

# William Blair SICAV – Emerging Markets Leaders Fund

Class J (I GBP)

*William Blair*

Portfolio Review

September 2021

ISIN: LU1023416511

Todd M. McClone, CFA, Partner  
Jack Murphy, CFA, Partner  
Portfolio Managers

FOR PROFESSIONAL INVESTORS ONLY

**Market Review**

Global equities declined (-1.11%) in the third quarter as volatility picked up in September, erasing gains in July and August. Developed Markets were flat (-0.19%) but outperformed Emerging Markets (-7.39%) primarily due to weakness within China. From a global sector perspective, Consumer Discretionary (-5.13%) and Materials (-4.45%) lagged. Conversely, Energy continued to outperform (+2.87% for the quarter and +34.26% year-to-date) as rising demand and supply constraints drove stronger crude oil prices.

US equities were flat (-0.06%) for the quarter as economic data remained healthy, albeit past the peak rate of growth, and solid corporate earnings helped offset volatility induced by the rise of new Delta variant cases. At the much-anticipated Jackson Hole symposium, Federal Reserve Chairman Jerome Powell noted that the economy has made “substantial further progress” on inflation, while the labor market has also made “clear progress”. The Fed also announced that the tapering of quantitative easing could start this year and finish in mid-2022.

Japanese equities were flat in July and August but advanced strongly in September to close out a solid third quarter (+4.35%). Strength within Japan was primarily due to the announcement that Prime Minister Suga would not be running for re-election in November. Despite a very short time in office (less than a year), Suga’s approval ratings were very low following the administration’s handling of the coronavirus pandemic.

Emerging Markets sharply declined (-7.39%) primarily due to weakness within China (-17.99%). In late July, the Chinese government announced new regulatory moves which negatively impacted companies in the technology and private education sectors. Hampered investor sentiment was further compounded in late September on concerns over the collapse of Evergrande, one of China’s largest real estate developers, and the potential

impact on China’s financial system. Conversely, India continued to advance (+12.64%) amid a slowdown in the country’s new COVID-19 cases and a significant liquidity boost from the country’s central bank and foreign inflows.

**Performance**

Underperformance versus the MSCI Emerging Markets (net) was primarily driven by a combination of allocation and stock selection effects. An overweight allocation to the Communication Services sector and an underweight allocation to Utilities, coupled with below average stock selection within China and the Financials and Consumer Staples sectors detracted. Within Financials, Ping An Insurance Group and B3 SA - Brasil Bolsa Balcao weighed on relative returns. Ping An’s share price weakened amid China property concerns, regulatory tightening, and continued weakness in its life business. B3’s stock performance declined due to investor concerns about heightened legal contingency risks and increased competition, coupled with lower volume and unfavorable mix due to higher Selic. Within Consumer Staples, Lg Household & Health Care Ltd weighed on relative performance as the company delivered weaker-than-expected second quarter results and a cautious second half of the year outlook due to continued margin pressure from increased promotional costs in China.

Partially offsetting these effects were stock selection within the Information Technology and Industrials sectors. Within Information Technology, Globant SA and eMemory Technology Inc. helped relative returns. Globant is the Argentinean IT service company focused on revenue generating activities, enriched end-user experiences and servicing primarily US customers. The company’s growth continued to accelerate to record highs driven by all geographies, most notably, new Europe expansion which grew +245% YoY. The company’s growth outlook remains robust due to strong demand for digitization and its exposure to service industries recovering from COVID’s impact. eMemory Technology Inc. is a Taiwanese semiconductor IP company. The

company's revenue growth was boosted by a favorable wafer pricing dynamic. New product launches and wider adoption of their solutions at leading edge technologies further support a robust medium-term growth outlook. Grupo Aeroportuario Del Pacifico, the Mexican operator of Los Cabos and Tijuana airports, bolstered returns in the Industrials sector as it benefited from air traffic recovery and opening of new international routes.

### **Positioning**

During the period, Communication Services exposure was reduced through the liquidation of Tencent Music Entertainment, the online music entertainment platform in China. This liquidation was driven by regulatory headwinds due to government's restrictions on exclusive content coupled with risk of anti-monopoly actions against Tencent as well as intensified competition in the social business and ADR delisting risk. Consumer Discretionary exposure was also reduced during the period. TAL Education is a leading tutoring services provider in China with a strong brand and significant growth opportunities. We decided to exit the position despite the significant price decline as the government actions against After School Tutoring (AST) companies exceeded our worst-case-scenario expectations, posing existential risk for the company both due to the transition into not-for-profit status and a threat to the public listing status.

These reductions were offset primarily by increases to Information Technology and Industrials. Locaweb Servicos de Internet within the Information Technology sector was purchased during the period. Locaweb is a Brazilian internet company that provides diverse digital solutions for SME businesses. Our thesis is based on the company's ability to deliver rapid growth, coupled with high and rising profitability and top decile returns. The nature of the company's open platform that offers 350+ integrations, a more localized and cost-effective offering versus global competitors is, in our view, a key competitive advantage driving growth and returns. Havells India, a leading electrical goods company in India, was purchased

within Industrials. We believe its leading market share, prestigious brand and strong distribution will allow the company to continue to outgrow the market, benefiting from increasing penetration and premiumization.

From a geographic perspective, notable adjustments were increases to India, offset by decreases to China.

### **Outlook**

Corporate performance has been strong as the global economies continue to resume normalized activity. We have seen strength in the cyclical areas of the economy, while at the same time companies with leading business models and practices have continued to press their structural competitive advantage. This has driven positive momentum for the market this year, and companies with strong returns and differentiated positioning like those we seek to invest in have generally enjoyed even stronger corporate and stock market performance on balance. While we do not expect the backdrop to change materially, we do point out two primary areas of intermediate-term focus for global equity investors: China policy and regulation risk, and the inflation outlook.

#### *China*

We view the China investment opportunities and risks within the framework of what has, and what hasn't changed. In turn we reference our investability model to determine exploitability and accessibility for returns in Chinese equities.

Favorable elements of what hasn't changed include China's commitment to economic growth, accelerated corporate innovation across many industries, and liberalization of capital markets to compete on a global stage. At the same time, the nature of the autocratic regime and state-planned economy has facilitated the execution of the China Communist Party's (CCP) objectives through policies and regulations directing resources into innovative sectors and facilitating the emergence of new industries and global champions.

The absolute power of the state to enact and enforce policy and regulation is another constant characteristic of China. The current regulatory crackdown on industries that have benefited from policy support (or at least the government's laissez-faire approach), while seemingly unexpected, is, when analyzed closely, consistent with the government's priorities and past attitudes and actions toward other industries.

Chinese leadership's reprioritization of its objectives to rebalance growth versus social issues is one example. Given China's current stage of development, its focus is on *Common Prosperity* and more balanced growth as opposed to its prior target of fast growth.

Under the surface, China's economic achievements have seemingly caused growing tensions between the country's socialist political and ideological goals and growing capitalist (profit-led) economy.

Increased inequality, changes in demographics, and the emergence of new sectors and dominant private corporations have become a significant part of the economy, posing new and critical challenges to the Chinese authorities.

In particular, the digital economy industries and companies have reaped the benefits of an extremely supportive regulatory backdrop, favorable taxation, and access to foreign capital. While many of these companies have benefited society at large by providing availability of goods, cheaper prices, life-enhancing digital services (ecommerce, payments, access to capital, etc.), Chinese leadership is now concerned about the potentially negative impact on inequality and social values that some of these industries have had. It also appears Chinese leadership is concerned about the threat that has arisen from the amount of power accumulated by some platform companies, the influence that foreign investors exert on them, and the potential systemic risks that exist with these new data-heavy business models.

With this, the Chinese authorities have indicated their intention to address perceived excesses and shortcomings that have arisen from the previous policy period, while doubling the size of China's economy by 2035. Beijing's priorities are focused on three core issues: social stability, national security, and sustainable domestic growth.

The fact that these objectives may at first sight seem difficult to reconcile, coupled with the ample room for interpretation of the government's intentions and apparent lack of rules (given the principle-based nature of Chinese regulations), has created much angst and many hurdles for companies as they operate their businesses.

The drastic enforcement of this new wave of regulations in the new economy is, as expected, painful, messy, and a source of angst for companies and investors alike. It has led to irreparable damage and loss in certain industries, such as after-school tutoring (AST). The lack of coordination among different regulators and institutions, conflicting priorities, battles for power, and personal attitudes (a la Jack Ma) have driven regulatory scrutiny in fits and starts, sending ambiguous messages to investors. *We believe this is likely to continue.*

Also playing a role in the regulatory crackdown is a deepening rivalry between the United States and China, in our view. While China's transformative growth trajectory has posed domestic challenges, it has also raised concerns for the rest of the world and particularly the United States. As China became a strategic competitor to the United States, tensions arose on trade and economic issues, then expanded to technological, geopolitical, ideological, and financial fronts. As a result, China's regulatory crackdown has focused on industries with stronger foreign connections, especially those in highly sensitive sectors.

In particular, Beijing's desire to bring home some of its largest and most attractive companies that are listed overseas coincided with increased scrutiny from the United States on Chinese American depositary receipts (ADRs). This occurred with the

passing of the Holding Foreign Companies Accountable (HFCA) Act, which sets a timeline for the forced delisting of these companies. This has called into question the legality and enforcement of the important variable interest entity (VIE) structure, as well foreign governments' willingness to allow investment in Chinese companies.

Where from here?

One thing is clear: Not all industries and companies are equal on these fronts, and a thorough evaluation of their alignment with Beijing's key objectives and priorities should help determine the extent of the impact and viability of entire industries.

For foreign investors, the new paradigm also calls into question the investability of China. To assess this, we have a framework that seeks to identify the exploitability and accessibility of future corporate growth and returns.

"Exploitability" moves beyond the typical definition of a company's ability to innovate, create products and services, and grow profitably; in this case it also assesses the degree of alignment between the corporation's activities and the government's objectives. Here, we assess the potential outcome and variability in a conventional financial model. Industries that we believe may have elevated risk include media, online retailing, education, gaming, and healthcare, specifically pharmaceuticals. We are actively researching the variability and distribution of future outcomes of revenues and profits for our portfolio holdings in these industries and adjusting our estimates accordingly.

"Accessibility" refers to foreign investors' ability to access economic value creation. Here, we assess the Chinese government's intention of allowing foreign capital into certain industries, including threats to the VIE structure as well as the risk to ADR listings.

Assuming foreign investors are not banned, but the degree of accessibility is in question, we discount the potential future earnings in the form of an increased equity risk premium (ERP), and ultimately weighted average cost of capital (WACC) or discount rate.

We believe the market may have become too sanguine regarding China's country risk, with the ERP as low as that of many developed markets late last year. With the recent market correction, it has risen back to its long-term average. The assumption that the Chinese government intends to ban foreign capital is radically opposed to the consistent efforts from Beijing to open its capital markets, giving access to foreign investors and developing the internationalization of the renminbi. Still, selective strategic industries may be affected by bans amid increased protectionism in the name of higher public interest. This was the case with the AST (after school tutoring) industry.

Needless to say, while we continue to find China's long-term growth and corporate performance opportunities attractive, our investability framework has identified greater uncertainty and thus risk. In many of our investment strategies, we have cut our China weightings materially, by many cases in half from prior high levels. We feel this is the prudent response to many of the industries and companies that may remain at risk of being in the crosshairs of more government regulatory scrutiny. At the same time we have rotated our Chinese investments into those companies whose growth opportunities are aligned with government objectives.

We do recognize that the real and perceived interpretation of these risks could change, in particular with more transparency of intention from the government. We have spent a great deal of collective research time on these important issues, and that will likely be the case well into and beyond 2022.

*Inflation*

As our economies gradually reopen and people are allowed to move more freely, the 2020 experience should reverse. We believe the challenges with goods production and longer delivery times will get resolved within months, not years, and goods price inflation will likely return to the pre-COVID muted annual rate of sub-2%. Services prices will likely move sharply higher as restaurants, theatres, and travel reopen. We may even see pockets of quite large price increases, as supply will not be able to adjust instantly to all the pent-up demand, in leisure travel for example.

These pockets of much stronger price gains generate headlines, but we believe the argument that such isolated, temporary pockets of price pressures will translate into sustained, higher annual inflation in the medium term is weak because it does not consider supply adjustment.

We expect the supply responses to play out in the coming quarters to meet demand levels. First, in our view there is no reason to believe the current logistical bottlenecks will prove to be structural, rather they are recovering from the complexity of a shutdown that we haven't experienced in decades. On the other hand, the two biggest risks of persistent inflation arise from labor and energy prices. In the US alone, we have seen an employment gap of close to 10 million workers. The vast majority of those workers in our estimation are only temporarily sidelined due to COVID-related issues, ranging from childcare and safety concerns, to paycheck relief benefits outweighing wages. We are already beginning to see the gradual resumption of those workers back into the workforce and expect that to play out through next year.

As for energy prices, we do not believe there is a structural lack of supply owing to the energy transition from fossil fuels to renewables. Instead, we believe much of the move in oil and gas prices is attributable to the geopolitical complications from the

Nord Stream 2 pipeline that has yet to come on-line. While complicated, we believe the political incentives are largely aligned, and this will be resolved in the coming months providing important relief to energy prices.

In the medium term, stronger economic growth of around 3% can translate into a sustainable annual inflation rate of 2%-3%. Every policymaker and consumer would be pleased with that outcome. The central banks would welcome this with open arms instead of worrying about inflation being too low as a result of weak growth. We believe this is the most likely probability for the next several years.

Recently the risk of stagflation has received a great deal of attention. The bottom line is that the calamitous experience of the 1970s had much to do with egregious macroeconomic meddling, and inflation did not appear suddenly out of nowhere. Misguided price controls and wage freezes disincentivized supply adjustment and destroyed demand growth. The 1970s bear no resemblance to what we are talking about today: stronger demand growth, employment, and supply adjustment and more stable, mild inflation consistent with price stability, broadly defined.

Our current outlook calls for growth continuing to slow on a sequential basis, supply chains resuming their historic efficiencies, and peaking corporate profit margins moderating. Coming from historically high valuations, we would expect only modest outcomes for equities over the coming quarters.

		QTD	YTD	2020	2019
Regions	<b>AC World (DM+EM)</b>	-1.1	11.4	16.3	26.4
	<b>Developed Markets (DM)</b>	-0.2	13.1	15.9	27.5
	Japan	4.4	5.9	13.1	19.6
	Europe ex UK	-1.7	9.8	12.1	25.0
	UK	-0.2	12.2	-9.0	23.2
	USA	-0.1	15.0	20.5	30.4
	<b>Emerging Markets (EM)</b>	-7.4	0.7	18.4	17.6
	<b>Asia</b>	-8.6	-1.8	28.5	17.8
	China	-18.0	-16.1	29.4	22.7
	India	12.6	30.1	16.1	5.3
	Korea	-12.0	-4.9	46.0	9.6
	Taiwan	-2.4	17.0	39.1	35.2
	<b>EMEA</b>	3.8	20.8	-5.6	15.8
	Russia	9.1	31.4	-11.6	50.1
	South Africa	-4.8	7.1	-4.9	11.2
<b>Latin America</b>	-13.5	-5.1	-14.1	19.4	
Brazil	-20.0	-10.4	-19.1	29.3	
Mexico	0.8	14.4	-1.6	12.9	
<b>Frontier Markets (FM)</b>	4.5	21.4	2.1	13.8	
Size	Large Cap	-8.7	-2.8	19.6	19.3
	Small Cap	-2.2	17.2	19.3	11.5
Sectors	Communication Svcs	-14.7	-8.0	27.1	10.9
	Discretionary	-21.7	-20.2	33.1	31.6
	Staples	-4.3	-1.6	10.8	9.6
	Energy	9.0	25.4	-14.9	19.4
	Financials	0.9	9.4	-7.9	12.0
	Healthcare	-12.8	-5.2	55.5	2.9
	Industrials	-4.6	15.0	7.7	6.3
	IT	-5.4	3.7	58.5	40.8
	Materials	-3.4	15.9	26.2	7.7
	Real Estate	-10.6	-9.8	-15.6	22.2
	Utilities	6.8	14.5	-4.9	9.7
Style	Quality	-0.8	-3.2	-6.8	13.7
	Valuation	-3.7	5.6	-12.4	4.5
	Etrend	3.9	20.2	14.5	12.5
	Momentum	8.0	22.1	9.7	16.1
	Growth	-0.5	-4.1	12.9	6.1
	Composite	0.8	11.9	-5.3	16.8

Source: FactSet

**Past performance is not a reliable indicator of future results.** Regional performance is based on IMI region/country indexes. Sector and style values are based on the MSCI EM IMI Index. Size values are based on the MSCI EM IMI Index. Style values reflect the Quintile 1 minus Quintile 5 spread of William Blair's proprietary quantitative models. Sectors are based on Global Industry Classification (GICS) sectors. Large Cap and Small Cap based on MSCI Global Investable Market Index Methodology. Data in blue reflects the top 20% (highest) values by region, country, sector, and style. Data in red reflects the bottom 20% (lowest) values by region, country, sector, and style. All index returns are net of dividends. A direct investment in an unmanaged index is not possible. . Please refer to the 'Important Disclosures' section at the end of this document for further information on investment risks and returns.

<i>Periods ended 30/09/2021</i>	<b>Quarter</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>Since Inception*</b>
William Blair SICAV - Emerging Markets Leaders Fund (Class JI GBP)	-6.77%	-3.53%	6.46%	12.18%	10.24%	11.01%
MSCI Emerging Markets (net)	-5.84%	0.12%	13.33%	7.38%	8.42%	9.36%

\*Inception 05/02/2014

*The MSCI Emerging Markets Index (net) is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. This series approximates the minimum possible dividend reinvestment.*

*Past performance is not necessarily a guide to future performance. Returns for periods of one year or more are annualized. All charges and fees, except any entry, exit and switching charge, have been taken into account in calculating the Fund's performance. Returns for other share classes will differ from those shown above. The investment return and principal value of an investment in the Fund will fluctuate so that shares, on any given day or when redeemed, may be worth more or less than the original cost. Levels and bases for taxation may change. For the most current month-end performance information, please visit our web site at [sicav.williamblair.com](http://sicav.williamblair.com).*



The table below shows the calculated sector attribution of the William Blair SICAV - Emerging Markets Leaders Fund portfolio vs. its benchmark.

**William Blair SICAV - Emerging Markets Leaders Fund vs. MSCI Emerging Markets (net)**

01/07/2021 to 30/09/2021

GICS Sector	William Blair SICAV - Emerging Markets Leaders Fund			MSCI Emerging Markets (net)			Attribution Analysis		
	Average Weight	Total Return	Contrib to Return	Average Weight	Total Return	Contrib to Return	Allocation Effect	Issue Selection Effect	Total Effect
Communication Services	18.3%	-16.0%	-3.3%	10.6%	-15.1%	-1.7%	-0.7%	-0.2%	-0.9%
Consumer Discretionary	16.9%	-20.6%	-3.7%	15.9%	-22.9%	-4.0%	-0.1%	0.5%	0.3%
Consumer Staples	8.5%	-9.4%	-0.8%	5.7%	-4.4%	-0.2%	0.1%	-0.4%	-0.3%
Energy	4.0%	19.8%	0.7%	5.2%	9.1%	0.4%	-0.2%	0.3%	0.2%
Financials	15.8%	-3.0%	-0.5%	18.7%	1.0%	0.2%	-0.2%	-0.6%	-0.8%
Health Care	2.6%	-19.4%	-0.6%	4.9%	-13.0%	-0.7%	0.1%	-0.2%	-0.1%
Industrials	7.4%	4.8%	0.3%	4.9%	-6.5%	-0.3%	0.0%	0.7%	0.8%
Information Technology	20.5%	0.8%	0.1%	21.1%	-5.9%	-1.2%	0.0%	1.3%	1.2%
Materials	3.4%	-3.6%	-0.1%	8.9%	-4.8%	-0.4%	-0.2%	0.0%	-0.1%
Real Estate	0.0%	0.0%	0.0%	1.9%	-14.2%	-0.3%	0.1%	0.0%	0.1%
Utilities	0.0%	0.0%	0.0%	2.1%	7.4%	0.1%	-0.3%	0.0%	-0.3%
Cash	2.5%	-	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.2%
<b>Total</b>	<b>100.0%</b>	<b>-7.8%</b>	<b>-7.8%</b>	<b>100.0%</b>	<b>-8.1%</b>	<b>-8.1%</b>	<b>-1.2%</b>	<b>1.4%</b>	<b>0.3%</b>

**Past performance does not guarantee future results. Performance cited represents past performance and current performance may be lower or higher than the data quoted.** Gross investment performance assumes reinvestment of dividends and capital gains, is gross of investment management fees and net of transaction costs. Attribution by segment is based on estimated returns of equities held within the segments listed. All stocks held during a measurement period, including purchases and sales, are included. Cash is not allocated among segments. Calculations are for attribution analysis only and are not intended to represent simulated performance history. The actual returns may be higher or lower. We calculate attribution using our proprietary attribution system. Our proprietary attribution system runs transactions-based attribution, taking into account all trading activity. Interaction effect is reallocated into Selection effect. Sectors are based on Global Industry Classification (GICS) Sectors.

The table below shows the calculated regional attribution of the William Blair SICAV - Emerging Markets Leaders Fund portfolio vs. its benchmark.

**William Blair SICAV - Emerging Markets Leaders Fund vs. MSCI Emerging Markets (net)**

**01/07/2021 to 30/09/2021**

Region	William Blair SICAV - Emerging Markets Leaders Fund			MSCI Emerging Markets (net)			Attribution Analysis		
	Average Weight	Total Return	Contrib to Return	Average Weight	Total Return	Contrib to Return	Allocation Effect	Issue Selection Effect	Total Effect
EM Asia	73.0%	-10.3%	-7.8%	78.4%	-9.6%	-7.6%	0.0%	-0.6%	-0.6%
EMEA	9.4%	5.1%	0.4%	13.7%	4.2%	0.5%	-0.5%	0.0%	-0.5%
Latin America	15.2%	-2.9%	-0.4%	7.8%	-13.3%	-1.0%	-0.4%	1.5%	1.1%
Cash	2.5%	-	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.2%
<b>Total</b>	<b>100.0%</b>	<b>-7.8%</b>	<b>-7.8%</b>	<b>100.0%</b>	<b>-8.1%</b>	<b>-8.1%</b>	<b>-0.6%</b>	<b>0.9%</b>	<b>0.3%</b>

**Past performance does not guarantee future results. Performance cited represents past performance and current performance may be lower or higher than the data quoted.** Gross investment performance assumes reinvestment of dividends and capital gains, is gross of investment management fees and net of transaction costs. Attribution by segment is based on estimated returns of equities held within the segments listed. All stocks held during a measurement period, including purchases and sales, are included. Cash is not allocated among segments. Calculations are for attribution analysis only and are not intended to represent simulated performance history. The actual returns may be higher or lower. We calculate attribution using our proprietary attribution system. Our proprietary attribution system runs transactions-based attribution, taking into account all trading activity. Interaction effect is reallocated into Selection effect. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk.

## Top Contributors/Detractors

September 2021

The tables below show the top contributors and detractors for the William Blair SICAV - Emerging Markets Leaders Fund portfolio vs. its benchmark.

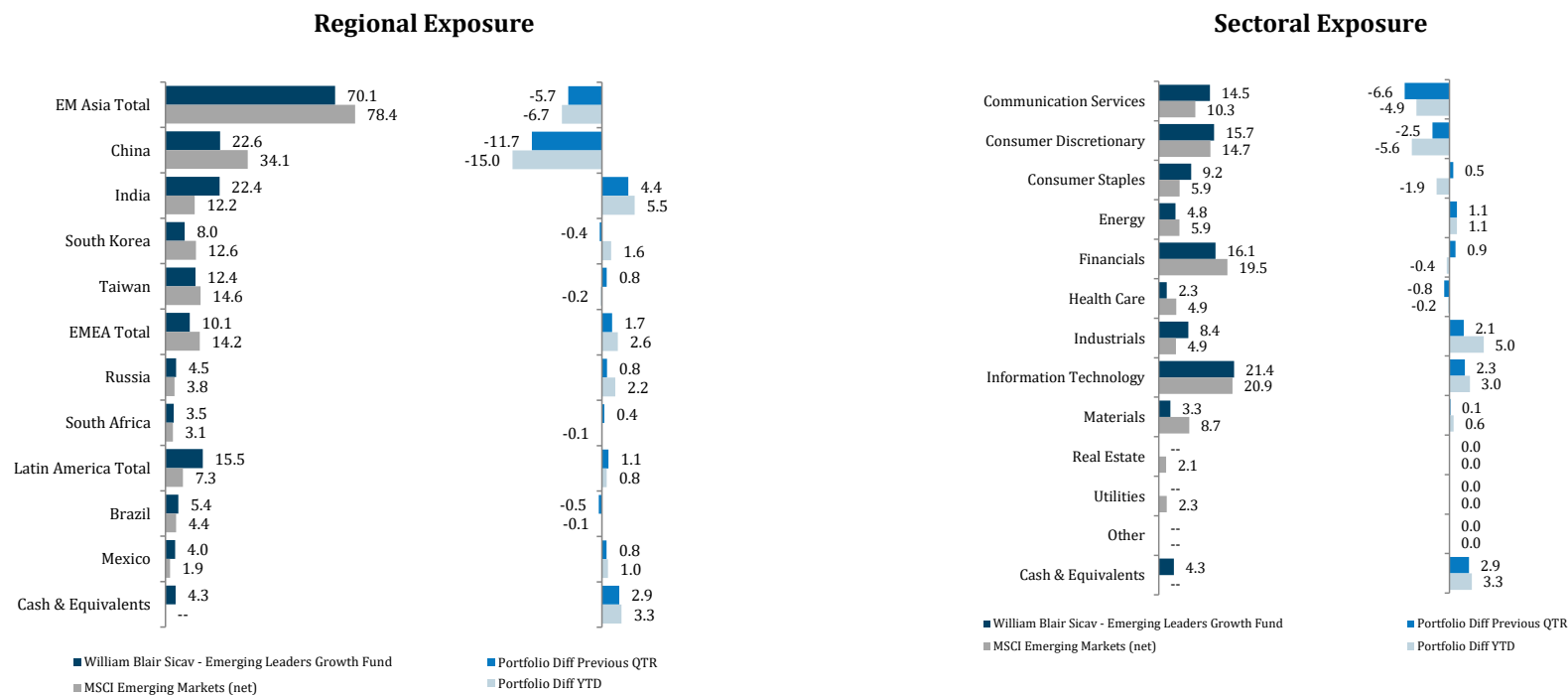
Top Five Contributors (%) for the Period: 01/07/2021 to 30/09/2021			
Issuer	Sector	Country	Contribution To Relative Return
Reliance Industries Ltd	Energy	India	0.77
Globant SA	Information Technology	Argentina	0.54
Sea Ltd	Communication Services	Thailand	0.49
eMemory Technology Inc	Information Technology	Taiwan	0.39
Yandex NV	Communication Services	Russia	0.39

Top Five Detractors (%) for the Period: 01/07/2021 to 30/09/2021			
Issuer	Sector	Country	Contribution To Relative Return
NetEase Inc	Communication Services	China	-0.57
Alibaba Group Holding Ltd	Consumer Discretionary	China	-0.56
Ping An Insurance Group Co of	Financials	China	-0.45
LG Household & Health Care Ltd	Consumer Staples	South Korea	-0.42
Tencent Music Entertainment Gr	Communication Services	China	-0.39

**Index:** MSCI Emerging Markets (net)

**Past performance is not indicative of future returns.** Gross investment performance assumes reinvestment of dividends and capital gains, is gross of investment management fees and net of transaction costs. Attribution is based on estimated returns of all equities held during a measurement period, including purchases and sales. Calculations are for attribution analysis only and are not intended to represent simulated performance history. The actual returns may be higher or lower. We calculate attribution using our proprietary attribution system. Our proprietary attribution system runs transactions-based attribution, taking into account all trading activity. Sectors are based on Global Industry Classification (GICS) Sectors. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. Individual securities listed in this report are for informational purposes only. Holdings are subject to change at any time. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities listed.

The chart below shows the region and sector positioning of the William Blair SICAV - Emerging Markets Leaders Fund vs. its benchmark.



Source: William Blair.

As of Date: 30/09/2021

Cash & Equivalents includes: cash and dividend accruals.

## Top Holdings by Market Cap

September 2021

The table below shows the William Blair SICAV - Emerging Markets Leaders Fund portfolio's largest holdings as of 30/09/2021 by market cap as well as the sub-totals by market cap for the portfolio and index. The stocks are listed by country and by the sector that defines each one's role in the portfolio.

	Country	Sector	% of Total Net Assets in Portfolio	% of Total Net Assets in Index*
<b>Large Cap(&gt;\$20b)</b>			<b>58.2%</b>	<b>48.5%</b>
Taiwan Semiconductor Manufactu	Taiwan	Information Technology	8.2%	6.5%
Tencent Holdings Ltd	China	Communication Services	5.5%	4.3%
Reliance Industries Ltd	India	Energy	5.0%	1.2%
Alibaba Group Holding Ltd	China	Consumer Discretionary	4.7%	3.5%
MercadoLibre Inc	Argentina	Consumer Discretionary	3.2%	0.0%
<b>Mid Cap(\$5-20b)</b>			<b>20.6%</b>	<b>30.5%</b>
Globant SA	Argentina	Information Technology	2.3%	0.1%
Capitec Bank Holdings Ltd	South Africa	Financials	2.3%	0.1%
Wal-Mart de Mexico SAB de CV	Mexico	Consumer Staples	1.9%	0.2%
LG Household & Health Care Ltd	South Korea	Consumer Staples	1.9%	0.1%
B3 SA - Brasil Bolsa Balcao	Brazil	Financials	1.5%	0.2%
<b>Small Cap(&lt;\$5b)</b>			<b>21.2%</b>	<b>21.0%</b>
Grupo Aeroportuario del Pacifi	Mexico	Industrials	2.3%	0.1%
UPL Ltd	India	Materials	2.2%	0.1%
Motherson Sumi Systems Ltd	India	Consumer Discretionary	2.1%	0.0%
HeadHunter Group PLC	Russia	Industrials	1.9%	0.0%
Rumo SA	Brazil	Industrials	1.7%	0.1%

\*Index: MSCI Emerging Markets (net)

Source: Eagle

Individual securities listed in this report are for informational purposes only, and are not intended to be a recommendation or solicitation for the purchase or sale of securities. Market cap calculations are based on the free float adjusted market cap. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities listed. 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. Sectors are based on Global Industry Classification (GICS) Sectors.

## Top Portfolio Changes During the Period: 01/07/2021 to 30/09/2021

	Security Name	Country	Sector
New Purchases	Havells India Ltd	India	Industrials
	Kakaobank Corp	South Korea	Financials
	Locaweb Servicos De Internet	Brazil	Information Technology
Liquidations	Tencent Music Entertainm-Adr	China	Communication Services
	Tal Education Group- Adr	China	Consumer Discretionary

*Individual securities listed in this report are for informational purposes only. Holdings are subject to change at any time. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities listed. Sectors are based on Global Industry Classification (GICS) Sectors.*

	William Blair SICAV - Emerging Markets Leaders Fund	MSCI Emerging Markets (net)	Difference
<b>Quality</b>			
WB Quality Model (Percentile)	33	38	
Return on Equity (%)	19.6	17.1	15%
Cash Flow ROIC (%)	21.0	20.2	4%
Debt/Equity (%)	62.0	75.1	-17%
<b>Growth</b>			
WB Growth Model (Percentile)	38	46	
Long-Term Growth (%)	23.2	20.6	12%
5-Year Historic EPS Growth (%)	12.2	10.2	20%
Reinvestment Rate (%)	15.0	13.0	15%
<b>Earnings Trend</b>			
WB Earnings Trend Model (Percentile)	57	55	
EPS Revision Breadth (%)	-3.8	-0.5	-3.4
<b>Valuation</b>			
WB Valuation Model (Percentile)	74	53	
P/E (next 12 months)	24.8	12.7	96%
Dividend Yield (%)	1.1	2.2	-51%
<b>Other</b>			
WB Composite Model (Percentile)	57	46	
Float Adjusted Weighted Average Market Cap (\$m)	98,290	86,384	14%
Number of Holdings	52	1,418	
Active Share (%)	76	--	

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.

	Portfolio Weight		Portfolio Weight		Portfolio Weight
<b>EM Asia</b>	<b>70.10</b>	<b>EM Asia (continued)</b>		<b>Latin America (continued)</b>	
<b>China</b>	<b>22.60</b>	<b>South Korea</b>	<b>8.00</b>	<b>Brazil</b>	<b>5.39</b>
Tencent Holdings Ltd	5.22	Naver Corp	2.11	Rumo SA	1.66
Alibaba Group Holding Ltd	4.53	Lg Household & Health Care	1.78	B3 Sa-Brasil Bolsa Balcao	1.45
Ping An Insurance Group Co-H	1.88	Kakao Corp	1.42	Totvs SA	1.37
Midea Group Co Ltd-A	1.85	Douzone Bizon Co Ltd	1.01	Raia Drogasil SA	0.63
China Tourism Group Duty F-A	1.60	Kakaobank Corp	0.87	Locaweb Servicos De Internet	0.28
Foshan Haitian Flavouring -A	1.42	Coupang Inc	0.82	<b>Mexico</b>	<b>4.03</b>
Zhangzhou Pientzehuang Pha-A	1.39	<b>Taiwan</b>	<b>12.40</b>	Grupo Aeroport Del Pacific-B	2.22
Kweichow Moutai Co Ltd-A	1.27	Taiwan Semiconductor-Sp Adr	7.85	Walmart De Mexico Sab De Cv	1.81
Travelsky Technology Ltd-H	1.09	Mediatek Inc	2.36	<b>Peru</b>	<b>0.78</b>
Aier Eye Hospital Group Co-A	0.88	Ememory Technology Inc	1.15	Credicorp Ltd	0.78
Shenzhou International Group	0.85	E.Sun Financial Holding Co	1.05	<b>Cash</b>	<b>4.30</b>
Netease Inc	0.62	<b>Thailand</b>	<b>2.52</b>	<b>Total</b>	<b>100.00</b>
<b>India</b>	<b>22.41</b>	Sea Ltd-Adr	2.52		
Reliance Industries Ltd	4.57	<b>EMEA</b>	<b>10.13</b>		
Infosys Ltd	2.94	<b>Poland</b>	<b>1.07</b>		
Hdfc Bank Limited	2.70	Allegro.Eu SA	1.07		
Upl Ltd	2.06	<b>Russia</b>	<b>4.47</b>		
Motherson Sumi Systems Ltd	2.00	Yandex Nv-A	2.63		
Housing Development Finance	1.63	Headhunter Group Plc-Adr	1.83		
Interglobe Aviation Ltd	1.56	<b>South Africa</b>	<b>3.46</b>		
Bajaj Finance Ltd	1.38	Capitec Bank Holdings Ltd	2.19		
Asian Paints Ltd	1.27	Clicks Group Ltd	1.27		
Havells India Ltd	1.11	<b>United Arab Emirates</b>	<b>1.14</b>		
Britannia Industries Ltd	0.99	Network International Holdin	1.14		
Reliance Industries-Partly P	0.19	<b>Latin America</b>	<b>15.48</b>		
<b>Indonesia</b>	<b>2.16</b>	<b>Argentina</b>	<b>5.27</b>		
Bank Central Asia Tbk Pt	2.16	Mercadolibre Inc	3.03		
		Globant SA	2.24		

As of Date: 30/09/2021

Information about the Fund's holdings should not be considered investment advice. There is no guarantee that the Fund will continue to hold any one particular security or stay invested in any one particular sector. 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.



**GENERAL INFORMATION**

**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](http://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 and any income from them 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. Emerging markets investments typically involve special risk considerations, including higher volatility, lower liquidity, economic and political risk.

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](http://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.

The investments in the Fund may not be suitable for all recipients. This material is for informational purposes only, is not contractually binding, and does not contain personalized recommendations or advice and is not intended to substitute any professional advice on investment in financial products. The Company may not be registered to be marketed in or may only be marketed to certain categories of investors in your jurisdiction. For information regarding jurisdictions in which the Company is registered or passported, please contact your William Blair representative. This document should not be used or distributed in any jurisdiction, other than those in which the Fund is authorized, where authorization for distribution is required.

This document has been prepared and issued by WILLIAM BLAIR INVESTMENT MANAGEMENT, LLC in its capacity as a delegate of the FUNDROCK MANAGEMENT COMPANY S.A., a "société anonyme", incorporated under the laws of the Grand Duchy of Luxembourg having its registered office at 33, rue de Gasperich, L-5826 Hesperange and registered in the R.C.S. Luxembourg under n° 104196 (the "Management Company"). The Management Company is authorised and regulated by CSSF as the management company of UCITS under the EU directive 2009/65/EC, as amended. 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](http://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.

Copyright © 2021 William Blair. "William Blair" refers to William Blair & Company, L.L.C., William Blair Investment Management, LLC, and affiliates. No part of this material may be reproduced in any form, or referred to in any other publication, without express written consent.