

Fund Overview

William Blair Small Cap Value Fund

INVESTMENT OBJECTIVE

Capital Appreciation

FUND CHARACTERISTICS

The Fund seeks to identify small cap companies priced at discounts to their intrinsic values and with fundamentals that are stable or improving.

POTENTIAL BENEFITS

Consistency

- Seeks to perform consistently in both up and down markets
- Rigorous investment process enables team to focus on in-depth company analysis
- Strategy's sector neutral approach should result in performance driven by stock selection

Disciplined Value Framework

- Balances attractive valuation and solid fundamentals by investing in quality companies at discount prices and corporate transformation opportunities
- Assesses stock-specific downside risk

FUND FACTS

- Benchmark: Russell 2000® Value Index¹
- Number of Holdings: 80 – 100
- Typical Position Size: 0.75% to 1.75%
- Maximum Position Size: 3% at market value

WHY CONSIDER THE WILLIAM BLAIR SMALL CAP VALUE FUND?

- Engages a deep and experienced team committed to fundamental research
- Employs a time-tested investment philosophy
- Seeks stocks that combine attractive valuation and solid fundamentals and that are either quality companies trading at discount prices or are corporate transformation opportunities
- Consistently applies a disciplined, rigorous investment process to uncover opportunities and reduce stock-specific and portfolio level risk
 - Proprietary free cash flow return on invested capital and valuation models
- Seeks to provide strong absolute and risk-adjusted performance

INVESTMENT PHILOSOPHY

We believe the key to successful investing is striking a balance between attractive valuations and solid fundamentals. We look for this balance in two separate but somewhat overlapping categories: quality companies at discount prices and corporate transformation opportunities. We also feel it is critical to assess stock-specific downside risk. Our investment success is dependent on the consistent application of this philosophy.

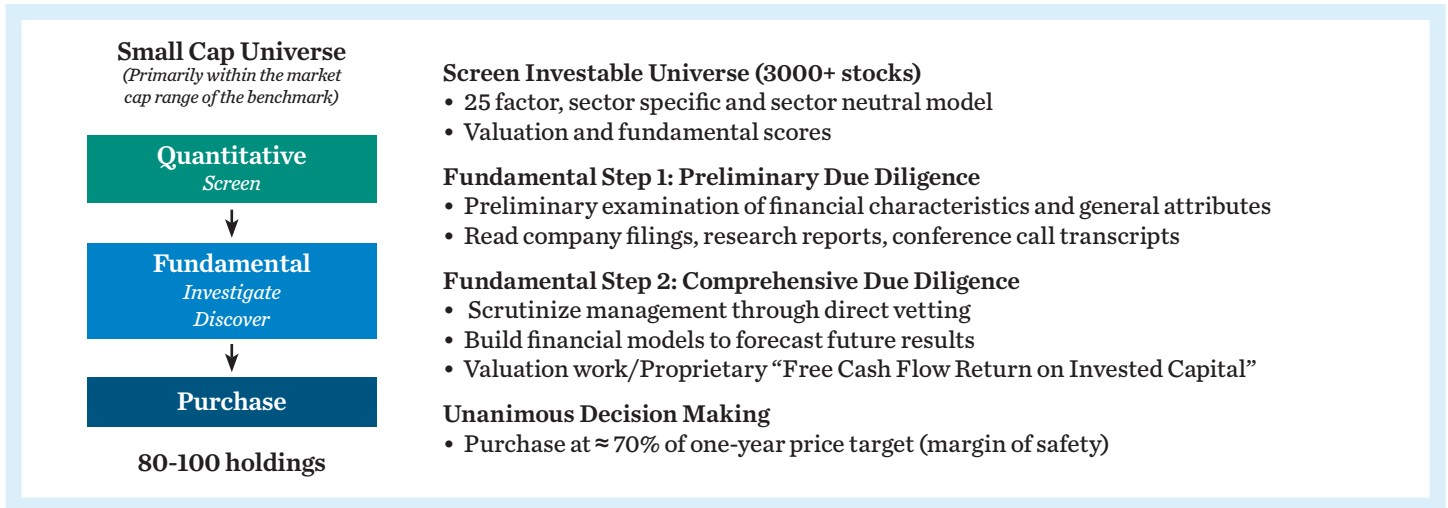
Valuation

- Free Cash Flow Based
- Peer and Historical Comparisons
- Industry Transaction Comparisons
- Forecast Future Financial Results
- Downside Risk Assessment
- Proprietary “Free Cash Flow Return on Invested Capital”

Fundamentals

- Superior Cash Flow Generation
- Improving/Sustainable Return on Invested Capital
- Shareholder-Value Focused Management
- Strict Corporate Governance
- Defensible Competitive Position

INVESTMENT PROCESS: STOCK SELECTION



INVESTMENT PROCESS: SELL DISCIPLINE

Investment Thesis Still Valid?

- Intensified competitive environment
- Unexpected management change
- Change in long-term growth drivers

Valuation/Fundamentals Intact?

- Quantitative scores deteriorate
- Erosion of company fundamentals
- Stock price approaching price target

Portfolio Construction

- Sector neutrality
- Market cap > 2x largest benchmark stock
- Position size > 3%

TEAM HIGHLIGHTS

- Small Cap Value investment team has worked together since 2005
- Team averages 17 years of individual investment experience
- Strong absolute and risk-adjusted historical performance since team inception in October 2005

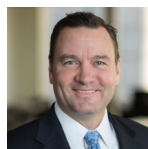
Past performance is not indicative of future results.

PORTFOLIO MANAGEMENT TEAM



Chad Kilmer, CFA, Partner

- Started in industry: 2000
- M.B.A., Yale University
- B.S.B., University of Minnesota



Mark Leslie, CFA, Partner

- Started in industry: 1991
- B.S., University of New Hampshire



Dave Mitchell, CFA, Partner

- Started in industry: 1984
- M.B.A., Northwestern University
- B.A., Knox College

Risks: The Fund’s returns will vary, and you could lose money by investing in the Fund. The Fund holds 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. Individual securities may not perform as expected or a strategy used by the Adviser may fail to produce its intended result. Convertible securities may be called before intended, which may have an adverse effect on investment objectives. Diversification does not ensure against loss.

¹ The Russell 2000® Value Index consists of small-capitalization companies with below average price-to-book ratios and forecasted growth rates. The Index is unmanaged, does not incur fees or expenses, and cannot be invested in directly.

Please carefully consider the Fund’s investment objectives, risks, charges, and expenses before investing. This and other information is contained in the Fund’s 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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