L.L.C. “William Blair” refers to William Blair & Company, L.L.C., William Blair Investment Management, LLC, and affiliates.