

3Q 2020 Update William Blair Small Cap Growth Fund

OBJECTIVE

Capital Appreciation

CHARACTERISTICS

The Fund seeks to invest in small cap quality companies that are expected to have solid growth in earnings.

WHY CONSIDER THIS FUND?

- Seeks to provide strong, long-term investment results
- Employs a unique thought process to growth investing, given the team's contrarian bias, valuation sensitivity, and experience with undiscovered and micro cap companies
- Applies a time-tested, fundamental research approach to assess a company's growth sustainability and critical success factors
- Utilizes William Blair's Research Agenda to ensure portfolio managers and analysts continually focus on the most attractive portfolio candidates
- Managed by a long-tenured portfolio management team with significant experience investing in small cap companies

EXPENSE RATIOS (%)

	Gross Expense	Net Expense
Class I	1.27	1.25
Class N	1.54	1.50

Expenses shown are as of the most recent prospectus. The Fund's Adviser has contractually agreed to waive fees and/or reimburse expenses to limit fund operating expenses until 4/30/21.

FUND FACTS AND STATISTICS¹

Total Net Assets (\$MM)	\$537
Number of Holdings	90
Wgt'd Avg Mkt Cap (\$BB)	\$2.9
Unwgt'd Median Mkt Cap (\$BB)	\$2.5
P/E Ratio (Next 12 Months)	28.8
EPS Growth (Long-Term Projected)	15.9
Trailing 1-Year Turnover (%)	61.6
Cash (%)**	1.4
Standard Deviation (% 10YR)	
Fund - Class I	17.71
Index ²	18.44

** Cash represents cash and any short-term or overnight investments held by the Fund.

INVESTMENT PERFORMANCE % (as of 09/30/20)

	QTR	YTD	1Y	3Y	5Y	10Y
Class I (SI: 12/27/99)	9.82	6.83	13.08	10.44	15.30	13.19
Class N (SI: 12/27/99)	9.80	6.63	12.79	10.17	15.02	12.91
Russell 2000® Growth Index ²	7.16	3.88	15.71	8.18	11.42	12.34
Morningstar Small Growth Category ³	8.17	8.41	18.73	11.08	12.88	12.63

CALENDAR YEAR PERFORMANCE %

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Class I (SI: 12/27/99)	22.51	-1.88	26.99	19.22	-4.20	2.87	53.13	18.43	-13.13	16.62
Class N (SI: 12/27/99)	22.26	-2.14	26.70	18.89	-4.44	2.62	52.76	18.15	-13.31	16.16
Russell 2000® Growth Index ²	28.48	-9.31	22.17	11.32	-1.38	5.60	43.30	14.59	-2.91	29.09

Performance cited represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the data quoted. Returns shown assume reinvestment of dividends and capital gains. Investment returns and principal will fluctuate with market and economic conditions and you may have a gain or loss when you sell shares. For the most current month-end performance information, please call +1 800 742 7272, or visit our Web site at www.williamblairfunds.com. Class N shares are available to the general public without a sales load. Class I shares are available only to investors who meet certain eligibility requirements.

MORNINGSTAR RATINGS AND RANKINGS*

	Overall	1Y	3Y	5Y	10Y
Class I Rating	★★★	—	★★★	★★★★	★★★★
Class N Rating	★★★	—	★★★	★★★★	★★★★
Class I Percentile Ranking		59	49	28	43
Class N Percentile Ranking		60	50	31	48
# of Funds in Category		624	579	513	384

*Morningstar Rating[®]: The Morningstar Rating for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. **Morningstar Ranking:** Morningstar Percentile Rankings are based on the Fund's total return (excluding sales charge) relative to all the funds in the same Morningstar category, where 1 is the highest and 100 is the lowest percentile rank. Ratings and rankings are one measure of performance. Some of our Funds have experienced negative performance for the time periods shown. For the most current performance, please visit williamblairfunds.com.

TOP TEN HOLDINGS (%)^{4,5}

Company	Industry	% of Fund
BWX Technologies, Inc.	Aerospace & Defense	2.2
Boot Barn Holdings, Inc.	Specialty Retail	1.9
QuinStreet, Inc.	Interactive Media & Services	1.8
Encompass Health Corporation	Health Care Providers & Services	1.8
National Vision Holdings, Inc.	Specialty Retail	1.7
Casella Waste Systems, Inc.	Commercial Services & Supplies	1.7
iRhythm Technologies, Inc.	Health Care Equipment & Supplies	1.7
Aaron's, Inc.	Specialty Retail	1.7
Darling Ingredients Inc.	Food Products	1.7
FirstService Corporation	Real Estate Management & Development	1.6
Total Top 10		17.8

SECTOR DIVERSIFICATION (%)^{4,5}

Sector Type	Fund	Index ²
Health Care	27.3	34.5
Information Technology	23.9	20.1
Industrials	19.8	13.8
Consumer Discretionary	12.2	13.7
Financials	6.4	4.2
Consumer Staples	2.9	3.2
Real Estate	2.6	3.8
Communication Services	2.6	2.3
Energy	1.2	0.1
Materials	1.1	2.6
Utilities	0.0	1.7

MARKET CAP DIVERSIFICATION (%)^{4,5}

Market Cap	Fund	Index ²
> \$4.0B	25.5	24.1
\$2.0B - \$4.0B	33.7	42.3
\$1.0B - \$2.0B	17.8	20.6
< \$1.0B	23.0	13.0

PORTFOLIO MANAGEMENT



Mike Balkin
Started in Industry: 1990
Education: B.A., Northwestern Univ.



Ward Sexton, CFA
Started in Industry: 1999
Education: M.B.A., Univ. of Chicago; B.A., Univ. of Illinois



Mark Thompson, CFA
Started in Industry: 2001
Education: B.B.A. & M.B.A., Univ. of Iowa

1 Weighted Average Market Capitalization: The Weighted Average Market Capitalization for a portfolio is calculated as the average market capitalization of the stocks within the portfolio, weighted by the amount of each stock owned. **Unweighted Median Market Capitalization:** This calculation represents the median market capitalization of the stocks in the portfolio, regardless of the amount of each stock owned. **P/E (Price/Earnings) Ratio:** A stock with a higher P/E ratio would be considered more expensive relative to another stock with a lower P/E. An investor may pay a higher P/E for a stock for several reasons including, but not limited to, an expectation that the company possesses higher returns on invested capital, less economic sensitivity, higher consistency of earnings and/or higher earnings growth potential. **EPS Growth (Long-Term Projected):** This measure represents the weighted average of forecasted growth in earnings expected to be experienced by stocks within the portfolio over the next 3-5 years. This projected earnings growth should not be considered an indication of future fund performance. **Trailing 1-Year Turnover:** This figure reflects the portfolio's trading activity by calculating the amount of the portfolio's holdings bought or sold over the prior year, expressed as a percentage of the portfolio's average market value. Turnover figures may be related to the amount of trading costs experienced by the portfolio. **Standard Deviation:** A higher standard deviation represents a greater dispersion of returns, and thus, a greater amount of risk. Standard deviation returns shown are annualized and calculated using monthly returns. Funds without a 10-year history are reported against the Fund's inception date. If the Fund's inception date does not fall on the first day of a given month, the annualized standard deviation is calculated based on the first day of the month following the Fund's inception date.

2 The Russell 2000 Growth Index consists of small-capitalization companies with above average price-to-book ratios and forecasted growth rates. It is not possible to directly invest in an unmanaged index.

3 The Morningstar Small Growth Category represents the average annual composite performance of all mutual funds listed in the Small Growth Category by Morningstar.

4 Top ten holdings are shown as % of total net assets. Sector and market cap diversification exclude cash equivalents.

5 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.

Risks: The Fund's returns will vary, and you could lose money by investing in the Fund. The Fund invests most of its assets in equity securities of small cap domestic growth companies where the primary risk is that the value of the equity securities it holds might decrease in response to the activities of those companies or market and economic conditions. Individual securities may not perform as expected or a strategy used by the Adviser may fail to produce its intended result. Investing in smaller companies involves special risks, including higher volatility and lower liquidity. Small cap stocks are also more sensitive to purchase/sale transactions and changes in the issuer's financial condition. These risks are intensified for investments in micro-cap companies. 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. The Fund is not intended to be a complete investment program. The Fund is designed for long-term investors.

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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