

William Blair SICAV US Equity Sustainability Fund Summary and Outlook

Market Overview

Following the first quarter equity market decline, performance of U.S. equity indices worsened during the second quarter. Using the S&P 500 Index as a proxy for U.S. equity market performance, it was the weakest first half of a year since 1970.

In a volatile first quarter, the Omicron wave, inflation concerns, and the invasion of Ukraine weighed on equity valuations. Elevated inflation drove expectations for faster monetary tightening by the Federal Open Market Committee (FOMC) and corresponded with a rise in 10-year U.S. Treasury bond yields and U.S. mortgage rates. During March, the FOMC increased the target federal funds rate by 25 basis points for the first increase in this cycle.

The second quarter was characterized by tightening financial conditions and weakening economic data. The Consumer Price Index hit a multi-decade high, and the Fed implemented two additional rate increases. In total, the Fed raised rates by 150 basis points year-to-date, and signaled further increases for the balance of the year. With record-high gas prices, elevated mortgage rates, lower asset prices and higher food costs, consumer sentiment declined in the quarter. Other economic data points, including U.S. manufacturing PMIs and housing-related indicators, also weakened. While these dynamics pressured stock prices, U.S. corporate earnings remained solid.

Fund Performance

The William Blair SICAV U.S. Equity Sustainability Fund underperformed its benchmark, the S&P 500 index during the second quarter. The fund trailed the S&P 500 Index in the second quarter, while outperforming the Russell 3000 Growth Index. As compared to the S&P 500, relative performance was negatively impacted by style factors. In a continuation of first quarter dynamics, our exposure to more durable growers was a headwind as cheaper stocks with more cyclical outperformed during the period. On a stock-specific basis, our top detractors were Bright Horizons (Consumer Discretionary) and Workday (Information Technology). Shares of Workday were pressured by the deferral of several large customer deals, while Bright Horizons declined due to lower utilization of its services, attributable a slower recovery in childcare demand than previously expected, due in part to ongoing COVID infections. Other notable laggards included Alphabet (Communication Services) and two companies that normally exhibit “staple-like” stock performance in weak equity markets, Intercontinental Exchange (Financials) and Ball Corp (Materials) but did not during this time frame. Top portfolio contributors during the period were Coca-Cola (Consumer Staples), UnitedHealth (Health Care), Energy Recovery (Industrials), TJX Companies (Consumer Discretionary) and Abbott Laboratories (Health Care).

Top 10 Holdings as of 6/30/2022

<i>Company Name</i>	<i>% of Fund</i>
Microsoft Corp.	8.4
The Coca-Cola Co.	7.0
Unitedhealth Group Inc.	6.7
Alphabet Inc.	6.6
Mastercard Inc.	4.0
Ball Corp.	3.7
Accenture PLC	3.6
Abbott Laboratories	3.3
Amazon.com, Inc.	2.9
TJX Companies Inc.	2.6
Total Top 10	48.8

Coca-Cola exhibited strong execution in a challenging operating environment, while UnitedHealth Group reported strong results across multiple segments. Relative performance was also helped by the underperformance of a number of large benchmark constituents that we did not own in the portfolio, namely NVIDIA (Information Technology), Tesla (Consumer Discretionary) and Apple (Information Technology).

Outlook

Recent data points suggest a slow-down in economic activity relative to the extremely strong levels experienced in 2021. Supply chain disruptions present continued challenges as over-ordering amid shortages is now yielding excessive inventories in some pockets of the economy. U.S. consumers are increasingly feeling the pressures of inflation, dampening real income and confidence, while a supportive labor market and healthy post-COVID demand for experiential purchases remain bright spots.

With the backdrop of inflationary pressures and rising interest rates, equity market weakness year-to-date has been driven primarily by valuation compression while corporate earnings have exhibited resilience thus far. It is broadly anticipated that in the coming quarters corporate earnings will begin to reflect the challenges observed in other parts of the economy.

As investor focus shifts from higher rates to the potential for an economic slowdown, we believe it is increasingly likely that investors will differentiate among stocks on the basis of quality attributes, such as the durability of margins and earnings. In our view, companies with these attributes are in a better position than many of their peers to navigate turbulence. We believe our philosophy of identifying durable businesses whose stocks present attractive risk/reward opportunities should add value in a variety of economic environments, as it has historically.



IMPORTANT DISCLOSURES

This is a marketing communication. Please carefully consider the investment objectives, risks, charges, and expenses of the Company. This and other important information is contained in the Company's Prospectus and KIIDs, which you may obtain by visiting sicav.williamblair.com. Read these documents carefully before investing.

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.

Specific securities identified and described to do not represent all of the securities purchased or sold, and you should not assume that investments in the securities identified and discussed were or will be profitable. Holdings are subject to change at any time. References to specific securities and their issuers are for illustrative purposes only and are not intended and should not be interpreted as investment advice, offer or a recommendation to buy or sell any particular security or product.

Any discussion of particular topics is not meant to be complete, accurate, comprehensive or up-to-date and may be subject to change. Factual information has been taken from sources we believe to be reliable, but its accuracy, completeness or interpretation cannot be guaranteed. Information and opinions expressed are those of the author and may not reflect the opinions of other investment teams within William Blair. Information is current as of the date appearing in this material only and subject to change without notice.

Risks

The value of shares can increase or decrease and an investor may not get back the amount originally invested. Where investments are made in currencies other than an investor's base currency, the value of those investments will be affected (favourably or unfavourably) by movements in exchange rates. Equity securities may decrease in value in response to the activities of an individual company or in response to general market, business, and economic conditions. The Fund focuses its investments in the United States and will have greater exposure to the market, political and economic risks of that country than if it was more diversified across a number of countries.

The application of sustainability and ESG criteria may cause the Fund to forego certain investments that would otherwise meet its objective and strategy, and these criteria may not align with the views of any particular investor.

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 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.

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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.

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.