















| Periods ended<br>9/30/2022              | Quarter | YTD     | 1 Year  | 3 Year | 5 Year | 10 Year | Since<br>Inception* |
|---|---------|---------|---------|--------|--------|---------|---------------------|
| Mid Cap Growth Fund<br>(WCGNX) Class N  | -4.32%  | -34.99% | -32.30% | -1.73% | 4.78%  | 7.18%   | --                  |
| Mid Cap Growth Fund<br>(WCGIX) Class I  | -4.21%  | -34.83% | -32.07% | -1.46% | 5.06%  | 7.46%   | --                  |
| Mid Cap Growth Fund<br>(WCGJX) Class R6 | -4.30%  | -34.85% | -32.09% | -1.43% | --     | --      | -0.58%              |
| Russell Midcap Growth                   | -0.65%  | -31.45% | -29.50% | 4.26%  | 7.62%  | 10.85%  | 4.12%               |

Class I & N inception date 2/1/2006

\*Class R6 Inception Date: 5/2/2019

**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](http://www.williamblairfunds.com). Class N shares are available to the general public without a sales load. Class I and Class R6 shares are available only to investors who meet certain eligibility requirements.**

Mid Cap Growth Fund Expense Ratios:

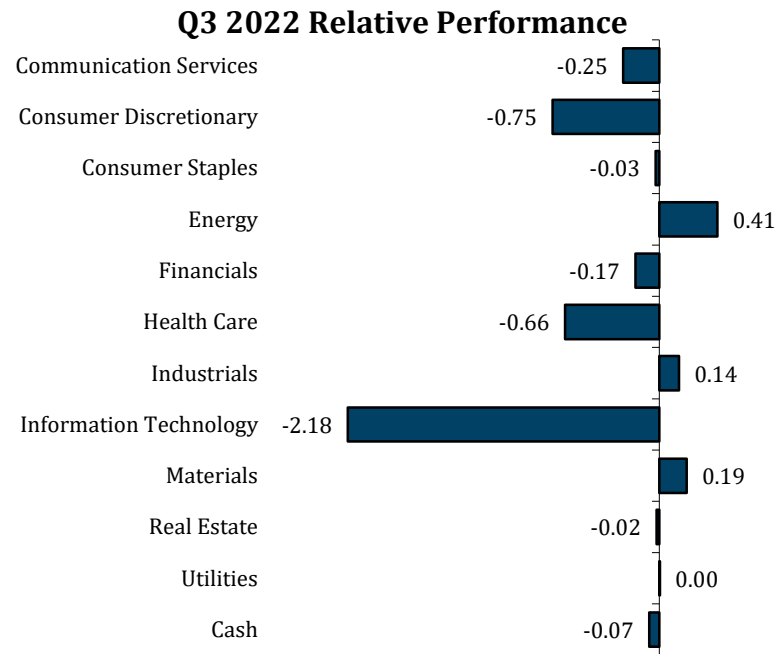
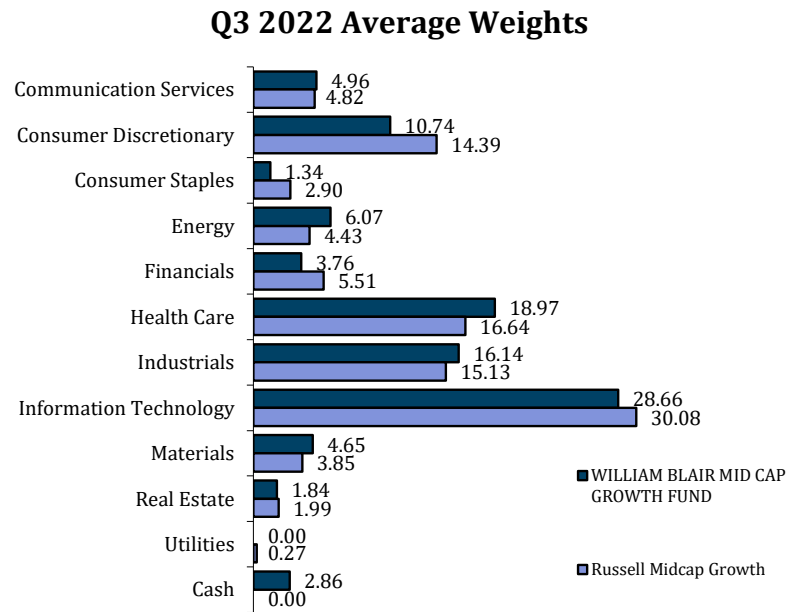
|                 | <u>Gross</u> | <u>Net</u> |
|-----------------|--------------|------------|
| Class N Shares  | 1.48%        | 1.20%      |
| Class I Shares  | 1.24%        | 0.95%      |
| Class R6 Shares | 1.11%        | 0.90%      |

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.

A direct investment in an index is not possible. The Russell Midcap® Growth Index measures the performance of the 800 companies with the lowest market capitalizations in the Russell 1000® Index with higher price-to-book ratios and higher forecasted growth values. Please refer to the 'Important Disclosures' section of this document for further information.



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



Source: Proprietary attribution system.

**Past returns are no guarantee of future results.** Based on Global Industry Classification Standard (GICS) Sectors. 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. Please refer to the 'Important Disclosures' section of this document for further information.

**CoStar Group (CSGP)** provides information, marketing and analytic services to the real estate industry in the United States and select countries internationally. The company reported robust revenue results and record net bookings during the quarter, driven by favorable pricing and volume trends, as well as strong margin flow-through. Strength was broad-based across segments and management raised revenue and profit guidance for the remainder of 2022. We trimmed our position as it approached the high end of our position size parameters. We believe the core business has meaningful growth opportunities to continue to expand 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.

**EPAM Systems (EPAM)** is an IT consulting firm that provides software product development and digital platform engineering services. During the quarter, EPAM benefited from strong delivery execution following turmoil in Russia/Ukraine, where a portion of the company's personnel is based. Management has executed well on maintaining operations and retaining clients. Further, better than expected utilization resulted in margin improvement. We maintained our position and continue to believe EPAM's product innovation, long-standing customer relationships and superior level of employee expertise will drive growth in the long term.

**Axon (AXON)** is a leading provider of law enforcement technology including conducted energy devices (branded TASER), on-officer and in-car cameras, as well as cloud-based digital evidence management software. During the quarter, the company reported strong revenue and continues to see growing demand in end markets. The company's TASER segment revenue growth was driven by demand for its TASER 7 platform, with unit growth of 85% year-over-year. Axon Cloud revenue grew 35% year-over-year reflecting strong user growth for Axon's Evidence (Evidence.com) platform, and software features including transcription and body-camera enabled real-time operations capabilities. We maintained our position as the company continues to show strong growth with a large addressable market.

*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.*

**Euronet Worldwide (EFT)** operates a global network of ATMs, offers global consumer-to-consumer money transfers and provides services around pre-paid content. While operationally Euronet's business performed well, foreign exchange headwinds drove management to reduce forward expectations during the quarter. In addition, Euronet experienced an adverse mix shift in the ATM business to more domestic transactions where a currency conversion fee is not realized. We maintained our position and continue to believe that shares of Euronet Worldwide are attractively valued relative to the company's long runway for growth in its ATM business and opportunity to gain share in its money transfer business.

**Bright Horizons Family Solutions (BFAM)** is the market leader in employer-sponsored childcare. The company partners with employers to provide full-service care, backup care and education advisory services. During the quarter, Bright Horizons lowered expectations for forward looking revenue and earnings, driven by a slower-than-expected pace of recovery in its full-service care offering and margin headwinds associated with competition for labor. We maintained our position on the belief that the durability of the business model and potential for long-term share gains are underappreciated.

**Veeva Systems (VEEV)** is a cloud-based software and data solutions provider primarily for the life sciences industry. The company reported earnings results which were below expectations, due to a pullback in customer spending and deal delays and issued lower revenue guidance for fiscal year 2023. The majority of the guide down was on the commercial side which is more sensitive to the macro environment. We maintained our position and believe the risk/reward is attractive as Veeva is well positioned to expand its product portfolio and customer base in the life sciences industry as pharmaceutical companies increasingly digitize clinical operations.

*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.*

| <b>Top 10 Holdings by Weight</b> |                            |                              |
|----------------------------------|----------------------------|------------------------------|
|                                  | <b>Mid Cap Growth Fund</b> | <b>Russell Midcap Growth</b> |
|                                  | <u>% in Fund</u>           | <u>% in Index</u>            |
| Cadence Design Sys Inc           | 4.19                       | 1.42                         |
| Veeva Systems Inc-Class A        | 3.70                       | 0.73                         |
| Costar Group Inc                 | 3.44                       | 0.12                         |
| Vulcan Materials Co              | 3.42                       | 0.32                         |
| Chipotle Mexican Grill Inc       | 3.25                       | 1.33                         |
| BWX Technologies Inc             | 3.19                       | 0.06                         |
| Copart Inc                       | 3.08                       | 0.72                         |
| Epam Systems Inc                 | 2.85                       | 0.63                         |
| Teledyne Technologies Inc        | 2.77                       | 0.00                         |
| Pure Storage Inc - Class A       | 2.57                       | 0.25                         |
| <b>Total:</b>                    | <b>32.47</b>               | <b>5.59</b>                  |

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.

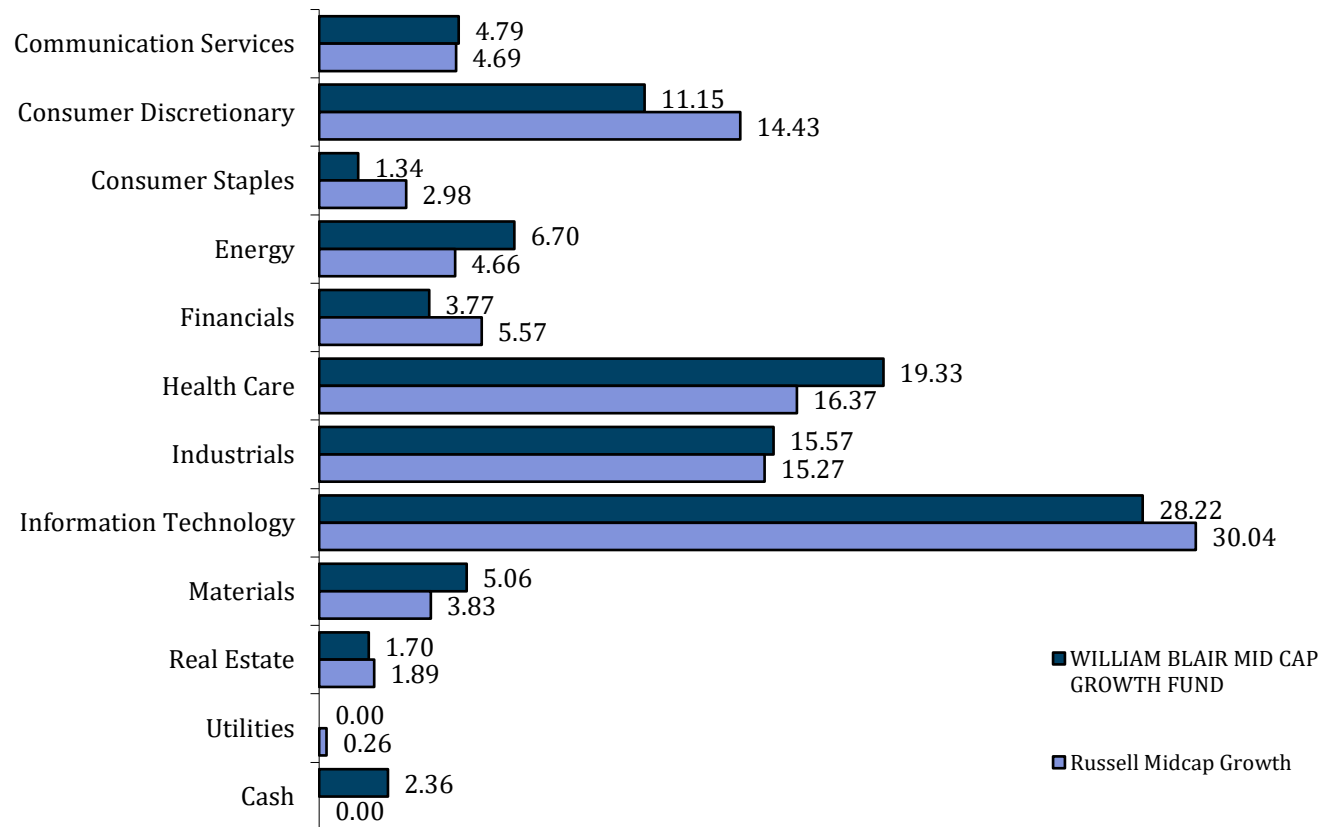
Please refer to the 'Important Disclosures' section of this document for further information.

|                                 | Mid Cap Growth Fund | Russell Midcap Growth |
|---------------------------------|---------------------|-----------------------|
| <b>Growth</b>                   |                     |                       |
| EPS Growth Rate (3-yr historic) | 21.0%               | 21.5%                 |
| EPS Growth Rate (LT forecast)   | 19.1%               | 18.5%                 |
| <b>Quality</b>                  |                     |                       |
| Return on Invested Capital      | 10.3%               | 12.7%                 |
| Free Cash Flow Margin           | 12.2%               | 10.8%                 |
| Debt to Total Capital Ratio     | 44.4%               | 51.1%                 |
| <b>Valuation</b>                |                     |                       |
| P/E (1-year forecast)           | 19.7x               | 19.8x                 |
| <b>Capitalization (\$B)</b>     |                     |                       |
| Weighted Average Market Cap     | \$18.5              | \$22.0                |
| Weighted Median Market Cap      | \$14.3              | \$20.8                |
| <b>Portfolio Positions</b>      |                     |                       |
| Number of Securities            | 51                  | 407                   |

Characteristics have been calculated by William Blair.

Please refer to the 'Important Disclosures' section of this document for further information on investment risks and returns.

### Sector Weights as of 9/30/2022



Source: William Blair; Eagle.

Based on Global Industry Classification Standard (GICS) Sectors. 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.

Please refer to the 'Important Disclosures' section of this document for further information.

|                               | Portfolio Weight | Benchmark Weight |                                | Portfolio Weight | Benchmark Weight |   | Portfolio Weight | Benchmark Weight |
|-------------------------------|------------------|------------------|--------------------------------|------------------|------------------|---|------------------|------------------|
| <b>COMMUNICATION SERVICES</b> | <b>4.79</b>      | <b>4.69</b>      | <b>HEALTH CARE (continued)</b> |                  |                  | <b>INFORMATION TECHNOLOGY (continued)</b> |                  |                  |
| Warner Music Group Corp-Cl A  | 1.68             | 0.00             | Horizon Therapeutics PLC       | 2.12             | 0.41             | Guidewire Software Inc                    | 0.76             | 0.00             |
| Live Nation Entertainment In  | 1.49             | 0.19             | Mettler-Toledo International   | 1.81             | 0.77             | <b>MATERIALS</b>                          | <b>5.06</b>      | <b>3.83</b>      |
| Take-Two Interactive Softwre  | 1.17             | 0.47             | Charles River Laboratories     | 1.47             | 0.29             | Vulcan Materials Co                       | 3.42             | 0.32             |
| Cable One Inc                 | 0.45             | 0.10             | IDEX Laboratories Inc          | 1.38             | 0.86             | Crown Holdings Inc                        | 1.64             | 0.26             |
| <b>CONSUMER DISCRETIONARY</b> | <b>11.15</b>     | <b>14.43</b>     | Steris PLC                     | 1.09             | 0.00             | <b>REAL ESTATE</b>                        | <b>1.70</b>      | <b>1.89</b>      |
| Chipotle Mexican Grill Inc    | 3.25             | 1.33             | Align Technology Inc           | 0.79             | 0.39             | Sba Communications Corp                   | 1.70             | 0.22             |
| Pool Corp                     | 1.86             | 0.39             | <b>INDUSTRIALS</b>             | <b>15.57</b>     | <b>15.27</b>     | <b>UTILITIES</b>                          | <b>0.00</b>      | <b>0.26</b>      |
| Burlington Stores Inc         | 1.50             | 0.22             | Costar Group Inc               | 3.44             | 0.12             | <b>Cash</b>                               | <b>2.36</b>      | <b>0.00</b>      |
| Bright Horizons Family Solut  | 1.43             | 0.03             | Bwx Technologies Inc           | 3.19             | 0.06             | <b>Total</b>                              | <b>100.00</b>    | <b>100.00</b>    |
| Etsy Inc                      | 1.38             | 0.40             | Copart Inc                     | 3.08             | 0.72             |   |                  |                  |
| Aptiv PLC                     | 1.31             | 0.17             | Axon Enterprise Inc            | 2.24             | 0.19             |   |                  |                  |
| Farfetch Ltd-Class A          | 0.43             | 0.00             | Builders Firstsource Inc       | 2.05             | 0.00             |   |                  |                  |
| <b>CONSUMER STAPLES</b>       | <b>1.34</b>      | <b>2.98</b>      | Generac Holdings Inc           | 0.82             | 0.35             |   |                  |                  |
| Performance Food Group Co     | 1.34             | 0.06             | Clarivate PLC                  | 0.75             | 0.00             |   |                  |                  |
| <b>ENERGY</b>                 | <b>6.70</b>      | <b>4.66</b>      | <b>INFORMATION TECHNOLOGY</b>  | <b>28.22</b>     | <b>30.04</b>     |   |                  |                  |
| New Fortress Energy Inc       | 2.51             | 0.07             | Cadence Design Sys Inc         | 4.19             | 1.42             |   |                  |                  |
| Hess Corp                     | 2.42             | 0.77             | Epam Systems Inc               | 2.85             | 0.63             |   |                  |                  |
| Cameco Corp                   | 1.77             | 0.00             | Teledyne Technologies Inc      | 2.77             | 0.00             |   |                  |                  |
| <b>FINANCIALS</b>             | <b>3.77</b>      | <b>5.57</b>      | Pure Storage Inc - Class A     | 2.57             | 0.25             |   |                  |                  |
| Western Alliance Bancorp      | 1.71             | 0.14             | Dynatrace Inc                  | 2.37             | 0.22             |   |                  |                  |
| Ares Management Corp - A      | 1.12             | 0.30             | Solaredge Technologies Inc     | 2.28             | 0.00             |   |                  |                  |
| Pacwest Bancorp               | 0.94             | 0.00             | Euronet Worldwide Inc          | 2.28             | 0.09             |   |                  |                  |
| <b>HEALTH CARE</b>            | <b>19.33</b>     | <b>16.37</b>     | Nice Ltd - Spon Adr            | 2.21             | 0.00             |   |                  |                  |
| Veeva Systems Inc-Class A     | 3.70             | 0.73             | Palo Alto Networks Inc         | 2.08             | 0.00             |   |                  |                  |
| Abiomed Inc                   | 2.43             | 0.35             | Mks Instruments Inc            | 1.76             | 0.00             |   |                  |                  |
| Agilent Technologies Inc      | 2.36             | 1.04             | Mongodb Inc                    | 1.10             | 0.41             |   |                  |                  |
| Dexcom Inc                    | 2.18             | 1.00             | Coupa Software Inc             | 0.99             | 0.08             |   |                  |                  |

As of 9/30/2022.

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 Midcap Growth Index.

# Glossary - Terms

**Active Share:** A measure of the percentage of equity holdings in a portfolio that differ from the benchmark index. It is calculated by taking the sum of the absolute value of the differences of the weight of each holding in a portfolio versus the weight of each holding in the index and dividing by two.

**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.



# Glossary - Terms

**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.

**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.