

Q3 2012 Update

William Blair Large Cap Value Fund

OBJECTIVE

Capital Appreciation

CHARACTERISTICS

The Fund seeks to invest in large cap quality companies which are temporarily out-of-favor in the market.

INVESTMENT PERFORMANCE % (as of 9/30/12)

	QTR	YTD	1Y	3Y	5Y	Since Incep.
Class I (10/24/11)	5.97	15.88	—	—	—	15.65
Class N (10/24/11)	5.99	15.68	—	—	—	15.45
Russell 1000® Value Index ²	6.51	15.75	—	—	—	17.67
Morningstar Large Value Category	5.98	13.49	—	—	—	—

FUND FACTS AND STATISTICS¹

Total Net Assets (\$Million)	\$4
Number of Holdings	78
Wgt'd. Avg. Market Cap (\$Billion)	\$80.2
Unwgt'd. Median Market Cap (\$Billion)	\$25.3
P/E Ratio (Next 12 Months)	11.6
EPS Growth (Projected) (%)	9.6
Since Inception Turnover (%)	21.4
Cash (%)**	0.0

EXPENSE RATIOS (%)

	Gross Expense	Capped Expense
Class I	1.23	0.95
Class N	1.48	1.20

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.

The Fund's Adviser has agreed to cap the Fund's Expense Ratio until 4/30/13. After that date, there is no assurance that the Fund's expenses will be limited. The Fund's net expenses paid may be different. Please refer to the Fund's Prospectus for more information on the Fund's expenses.

Investments are subject to market risk.

The Morningstar Large Value Category represents the average annual composite performance of all mutual funds listed in the Large Value Category by Morningstar.

TOP TEN HOLDINGS (%)^{3,4}

Company	Industry	% of Fund
Exxon Mobil Corporation	Oil, Gas & Consumable Fuels	3.7
Pfizer Inc.	Pharmaceuticals	3.0
General Electric Company	Industrial Conglomerates	2.9
JPMorgan Chase & Co.	Diversified Financial Services	2.8
Wells Fargo & Company	Commercial Banks	2.7
Chevron Corporation	Oil, Gas & Consumable Fuels	2.3
The Procter & Gamble Company	Household Products	2.1
Merck & Co., Inc.	Pharmaceuticals	2.1
Freeport-McMoRan Copper & Gold Inc.	Metals & Mining	1.8
Time Warner Cable Inc.	Media	1.8
Total Top 10		25.2

PORTFOLIO MANAGEMENT



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Started in Industry: 1989
Education: B.A., Economics,
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SECTOR DIVERSIFICATION (%)^{3,4}

Sector Type	Fund	Index ²
Financials	26.4	26.2
Energy	15.4	16.9
Health Care	13.0	11.7
Information Technology	8.8	6.4
Industrials	8.6	9.1
Consumer Discretionary	8.2	7.9
Consumer Staples	7.3	7.3
Utilities	5.1	6.8
Materials	3.9	3.9
Telecommunication Services	3.3	3.8

MARKET CAP DIVERSIFICATION (%)^{3,4}

Market Cap	Fund	Index ²
< \$3.0B	3.2	4.0
\$3.0B - \$15.0B	25.3	23.2
> \$15.0B	71.5	72.8

1 Weighted Average Market Capitalization: Market capitalization refers to the total market value of each company's outstanding shares. 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:** This ratio is a measure of valuation. It relates the price of the stock to the earnings per share (EPS) of the company. 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 (Earnings Per Share) Growth Rate (Projected):** This measure represents the weighted average of forecasted growth in earnings expected to be experienced by the stocks within the portfolio over the next year. From a portfolio perspective, the portfolio P/E ratio and EPS Growth Rate are weighted averages of the individual holdings' P/E ratios and EPS Growth Rates. **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.

2 The Russell 1000® Value Index is a widely recognized, unmanaged index that measures the performance of the large cap value segment of the U.S. equity universe, that includes those Russell 1000® companies with lower price-to-book ratios and lower expected growth values. The companies in the Russell 1000® are considered representative of large cap companies.

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

4 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.

** Cash represents cash and any short-term or overnight investments held by the Fund. It does not reflect the impact of any executed investment trades that have not reached their settlement date by quarter end.

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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