

The Fund's name was changed to William Blair Short Duration Bond Fund in December 2021. The Fund's benchmark was changed to the Bloomberg 1-3 Year U.S. Govt/Credit Index in November 2021.

Please note that the Fund will be liquidated on or before April 15, 2022. The Fund will be closed to new investors effective February 14, 2022 but will remain open for investment until February 28, 2022 for existing shareholders. Please refer to the Fund's prospectus for additional information.

4Q 2021 Update William Blair Short Duration Bond Fund

OBJECTIVE

Current income generation and relative stability of capital

CHARACTERISTICS

The Fund strives to produce consistent risk-adjusted returns with high current income while maintaining a diversified portfolio of investment-grade, liquid fixed-income securities.

WHY CONSIDER THIS FUND?

- May offer the potential for higher yields than traditional short-term bond funds
- Provides exposure to a distinct investment approach with above-market coupon agency mortgage-backed securities that have the potential to produce generous, predictable income
- Limited interest rate risk may help to protect investors against an unexpected rise in interest rates compared to core duration mandates

INVESTMENT PERFORMANCE (as of 12/31/21)

	QTD	YTD	1 Y	3 Y	5 Y	10 Y
Class I (SI: 10/01/99)	-0.65%	-1.49%	-1.49%	2.99%	1.98%	2.13%
Class N (SI: 10/01/90)	-0.68%	-1.62%	-1.62%	2.83%	1.81%	1.92%
Bloomberg 1-3 Year U.S. Govt./Credit Index ⁴	-0.56%	-0.47%	-0.47%	2.28%	1.85%	1.39%
Bloomberg U.S. Intermediate Govt./Credit Index ^{4a}	-0.57%	-1.44%	-1.44%	3.86%	2.91%	2.38%
Morningstar Short-Term Bond Category ⁵	-0.48%	0.05%	0.05%	3.02%	2.37%	1.96%

CALENDAR YEAR PERFORMANCE

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Class I (SI: 10/01/99)	-1.49%	4.39%	6.24%	-0.69%	1.68%	2.78%	0.63%	3.20%	-1.41%	6.28%
Class N (SI: 10/01/90)	-1.62%	4.34%	5.92%	-0.86%	1.46%	2.44%	0.39%	3.06%	-1.61%	6.00%
Bloomberg 1-3 Year U.S. Govt./Credit Index ⁴	-0.47%	3.33%	4.03%	1.60%	0.84%	1.28%	0.65%	0.77%	0.64%	1.26%
Bloomberg U.S. Intermediate Govt./Credit Index ^{4a}	-1.44%	6.43%	6.80%	0.88%	2.14%	2.08%	1.07%	3.13%	-0.86%	3.89%

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	1 Y	3 Y	5 Y	10 Y
Class I Rating	★★★	--	★★★	★★	★★★
Class N Rating	★★★	--	★★★	★★	★★★
Class I Percentile Ranking		93	42	71	37
Class N Percentile Ranking		95	53	83	51
# of Funds in Category		608	557	478	315

***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.

EXPENSE RATIOS

	Gross Expense	Net Expense
Class I	0.68%	0.30%
Class N	0.93%	0.45%

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 4/30/23.

FUND FACTS AND STATISTICS¹

Total Net Assets (\$MM)	\$39
Number of Holdings	115
Trailing 1-Year Turnover	54.9%
Cash ²	1.8%
Average Maturity (Years)	2.4
Duration	1.4

30-DAY SEC YIELDS (as of 12/31/21)³

	Subsidized	Unsubsidized
Class I	0.98%	-2.20%
Class N	0.83%	-2.45%

TOP TEN HOLDINGS^{6,7}

Company	Coupon/Maturity	% of Fund
Fannie Mae Pool	5.50% due 12/01/41	4.3
Fannie Mae Pool	5.50% due 12/01/48	3.6
Fannie Mae Pool	6.00% due 01/01/42	3.1
GM Financial Automobile Leasing Trust	2.04% due 12/20/23	2.5
2020-1		
Med Trust 2021-MDLN	1.56% due 11/15/38	2.4
Royal Bank of Canada	0.39% due 10/07/24	2.4
United States Treasury Floating Rate Note	0.13% due 01/31/23	2.3
Nissan Auto Lease Trust 2021-A	0.52% due 08/15/24	2.2
Tesla Auto Lease Trust 2019-A	2.68% due 01/20/23	1.8
Bank of America Corporation	0.98% due 09/25/25	1.8
Total Top 10		26.4

PORTFOLIO MANAGEMENT



Vesta Marks, CFA, CAIA

Started in Industry: 2001

Education: B.S., Massachusetts Institute of Technology (MIT)

SECTOR DIVERSIFICATION^{6,7,8}

Sector Type	Fund	Index ⁴
Developed Markets Credit	41.7%	27.6%
U.S. Agency Mortgage-Backed Pass Through	27.7%	0.0%
Asset-Backed Securities	16.6%	0.0%
U.S. Treasury	7.1%	68.3%
Commercial Mortgage-Backed Securities	4.4%	0.0%
Emerging Markets	0.7%	0.8%
U.S. Agency Debentures	0.0%	3.3%
Cash	1.8%	0.0%

QUALITY DISTRIBUTION^{6,7,9}

Quality	Fund	Index ⁴
U.S. Treasury	7.1%	68.5%
U.S. Agency	27.7%	0.0%
AAA	10.1%	7.8%
AA	7.3%	2.8%
A	36.2%	12.0%
BBB	9.8%	8.8%
Cash	1.8%	0.0%

¹**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. Portfolio turnover excludes investments in cash securities, such as commercial paper and repurchase agreements, and derivative instruments, including mortgage to-be-announced (TBA) securities and credit default swap index transactions.

²Cash represents cash and any short-term or overnight investments held by the Fund.

³The 30-Day SEC Yield is an annualized yield based on the most recent 30 day period. Subsidized yields reflect fee waivers in effect. Unsubsidized yields reflect what the yield would have been if no fee waiver had been in effect.

⁴The Bloomberg 1-3 Year U.S. Govt/Credit Index measures the return on the investment grade 1-3 year bond market.

^{4a}The Bloomberg U.S. Intermediate Government/Credit Bond Index indicates broad intermediate government/corporate bond market performance. It is not possible to directly invest in an unmanaged index.

⁵The Morningstar Short-Term Bond Category represents the average annual composite performance of all mutual funds listed in the Short-Term Bond Category by Morningstar.

⁶Top ten holdings are shown as % of total net assets. Investment type and credit quality diversification are shown as % of total investments which includes cash equivalents.

⁷Information 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.

⁸Credit is a sector categorization used by Bloomberg Barclays. The sector is comprised of SEC-registered, fixed-rate, investment-grade, U.S. dollar-denominated securities that meet the inclusion criteria of the U.S. Aggregate Index set forth by Bloomberg Barclays. The sector has two main components: Corporate and Non-Corporate. The corporate sectors are Industrial, Utility, and Finance, which include both U.S. and non-U.S. corporations. The non-corporate sectors are Sovereign, Supranational, Foreign Agency, and Foreign Local Government. All of the Fund's holdings are corporate holdings. Over 75% of the Credit sector's composition are corporate sector bonds. The Developed Market Credit category is comprised of securities issued by issuers domiciled outside the emerging markets.

⁹The credit quality of securities in the portfolio and Index are derived from Moody's Investors Service, Inc. and Standard & Poor's, Copyright © 2021, S&P Global Market Intelligence (and its affiliates, as applicable). Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the Content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact. In cases where the credit rating agencies have assigned different credit ratings to the same security, the higher rating is used. In cases where only one rating agency has assigned a credit rating to a security, that rating is used. Credit quality designations range from AAA (highest) to D (lowest). This applies to fixed income securities and derivatives, to the extent the ratings are available. Credit quality ratings on underlying securities are received from S&P and Moody's which are converted to the equivalent S&P major rating category for presentation purposes only. The portfolio itself has not been rated.

Risks: The Fund's returns will vary, and you could lose money by investing in the Fund. As interest rates rise, bond prices will fall and bond funds become more volatile. The Fund is subject to credit risk. The Fund's net asset value and total return may be adversely affected by the inability of the issuers of the Fund's securities to make interest payments or payment at maturity. The Fund's investments in obligations issued or guaranteed by U.S. Government agencies or instrumentalities may not be backed by the full faith and credit of the United States and may differ in the degree of support provided by the U.S. Government. The Fund is also subject to interest rate and foreign investments risk. Foreign investments often involve additional risks, including political instability, differences in financial reporting standards and less stringent regulation of securities markets. Rule 144A securities are not registered for resale in the general securities market and may be classified as illiquid. It may not be possible to sell or otherwise dispose of illiquid securities both at the price and within a time period deemed desirable by the Fund. Investments with longer maturities, which typically provide higher yields than securities with shorter maturities, may subject the Fund to increased price changes resulting from market yield fluctuations. The Fund's investments in collateralized mortgage obligations are subject to prepayment and extension risk. Prepayment of high interest rate mortgage-backed securities during times of declining interest rates will tend to lower the return of the Fund and may even result in losses to the Fund if the prepaid securities were acquired at a premium. Slower prepayments during periods of rising interest rates may increase the duration of the Fund's mortgage-backed securities and asset-backed securities and reduce their value

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.

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