

Fund Manager Commentary
 William Blair SICAV US All Cap Growth Fund

Market Summary

Following a pronounced sell-off to end 2018, U.S. equities had a strong start to 2019. Spurring the first quarter recovery were comments from the Federal Open Market Committee (FOMC) indicating that it would be patient and flexible with future monetary policy decisions. A solid U.S. economic backdrop and healthy corporate earnings trends further supported the market.

Relative to the robust first quarter, positive performance was more moderate in the second quarter and included significant swings on a monthly basis. U.S. corporations reported first quarter earnings that were broadly better than investors' previously-lowered expectations, providing support for equities to move higher during the month of April. From there, macro considerations, most notably rising trade tensions and a perceived shift in U.S. Federal Reserve policy, seemed to drive the direction of the market. As trade threats dominated the news, rising investor angst around the possible impacts of protectionism on global economic growth and corporate earnings corresponded with a decline in equities. A subsequent recovery during the month of June was helped by the perception of a shift in Fed policy and its increased willingness to cut interest rates if economic conditions deteriorate.

While equities moved higher over the course of the quarter, the 10 year Treasury yield declined and the yield curve (10 year/3 month maturities) inverted, which some view as a leading indicator of a potential recession. Further supporting the notion of slowing economic growth, U.S. manufacturing activity weakened, while growth in housing prices slowed. However, strength in consumption and retail sales, bolstered by low unemployment and moderate wage growth, allowed investors to look through some of the more cautionary indicators, bringing U.S. equities back near all-time highs to close out the second quarter.

Top 10 Holdings as of 30.06.2019

Company Name	% of Fund
Microsoft Corporation	8.2%
Amazon.com, Inc.	6.7%
Alphabet Inc.	6.2%
Mastercard Incorporated	4.6%
Unitedhealth Group Incorporated	3.4%
The Coca-Cola Company	3.1%
Intercontinental Exchange, Inc.	2.8%
Ball Corporation	2.7%
BWX Technologies, Inc.	2.3%
Costco Wholesale Corporation	2.2%
Total of Top 10	42.2%

Fund Review and Outlook

The William Blair SICAV US All Cap Growth Fund outperformed its benchmark, the Russell 3000 Growth Index, during the second quarter. Positive relative performance was driven by stock selection, notably in Industrials and Materials. Top individual contributors during the period were Ball Corporation (Materials) and Copart (Industrials). Metal packaging provider Ball Corporation benefited as strong demand drove volume growth for aluminum cans. Shares of Copart, an online auction platform for salvage vehicles, outperformed as a growing buyer base drove higher average selling prices and Copart raised buyer fees on select vehicles. Other top contributors included CoStar Group (Industrials), Mastercard (Information Technology) and Veeva Systems (Health Care). Conversely, top detractors during the period were Pure Storage (Information Technology), Portola Pharmaceuticals (Health Care), Arista Networks (Information Technology) and Raytheon (Industrials). Flash-based storage solutions provider Pure Storage underperformed due to an increased focus on large enterprise accounts with lengthened sales cycles. In addition, positioning within Communication Services detracted from relative performance, in part due to our position in Alphabet and not owning Facebook. Shares of Alphabet underperformed on incrementally slower

growth and a likely overhang from the increased antitrust scrutiny of “big tech” companies.

Despite strong equity market performance during the first half of 2019, many of the risks that contributed to the late 2018 selloff remain. From a Fed policy perspective, it is not clear how much impact the interest rate increases implemented over the past 18 months will have on the economy or how effective monetary policy would be in stimulating the economy from here, given financial conditions are already quite supportive. Global interest rates have declined year-to-date with continued monetary stimulus from China and other central banks. In addition, the Fed faces the challenge of managing the economy against investor expectations, which call for several interest rate cuts over the next twelve months, and a trade policy that is in flux and could ultimately have varying effects on U.S. economic growth. In the meantime, tariff uncertainty can have a real economic impact by disrupting supply chains and causing corporations to delay investment activity. Ongoing trade negotiations, as well as political disruption leading into the 2020 U.S. presidential election, are likely to result in continued market volatility.

Balancing some of these uncertainties are data points that indicate a still healthy U.S. economy, now in its eleventh year of expansion. The labor market, in particular, remains robust with continued low unemployment and moderate wage growth. U.S. consumer confidence remains high and spending healthy, while corporate bond yields have declined, reducing interest expense for corporations. Corporate profit margins are strong, notwithstanding the fact that they broadly contracted during the most recent quarter as many companies have not been able to fully offset wage growth and higher input costs with price increases. We feel relatively well positioned in this regard as our investment approach has always emphasized companies with high value propositions that enable better than average pricing flexibility.

With valuation multiple expansion having been a significant driver of market returns in 2019, the onus is now on corporate earnings. We believe our longstanding focus on identifying durable businesses,

whose stocks present attractive risk/reward opportunities, will serve us well in an environment of uncertainty where business fundamentals are especially important.

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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. Both past performance and yield may not be a reliable guide to future performance. The value of investments and income from them may fall as well as rise and investors may not get back the full amount invested. 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.

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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. The most current month-end performance information is available on sicav.williamblair.com.

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 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 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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