William Blair

Class I WMCIX
Class N WMCNX

How We Manage Currencies
William Blair Macro Allocation Fund

UNIQUE CURRENCY MANAGEMENT APPROACH

- **Fundamental valuation-based currency management (not momentum-oriented like many managers)**
  - Active, fundamental approach focuses on longer-term valuations not short-term price movements
  - Team uses relative purchasing power parity to identify fundamental values—this simply means that the exchange rate finds its fundamental value when it equalizes the prices of goods and services in different countries
- **The Fund makes a significant allocation to currencies**
  - Investment universe includes 30 currencies worldwide
  - Maintains separate risk allocation to currencies, independent of capital market risk (50% of active risk in portfolio is expected to come from active currency management)

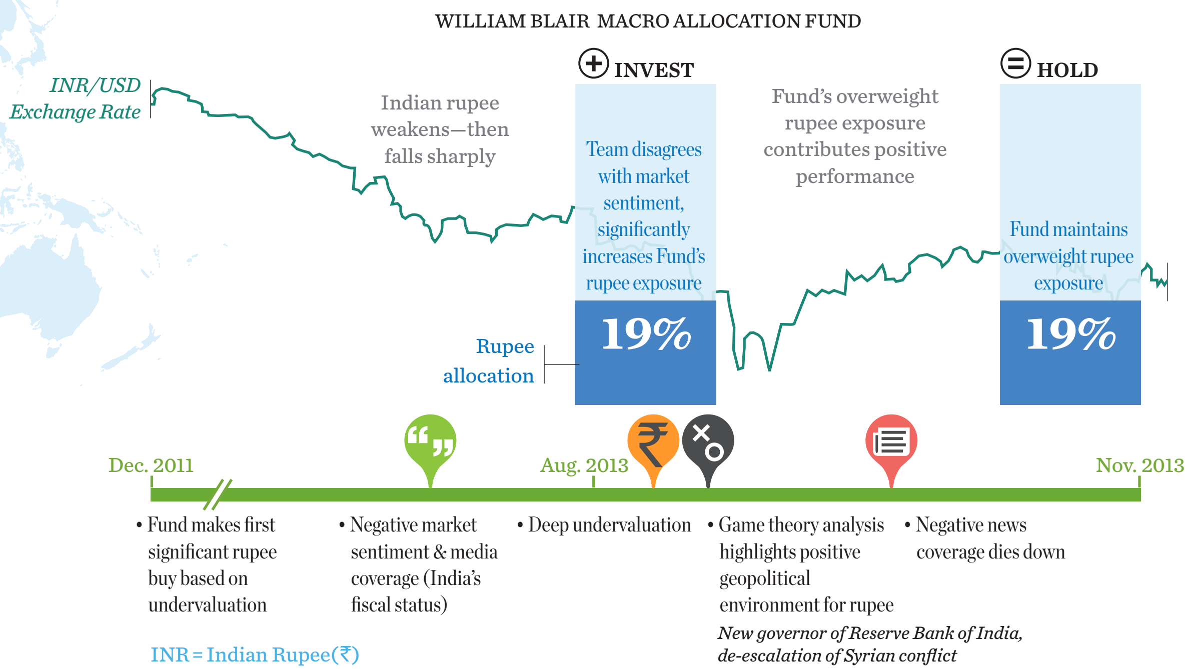
POTENTIAL BENEFITS

- **Diversifies an investment portfolio**
  - Provides a diversified source of alpha
  - Uncorrelated return stream versus equities and bonds seeks to reduce portfolio volatility over time
- **Seeks to enhance return potential**
  - Currency management seeks to provide meaningful, consistent contribution to Fund's performance
  - Allows team to take advantage of currency opportunities independently of market concerns

CASE STUDY:
Indian Rupee

Investment team waits for value/price discrepancies to open up significantly before taking substantial positions in currencies, especially riskier ones.

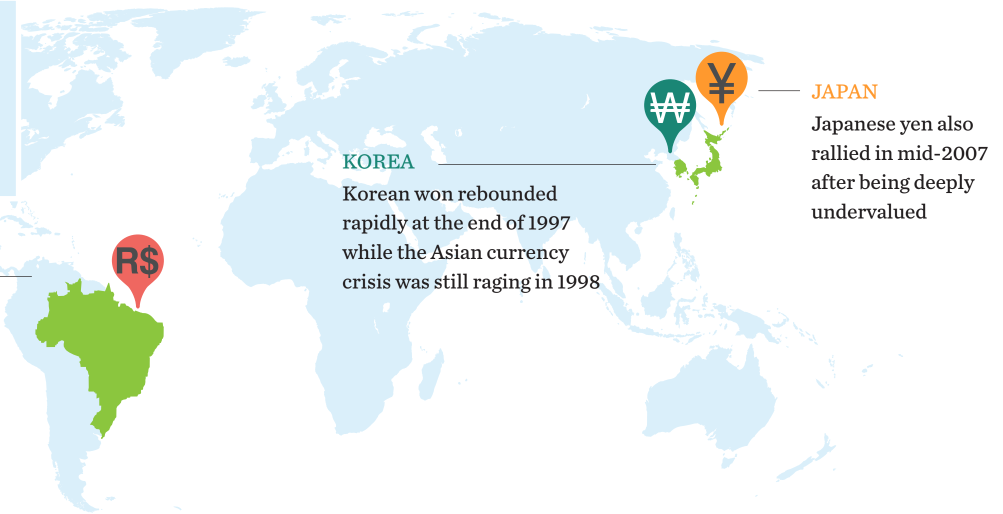
- The Fund has had an exposure to the Indian rupee since its inception (11/29/11)—fundamental analysis highlighted rupee's undervaluation
- Negative market sentiment drove Indian rupee free-fall in late summer 2013
- Negative momentum heightened rupee undervaluation and created significant investment opportunity



Past performance does not guarantee future results.

WE'VE SEEN THIS BEFORE

Self-feeding negative market sentiment can reverse abruptly



BRAZIL

Brazilian real experienced a sharp turnaround near the end of 2008, before any equity markets turnaround during the crisis

KOREA

Korean won rebounded rapidly at the end of 1997 while the Asian currency crisis was still raging in 1998

JAPAN

Japanese yen also rallied in mid-2007 after being deeply undervalued

Brian Singer, CFA
Head of Dynamic Allocation Strategies Team, William Blair

"Fundamental value is a very powerful tool for currency management. We've discovered that prices converge on fundamental value for currencies faster than for equities and bonds—on average 4-5 years for currencies, 8-10 years for equities, and somewhere in between for bonds. That's why we allocate a significant portion of the Fund's risk budget to currency management."

RISK DISCLOSURES

The Fund involves a high level of risk and may not be appropriate for everyone. You could lose money by investing in the Fund. There can be no assurance that the Fund's investment objective will be achieved. The Fund is not a complete investment program and you should only consider the Fund for the alternative portion of your portfolio. Separate accounts managed by the Advisor may invest in the Fund and, therefore, the Advisor at times may have discretionary authority over a significant portion of the assets invested in the Fund. In such instances, the Advisor's decision to make changes to or rebalance its clients' allocations in the separate accounts may substantially impact the Fund's performance. The Fund is designed for long-term investors.

The Fund may use investment techniques and financial instruments that may be considered aggressive—including but not limited to the use of futures contracts, options on futures contracts, securities and indices, forward contracts, swap agreements and similar instruments. Such techniques may also include short sales or other techniques that are intended to provide inverse exposure to a particular market or other asset class, as well as leverage. These techniques may expose the Fund to potentially dramatic changes (losses) in the value of certain of its portfolio holdings.

Investments are subject to a number of other different types of risk, including market risk, asset allocation risk credit risk, commodity risk, counterparty and contractual default risk, currency risk, and derivatives risk. For a more detailed explanation and discussion of these risks, please read the Fund's Prospectus.

Alpha: A measure of a portfolio's return in excess of the market return, after both have been adjusted for risk. It is a mathematical estimate of the amount of return expected from a portfolio above and beyond the market return at any point in time.

Game Theory: Events, geopolitics, and policy changes affect market prices. Game theory, which considers the interests and incentives of governmental and economic leaders, provides a framework for making sense of geopolitical and macroeconomic developments.

Please carefully consider the Fund's investment objective, risks, charges, and expenses before investing. This and other information is contained in the Fund's prospectus, which you may obtain by calling +1 800 742 7272. Read it carefully before you invest or send money.

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