

## Product Profile

### William Blair Value Equity Fund Suite

#### Why Active in Small- and Mid-Cap Value?

##### Identifying Quality Companies Uncovers Alpha Potential

We believe small- and mid-cap equities present a compelling opportunity for active managers focused on identifying quality companies.

- Small- and mid-cap value stocks have generated one of the strongest track records of risk-adjusted performance of any publicly traded asset class over the last 20 years, yet many investors are under-allocated. Given their size and agility, smaller companies can adapt their business models quickly, creating opportunities for active managers to seek to capitalize on valuation discrepancies.
- Small- and mid-cap value indexes typically maintain sizeable allocations to lower-quality companies; this may present alpha-generating prospects for managers that employ a valuation and quality discipline.
- The relative lack of sell-side research allows for bottom-up analysis to identify quality companies trading at a discount to their intrinsic values.

#### Why William Blair for Small- and Mid-Cap Value?

##### Focus on Traditional Value

- Our focus on quality companies—combined with our strong valuation discipline—seeks to provide consistent upside capture and downside protection across market cycles.
- We look beyond price-to-book values to distinguish industry-leading companies that trade at a discount; we search for companies with strong management teams, high returns on capital, high barriers to entry, strong cash flow generation, and high recurring margins.
- We seek to deliver high active share but in a diversified manner to minimize stock-specific risk.

##### Deep Sector Expertise

- We have managed value strategies using a consistent philosophy and process since 1989; this has led to institutional knowledge of most companies in our investible universe and high-conviction ideas.
- Our research analysts are sector specialists. Their comprehensive sector knowledge produces actionable insights about industry-leading companies that we believe are well positioned to capitalize on shifting dynamics.
- We combine the focused knowledge of our individual sector analysts with the collective experience of the team to find companies that we believe can outperform the market over time.

#### Management Team

##### Small Cap Value

William Heaphy, CFA,  
Gary Merwitz

##### Mid Cap Value

William Heaphy, CFA  
Matthew Fleming, CFA

#### Our Team: By the Numbers

As of December 31, 2022

9

research analysts, specialists,  
and traders

750

small- and mid-cap companies  
our analysts cover

23

average years of industry  
experience of our team analysts  
and portfolio managers

13+

years working together as  
a team

\$3.5B

AUM invested in value strategies

# William Blair Value Equity Fund Suite

Investment Management  
[active.williamblair.com](http://active.williamblair.com)

## EXHIBIT 1

### William Blair U.S. Value Equity Fund Characteristics

	MID-CAP VALUE	SMALL-CAP VALUE
<b>Scope</b>	Portfolio of high-quality mid-cap companies whose stocks are trading at a discount to their intrinsic value	Portfolio of high-quality small-cap companies whose stocks are trading at a discount to their intrinsic value
<b>Benchmark</b>	Russell Midcap Value Index	Russell 2000 Value Index
<b>Market Capitalization</b>	Mid-Cap	Small-Cap
<b>Number of Names</b>	50-60	100-115
<b>Mutual Fund I-Share Ticker</b>	WVMIX	ICSCX

### Meet the Management Team



**William Heaphy, CFA**  
**Started in Industry:** 1994  
**Education:** B.S., Lehigh University; J.D., University of Maryland School of Law



**Matthew Fleming, CFA**  
**Started in Industry:** 2004  
**Education:** B.A., Princeton University



**Gary Merwitz**  
**Started in Industry:** 1996  
**Education:** B.S., University of Maryland; M.B.A., Duke University's Fuqua School of Business

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## Why William Blair?

### Structure

- We are an independent, 100% active employee-owned firm with no distractions from our sole priority: creating strong, risk-adjusted returns for our clients.

### Culture

- We evolve to meet our clients' needs while remaining true to our core investment strengths and maintaining our uncompromising integrity.

### Approach

- Our autonomous investment teams have the freedom and flexibility to deliver high-conviction active management in a consistent, repeatable process.

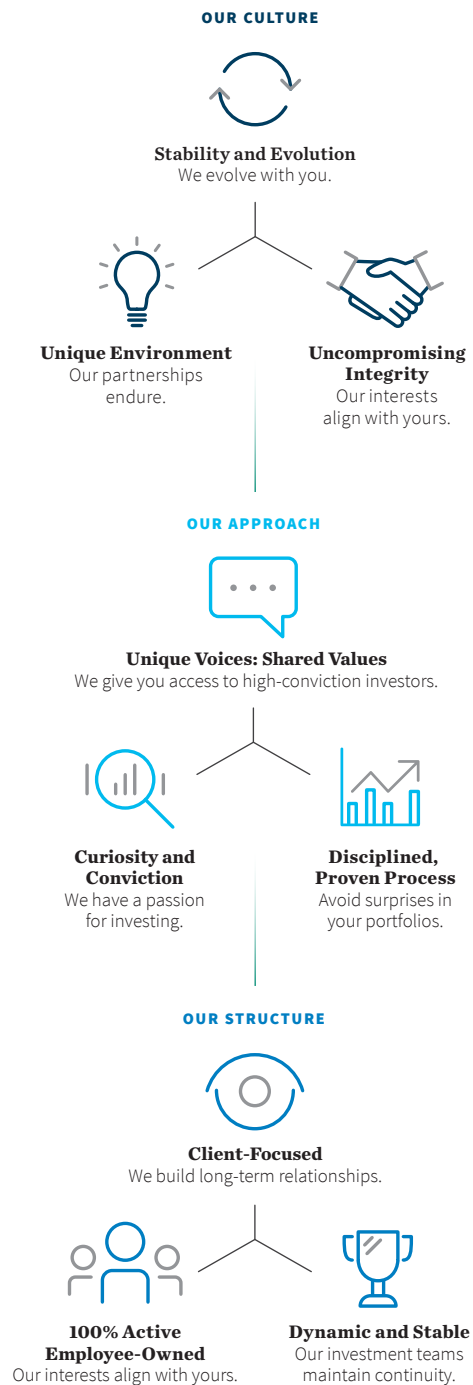
### Active Never Rests™

- We have 48 dedicated research analysts and 29 portfolio managers, and 33 of our 77 analysts and portfolio managers are partners (as of 12/31/22).
- Our ownership structure and career advancement opportunities help us retain top talent, ensuring our best investment minds are working on your behalf.

### Why Small- and Mid-Cap Value Now?

To read our latest U.S. value equity insights go to our [blog](#) or visit [active.williamblair.com](http://active.williamblair.com).

## Investment Management



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## Funds Disclosures

**Risks:** The Funds' returns will vary, and you could lose money by investing in the Funds. The Funds hold equities which may decline in value due to both real and perceived general market, economic, and industry conditions. Investing in smaller companies involves special risks, including higher volatility and lower liquidity. Small- and mid-cap stocks are also more sensitive to purchase/sale transactions and changes in the issuer's financial condition. Diversification does not ensure against loss. Past performance does not guarantee future returns.

The Russell 2000® Value Index consists of small-capitalization companies with below average price-to-book ratios and forecasted growth rates. The Russell Midcap® Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. Indices are unmanaged, do not incur fees or expenses, and cannot be invested in directly.

**Active share:** a measure of the percentage of holdings in a portfolio that differ from the benchmark index. **Alpha:** A measure of a portfolio's return in excess of the market return, after both have been adjusted for risk. **Upside/Downside Capture Ratios:** upside and downside capture ratios represent the degree to which a portfolio outperformed or underperformed the benchmark in periods when the benchmark return was positive or negative.

*Please carefully consider the Funds' investment objectives, risks, charges, and expenses before investing. This and other information is contained in the Funds' prospectus and summary prospectus, which you may obtain by calling +1 800 742 7272. Read the prospectus and summary prospectus carefully before investing. Investing includes the risk of loss.*

This content is for informational and educational purposes only and not intended as investment advice or a recommendation to buy or sell any security. Investment advice and recommendations can be provided only after careful consideration of an investor's objectives, guidelines, and restrictions.

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