

William Blair SICAV – U.S. Small-Mid Cap Growth Fund

Class I (I GBP)

William Blair

Portfolio Review

June 2020

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Market Overview

While COVID-19 was the dominant force affecting the economy and equities year-to-date, the tenor of the market was dramatically different in the first and second quarters of the year.

During the first quarter, equities declined rapidly as market participants digested the magnitude of the economic impact of COVID-19. Stay-at-home directives effectively shut down many segments of the economy. First quarter GDP declined 5% and the unemployment rate spiked to almost 15%. This was the most dramatic decline in GDP and the sharpest rise in unemployment in the post-World War II period.

After bottoming in mid-March, equity returns were robust during the second quarter. This was predominately the result of massive amounts of fiscal and monetary stimulus, coupled with improving COVID-19 trends, optimism regarding vaccine development and progress toward re-opening the economy. The Federal Reserve (Fed) responded quickly and dramatically in an attempt to limit economic damage. With the federal funds rate near zero and purchases of both government and corporate bonds, the Fed balance sheet has expanded by over \$3 trillion since the pandemic began. The Fed's actions, paired with unprecedented levels of fiscal stimulus, supported strong demand for equities and a decline in fixed income spreads.

The strength of the recovery brought several market indices into positive territory for the first half of the year. The S&P 500 was down close to 20% in the first quarter and regained nearly all of the lost ground, returning over 20% during the second quarter – its highest quarterly gain since 1998.

Portfolio Performance

With the Russell 2500 Growth benchmark up over 32% during the second quarter, the portfolio did not keep pace due to a combination of style headwinds and stock specific dynamics. From a style perspective, the companies within the lowest quintile of return on invested capital along with the most volatile, highest beta equities outperformed, creating an unfavorable style environment for the portfolio given our high-quality investment philosophy. From a stock specific standpoint, our top detractors were Encompass Health (Health Care), Brink's Company (Industrials), Live Nation Entertainment (Communication Services) and Martin Marietta (Materials). Shares of Encompass Health lagged in the second quarter after outperforming earlier in the year. While home health providers are likely to benefit longer term from recent regulatory changes that reduce friction for getting patients in-home care, shorter-term delays impacted the stock in the quarter. COVID-19 related closures weighed on cash management services provider Brink's Company, most notably as it relates to revenues derived from retail locations that were either temporarily closed or operating on a limited basis. Within Information Technology, our position in j2 Global and our underweight to the most expensive stocks in the sector (e.g., Software), which materially outperformed, detracted from relative returns. Conversely, top contributors included Horizon Therapeutics (Health Care), Etsy (Consumer Discretionary), Portola Pharmaceuticals (Health Care), Trex Co (Industrials) and SolarEdge Technologies (Information Technology). Horizon Therapeutics benefitted from robust growth of the company's newly launched drug Tepezza, as well as broad based strength across the rest of the business. E-commerce marketplace Etsy added new buyers to its platform amid COVID-19 retail disruption, which we believe could sustainably increase longer-term sales potential for the company. Stock specific contributors and detractors for the

second quarter are discussed in greater detail at the end of this quarterly review.

Despite adding value during the first quarter market sell off, the portfolio trailed its benchmark on a year-to-date basis due to a combination of style headwinds and stock specific factors. From a style perspective, year-to-date dynamics were similar to those of the second quarter wherein the most volatile, highest beta and lowest ROIC quintiles of the benchmark were the best performers. While these dynamics persisted across our benchmark, they are exemplified by Biotechnology, which, in the small/mid space, consists mostly of speculative companies without approved products and outperformed year-to-date. Our underweight to these types of companies was a relative headwind. Partly offsetting this headwind was our typical larger market cap profile relative to the Russell 2500 Growth benchmark as the largest stocks in our universe outperformed year-to-date. From a stock specific standpoint, selection in Information Technology, including our position in Euronet Worldwide, and our underweight to the most expensive stocks in the sector (e.g., Software) detracted from relative returns. Top individual stock detractors were Brink's Company (Industrials), for the reasons discussed above, and Live Nation Entertainment (Communication Services), due to the negative impact social-distancing measures have on the company's ability to conduct live events. Other notable underperforming holdings were Martin Marietta (Materials) and Jones Lang LaSalle (Real Estate). Conversely, top contributors included Horizon Therapeutics (Health Care) and Etsy (Consumer Discretionary), for the reasons highlighted above, as well as BJ's Wholesale Club (Consumer Staples) and Zynga (Communication Services). Stock selection in Industrials, including our position in Trex Company, also added value.

Outlook

Despite the recovery of the equity market, significant uncertainty remains as we emerge from an economic shutdown amidst an ongoing global health pandemic. The economic trajectory of the U.S. is unclear as some states begin to re-open while others retrench in response to rising COVID-19 infections. Early signs of economic improvement could prove fleeting as unemployment benefits expire and potential structural changes could leave some workers permanently out of work. Possible offsets to these challenges include the development of a vaccine and the lagged impact of monetary and fiscal stimulus. These factors, together with social unrest and a contentious forthcoming U.S. presidential election, leave corporate management teams with limited visibility.

As long-term investors, we are reminded more than ever that companies with superior management, high barriers to entry, differentiated products or services, and the financial flexibility to invest through uncertainty should ultimately prevail. We continually seek to identify companies that we believe will come out the other side of this unprecedented period stronger, with increased market share and profitability, regardless of the shape and duration of the broader recovery. While non-fundamental factors can create short-term volatility, the foundational belief upon which our portfolio is built is that earnings and cash flows are the determinants of long-term value creation and stock performance.

	Value	Core	Growth
Month to Date			
Russell 3000	-0.46	2.29	4.32
Russell 1000	-0.66	2.21	4.35
Russell Midcap	1.13	1.80	2.34
Russell 2500	1.86	2.89	3.68
Russell 2000	2.90	3.53	3.84
Quarter to Date			
Russell 3000	14.55	22.03	27.99
Russell 1000	14.29	21.82	27.84
Russell Midcap	19.95	24.61	30.26
Russell 2500	20.60	26.56	32.87
Russell 2000	18.91	25.42	30.58
Year to Date			
Russell 3000	-16.74	-3.48	8.98
Russell 1000	-16.26	-2.81	9.81
Russell Midcap	-18.09	-9.13	4.16
Russell 2500	-21.18	-11.05	2.02
Russell 2000	-23.50	-12.98	-3.06

Market Performance

- U.S. equity returns were robust during the second quarter. This was predominately the result of massive amounts of fiscal and monetary stimulus, coupled with improving COVID-19 trends, optimism regarding vaccine development and progress toward re-opening the economy.
- The strength of the second quarter recovery brought several growth style indices into positive territory for the year-to-date period, while value indices remained in negative territory.

Style Performance

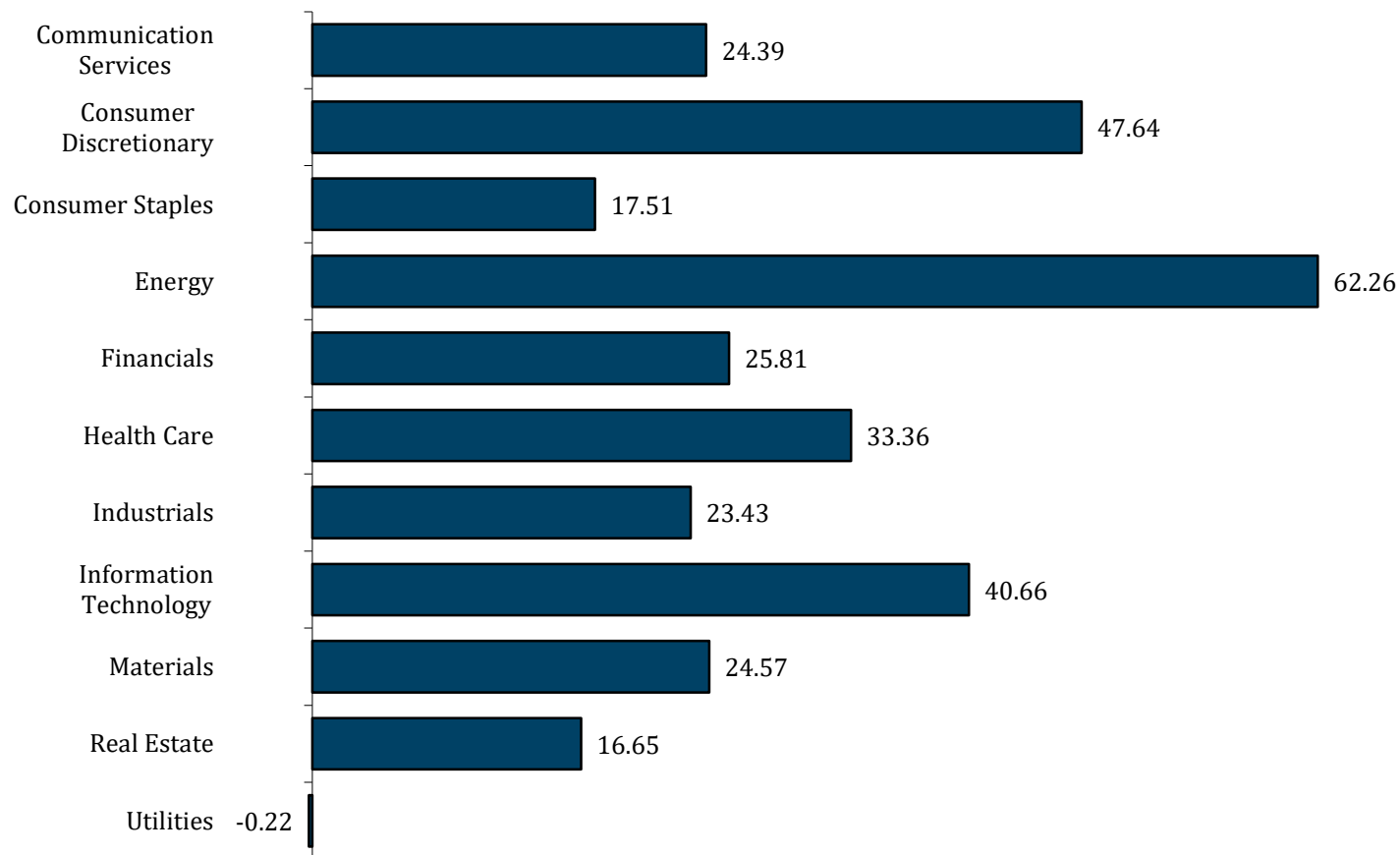
- Growth benchmarks outperformed value benchmarks during March, the second quarter and year-to-date periods. The dispersion of returns between growth and value was widest among large caps.

Market Cap Performance

- While performance across the market cap spectrum was mixed during June, smaller caps outperformed larger caps during the second quarter.
- Year-to-date, larger caps outperformed smaller caps.

The Russell 3000 Index measures the performance of the all-cap segment of the U.S. equity universe. The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell Midcap Index measures the performance of the mid cap segment of the U.S. equity universe. It includes approximately 800 of the smallest securities in the Russell 1000 Index based on a combination of their market cap and current index membership. The Russell 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe. It includes approximately 2500 of the smallest securities in the Russell 3000 Index based on a combination of their market cap and current index membership. The Russell 2000 Index measures the performance of the small cap segment of the U.S. equity universe. It includes approximately 2000 of the smallest securities in the Russell 3000 Index based on a combination of their market cap and current index membership. Core returns represent the Total Return indices. The value segments of these indices include companies with lower price-to-book ratios and lower forecasted growth values. The growth segments of these indices include companies with higher price-to-book ratios and higher forecasted growth values.

**Russell 2500 Growth Total Return
Q2 2020**



Data calculated in our proprietary attribution system. Past returns are no guarantee of future performance. A direct investment in an index is not possible. The Russell 2500 Growth Index measures the performance of the Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values.

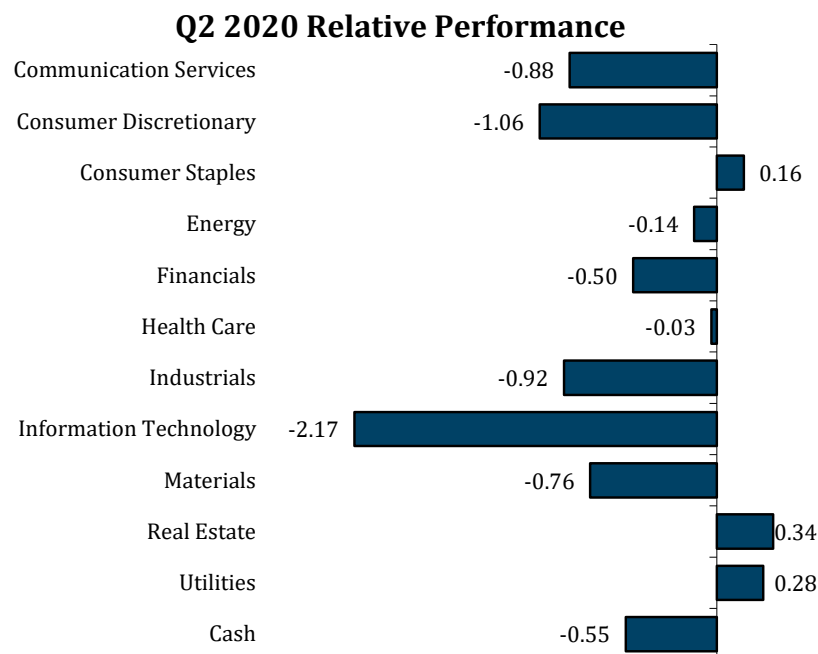
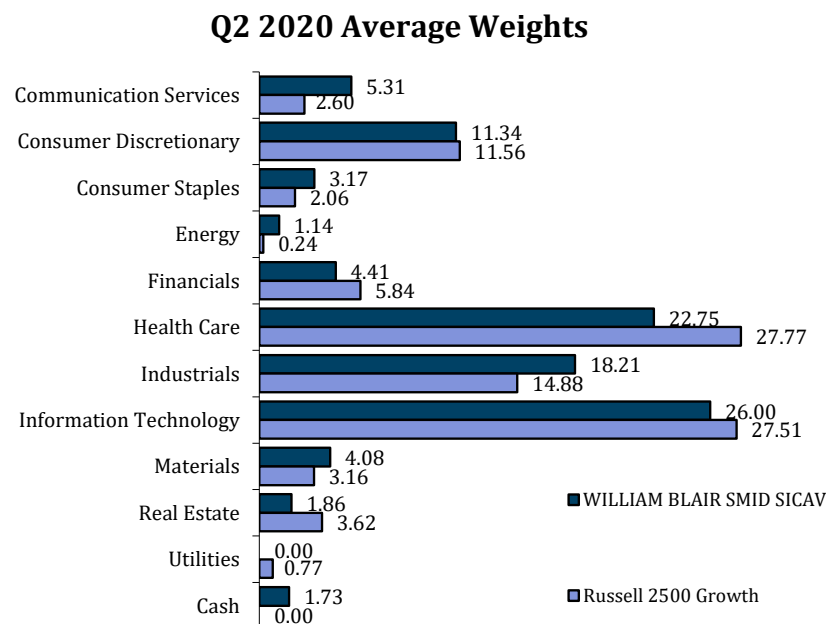
Periods ended 30/06/2020	Quarter	YTD	1 Year	Since Inception*
William Blair SICAV – U.S. Small-Mid Cap Growth Fund (Class I I GBP)	26.47%	7.55%	7.91%	12.89%
Russell 2500 Growth (GBP)	33.34%	9.38%	12.49%	15.65%

*Inception 05/11/2018

The Russell 2500 Growth Index measures the performance of the Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values.

Periods greater than one year are annualized. All charges and fees have been included within the performance figures. For the most current month-end performance information, please visit the SICAV website at sicav.williamblair.com. Please refer to the 'Important Disclosures' section at the end of this document for further information on investment risks and returns.

The charts below show the average sector weights and relative performance, by sector, for the portfolio vs. its benchmark.



Source: Proprietary attribution system.

The Russell 2500 Growth Index measures the performance of those Russell 2500 companies with higher price-to book ratios and higher forecasted growth values. It is a capitalization-weighted index as calculated by Russell on a total return basis with dividends reinvested. This benchmark is a comparable market proxy. Performance shown assumes reinvestment of dividends and capital gains and is gross of investment management fees. Deduction of fees would reduce the returns shown. Please refer to the 'Important Disclosures' section at the end of this document for further information on investment risks and returns.

The securities listed below are significant contributors to performance for the quarter ended 30/06/2020.

Horizon Therapeutics (HZNP) is a specialty biopharmaceutical company focused on drug formulations that target unmet needs in arthritis pain, inflammation and rare diseases. During the quarter, the company reported first quarter revenues that far exceeded expectations, driven by the robust growth of the company's newly launched drug Tepezza, as well as continued strong growth of Krystexxa and broad based strength across the rest of the business despite facing headwinds related to the COVID-19 pandemic. The management team continues to execute well at expanding market penetration. We trimmed our position on strength as the market has begun to recognize more of the value we saw in the stock. We believe the company will continue to shift its portfolio of treatments to highly profitable, rare disease drugs, which will improve the durability of growth and future earnings potential.

Etsy (ETSY) is an e-commerce marketplace for small-scale sellers. The site sells over 50 retail categories, including furniture, jewelry, stationary, clothing, home goods, craft supplies and vintage items. During the quarter, Etsy added new buyers to its platform amid COVID-19 retail disruption, experienced increased frequency of visits among existing occasional buyers and announced plans to increase brand-marketing investment. We believe these factors could sustainably increase longer-term sales potential for Etsy. We trimmed our position on strength, but believe the company has an attractive business model and long runway for growth given management's focus on improving buyer conversion, innovation and seller marketing.

Portola Pharmaceuticals (PTLA) is a biopharmaceutical company focused on the development and commercialization of novel therapeutics in hematology. Portola agreed to be acquired by Alexion Pharmaceuticals for a significant premium to the prior closing price. We liquidated our position following the announcement.

Holdings are subject to change at any time. Please refer to the 'Important Disclosures' section at the end of this document for further information on investment risks and returns.

The securities listed below are significant detractors to performance for the quarter ended 30/06/2020.

Encompass Health (EHC) is a leading provider of rehabilitative healthcare services, through its home health services and network of inpatient rehabilitation facilities. The company offers a range of services including the management and treatment of medical conditions, physical and occupational therapy, speech-language therapy and post-discharge services. After outperforming during the first quarter, shares of Encompass Health lagged amid robust second quarter market returns. While home health providers are likely to benefit longer term from recent regulatory changes that reduce friction for getting patients in-home care, there were shorter-term delays. Specifically, elective procedures were delayed to enable more COVID-19 patients to be treated, leading to less patients in need of rehabilitation services at an Encompass Health facility. Also, additional testing requirements ahead of discharge elongated the time it takes to move patients to post-acute care settings. We maintained our position. We believe Encompass Health remains well positioned given the industry shift toward lower cost, higher quality providers, and the accelerating demographics for its core customer.

Brink's Company (BCO) is the largest global cash management services company providing services such as secure transportation of cash and highly valuable commodities, ATM replenishment, payment services, security services and guarding. COVID-19 related closures continued to weigh on the business, most notably among revenues derived from retail locations that were either temporarily closed or operating on a limited basis. Despite these near-term headwinds, we believe Brink's Company is positioned to benefit and is likely to recover rapidly as lockdown restrictions are eased and global trends in cash usage remain favorable. We maintained our position and believe the market is underestimating the long-term returns profile of the business overall.

Live Nation Entertainment (LYV) is a global leader in live entertainment, including concert promotion and production, venue operations, talent management and ticketing. Both venues and artists gravitate to Live Nation as its ticketing platform Ticketmaster's extensive database enables efficient marketing, thereby maximizing attendance and ticket price. Live Nation faces significant near-term uncertainty due to the negative impact social-distancing measures have on the ability to conduct live events. However, longer-term supply and demand dynamics remain intact as artists remain eager to perform and the company has sufficient liquidity to weather disruption, unlike some smaller operators. We trimmed our position, acknowledging high short-to-intermediate term uncertainty, but believe the longer-term opportunity remains attractive. We believe that in a more normal environment, Live Nation is uniquely positioned to improve its already-dominant position in the concert segment, while outsized growth in its higher-margin ticketing and sponsorship businesses should improve overall profitability.

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Top 10 Holdings by Weight		
	SMID SICAV % in Portfolio	Russell 2500 Growth % in Index
Horizon Therapeutics Plc	3.13	0.58
BWX Technologies Inc	3.08	0.21
Grand Canyon Education Inc	2.93	0.00
Nice Ltd - Spon Adr	2.22	0.00
Martin Marietta Materials	2.18	0.00
Trex Company Inc	2.05	0.46
Encompass Health Corp	2.03	0.17
Etsy Inc	1.96	0.76
Zynga Inc - Cl A	1.94	0.42
Pure Storage Inc - Class A	1.94	0.15
Total:	23.47	2.74

Source: Eagle.

As of Date: 30/06/2020

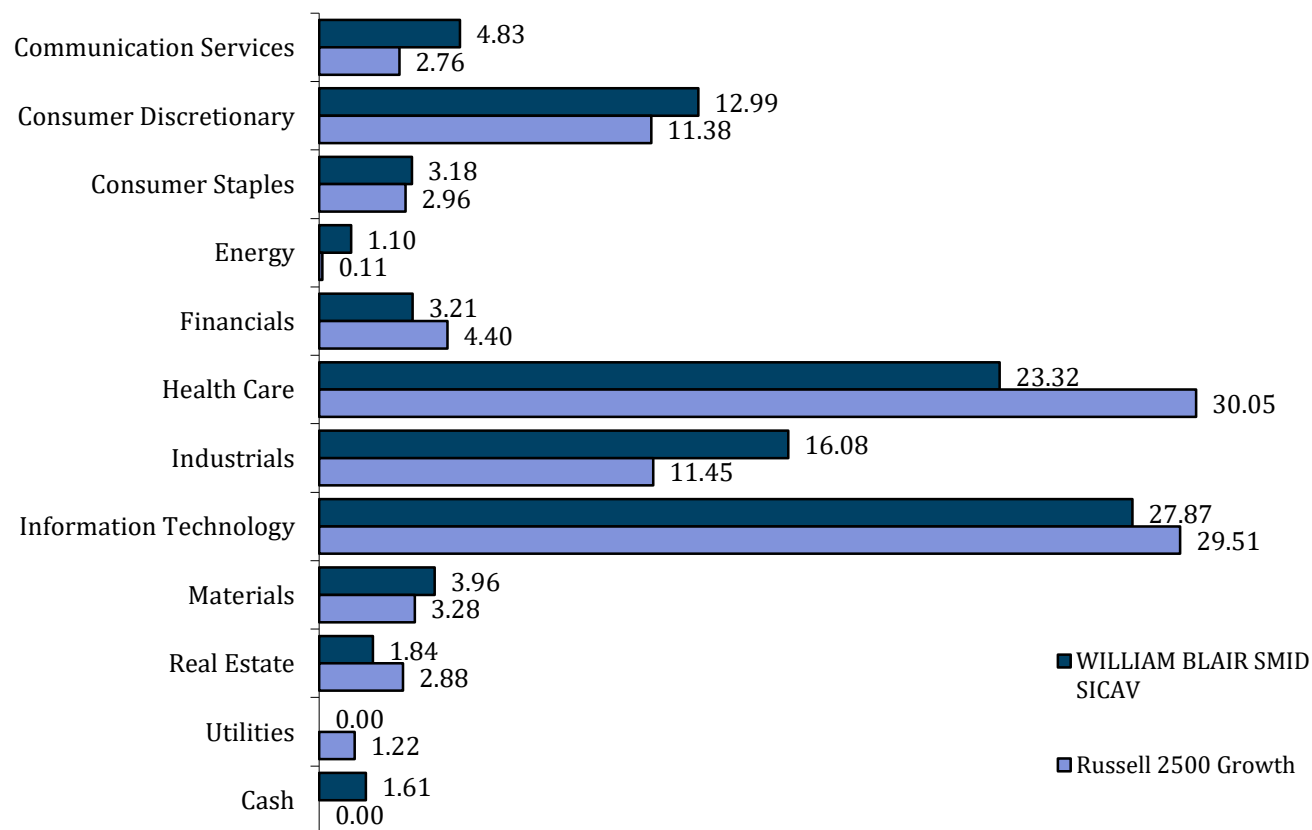
Holdings are shown as a percentage of total gross assets. Please refer to the 'Important Disclosures' section at the end of this document for further information on investment risks and returns.

	SMID SICAV	Russell 2500 Growth
Growth		
EPS Growth Rate (3 Years)	25.0%	20.1%
EPS Growth Rate (5 Years)	23.4%	19.6%
EPS Growth Rate (LT forecast)	13.7%	17.2%
Quality		
Return on Investment Capital	6.1%	-3.7%
Free Cash Flow Margin	7.5%	5.1%
Debt to Total Capital Ratio	48.4%	41.9%
Valuation		
P/E Ratio (1-year forecast)	31.4x	76.9x
Capitalization (\$B)		
Weighted Average Market Cap	\$7.9	\$5.1
Weighted Median Market Cap	\$7.0	\$4.1
Portfolio Positions		
Number of Securities	72	1,265

Characteristics have been calculated by William Blair.

Please refer to the 'Important Disclosures' section of this document for further information on investment risks and returns.

Sector Weights as of 30/06/2020



Source: William Blair; Eagle

Based on Global Industry Classification Sectors (GICS). Concentration of assets in one or a few sectors may entail greater risk than a fully diversified stock portfolio and should be considered as only part of a diversified portfolio. Please refer to the 'Important Disclosures' section at the end of this document for further information on investment risks and returns.

	Portfolio Weight	Benchmark Weight		Portfolio Weight	Benchmark Weight		Portfolio Weight	Benchmark Weight
COMMUNICATION SERVICES	4.83	2.76	HEALTH CARE (continued)			INFORMATION TECHNOLOGY (continued)		
Zynga Inc - Cl A	1.94	0.42	Ligand Pharmaceuticals	1.28	0.10	Alarm.Com Holdings Inc	1.04	0.18
Cable One Inc	1.69	0.55	Healthequity Inc	1.20	0.25	Proofpoint Inc	0.98	0.38
Live Nation Entertainment In	1.20	0.00	Abiomed Inc	1.12	0.00	J2 Global Inc	0.90	0.18
CONSUMER DISCRETIONARY	12.99	11.38	Masimo Corp	0.94	0.00	Varonis Systems Inc	0.90	0.17
Grand Canyon Education Inc	2.93	0.00	Quidel Corp	0.89	0.51	Novanta Inc	0.89	0.22
Etsy Inc	1.96	0.76	Veracyte Inc	0.79	0.08	Perspecta Inc	0.82	0.16
Bright Horizons Family Solut	1.53	0.29	INDUSTRIALS	16.08	11.45	Rogers Corp	0.82	0.02
Burlington Stores Inc	1.46	0.00	Bwx Technologies Inc	3.08	0.21	Entegris Inc	0.80	0.45
Advance Auto Parts Inc	1.41	0.00	Trex Company Inc	2.05	0.46	Maximus Inc	0.70	0.26
Helen Of Troy Ltd	1.05	0.29	Teledyne Technologies Inc	1.62	0.00	MATERIALS	3.96	3.28
Planet Fitness Inc - Cl A	1.04	0.17	Transunion	1.60	0.00	Martin Marietta Materials	2.18	0.00
National Vision Holdings Inc	0.97	0.12	Ritchie Bros Auctioneers	1.44	0.00	Crown Holdings Inc	1.78	0.05
Ultra Beauty Inc	0.64	0.00	Mercury Systems Inc	1.35	0.21	REAL ESTATE	1.84	2.88
CONSUMER STAPLES	3.18	2.96	Brink's Co/The	1.25	0.14	Firstservice Corp	1.07	0.00
Bj's Wholesale Club Holdings	1.79	0.31	Heico Corp-Class A	1.02	0.00	Jones Lang Lasalle Inc	0.78	0.00
Lamb Weston Holdings Inc	1.39	0.13	Generac Holdings Inc	0.97	0.41	Cash	1.61	0.00
ENERGY	1.10	0.11	Copart Inc	0.97	0.00	Total	100.00	100.00
Cameco Corp	1.10	0.00	Lincoln Electric Holdings	0.73	0.12			
FINANCIALS	3.21	4.40	INFORMATION TECHNOLOGY	27.87	29.51			
Virtu Financial Inc-Class A	1.24	0.08	Nice Ltd - Spon Adr	2.22	0.00			
Firstcash Inc	1.06	0.17	Pure Storage Inc - Class A	1.94	0.15			
Ares Management Corp - A	0.91	0.24	Euronet Worldwide Inc	1.66	0.00			
HEALTH CARE	23.32	30.05	Avalara Inc	1.61	0.62			
Horizon Therapeutics PLC	3.13	0.58	Solaredge Technologies Inc	1.57	0.41			
Encompass Health Corp	2.03	0.17	Godaddy Inc - Class A	1.51	0.00			
Penumbra Inc	1.85	0.35	Aspen Technology Inc	1.42	0.40			
Amedisys Inc	1.64	0.38	Booz Allen Hamilton Holdings	1.38	0.65			
Insulet Corp	1.50	0.00	National Instruments Corp	1.23	0.00			
Teleflex Inc	1.50	0.00	Brooks Automation Inc	1.21	0.19			
Steris PLC	1.47	0.00	Wex Inc	1.11	0.04			
Halozyne Therapeutics Inc	1.39	0.22	Cree Inc	1.05	0.00			
Irhythm Technologies Inc	1.31	0.19	Coupa Software Inc	1.05	0.00			
Exact Sciences Corp	1.29	0.00	Mongodb Inc	1.05	0.58			

As of Date: 30/06/2020

Please refer to the 'Important Disclosures' section at the end of this document for further information on investment risks and returns.

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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").

Important Disclosures

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.

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