William Blair

1Q 2019

Fund Manager Commentary
William Blair SICAV US All Cap Growth Fund

Market Summary

U.S. equities had a strong start to the year as most major benchmarks posted their best quarterly return in nearly ten years. After the pronounced sell-off to end 2018, comments from Federal Reserve Chairman Powell and progress in trade negotiations with China spurred optimism causing stocks to rally. Comments from the Federal Open Market Committee (FOMC) indicated that they do not intend to raise the Federal Funds rate in 2019 and ongoing discussions between high-level officials from the U.S. and China put fears of an escalating trade war on hold for the time being. Despite robust equity market returns, U.S. economic data in the quarter was somewhat mixed. Low unemployment and mild inflation remain positive indicators for the health of the economy. However, gauges for consumer spending and manufacturing activity were lower than many expected but still well above recessionary levels. Additionally, gross domestic product (GDP) growth for 2018 was revised down slightly to 2.9%. Pertaining to corporate performance, companies in the S&P 500 reported earnings growth of approximately 15% for the fourth quarter. While a step down from the levels experienced in the preceding quarters, U.S. companies continued to perform well against a backdrop of solid domestic economic activity and corporate tax cuts.

Fund Review and Outlook

The William Blair SICAV US All Cap Growth Fund outperformed its benchmark, the Russell 3000 Growth Index, during the first quarter. Outperformance was driven by stock specific dynamics as style factors were mixed and largely offsetting. Strong stock selection in Health Care, including our position in Portola Pharmaceuticals, and Industrials, including our position in CoStar Group, benefited relative returns. Shares of biopharmaceutical company Portola outperformed after the company reported that it received approval for its second generation manufacturing process for Andexxa, a previously approved anticoagulant compound, that will allow the company to better meet demand. The top individual contributor to performance was Worldpay (Information Technology). Shares of the merchant acquirer advanced on strong execution following its 2018 Vantiv acquisition and the announcement that Worldpay itself had agreed to be acquired. Other standout performers included Ulta Beauty (Consumer Discretionary) and Arista Networks (Information Technology). Our top detractors during the quarter could generally be categorized as steady growers that failed to keep up amid an extremely strong market. Specifically, the top two detractors were Intercontinental Exchange (Financials) and UnitedHealth Group (Health Care). Exchange operator Intercontinental Exchange underperformed primarily due to lower volatility and investor preference for more cyclical growth financial stocks in the quarter. UnitedHealth reported solid business results, but shares declined along with other managed care organizations as a Medicare For All bill was introduced in the House of Representatives that would reduce the role of managed care providers in the U.S. Other laggards during the period were Healthcare Services Group (Industrials), Coca-Cola (Consumer Staples) and Weight Watchers (Consumer Discretionary).

Top 10 Holdings as of 31.03.2019

Company Name	*% of Fund*
Microsoft Corporation	7.6%
Alphabet Inc.	6.8%
Amazon.com, Inc.	6.2%
Mastercard Incorporated	4.3%
Unitedhealth Group Incorporated	3.6%
The Coca-Cola Company	3.0%
Ball Corporation	2.7%
Intercontinental Exchange, Inc.	2.6%
Raytheon Company	2.4%
Stryker Corporation	2.1%
Total of Top 10	**41.3%**

The U.S. economy remains healthy with many believing the current expansion will persist and become the longest in U.S. history later this year.

While GDP and earnings growth are likely to slow in the first half of 2019 from levels seen last year, expectations are that growth will improve in the latter half of the year. Company management teams generally remain upbeat as they have not seen a major decrease in business or consumer economic activity. The pause in interest rate increases should provide some relief in the short term for investors worried about companies needing to refinance debt that was taken out at ultra-low interest levels in the years following the Great Recession. However, over the intermediate to long term, the large amount of debt issued since 2009 may need to be refinanced at higher rates. In addition, business and consumer focus on servicing that debt may subdue investment and depress growth. Other prominent risks to corporate profitability in 2019 include an acceleration in wage growth and higher input costs. Globally, economic activity in China has improved with stimulus measures put in place by the government in the last year. A reversal in this improvement, a material slowdown in Europe caused by Brexit, or a rise in geopolitical tensions in the Middle East or Asia could all have negative implications for the U.S. economy.

We continue to focus on bottom-up, fundamental analysis to identify quality growth companies whose stocks we believe can outperform over time. Despite sharp moves in the prices of many U.S. stocks over the past two quarters, we believe concentrating our research efforts on long term business fundamentals is the best way to identify truly durable companies. By building a portfolio of inefficiently priced, quality growth companies, we believe our Fund will hold up well in a variety of economic environments.

FUND INFORMATION
The SICAV has appointed FUNDROCK MANAGEMENT COMPANY S.A., a "société anonyme" incorporated under the laws of the Grand Duchy of Luxembourg and having its registered office at 33, rue de Gasperich, L-5826 Hesperange as its management company (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, having its registered office at 150 North Riverside Plaza Chicago, IL 60606-1598, USA ("William Blair Group") as the investment manager for the Fund (the "Investment Manager").
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.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.
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
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