

U.S. history later this year. While GDP and earnings growth are likely to slow in the first half of 2019 from levels seen last year, expectations are that growth will improve in the latter half of the year. Company management teams generally remain upbeat as they have not seen a major decrease in business or consumer economic activity. The pause in interest rate increases should provide some relief in the short term for investors worried about companies needing to refinance debt that was taken out at ultra-low interest levels in the years following the Great Recession. However, over the intermediate to long term, the large amount of debt issued since 2009 may need to be refinanced at higher rates. In addition, business and consumer focus on servicing that debt may subdue investment and depress growth. Other prominent risks to corporate profitability in 2019 include an acceleration in wage growth and higher input costs. Globally, economic activity in China has improved with stimulus measures put in place by the government in the last year. A reversal in this improvement, a material slowdown in Europe caused by Brexit, or a rise in geopolitical tensions in the Middle East or Asia could all have negative implications for the U.S. economy.

We continue to focus on bottom-up, fundamental analysis to identify quality growth companies whose stocks we believe can outperform over time. Despite sharp moves in the prices of many U.S. stocks over the past two quarters, we believe concentrating our research efforts on long term business fundamentals is the best way to identify truly durable companies. By building a portfolio of inefficiently priced, quality growth companies, we believe our portfolio will hold up well in a variety of economic environments.

	Value	Core	Growth
Month to Date			
Russell 3000	0.39	1.46	2.53
Russell 1000	0.64	1.74	2.85
Russell Midcap	0.50	0.86	1.35
Russell 2500	-1.33	-0.82	-0.25
Russell 2000	-2.88	-2.09	-1.35
Quarter to Date			
Russell 3000	11.93	14.04	16.18
Russell 1000	11.93	14.00	16.10
Russell Midcap	14.37	16.54	19.62
Russell 2500	13.12	15.82	18.99
Russell 2000	11.93	14.58	17.14
Year to Date			
Russell 3000	11.93	14.04	16.18
Russell 1000	11.93	14.00	16.10
Russell Midcap	14.37	16.54	19.62
Russell 2500	13.12	15.82	18.99
Russell 2000	11.93	14.58	17.14

Source: FactSet; Eagle

Past Performance is not a guarantee of future results. A direct investment in an index is not possible.

The Russell 3000 Index measures the performance of the all-cap segment of the U.S. equity universe. The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell Midcap Index measures the performance of the mid cap segment of the U.S. equity universe. It includes approximately 800 of the smallest securities in the Russell 1000 Index based on a combination of their market cap and current index membership. The Russell 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe. It includes approximately 2500 of the smallest securities in the Russell 3000 Index based on a combination of their market cap and current index membership. The Russell 2000 Index measures the performance of the small cap segment of the U.S. equity universe. It includes approximately 2000 of the smallest securities in the Russell 3000 Index based on a combination of their market cap and current index membership. Core returns represent the Total Return indices. The value segments of these indices include companies with lower price-to-book ratios and lower forecasted growth values. The growth segments of these indices include companies with higher price-to-book ratios and higher forecasted growth values.

Market Performance

- Domestic equity market returns rebounded after a dismal final quarter of 2018, helped by the Fed's pivot to a more dovish posture and plans to take a more patient approach toward monetary policy; opening the door for accommodative policy decisions in the future.
- Although corporate earnings trends continued to be solid, the domestic employment picture remains strong, and consumer spending and confidence remain elevated, the domestic equity market weakened late in the quarter as investors seemed spooked by the inversion of the yield curve and concerns about a future recession.

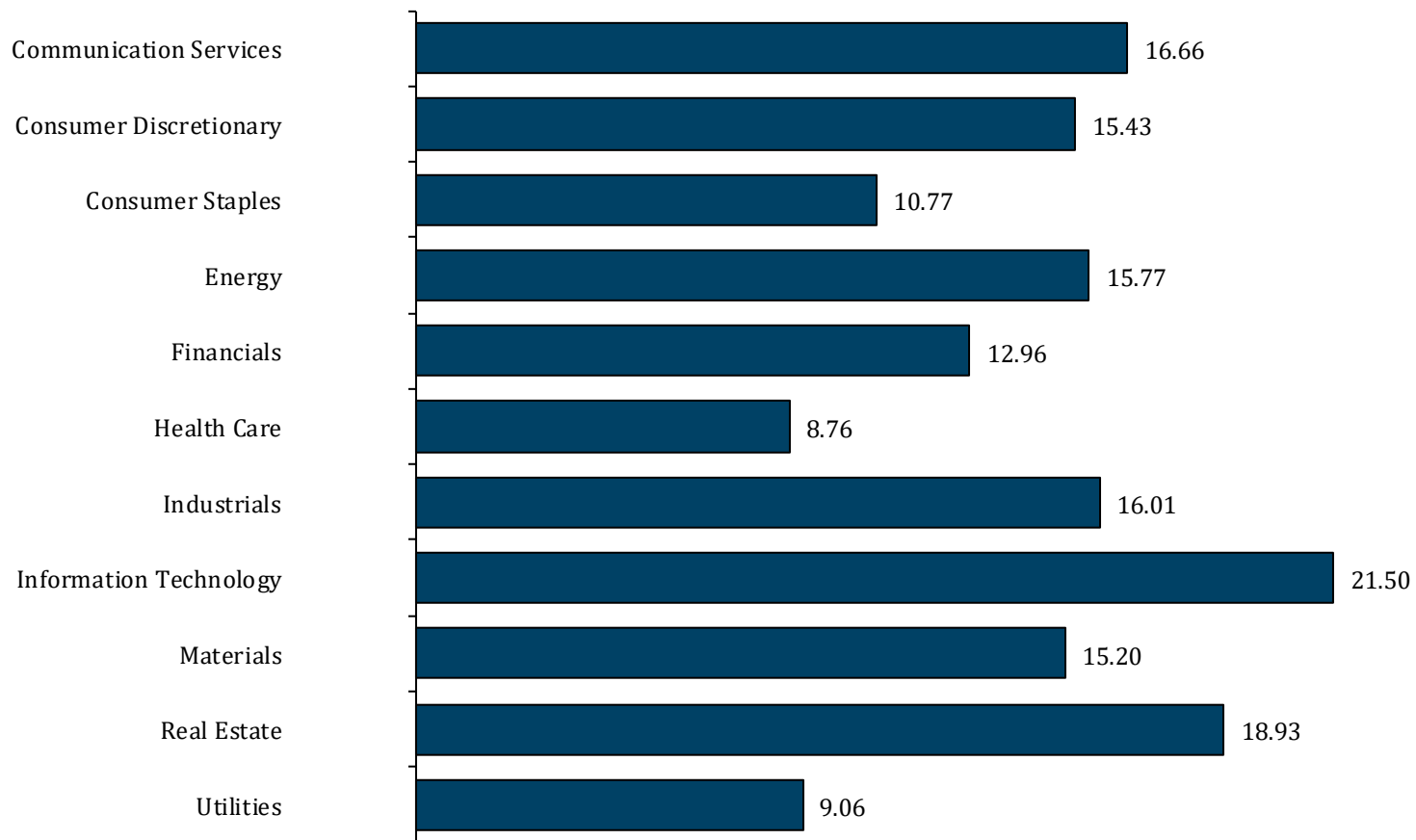
Style Performance

- Growth indices again outperformed value indices across the size spectrum for the month, extending their gains YTD.
- For the year, growth maintains a sizable lead over value, with the dispersion of returns greater in smaller caps segments of the market.

Market Cap Performance

- Larger caps outperformed smaller caps in March as the performance was linear across both sets of style benchmarks.
- For the year, there was no difference in performance between large and small caps within the value indices. Within the growth benchmarks, smaller caps generally outperformed larger caps for the year. Regardless of style, mid caps outperformed all other size segments during the period.

**Russell 3000 Growth Total Return
Q1 2019**



Data calculated in Opturo. Past returns are no guarantee of future performance. A direct investment in an index is not possible. The Russell 3000 Growth Index measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

Periods ended 3/31/2019	Quarter	1 Year	3 Year	5 Year	10 Year
Growth Fund (WBG SX) – Class N	16.69%	15.34%	16.04%	11.25%	15.45%
Growth Fund (BGFIX) – Class I	16.76%	15.65%	16.38%	11.57%	15.82%
Russell 3000 Growth	16.18%	12.06%	16.40%	13.10%	17.44%

Class N Inception Date: 3/20/1946

Class I Inception Date: 10/1/1999

Performance cited represents past performance. Past Performance does not guarantee future results and current performance may be lower or higher than the data quoted. Results shown are average annual returns, which 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 1-877-962-5247, 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.

Growth Fund Expense Ratios:

Gross

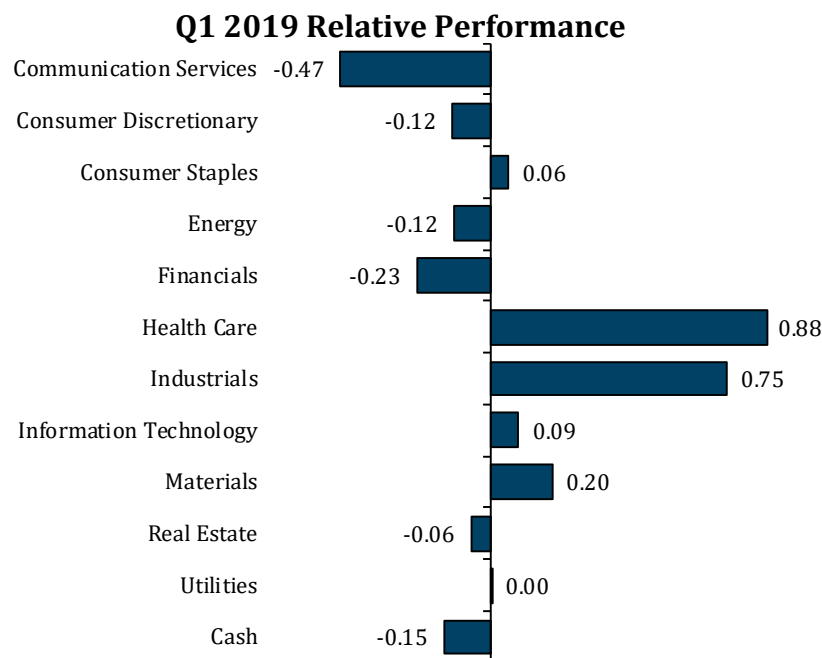
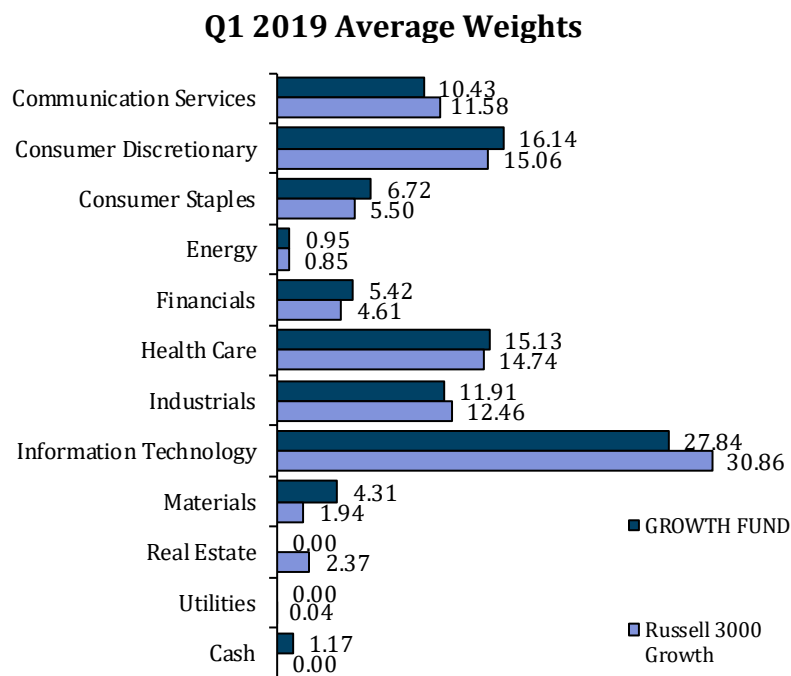
Class N Shares 1.20%

Class I Shares 0.92%

Expenses shown are as of the most recent prospectus.

A direct investment in an index is not possible. The Russell 3000 Growth Index measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

The charts below show the average sector weights and relative performance, by sector, for the Fund vs. its benchmark.



Source: Opturo.

Past returns are no guarantee of future results. Based on Global Industry Classification Sectors (GICS). Concentration of assets in one or a few sectors may entail greater risk than a fully diversified stock portfolio and should be considered as only part of a diversified portfolio.

Worldpay (WP) operates in the payment processing industry as the largest merchant acquirer in the U.S. Outperformance during the quarter was driven in part by strong execution as Worldpay reported organic revenue growth that exceeded expectations and synergies that were tracking favorably from Vantiv's 2018 acquisition of Worldpay (wherein the combined entity kept the Worldpay name). Later in the quarter, shares moved higher after the announcement that Worldpay agreed to be acquired by Fidelity National Information Services. We reduced our position following the announcement.

Portola Pharmaceuticals (PTLA) is a biopharmaceutical company focused on the development and commercialization of novel therapeutics in the areas of thrombosis, other hematologic diseases and inflammation for patients who currently have limited or no approved treatment options. The stock outperformed after receiving approval for its second generation manufacturing process for Andexxa, a previously approved anticoagulant compound. The new manufacturing process will better enable Portola to meet the strong demand from hospitals. We continue to hold the stock as the recent approval supports our thesis that Andexxa will drive growth of Portola over the long term.

Ulta Beauty (ULTA) is a beauty retailer offering prestige, mass and salon products and services in a specialty beauty store. The company reported same-store-sales growth well ahead of expectations driven by strong in-store traffic. The company is gaining market share in both prestige and mass market beauty as it expands existing brands into new stores as well as adds new and in some cases exclusive brand partnerships. We trimmed our position, but continue to believe Ulta has a tremendous growth opportunity, via both new store growth and comparable store sales growth, over the next several years.

Arista Networks (ANET) sells networking switches and routers, with the majority of company revenues coming from the fast growing switch market, which is benefiting from the move to cloud-based IT infrastructures. Shares of Arista outperformed as the company reported quarterly results and issued 2019 guidance that exceeded expectations. Growth in revenue and earnings was driven by Arista's market share gains from its primary competitor and strong positioning of its network switch platform for cloud-based IT environments. We added to our position early in the quarter ahead of strength. We believe that Arista, with its strong value proposition for companies moving applications and workloads to the cloud, can continue to steadily take share in the network switch market.

CoStar Group (CSGP) provides information, marketing and analytic services to the real estate industry in the United States and select countries internationally. Shares of the company advanced after CoStar reported quarterly results, issued 2019 guidance, and provided longer-term business targets that were ahead of expectations. Its core commercial real estate business benefited from an ongoing conversion of customers to higher priced, higher value-added products. In multi-family housing, the company continues to take share from weaker competitors. To that end, CoStar's 2019 margin guidance assumed continued marketing investments in this area. We maintained our position and believe the core business has meaningful growth opportunities to continue expansion and leverage its strong competitive moat, and Apartments.com will continue to take share in the multi-family market due to CoStar's vast information advantage relative to competitors.

This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities listed. Specific securities identified and described do not represent all of the securities purchased, sold, or recommended for advisory clients, and you should not assume that investments in the securities identified and discussed were or will be profitable.

Intercontinental Exchange (ICE) is an exchange operator and clearinghouse in a variety of asset classes. The stock underperformed primarily due to lower volatility and investor preference for more cyclical growth financial stocks in the quarter. We maintained our position as we believe the valuation of the stock relative to the market is attractive given revenue growth opportunities in the market data and clearinghouse businesses, management's tight control of expenses and capital allocation plans which all drive sustained bottom line growth.

UnitedHealth Group (UNH) provides health care coverage, software and data consultancy services. The company operates in two primary business platforms: UnitedHealthcare, which offers health care insurance to an array of customers and markets, and Optum, a healthcare services business. During the quarter, UnitedHealth reported solid business results, including strong performance from its Optum business and lower than expected operating expenses. However, shares declined along with other managed care organizations as a Medicare For All bill was introduced in the House of Representatives that would significantly reduce the role of managed care providers in the U.S. In our view, the proposal lacks the necessary political support to pose a credible threat to UnitedHealth's business. We maintained our position and continue to believe UnitedHealth is a structurally advantaged company that is uniquely positioned to leverage both business units to better navigate the changing payer landscape as well as improve the overall health outcomes of its patients.

Healthcare Services Group (HCSG) provides housekeeping, laundry, linen, facility maintenance and food services to nursing homes, retirement complexes, rehabilitation centers and hospitals. Shares declined as the company reported revenue that disappointed investors. The shortfall was largely attributable to a contract change with one of its food service customers whereby the customer will pay suppliers directly, eliminating a portion of pass-through revenue for Healthcare Services Group that had zero margin attached to it. Healthcare Services Group will continue to manage the profitable portions of the contract, including procurement and food service operations, for the customer. While revenue growth will be negatively impacted in the near term, margins should improve. We added to our position and continue to believe the company is well positioned to benefit from an aging population's increasing need for health care facilities and the facilities' desire to outsource many operational functions.

Coca-Cola Company (KO) is the world's largest beverage company with over 500 carbonated soft drink and non-carbonated beverage brands in its portfolio. Coke reported revenue and earnings for the fourth quarter that were in-line with expectations, but management issued conservative guidance for 2019 which put pressure on the stock. Additionally, in a quarter when more cyclical growth stocks were in favor, a more stable grower like Coke was not able to keep up with the strong benchmark return. We continue to believe the market is underappreciating Coke's ability to leverage its strong brand and global distribution. Above average industry growth will be driven by innovation in higher-growth, non-carbonated beverage categories and better cost discipline throughout the company. We maintained our position in the quarter.

Weight Watchers (WTW) is a global wellness and weight management company focused on providing members with a supportive environment to develop a healthy and sustainable lifestyle. The company is in the midst of a transformation to improve its relevance, including a broadening of the message beyond weight loss toward overall wellness. The stock underperformed in the quarter as management's marketing initiatives were unsuccessful in driving subscriber growth during the key selling season. We had believed that management's data-centric approach to customer acquisition and retention would drive improved profitability. However, with significant change since our purchase, including new influencers and an ad campaign that was heavily focused on wellness, we liquidated our position on concern that engagement with the company's core weight loss customer could be damaged.

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Top 10 Holdings by Weight		
	Growth Fund <u>% in Fund</u>	Russell 3000 Growth <u>% in Index</u>
Microsoft Corp	7.59	5.88
Alphabet Inc	6.83	4.92
Amazon.com Inc	6.23	5.09
Mastercard Inc - A	4.36	1.49
Unitedhealth Group Inc	3.62	1.64
Coca-Cola Co/The	3.05	0.97
Ball Corp	2.71	0.00
Intercontinental Exchange In	2.59	0.15
Raytheon Company	2.42	0.36
Stryker Corp	2.14	0.47
Total:	41.54	18.50

Source: Eagle.

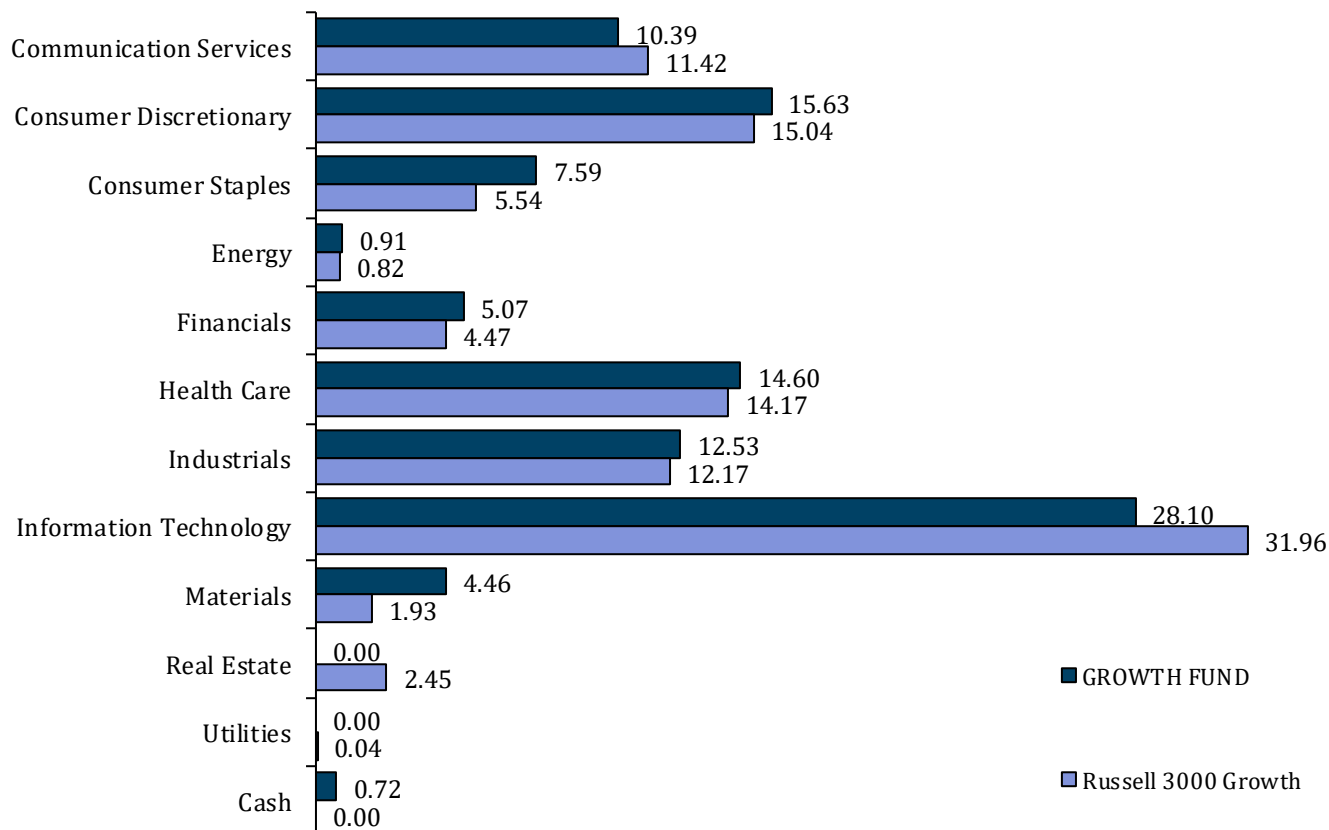
References to specific securities and their issuers are for illustrative purposes only and are not intended and should not be interpreted as recommendations to purchase or sell such securities. William Blair may or may not own the securities referenced and, if such securities are owned, no representation is being made that such securities will continue to be held. Holdings are shown as a percentage of total gross assets.

	Growth Fund	Russell 3000 Growth
Growth		
EPS Growth Rate (LT forecast)*	16.7%	16.8%
Quality		
Return on Assets (5-year average)	8.8%	9.4%
Free Cash Flow Margin	14.2%	14.3%
Debt to Total Capital	40.6%	45.5%
Valuation		
PE Ratio (1 year forecast)	25.0x	21.1x
Capitalization (\$M)		
Weighted Average Market Cap	\$227,350	\$268,915
Weighted Median Market Cap	\$43,074	\$99,559
Portfolio Positions		
Number of Securities	58	1784
Cash		
% Cash in portfolio	0.7%	0.0%
Active Share		
% Active Share	73%	

Source: William Blair; FactSet; Eagle.

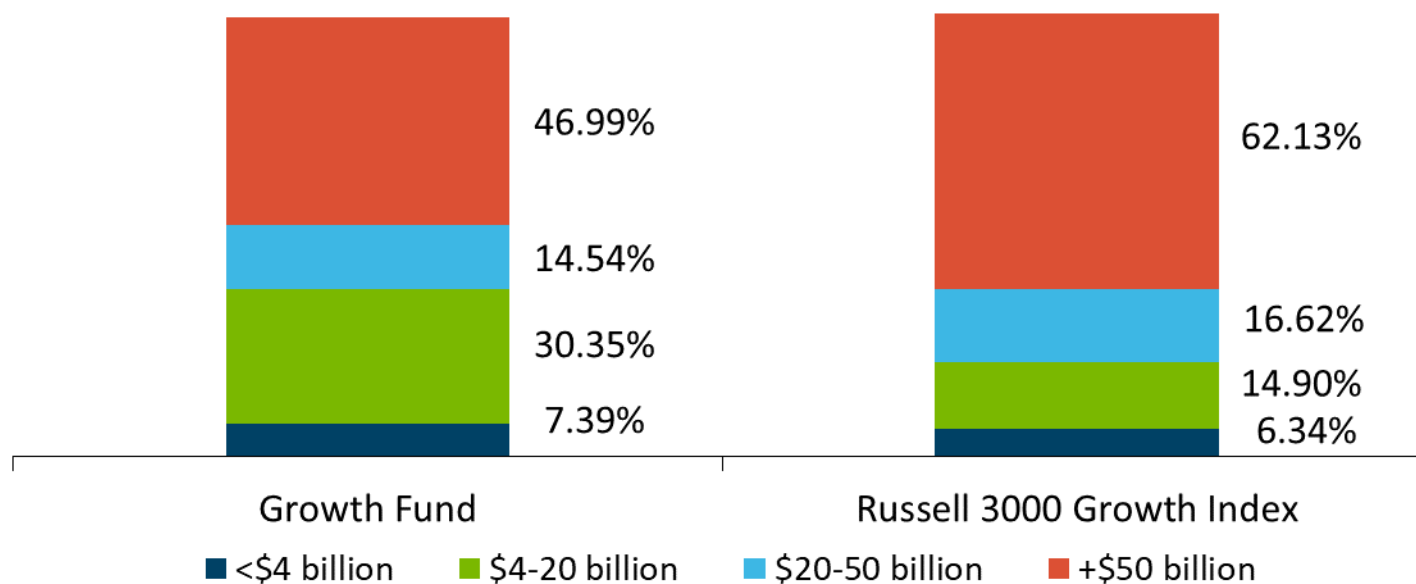
*This measure represents the weighted average of forecasted growth in earnings expected to be experienced by stocks within the portfolio over the next 3-5 years. This projected earnings growth should not be considered an indication of future performance. From a portfolio perspective, the portfolio P/E ratio and EPS Growth Rate are weighted averages of the individual holdings' P/E ratios and EPS Growth Rates.

Sector Weights as of 3/31/2019



Source: William Blair; Eagle

Based on Global Industry Classification Sectors (GICS). Concentration of assets in one or a few sectors may entail greater risk than a fully diversified stock portfolio and should be considered as only part of a diversified portfolio.



Calculated in Eagle.

Market capitalization refers to the total market value of each company's outstanding shares. The Fund's allocations may not add up due to 100% due to cash holdings and rounding.

The Russell 3000® Growth Index consists of large, medium and small-capitalization companies with above average price-to-book ratios and forecasted growth rates. The stocks in this index are also members of either the Russell 1000® Growth or the Russell 2000® Growth indices. The size of companies in the Russell 3000® Growth Index may change with the market conditions. The Index is unmanaged, does not incur fees or expenses, and cannot be invested in directly.

	Portfolio Weight	Benchmark Weight		Portfolio Weight	Benchmark Weight		Portfolio Weight	Benchmark Weight
COMMUNICATION SERVICES	10.39	11.42	FINANCIALS (continued)			INFORMATION TECHNOLOGY	28.10	31.96
Alphabet Inc-Cl A	6.83	2.44	East West Bancorp Inc	0.62	0.00	Microsoft Corp	7.59	5.88
Live Nation Entertainment In	1.22	0.06	Encore Capital Group Inc	0.54	0.00	Mastercard Inc - A	4.36	1.49
Activision Blizzard Inc	1.15	0.24	HEALTH CARE	14.60	14.17	Adobe Inc	1.86	0.91
Take-Two Interactive Softwre	0.73	0.04	Unitedhealth Group Inc	3.62	1.64	Booz Allen Hamilton Holdings	1.64	0.05
Cars.Com Inc	0.47	0.00	Stryker Corp	2.14	0.47	Texas Instruments Inc	1.62	0.71
CONSUMER DISCRETIONARY	15.63	15.04	Zoetis Inc	1.62	0.34	Worldpay Inc-Class A	1.56	0.02
Amazon.Com Inc	6.23	5.09	Agilent Technologies Inc	1.53	0.00	Arista Networks Inc	1.47	0.13
Ulta Beauty Inc	1.81	0.14	Teleflex Inc	1.44	0.02	Pure Storage Inc - Class A	1.43	0.02
Burlington Stores Inc	1.77	0.07	Veeva Systems Inc-Class A	1.24	0.11	Sabre Corp	1.30	0.03
Starbucks Corp	1.66	0.62	Portola Pharmaceuticals Inc	0.87	0.01	Genpact Ltd	1.28	0.01
Grand Canyon Education Inc	1.34	0.04	Abiomed Inc	0.85	0.08	Dolby Laboratories Inc-Cl A	1.27	0.00
Domino's Pizza Inc	1.31	0.07	Horizon Pharma PLC	0.68	0.03	Maxlinear Inc	0.89	0.01
Laureate Education Inc-A	1.06	0.00	Codexis Inc	0.60	0.01	Guidewire Software Inc	0.65	0.05
Vail Resorts Inc	0.45	0.06	INDUSTRIALS	12.53	12.17	Rogers Corp	0.64	0.01
CONSUMER STAPLES	7.59	5.54	Raytheon Company	2.42	0.36	National Instruments Corp	0.54	0.03
Coca-Cola Co/The	3.05	0.97	Copart Inc	1.98	0.09	MATERIALS	4.46	1.93
Costco Wholesale Corp	2.09	0.73	Bwx Technologies Inc	1.91	0.03	Ball Corp	2.71	0.00
Estee Lauder Companies-Cl A	1.79	0.25	Costar Group Inc	1.82	0.12	Linde PLC	1.75	0.40
Primo Water Corp	0.66	0.00	Verisk Analytics Inc	1.49	0.15	Cash	0.72	0.00
ENERGY	0.91	0.82	Middleby Corp	1.25	0.03	Total	100.00	100.00
Cameco Corp	0.91	0.00	Healthcare Services Group	1.03	0.02			
FINANCIALS	5.07	4.47	Luxfer Holdings PLC	0.62	0.00			
Intercontinental Exchange In	2.59	0.15						
Progressive Corp	1.32	0.29						

As of 3/31/2019.

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. The Benchmark is the Russell 3000 Growth.

Glossary - Terms

Alpha: A measure of a portfolio's return in excess of the market return, after both have been adjusted for risk. It is a mathematical estimate of the amount of return expected from a portfolio above and beyond the market return at any point in time. For example, an alpha of 1.25 indicates that a stock is projected to rise 1.25% in price in a year over the return of the market, or the return when the market return is zero. When an investment price is low relative to its alpha, it is undervalued, and considered a good selection.

Beta: A quantitative measure of the volatility of the portfolio relative to the overall market, represented by a comparable benchmark. A beta above 1 is more volatile than the overall market, while a beta below 1 is less volatile, and could be expected to rise and fall more slowly than the market.

Developed Markets: Using the Morgan Stanley Capital International (MSCI) geographic definition, this region includes: United Kingdom, Europe (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Spain, Sweden and Switzerland), Japan, Pacific Asia (Australia, Hong Kong, New Zealand, and Singapore) and the Western Hemisphere (Canada and other Americas).

Debt to Total Capital Ratio: This figure is the percentage of each company's invested capital that consists of debt. Companies with a high Debt to Total Capital level may be considered more risky. From a portfolio perspective, the portfolio Debt to Total Capital Ratio is a weighted average of the individual holdings' Debt to Total Capital Ratio.

Emerging Markets: Using MSCI's geographic definition, this region includes: Emerging Markets Asia (China, India, Indonesia, Malaysia, S Korea, Taiwan, and Thailand), Emerging Markets Europe, Mid-East and Africa (Czech Republic, Hungary, Poland, Russia, Turkey, Egypt, Morocco, and S Africa), and Latin America (Argentina, Brazil, Chile, Columbia, Mexico, Peru and Venezuela).

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 3-5 years. 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. Data calculated in FactSet.

EV/EBITDA: (Enterprise Value / Earnings Before Interest, Taxes and Depreciation-Amortization): The EV/EBITDA ratio is useful for global comparisons because it ignores the distorting effects of individual countries' taxation policies. It's used to find attractive takeover candidates. Enterprise value is a better measure than market cap for takeovers because it takes into account the debt which the acquirer will have to assume. Therefore, a company with a low EV/EBITDA ratio can be viewed as a good takeover candidate.

EV/IC: (Enterprise Value / Invested Capital) Ratio: Enterprise Value (EV), which is market capitalization minus cash plus debt divided by Invested Capital (IC), which is the sum of common stock, preferred stock and long-term debt. This number will get you a simple multiple. If it is below 1.0, then it means that the company is selling below book value and theoretically below its liquidation value.

Information Coefficient: A measure of the correlation between expected and actual returns.

Information Ratio: A measure of risk-adjusted return. The annualized excess return of the portfolio relative to a respective benchmark, divided by the annualized tracking error relative to that same benchmark. The higher the measure, the higher the risk-adjusted return.

PBV: (Price/Book Value) Ratio: The PBV Ratio measures the value of a company's common stock relative to its shareholder's equity. A price-to-book multiple above one means that the price of the company's common stock is higher than its common shareholder's equity. A price-to-book multiple below one means that the price of the company's common stock are less than its break-up value, and the shares may be undervalued.

Glossary - Terms

PCF: (Price/CashFlow): Some analysts favor the price/cash flow over the price-earnings (PE) ratio as a measure of a company's value. Cash flow is a measure of a company's financial health. It equals cash receipts minus cash payments over a given period of time.

P/E: (Price/Earnings) Ratio: This is the most common measure of how expensive a stock is. Simply, it is the cost an investor in a given stock must pay per dollar of current annual earnings. A high P/E generally indicates that the market is paying more to obtain the stock because it has confidence in the company's ability to increase its earnings. Conversely, a low P/E often indicates that the market has less confidence that the company's earnings will increase rapidly or steadily, and therefore will not pay as much for its stock.

R-squared: A measurement of how closely the portfolio's performance correlates with the performance of its benchmark, such as the MSC AC World Free ex US Index. In other words, it is a measurement of what portion of a portfolio's performance can be explained by the performance of the overall market or index. Ranges from 0 to 1, where 0 indicates no correlation and 1 indicates perfect correlation.

Risk (Standard Deviation): A measure of the portfolio's risk. A higher standard deviation represents a greater dispersion of returns, and thus a greater amount of risk. The annualized standard deviation is calculated using monthly returns.

Sharpe-Ratio: A risk-adjusted measure calculated using standard deviation and excess return (Portfolio return – Risk Free Rate) to determine reward per unit of risk. The higher the Sharpe ratio, the better the portfolio's historic risk-adjusted performance.

Tracking Error: Tracking Error measures the extent to which a portfolio tracks its benchmark. The tracking error of an index portfolio should be lower than that of an active portfolio. The tracking error will always be greater than zero if the portfolio is anything other than a replication of the benchmark.

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.

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.

Weighted Median Market Capitalization: This calculation represents the median market capitalization of the stocks in the portfolio, weighted by the amount of each stock owned.