

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

Class J (I GBP)

William Blair

Portfolio Review

September 2020

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ISIN: LU0995405163

Market Overview

COVID-19 was the dominant force affecting the economy and equities in a volatile year-to-date period.

Late in the first quarter, as it became clear that COVID-19 was becoming a global pandemic, equities declined rapidly due to stay-at-home directives, which effectively shut down many segments of the economy. 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.

Third quarter advances built on second quarter strength. Continued economic improvement, including positive trends in employment and increases in consumer spending, coupled with incremental progress towards the development of a vaccine, supported the market rise. Market returns were further fueled by a shift in Fed policy to allow flexibility around its inflation target, signaling policymakers' intent to keep the Fed Funds rate low for an extended period. Within the market, there was a pronounced bifurcation between the performance of "COVID beneficiaries" and those disrupted by COVID, as select companies across different sectors saw a strengthening of demand for their products (e.g., ecommerce), while others saw a complete collapse in demand (e.g., travel related), though this divergence began to narrow late in the third quarter.

Amid significant COVID-related business disruption, a focus on 2021 profit potential and a decline in 10-year U.S. Treasury yields allowed valuation multiple expansion to drive many U.S. equity indices in positive territory for the year-to-date period ended September 30, 2020.

Portfolio Performance

The portfolio modestly trailed the benchmark in the third quarter, primarily driven by stock-specific factors. Our top detractors included Pure Storage (Information Technology), Quidel Corp (Health Care), Ligand Pharmaceuticals (Health Care) and HealthEquity (Health Care). Pure Storage, a flash-based storage solutions provider whose technology replaces storage systems designed for mechanical disks with all-flash systems, lagged as COVID-19 related economic disruption had a negative impact on the company's near-term outlook, specifically its late stage business pipeline in the United States. Stock selection in Consumer Discretionary, including our position in Grand Canyon Education, also detracted from relative returns. The upcoming presidential election and the potential of regulatory change weighed on online education services provider Grand Canyon. Conversely, stock selection in Health Care, including our positions in iRhythm Technologies and Horizon Therapeutics, contributed positively to relative returns. iRhythm, a leading digital health care company, benefitted from the increased adoption of the Zio patch, the company's wearable electrocardiogram patch. Horizon Therapeutics, a specialty biopharmaceutical company, benefitted from continued robust growth of the company's recently launched drug Tepezza, as well as management's significant increase in peak sales guidance for the drug. Other top contributors included SolarEdge Technologies (Information Technology), Ritchie Bros

Auctioneers (Industrials) and Generac Holdings (Industrials). Stock specific contributors and detractors for the third quarter are discussed in greater detail at the end of this quarterly review.

Despite outperforming during the downturn earlier in the year, the portfolio trailed the benchmark on a year-to-date basis due to a combination of style headwinds and stock specific factors. From a style perspective, our biases toward companies with high returns on invested capital and more consistent business models, as well as our typical lower beta profile, were headwinds during the period as the lowest ROIC, most volatile and highest beta quintiles of the benchmark were the best performers. 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. Euronet, an electronic payment and transaction processing solutions company, lagged as lower global travel volumes impacted its ATM business. Top individual stock detractors included Brink's Co (Industrials), Live Nation Entertainment (Communication Services), Grand Canyon Education (Consumer Discretionary) and Martin Marietta (Materials). Cash management services provider Brink's Company suffered from COVID-19 related closures, most notably from retail customers. Conversely, top contributors included Horizon Therapeutics (Health Care) and iRhythm Technologies (Health Care), for the reasons highlighted above, as well as Etsy (Consumer Discretionary), BJ's Wholesale Club (Consumer Staples) and SolarEdge Technologies (Information Technology). Stock selection in

Health Care and Industrials also contributed positively to relative returns during the period.

Outlook

Looking forward, though the U.S. economy is recovering and broad market indices are near prior peak levels, uncertainty remains. The upcoming U.S. presidential election is likely to cause volatility to the extent its outcome is not immediately known and as the market digests its implications. Should there be a change in leadership, the market will have to weigh likely changes in tax policy and regulation against the potential for higher levels of fiscal stimulus.

In addition, virus trends heading into colder months are a source of concern for consumers and businesses most impacted by COVID-19 at the same time the benefits of earlier federal aid packages are fading and job growth is slowing. Progress toward the development and rollout of a vaccine and the Fed's commitment to remain accommodative are critical factors in supporting a continued recovery.

Our investment philosophy is built on the belief that future cash flows are the ultimate determinants of long-term value creation and stock performance. We remain focused on identifying companies with superior management, high barriers to entry, differentiated products or services, and the financial flexibility to invest through uncertainty. We seek to construct a portfolio of companies that we believe will emerge from the current period stronger regardless of political outcomes or the duration of the economic recovery.

	Value	Core	Growth
Month to Date			
Russell 3000	-2.58	-3.64	-4.57
Russell 1000	-2.46	-3.65	-4.70
Russell Midcap	-2.27	-1.95	-1.40
Russell 2500	-3.85	-2.59	-0.77
Russell 2000	-4.65	-3.34	-2.14
Quarter to Date			
Russell 3000	5.42	9.21	12.86
Russell 1000	5.59	9.47	13.22
Russell Midcap	6.40	7.46	9.37
Russell 2500	3.54	5.88	9.37
Russell 2000	2.56	4.93	7.16
Year to Date			
Russell 3000	-12.23	5.41	23.00
Russell 1000	-11.58	6.40	24.33
Russell Midcap	-12.84	-2.35	13.92
Russell 2500	-18.39	-5.82	11.58
Russell 2000	-21.54	-8.69	3.88

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.

Market Performance

- U.S. equity benchmarks were down in September due in part to comments by the Fed that fiscal stimulus is needed to support continued economic recovery and concerns that political gridlock may impede progress on further stimulus efforts.
- Market volatility may remain high as investors face significant uncertainty, a prominent source of which is the upcoming U.S. presidential election. Other risks include the re-escalation of trade tensions with China, potential delays in additional fiscal stimulus, deterioration in virus trends, the pace of vaccine development, and mounting social tensions.

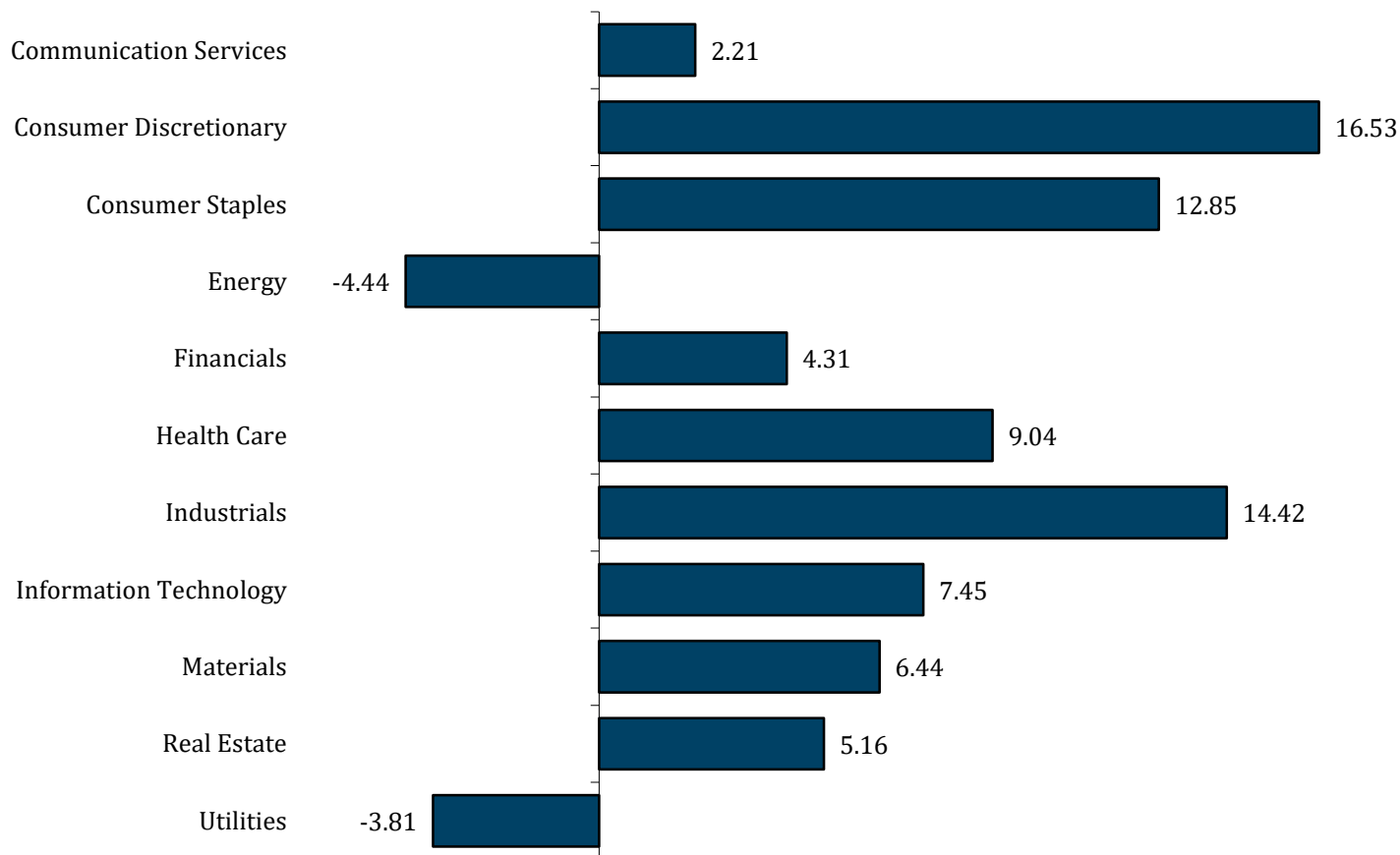
Style Performance

- Excluding large caps, growth benchmarks outperformed value benchmarks during September.
- Growth benchmarks continued to lead value benchmarks in the third quarter and year-to-date periods. The dispersion of returns between growth and value was widest among large caps.

Market Cap Performance

- While larger caps outperformed smaller caps within the value benchmarks during September, performance was mixed within the growth benchmarks.
- Larger caps outperformed smaller caps in both the quarter and year-to-date periods.

Russell 2500 Growth Total Return Q3 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.

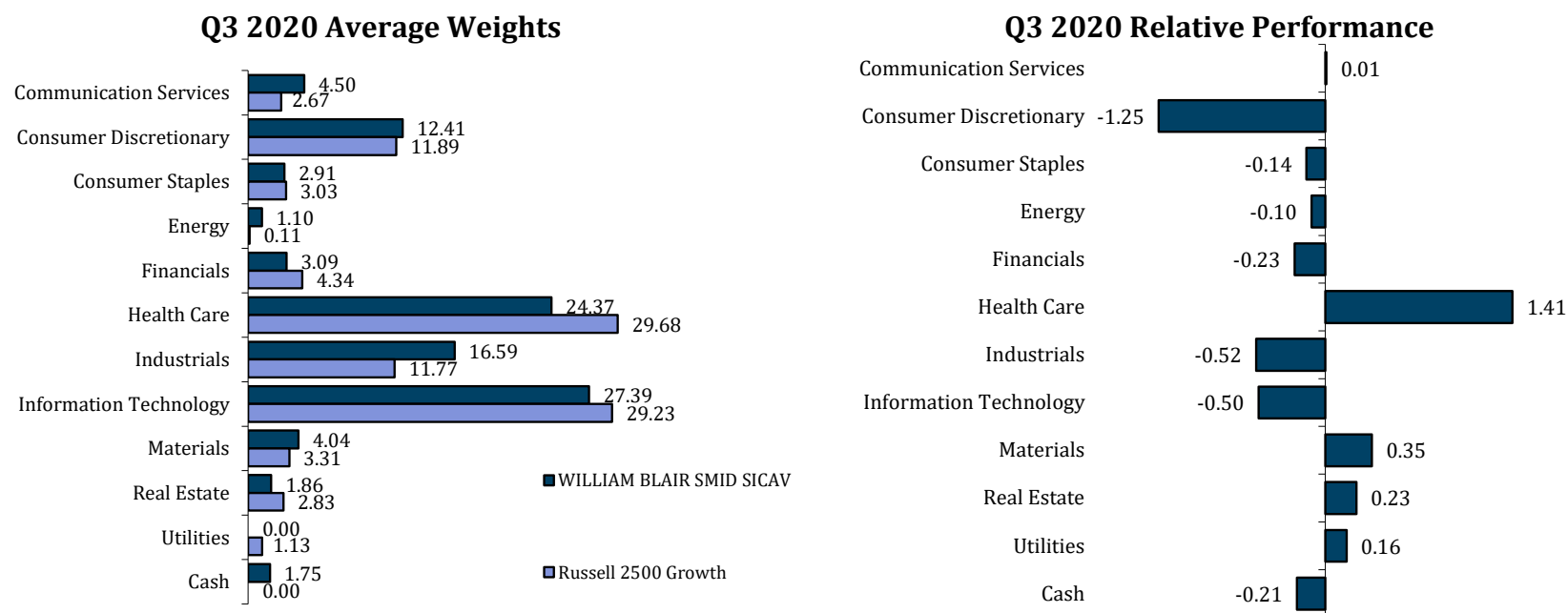
Periods ended 30/09/2020	Quarter	YTD	1 Year	3 Year	Since Inception*
William Blair SICAV – U.S. Small-Mid Cap Growth Fund (Class J I GBP)	3.98%	12.11%	8.37%	15.09%	18.76%
Russell 2500 Growth (GBP)	4.53%	14.34%	17.60%	14.77%	18.16%

*Inception 11/12/2015

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 30/09/2020.

iRhythm Technologies (IRTC) is a leading digital health care company manufacturing a wearable electrocardiogram patch, called Zio, that is used to detect cardiac arrhythmias. The company reported earnings results that were ahead of expectations and well ahead of its industry peers, driven by an increased adoption of the company's Zio patch amid the COVID-19 pandemic. The Zio patch provided physicians with a comprehensive and efficient solution to diagnose patients despite an influx of patients in hospitals and outpatient care centers. Importantly, iRhythm further benefitted as the Centers for Medicare & Medicaid Services announced its proposed physician fee schedule, which includes a reimbursement rate increase for extended wear electrocardiogram devices, such as the Zio patch. We trimmed our position as the stock's valuation increased, but continue to believe iRhythm will continue to gain share from competitors with antiquated technologies and be a leader in this large, underpenetrated market.

Horizon Therapeutics (HZNP) is a specialty biopharmaceutical company focused on drug formulations that target the treatment of arthritis pain, inflammation and rare diseases. Strong performance of Tepezza, a recently launched drug that treats Thyroid Eye Disease, and management's significant increase in peak sales guidance for the drug, drove outsized stock performance. We trimmed our position as the stock's valuation increased, and 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.

SolarEdge Technologies (SEDG) is the world's largest manufacturer of solar inverters employing Modular Level Power Electronics (MLPE), which allow a solar array to produce superior power from each module. The company experienced strong international demand during the quarter and continues to expand into the large and growing international markets, including Germany, Italy, Australia and the Netherlands. We trimmed our position as the stock's valuation increased, but continue to believe the high value proposition of SolarEdge's products, continued geographic expansion, scale and technological innovation will drive market share gains in the long term.

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 30/09/2020.

Grand Canyon Education (LOPE) is an education services provider focusing on online and on campus program management for graduate and undergraduate degrees. The company reported better-than-expected earnings results, driven by improved enrollments and lower student turnover at Grand Canyon University. However, the upcoming presidential election and its potential impact on the for-profit education industry as well as the company's pending non-profit status with the Department of Education in regards to Title IV eligibility weighed on the stock during the quarter. We believe the stock presents an attractive risk/reward despite near-term headwinds and we maintained our position. We continue to believe Grand Canyon's leading scale, unique back-office capabilities, and strong industry reputation should allow the company to gain partnerships with colleges and universities over the long term.

Pure Storage (PSTG) is a provider of flash-based storage solutions whose technology replaces storage systems designed for mechanical disks, which store data magnetically, with all-flash systems, which store data electronically on microchips. While the company reported revenue and earnings that were ahead of expectations, forward looking commentary disappointed investors. Specifically, the company noted COVID-related economic disruption was having a negative impact on the late stage business pipeline in the U.S., while the earlier stage pipeline looked promising. This near-term outlook does not alter the secular trend of the storage market migrating to the higher performance and increasingly less expensive flash technology where Pure Storage maintains a leadership position. We maintained our position.

Quidel Corp (QDEL) is a leading provider of point-of-care diagnostic tests primarily for infectious diseases, women's health and gastrointestinal diseases. During the quarter, the announcement of an FDA Emergency Use Authorization (EUA) approval for a competitor's low-cost COVID-19 antigen test weighed on shares. We liquidated our position following the announcement on concerns surrounding price disruption in the industry.

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Top 10 Holdings by Weight		
	William Blair SICAV - U.S. Small-Mid Cap Growth Fund <u>% in Portfolio</u>	Russell 2500 Growth <u>% in Index</u>
Horizon Therapeutics Plc	3.26	0.76
BWX Technologies Inc	2.82	0.19
Grand Canyon Education Inc	2.38	0.00
Martin Marietta Materials	2.29	0.00
Nice Ltd - Spon Adr	2.18	0.00
Trex Company Inc	2.08	0.45
Etsy Inc	2.07	0.78
Solaredge Technologies Inc	2.02	0.63
Encompass Health Corp	1.96	0.16
Crown Holdings Inc	1.94	0.06
Total:	23.02	3.01

Source: Eagle.

As of Date: 30/09/2020

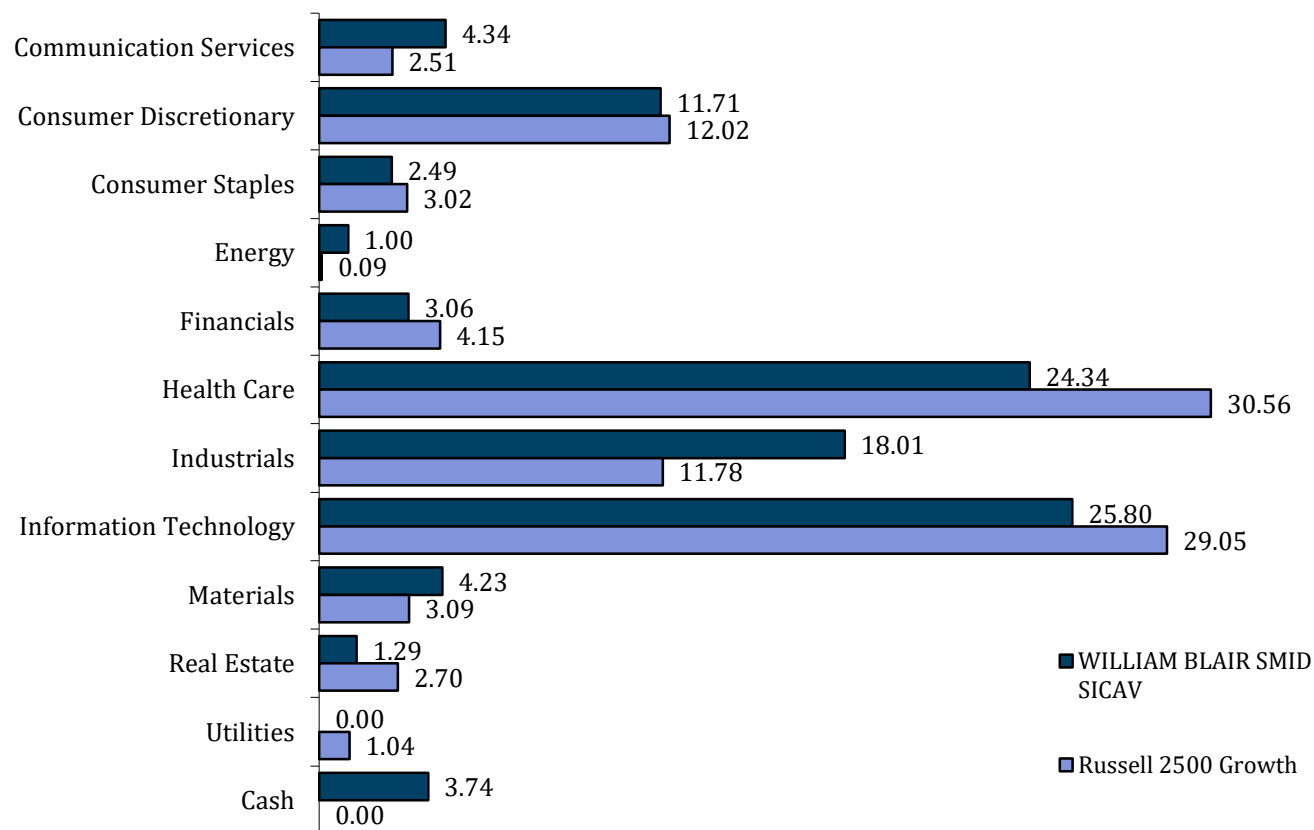
Holdings are shown as a percentage of total gross assets. Please refer to the 'Important Disclosures' section at the end of this document for further information on investment risks and returns.

	William Blair SICAV – U.S. Small-Mid Cap Growth Fund	Russell 2500 Growth
Growth		
EPS Growth Rate (3 Years)	23.3%	20.6%
EPS Growth Rate (5 Years)	23.1%	20.2%
EPS Growth Rate (LT forecast)	16.9%	18.8%
Quality		
Return on Investment Capital	5.1%	-2.8%
Free Cash Flow Margin	7.3%	5.1%
Debt to Total Capital Ratio	44.4%	41.1%
Valuation		
P/E Ratio (1-year forecast)	31.3x	58.4x
Capitalization (\$B)		
Weighted Average Market Cap	\$8.6	\$6.2
Weighted Median Market Cap	\$8.3	\$4.9
Portfolio Positions		
Number of Securities	70	1,291

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 30/09/2020



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	4.34	2.51	HEALTH CARE (continued)			INFORMATION TECHNOLOGY (continued)		
Zynga Inc - Cl A	1.71	0.36	Ligand Pharmaceuticals	1.29	0.07	Liveramp Holdings Inc	0.95	0.14
Cable One Inc	1.65	0.55	Halozyme Therapeutics Inc	1.25	0.19	Entegris Inc	0.93	0.50
Live Nation Entertainment In	0.97	0.00	Abiomed Inc	0.97	0.00	J2 Global Inc	0.91	0.17
CONSUMER DISCRETIONARY	11.71	12.02	Masimo Corp	0.90	0.00	Proofpoint Inc	0.86	0.32
Grand Canyon Education Inc	2.38	0.00	Insmed Inc	0.43	0.18	Guidewire Software Inc	0.82	0.09
Etsy Inc	2.07	0.78	INDUSTRIALS	18.01	11.78	Novanta Inc	0.81	0.19
Bright Horizons Family Solut	1.83	0.34	Bwx Technologies Inc	2.82	0.19	Maximus Inc	0.63	0.23
Advance Auto Parts Inc	1.40	0.00	Trex Company Inc	2.08	0.45	Rogers Corp	0.51	0.02
Helen Of Troy Ltd	1.39	0.26	Ritchie Bros Auctioneers	1.93	0.00	MATERIALS	4.23	3.09
National Vision Holdings Inc	1.13	0.14	Mercury Systems Inc	1.69	0.19	Martin Marietta Materials	2.29	0.00
Burlington Stores Inc	0.86	0.00	Generac Holdings Inc	1.65	0.58	Crown Holdings Inc	1.94	0.06
Ultra Beauty Inc	0.65	0.00	Teledyne Technologies Inc	1.49	0.00	REAL ESTATE	1.29	2.70
CONSUMER STAPLES	2.49	3.02	Transunion	1.43	0.00	Firstservice Corp	1.29	0.00
Bj's Wholesale Club Holdings	1.84	0.31	Axon Enterprise Inc	1.35	0.31	Cash	3.74	0.00
Lamb Weston Holdings Inc	0.65	0.12	Brink's Co/The	1.32	0.11	Total	100.00	100.00
ENERGY	1.00	0.09	Builders Firstsource Inc	0.78	0.18			
Cameco Corp	1.00	0.00	Lincoln Electric Holdings	0.74	0.12			
FINANCIALS	3.06	4.15	Heico Corp-Class A	0.73	0.00			
Ares Management Corp - A	1.12	0.21	INFORMATION TECHNOLOGY	25.80	29.05			
Virtu Financial Inc-Class A	1.11	0.07	Nice Ltd - Spon Adr	2.18	0.00			
Firstcash Inc	0.83	0.13	Solaredge Technologies Inc	2.02	0.63			
HEALTH CARE	24.34	30.56	Aspen Technology Inc	1.59	0.43			
Horizon Therapeutics PLC	3.26	0.76	Pure Storage Inc - Class A	1.59	0.12			
Encompass Health Corp	1.96	0.16	Godaddy Inc - Class A	1.44	0.00			
Irhythm Technologies Inc	1.92	0.35	Avalara Inc	1.42	0.57			
Penumbra Inc	1.85	0.35	Booz Allen Hamilton Holdings	1.36	0.61			
Exact Sciences Corp	1.73	0.00	Brooks Automation Inc	1.25	0.18			
Insulet Corp	1.68	0.00	Euronet Worldwide Inc	1.22	0.00			
Steris PLC	1.55	0.00	Alarm.Com Holdings Inc	1.13	0.14			
Amedisys Inc	1.54	0.40	Varonis Systems Inc	1.08	0.19			
Healthequity Inc	1.41	0.21	National Instruments Corp	1.05	0.00			
Veracyte Inc	1.30	0.10	Cree Inc	1.04	0.00			
Teleflex Inc	1.29	0.00	Mongodb Inc	0.99	0.63			

As of Date: 30/09/2020

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 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").

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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