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FORM ADV PART 2A

March 29, 2018

This Brochure (also known as Form ADV Part 2A) provides information about the qualifications and business practices of William Blair & Company, L.L.C. If you have questions about the contents of this Brochure, please contact us at imcompliance@williamblair.com or (312) 236-1600. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about William Blair & Company, L.L.C. also is available on the SEC's website at www.adviserinfo.sec.gov.

William Blair & Company, L.L.C. is registered as an investment adviser with the SEC. Our registration as an investment adviser does not imply a certain level of skill or training.

ITEM 2 – MATERIAL CHANGES

William Blair & Company, L.L.C. (“William Blair” or “firm” or “we”) has updated our Brochure (also known as Form ADV Part 2A) as of March 29, 2018. Our last update was as of September 20, 2017.

Prior to March 26, 2018, the legacy Investment Management Counseling group had access to information, including research provided by the Institutional Investment Management team of our affiliate, William Blair Investment Management, LLC. As of March 26, 2018, the Institutional Investment Management team will provide the Private Wealth Management Group (“PWM”),

including the legacy Investment Management Counseling group, a more limited scope of information.

As a reminder, we may at any time update our Brochure and will either send you a copy or offer to send you a copy (either electronically or in hard copy) as may be necessary or required. If you would like another copy of this Brochure, you may download it from the SEC’s website at www.adviserinfo.sec.gov, or you may contact our Compliance team at (312) 236-1600 or e-mail us at imcompliance@williamblair.com.

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ITEM 4 – ADVISORY BUSINESS

Firm Description

William Blair is a global investment firm offering investment management and related services to clients. The firm was founded in 1935 and is registered with the SEC as both an investment adviser and a securities broker-dealer. William Blair (a privately held company) is a wholly owned subsidiary of WBC Holdings, L.P., which is wholly owned by current William Blair employees (we also refer to employee owners as ‘partners’ in this Brochure). William Blair also is an affiliate of William Blair Investment Management, LLC, an investment adviser registered with the SEC. William Blair Investment Management, LLC was formed to house William Blair’s institutional investment management business, separate from the other business lines within William Blair.

Investment Advisory Services

William Blair’s PWM division and its advisors (“PWM Advisors”) provide discretionary and non-discretionary investment management services to clients for a fee. Clients pay us investment advisory fees based on fee schedules as described in Item 5 and also may pay us commissions for transactions executed in their accounts as further described in this Brochure.

Availability of Tailored Services for Clients

As a discretionary investment manager, we provide investment management services in accordance with clients’ investment guidelines. We accept investment restrictions from clients if the restrictions do not hinder our ability to execute our investment strategies. In certain cases, we provide investment guidance to clients on a non-discretionary basis (on either a portion of the assets held in the account or the entire account) with the client making final investment decisions.

Wrap Fee Program Clients

William Blair serves as an investment manager to and sponsor of wrap fee programs as described further in William Blair’s Form ADV 2A, Appendix 1, also known as our “Wrap Fee Program Brochure.” A wrap fee program is a program where a client is charged a specified “bundled” fee (generally, a percentage of assets under management) for discretionary investment management services and trade execution costs and sometimes other services such as custody, recordkeeping and reporting.

Our compensation under a wrap program may be lower than our standard fee schedule; however, the overall cost of a wrap arrangement may be higher than a client otherwise would pay if the client paid our standard fee schedule and negotiated transaction costs and any other services (e.g., custody, recordkeeping and reporting) through a broker-dealer.

Third Party Service Providers

In cases where William Blair has proxy voting discretion, Institutional Shareholder Services, Inc. (“ISS”) provides proxy voting, maintenance, reporting, analysis and recordkeeping services for William Blair with respect to proxies for companies whose securities are managed by William Blair on a discretionary basis.

William Blair has entered into agreements with Fidelity Investments and its various affiliates including National Financial Services and Fidelity Brokerage Services (collectively, “NFS”), whereby NFS provides custodial, brokerage and certain other services for certain retail clients of William Blair, including PWM accounts, William Blair Select (“Select”) accounts, and asset management platform (described below) accounts. Clients who choose to use NFS’s services enter into the applicable custodial and/or brokerage agreements. Clients are not required to use NFS for these services, and clients are free to work with other custodians. Each client who considers NFS is provided with the appropriate agreements and applicable fee schedules at that time. Third party managers utilized by the client through the Select program direct most, if not all, trades for clients that retain NFS to provide such services, to NFS.

Clients also should refer to Item 5 – Fees and Compensation and Item 12 – Brokerage Practices for important information related to Trading Away for client accounts.

Platform Clients

William Blair has entered into agreement(s) with asset management platform provider(s) (the “Platform”). PWM Advisors, for certain discretionary advisory account clients, access and hire discretionary investment advisers (the “Sub-Managers”) through the Platform.

Some Platform providers and their underlying Sub-Managers require information from clients, such as

agreement to their standard terms & conditions, a client profile or application and other related documentation (including, in some instances, the opening of custodial and/or brokerage accounts). Your PWM Advisor will work with you to obtain any Platform required documentation.

A client may impose reasonable restrictions on the management of account assets being managed on a Platform, such as, the designation of particular securities or types of securities that should not be purchased or that should be sold if held in the account. As the client will not be able to communicate directly with any Sub-Manager available through a Platform, client should communicate these reasonable restrictions to their William Blair PWM Advisor.

Assets under Management

As of December 31, 2017, William Blair had approximately \$32.4 billion in assets under management, of which, we managed approximately 66% on a discretionary basis and 34% on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

William Blair provides discretionary and non-discretionary investment management services to clients and charges annual fees, payable quarterly either in advance or in arrears (depending on the terms of each investment management agreement)¹. When charged in advance, fees are based on the total market value of each account (including accrued interest and dividends) on the last day of the prior quarter except as otherwise described in this section. When charged in arrears, fees are based on the total market value of each account (including accrued interest and dividends) on the last day of the current quarter, except as otherwise described in this section. Please see Item 4 of our Wrap Fee Program Brochure for a description of fees and compensation with respect to Wrap Fee Program services.

Ongoing fees reduce the value of an investment portfolio over time. Because of the fees you pay, you have a smaller amount invested that is earning a return whether the fee is paid separately or debited from a portfolio's assets. You are encouraged to discuss the impact of fees with your PWM Advisor.

Payment of Fees

William Blair bills clients directly for investment management fees. Many of our clients elect to have their quarterly fees directly debited from their custody accounts. We prorate fees based on the length of time we managed your account in the event you opened or terminated your account during the quarter. We will refund any fees prepaid but not yet earned or will request prompt payment for any fees earned but not yet paid.

Other Fees and Expenses

In addition to, and separate from, the basic investment management fee, our clients pay other costs and charges in connection with their accounts or certain securities transactions payable to William Blair or its affiliates or payable to parties other than us. Depending on your arrangement with William Blair, these may include, among other fees and expenses, the following (also refer to Item 12 – Brokerage Practices):

- Commissions and other charges for executing trades through broker-dealers;
- Dealer mark-ups, markdowns and spreads;
- Auction fees;
- Certain odd-lot differentials;
- Exchange fees;
- Taxes, duties and other governmental charges;
- Costs associated with foreign exchange transactions;
- Electronic fund and wire transfer fees;
- Fees imposed for certain types of custody or brokerage accounts;
- Fees imposed in connection with custodial, trustee or other account services;
- Account maintenance or service fees;
- Regulatory transaction fees;
- Securities lending fees;
- Multi margin fees;
- Platform provider fee reflects costs to access Platform and to pay each Sub-Manager;
- Charges mandated by law or regulation; and
- Fees in connection with the establishment, administration or termination of retirement or profit sharing plans or trust accounts.

Further information regarding the fees and expenses are found in your investment advisory agreement with William Blair.

Other Fees and Expenses Related to NFS

William Blair has entered into agreements with NFS whereby NFS provides custodial, brokerage and certain other services for certain clients of William Blair. Pursuant to an agreement with NFS, NFS reimburses William Blair for certain transition fees incurred in moving new client assets to the NFS platform. In addition, through an agreement with NFS, William Blair is paid fees by NFS on most mutual funds above a certain threshold held in custody at NFS by William Blair clients. Also pursuant to an agreement with NFS, William Blair receives from NFS fees related to certain services, including securities lending, multi-margin accounts, wire transfers, and certain fixed income trades executed through systems made available by NFS, among other services offered for certain types of client accounts as disclosed in applicable agreements for those services.

¹ In cases where William Blair provides non-discretionary investment management services, fees are negotiated on a case-by-case basis.

These fees cause conflicts of interest because: 1) they incentivize William Blair to recommend clients utilize NFS custodial and other services; and 2) they incentivize William Blair to recommend that clients invest in mutual funds that provide fee payments. To help manage these conflicts, we rely on controls including the following:

- these payments and a description of conflicts are disclosed in separate client account opening documentation from NFS;
- PWM Advisors are not compensated based on revenue sharing with NFS on these fees (other than on multi-margin and securities lending); and
- PWM Advisors are obligated to employ a standard of care and comply with clients' investment guidelines and restrictions when selecting investments for clients' accounts.

William Blair also pays for and receives services from Platform providers (as defined under Item 4) or their affiliates. William Blair receives a discount on the cost of these services based on the level of our clients' assets on the Platform. Therefore, William Blair has a conflict of interest in that there is an incentive to increase the amount of its clients' assets on a Platform to reduce the cost of other services received from the Platform provider or its affiliates.

Other Fees and Expenses Related to Trading Away by Third Party Investment Managers or Sub-Managers

William Blair has historically offered to clients William Blair Select, a diversified open architecture platform of investment strategies provided by affiliated and third party investment managers. As of the date of this Brochure, the William Blair Select offering is no longer available for new clients. Additionally, some PWM Advisors access and hire Sub-Managers through the asset management Platform described in Item 4 – Advisory Services.

In cases where a client's account or a portion thereof is managed by a third party investment manager or Sub-Manager, the third party investment manager or Sub-Manager, in its sole discretion, may place a client's trade orders with a broker-dealer firm other than the custodian's designated broker-dealer if the manager determines that it must do so to comply with its best execution obligations. This means that clients who invest with third party investment managers or Sub-Managers will most likely incur execution costs (whether in the form of commissions or markup/markdowns

that are built into the net price of the security) in addition to, and which will not reduce the advisory account fees. Clients should therefore take these costs into consideration when selecting and/or determining whether to remain invested in accounts managed by third party investment managers or Sub-Managers.

Other Fees and Expenses Related to Private Funds

Private Funds (affiliated private funds advised by William Blair Investment Management, LLC) also bear their own operating and other expenses. When we recommend that you invest in a Private Fund in your account, you are subject to the Private Fund's internal management fees and other expenses; however, we do not charge our investment management fee in addition to the Private Fund's internal management fee. Instead, we exclude the assets invested in the Private Funds when we calculate the investment management fees we charge you. However, our affiliate, William Blair Investment Management, LLC compensates William Blair (and, in turn, PWM Advisors) on PWM's clients' assets invested in the Private Funds. Receipt of, or the prospect of receiving, this compensation may influence PWM and PWM Advisors to recommend that you invest in a Private Fund and creates a conflict of interest. For more information, see Private Funds' offering documents.

In addition to fees and expenses listed above, other expenses include: sales expenses; accounting, tax and audit expenses; legal expenses; and other expenses not listed. Private Funds that invest with an underlying manager or in underlying funds bear associated fees and expenses. Feeder funds generally bear a pro rata portion of the expenses associated with the related master fund. Details regarding expenses can be found in the applicable offering memorandum and other governing documents.

Recommendations to invest in our Private Funds create a conflict of interest based on compensation we receive from our affiliate, William Blair Investment Management, LLC, rather than our client's interest. To help manage conflicts, we have implemented various controls including the following:

- We maintain our Code of Ethics, which details our fiduciary duty to put our clients' interests ahead of our own;
- We monitor portfolio holdings to ensure they are consistent with each client's objectives;

- A client does not need to accept our recommendation to invest in a Private Fund;
- All conflicts of interest are also disclosed in Private Fund offering documents; and
- We offset investment management fees on a client's assets held in the Private Funds.

Mutual Fund and ETF Fees and Expenses

For clients whose guidelines allow us to invest a portion of their assets in mutual funds (both open-end funds and closed-end funds) or exchange traded funds:

- When we invest in shares of unaffiliated funds (funds not advised by William Blair Investment Management, LLC) in your account, you are subject to our investment management fees in addition to the mutual fund or exchange traded fund internal management fees and other expenses (as described below). In addition, exchange traded funds and closed end funds may trade at prices that vary from their net asset value, sometimes significantly. Performance of a fund pursuing a passive index-based strategy may diverge from the performance of the index.
- When we invest in shares of the William Blair Funds (affiliated mutual funds advised by William Blair Investment Management, LLC) in your account, you are subject to the William Blair Funds' internal management fees and other expenses (as described below); however, we do not charge our investment management fee in addition to the William Blair Funds' internal management fee. Instead, we exclude the assets invested in the William Blair Funds when we calculate the investment management fees we charge you.

Our affiliate, William Blair Investment Management, LLC compensates William Blair (and, in turn, PWM Advisors) up to 0.35% on PWM's clients' assets invested in the William Blair Funds. Receipt of, or the prospect of receiving, this compensation may influence PWM and PWM Advisors to invest client assets in the William Blair Funds and creates a conflict of interest. For more information, see the William Blair Funds' prospectus and other offering documents.

Mutual funds, including the William Blair Funds, and exchange traded funds charge other fees and expenses in addition to internal management fees

that are disclosed in each fund's prospectus. These additional fees may include distribution fees, administrative fees, service fees, sub-transfer agent fees, recordkeeping fees, and other fund operating expenses, which include but are not limited to expenses of the independent trustees, fees and expenses for legal, fund accounting, transfer agency, custody, audit, taxes, brokerage and other expenses. These fees and expenses, including the total net operating expenses of each fund, including the William Blair Funds, are set forth in the applicable prospectus, and, with respect to the William Blair Funds, some of these fees and expenses are paid by the William Blair Funds to William Blair or its affiliates. Clients can obtain more information by reviewing a prospectus for the underlying mutual funds, including the William Blair Funds, or exchange traded funds. Fees and expenses are exclusive of and in addition to any investment management fees we charge you. As described above, we do not charge our investment management fee in addition to a William Blair Fund's internal investment management fee.

William Blair and its affiliate, William Blair Investment Management, LLC, have contractually agreed to bear some of the operational expenses for many of the William Blair Funds. The extent to which William Blair Investment Management, LLC or William Blair bears these expenses varies by William Blair Fund. Therefore, when negotiating those expenses with third party service providers, William Blair Investment Management, LLC and William Blair have an economic incentive to favor a fee structure that shifts expenses from William Blair Funds for which William Blair Investment Management, LLC or William Blair has a lesser (or no) reimbursement obligation. Further, to the extent William Blair or its affiliates have discretion to allocate client assets among the William Blair Funds, they have an incentive to allocate to the William Blair Funds where William Blair Investment Management, LLC and William Blair have a limited reimbursement obligation.

As always, clients have the option to purchase recommended investment products through other brokers or agents not affiliated with William Blair.

Provision of services to the William Blair Funds by William Blair or its affiliates presents conflicts of interest because we are incented to recommend and invest in the William Blair Funds based on compensation to us or our affiliate rather than a client's needs. We have an additional conflict of interest because our affiliate, William Blair Investment Management, LLC, compensates us and

PWM Advisors to invest our clients' assets in the William Blair Funds. To help manage conflicts, we have implemented various controls including the following:

- We maintain our Code of Ethics, which details our fiduciary duty to put our clients' interests ahead of our own;
- We monitor portfolio holdings to ensure they are consistent with each client's objectives;
- A client can withhold their consent and not authorize us to purchase William Blair Funds; and
- We offset investment management fees on a client's assets held in the William Blair Funds.

Investments in Affiliated Funds for Certain Investment Strategies

In some cases, we believe it is in a client's best interest to invest a portion of the client's portfolio in certain William Blair Funds or recommend investment in Private Funds. For example, we may invest in mutual fund shares for smaller accounts in order to achieve greater portfolio diversification that can otherwise be more difficult with fewer assets. We choose to invest in the William Blair Funds, our affiliated mutual funds, primarily because portfolio managers for our affiliate, William Blair Investment Management, LLC, use the same investment strategies they use for institutional separate accounts to manage them.

As discussed above, when we invest in shares of affiliated mutual funds in your account or recommend that you invest in Private Funds, you are subject to the William Blair Funds' or Private Funds' internal management fees and other expenses (as described above); however, we do not charge our investment management fee in addition to the William Blair Fund or Private Fund internal management fee. Instead, we exclude the assets invested in the William Blair Funds or Private Funds when we calculate the investment management fees we charge you. However, as discussed more fully above, William Blair does receive compensation from our affiliate, William Blair Investment Management, LLC, based on PWM's clients' assets invested in William Blair Funds and Private Funds, creating a conflict of interest.

Sweep Account Fees

Occasionally, William Blair "sweeps" your assets temporarily into a money market mutual fund or other short-term investment vehicle (typically

offered by your custodian). We also may invest in another mutual fund, including an exchange-traded fund. When we sweep your assets into these unaffiliated funds, we charge our investment management fee on your total account assets, including assets in these unaffiliated funds as described in your investment advisory agreement.

Separate Account Fee Schedules

We charge investment management fees for separate accounts based upon the below standard fee schedules. We negotiate fees with clients, and not all clients pay fees as described in these schedules. Differences can arise for various reasons including the following:

- Account size;
- Total assets under management for the client;
- Inception date of an account;
- Accounts that also pay us commissions to execute their trades;
- Client types (wrap fee clients, for example);
- Accounts with specialized services or arrangements; and
- Other reasons not listed.

We, in our sole discretion, may waive or reduce the management fee schedules for clients who are members, employees or affiliates of William Blair, relatives of such persons, certain large or strategic investors, and in certain other limited circumstances.

PRIVATE WEALTH MANAGEMENT - SEPARATE ACCOUNTS

For clients' accounts managed by PWM, we charge the following annual fees, payable quarterly in advance, based on the appraised total market value of the account(s) including accrued interest and dividends but excluding the then current balance invested in any William Blair Funds or Private Funds as described in the investment advisory agreement:

Fee & Discount Commission

For clients with a Fee & Discount Commission investment advisory agreement, William Blair charges a maximum of 2.00% fee on all assets, subject to negotiation. Commissions are negotiable and commissions will be charged in addition to the management fee for transactions in the account.

AUM		
FROM	TO	Fee
\$ -	\$ 49,999,999	2.00%
\$ 50,000,000	over	1.50%

For some PWM accounts, we receive commissions for each trade we execute for these clients in addition to an investment advisory fee. This creates a conflict of interest because the PWM Advisor is incented to initiate more trades to generate greater commissions (revenues). To manage this conflict, we monitor account activity to help identify excessive portfolio activity. Clients also may negotiate commission rates.

Comprehensive Fee

For clients with a Comprehensive Fee ("Wrap Fee Program") investment advisory agreement, William Blair charges a maximum of 2.00% fee on all assets, subject to negotiation.

AUM		
FROM	TO	Fee
\$ -	\$ 49,999,999	2.00%
\$ 50,000,000	over	1.50%

William Blair generally acts as the introducing broker-dealer and executes trades for accounts in the Wrap Fee Program with NFS as described above, which includes most of our high-net-worth clients. In limited instances we also may trade with third party broker-dealers.

For the avoidance of doubt, where William Blair has discretion to select Sub-Managers, PWM clients will be billed a separate Platform provider fee that reflects the costs to access the Platform and pay each Sub-Manager.

For fee information associated with Wrap Fee Program client accounts, please see our Wrap Fee Brochure as well as your investment advisory agreement.

Other Advisory Services

For certain clients, William Blair provides non-discretionary investment advisory services to clients for a fee. These non-discretionary advisory services include but are not limited to: recommending the purchase and sale of securities; and/or aggregated and consolidated reporting on client assets, including asset allocation advice, investment policy statement monitoring, and performance reporting.

For the outlined non-discretionary advisory services, we charge a flat fee or an asset-based fee, subject to negotiation.

PRIVATE WEALTH MANAGEMENT - WILLIAM BLAIR SELECT ACCOUNTS

As of the date of this Brochure, the William Blair Select offering is no longer available for new clients. For client accounts in the legacy William Blair Select Program, William Blair charges a maximum of 2.00% fee on all assets, subject to negotiation based on asset class, account size and investment vehicle.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Performance-Based Fees

William Blair does not offer performance-based fee arrangements to clients.

Side-by-Side Management of Multiple Portfolios

William Blair typically makes investment decisions for multiple portfolios using various investment strategies depending upon clients' guidelines and restrictions. These investment management responsibilities create conflicts of interest. We seek to conduct ourselves in a manner we consider to be the most fair and consistent with our fiduciary obligations to our clients and make investment decisions based on an account's available cash, investment objectives, restrictions, permitted investment techniques and other relevant considerations.

The conflicts of interest that arise in managing multiple accounts include, for example, conflicts among investment strategies, conflicts in the allocation of investment opportunities, or conflicts due to different fees. Some accounts have higher fees than others. Fees charged to clients differ depending upon a number of factors including, but not limited to, the particular strategy, the size of the

portfolio being managed, the relationship with the client, the service requirements, or the account type (e.g., separately managed accounts and wrap accounts). Based on these factors, a client may pay higher fees than another client in the same strategy. Also, clients with larger assets under management generate more revenue for William Blair than smaller accounts. These differences give rise to a conflict that a portfolio manager may favor one account over the other or allocate more time to the management of one account over another.

To help manage conflicts, we have implemented various controls, including the following:

- We periodically review the performance of our PWM Advisors and assess whether the PWM Advisor has adequate resources to manage effectively all accounts assigned to him or her;
- We review the performance of accounts to identify performance outliers; and
- As described in Item 12, we have adopted trade order aggregation and trade allocation policies and procedures that seek to manage, monitor and, to the extent possible, minimize the effects of these conflicts.

ITEM 7 – TYPES OF CLIENTS

William Blair provides investment advisory and management services to a number of clients including high net worth clients, individuals, small institutions and wrap program clients.

Investment Minimums

For discretionary accounts, William Blair generally requests minimums as described below.

<u>Account Type/Relationship</u>	<u>Minimum</u>
WBIM Sub-advisory Accounts	\$2 million
PWM Accounts	\$50,000
Platform Separate Accounts*	\$100,000

**Certain third party managers may be higher.*

We reserve the right to accept accounts below our stated minimums. We also accept lesser amounts for accounts in separately managed account programs sponsored by unaffiliated intermediaries (e.g., wrap programs).

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

William Blair is an active investment manager and utilizes a variety of methods and strategies to make investment decisions and recommendations. When evaluating investment opportunities, we employ fundamental and technical research methods using various resources such as financial news sources and websites; corporate data; ratings services; third party research; SEC filings (e.g., annual reports, prospectuses); company press releases; and proprietary research.

The following describes our principal investment strategies as of the date of this Brochure. Descriptions of strategies are qualified in their entirety by reference to the applicable investment advisory agreement and related investment guidelines as well as by the applicable prospectus and statement of additional information for mutual fund investments.

1. Private Wealth Management Investment Strategies

Our PWM group offers custom wealth management based on each client's individual needs and objectives. In choosing investments for clients, we consider a broad array of securities and investment vehicles, including common stocks, corporate, government and municipal fixed income securities, affiliated and unaffiliated mutual funds, private funds and money market funds. In addition, for certain clients, our PWM division has discretion to hire Sub-Managers through Platforms.

2. William Blair Platform Strategies

William Blair has historically offered to clients William Blair Select, a diversified open architecture platform of investment strategies provided by affiliated and external investment managers, each with a focus on a particular asset class and style. As of the date of this Brochure, this offering is no longer available to new clients.

For Program clients that have given us discretion, PWM Advisors select Sub-Managers based on each client's unique objectives, risk tolerance and financial profile and provide ongoing advice to clients. We emphasize asset allocation to help manage risk and return in portfolios. In our investment process, we seek

Sub-Managers who meet the Platform's initial and ongoing due diligence standards for manager selection evaluation, as well as management style and performance track record. In most instances, William Blair does not independently conduct due diligence on Sub-Managers available on the Platform. Clients are provided the Platform providers' and Sub-Managers' Form ADV Part 2A.

RISK OF LOSS

All investments in securities involve a risk of loss of your principal (invested amount) and any profits that have not been realized (i.e., the securities have not been sold to "lock in" the profit). Stock markets and bond markets fluctuate substantially over time, and performance on any investment is not guaranteed. There is no guarantee that any investment strategy will achieve its stated investment objectives. William Blair cannot guarantee any level of performance or that you will not experience a loss of account assets.

Common Risks Associated with Equity Investments

Investments in equity securities can expose you to certain specific risks such as the following:

- **Equity securities.** Equity securities (stocks) held in your portfolio may decrease in response to activities of companies or market and economic conditions.
- **Growth stocks.** Growth stocks may be more sensitive to market movements because their prices tend to reflect future investor expectations rather than just current profits and may underperform value stocks during given periods.
- **Value stocks.** Value stocks may perform differently from the market as a whole and may be undervalued by the market for a long period of time and may underperform growth stocks during given periods.
- **Small-capitalization companies.** Small cap stocks may exhibit erratic earnings patterns, competitive conditions, limited earnings history, and a reliance on one or a limited number of products.
- **Initial public offerings.** Initial public offerings (IPOs) are subject to high volatility and limited availability.
- **Private placements.** Private placements may be classified as illiquid and difficult to value.

- **Options.** Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so an investor loses their premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security, which could result in a potentially unlimited loss.

Common Risks Associated with Non-U.S. Investments

Investments in non-U.S. securities can expose you to certain specific risks, including risks associated with equity investments previously described above, as well as the following:

- **Current market conditions.** In recent years, debt and equity markets, domestic and foreign, have experienced increased volatility and turmoil, which can adversely impact your portfolio.
- **Liquidity in financial markets.** The financial markets in the U.S. and elsewhere have experienced a variety of difficulties and changed economic conditions, which could adversely impact the value of your portfolio's assets.
- **Government intervention and market disruptions.** The global financial markets recently have undergone fundamental disruptions that have led to extensive and unprecedented government intervention that could prove detrimental to the efficient functioning of the markets and adversely impacting your portfolio.
- **Options.** Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so an investor loses their premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security, which could result in a potentially unlimited loss.
- **Foreign markets.** Foreign markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments.
- **Foreign securities.** Foreign stocks are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets.

- **Emerging markets.** Securities traded in certain emerging markets may be subject to risks due to the inexperience of financial intermediaries, the lack of modern technology, the lack of a sufficient capital base to expand business operations, and the possibility of temporary or permanent termination of trading. Political and economic structures in many emerging markets may be undergoing significant evolution and rapid development, and emerging markets may lack the social, political and economic stability characteristics of more developed countries.

Common Risks Associated with Fixed Income Investments

Investments in fixed income securities can expose you to certain specific risks such as the following:

- **Credit risk.** Fixed income securities (bonds) are subject to the risk that the bond issuers may not be able to meet interest or principal payments when the bonds come due.
- **Below investment grade rated securities.** Below investment grade bonds are subject to a higher probability that the issuers may not be able to meet payment of interest or principal on a timely basis or at all. These securities also may be less liquid than investment grade securities and experience higher price volatility. It may not be possible to sell these securities at the desired price and within a given time period.
- **Interest rates.** Interest rates may adversely affect the value of an investment. An increase in interest rates typically causes the value of bonds and other fixed income securities to fall. Interest rates continue to be at historic lows. Investments with longer maturities, which typically provide higher yields than securities with shorter maturities, may subject a portfolio to increased price changes resulting from market yield fluctuations.
- **Income risk.** The income received by a portfolio may decrease as a result of a decline in interest rates.
- **Prepayment risk.** There is a risk of prepayment in mortgage- and asset-backed securities. This risk arises when market interest rates are below the interest rates charged on the loans that comprise the securities. Elevated prepayment activity may result in losses in these securities.

- **Liquidity risk.** Investments that trade less can be more difficult or more costly to buy, or to sell, than more liquid or active investments. It may not be possible to sell or otherwise dispose of illiquid securities both at the price and within a time period deemed desirable. Securities subject to liquidity risk include emerging market securities, below investment grade securities and other securities without an established market.

Common Risks Associated with Alternative Investments

Investments in alternatives investment strategies can expose you to certain specific risks associated with the following:

- **Derivative securities.** Derivatives may be difficult to value, may be illiquid and may be subject to wide swings in valuation caused by changes in value of the underlying security. The use of derivatives can result in losses that substantially exceed the initial amount paid or received.
- **Short sales.** A short sale involves the risk of a theoretically unlimited increase in the market price of a security sold short, which could result in an inability to cover the short position and a theoretical unlimited loss.
- **Commodity and futures contracts.** Commodities futures markets (including financial futures) are highly volatile and are influenced by factors such as changing supply and demand, governmental programs and policies, national and international political and economic events and changes in interest rates. A high degree of leverage is typical in commodities futures trading, and as a result, a relatively small price movement may result in substantial losses.
- **High yield securities.** High yield securities are rated in the lower rating categories by the various credit agencies and are subject to greater risk of loss of principal and interest than higher rated securities. High yield securities generally are considered predominantly speculative with respect to the issuer's capacity to pay interest and repay principal.
- **Options.** Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so an investor loses their premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security, which could result in a potentially unlimited loss.
- **Foreign securities.** Foreign stocks are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets.
- **Foreign currency markets.** Investments in foreign securities expose a portfolio to fluctuations in currency exchange rates, which may adversely affect the value of investments in foreign securities held in your portfolio.
- **Currency risks.** Investments denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more currencies.
- **Interest rates.** Interest rates may adversely affect the value of an investment. An increase in interest rates typically causes the value of bonds and other fixed income securities to fall.
- **Leverage.** The use of borrowing (leverage) exposes an investor to additional levels of risk including greater losses from investments than would otherwise have been the case without borrowing; margin calls or changes in margin requirements may force premature liquidations of investments; and losses on investments where the investment fails to earn a return that equals or exceeds the cost of the leverage.
- **Lack of diversification.** The portfolio may not generally be as diversified as other investment vehicles. Accordingly, investments may be subject to more rapid change in value than would be the case if the portfolio were required to maintain a wide diversification among types of securities, geographical areas, issuers and industries.
- **Liquidity.** A portfolio's assets may, at any given time, include securities and other financial instruments or obligations that are thinly traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to value accurately any such investments.
- **Event-driven trading.** Event-driven trading involves the risk that the event identified may not occur as anticipated or may not have the anticipated effect, which may result in a negative impact upon the market price of securities held in the portfolio.

Common Risks Associated with Sub-Managers

Investments in Platform programs that utilize Sub-Managers are subject to risks depending upon the strategy and types of securities employed by the third party investment manager. William Blair selects Sub-Managers based on, among other things, the client's investment objectives and the Sub-Managers' management style and performance track record. However, a Sub-Manager's past performance is not a guarantee of future results. In addition, William Blair does not have any influence over the Sub-Manager's investment decisions or securities selections. In most instances, William Blair does not independently conduct due diligence on Sub-Managers. There is a risk that the Platform does not conduct adequate initial and ongoing due diligence. As such, investment strategies may fail to produce the intended results.

ITEM 9 – DISCIPLINARY INFORMATION

In May 2017, the SEC found that from 2010 until 2014, as a result of erroneous payments, William Blair negligently used mutual fund assets to pay for (i) distribution and marketing of fund shares outside of a written, board-approved rule 12b-1 plan and (ii) sub-transfer agent ("Sub-TA") services in excess of board-approved limits. These payments totaled approximately \$1.25 million and rendered certain of William Blair Funds' disclosures concerning payments for distribution and Sub-TA services inaccurate. As a result of this conduct, William Blair violated Section 206(2) of the Investment Advisers Act and Section 34(b) of the Investment Company Act, and caused the William Blair Funds to violate Section 12(b) of the Investment Company Act and Rule 12b-1 thereunder. The SEC alleged that William Blair also failed to fully disclose to the William Blair Funds' Board of Trustees that William Blair (and not a third-party service provider) would retain a fee for providing shareholder administration services to the William Blair Funds under a shareholder administration services agreement between certain of the Funds and William Blair. As a result of this

conduct, William Blair violated Section 206(2) of the Investment Advisers Act.

Without admitting or denying the findings, except as to the SEC's jurisdiction over it and the subject matter of these proceedings, which are admitted, William Blair consented to the entry of an order instituting cease-and-desist proceedings, pursuant to Section 203(k) of the Investment Advisers Act and Section 9(f) of the Investment Company Act, making findings, and imposing a cease-and-desist order. William Blair also was assessed by the SEC a civil money penalty in the amount of \$4,500,000.

In May 2013, the Swiss Financial Market Supervisory Authority ("FINMA") found William Blair to have negligently failed to comply with Swiss securities regulations due to William Blair's late filing of shareholding reports in two instances. Swiss regulations require that a person who acquires or sells shares of a company incorporated in Switzerland whose equity securities are listed in whole or in part in Switzerland and thereby attains, falls below or exceeds the threshold percentages of voting rights send notifications to FINMA and the company. Such notifications must be received by FINMA and the company within four trading days. In this case, William Blair exceeded the 3% threshold (the lowest threshold for reporting purposes) in two separate instances and reported such transactions three calendar days after the deadline. FINMA deemed these matters to be simple negligence. However, William Blair was assessed a fine in the amount of CHF 9,000, which was approximately \$9,315 (USD) at exchange rates current at the time the fine was assessed. This amount corresponds to 0.9% of the maximum fine of CHF 1,000,000. William Blair was also assessed procedural costs of CHF 1,570, which was approximately \$1,625 (USD) at exchange rates current at the time the costs were assessed.

Our Form ADV Part 1A describes this and several disciplinary items relating to our business as a broker-dealer. Our Form ADV Part 1A is available for review on the SEC's web site at www.adviserinfo.sec.gov.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

William Blair Funds

Our affiliate, William Blair Investment Management, LLC, is an investment adviser and manager, and William Blair is distributor for the William Blair Funds. William Blair and William Blair Investment Management, LLC are paid by the William Blair Funds for the services they each provide. As investment adviser and manager, William Blair Investment Management, LLC manages the William Blair Funds' investments, administers their business affairs, furnishes office facilities and equipment, provides clerical, bookkeeping and administrative services, and provides shareholder and information services. Partners and employees of William Blair and William Blair Investment Management, LLC can serve (without compensation) as trustees or officers of the William Blair Funds if elected to such positions. As of December 31, 2017, investment management fees paid by the William Blair Funds ranged from 0.30% to 1.10% for all share classes. In addition to an investment advisory fee, each William Blair Fund pays the expenses of its operations, including a portion of the William Blair Funds' general administrative expenses, allocated based on each Fund's net assets. As of December 31, 2017, William Blair Investment Management, LLC managed over \$14 billion in assets for the William Blair Funds. Following are the William Blair Funds currently advised by William Blair:

- William Blair Income Fund
- William Blair Bond Fund
- William Blair Low Duration Fund
- William Blair Growth Fund
- William Blair Small Cap Growth Fund
- William Blair Large Cap Growth Fund
- William Blair Small-Mid Cap Growth Fund
- William Blair Mid Cap Growth Fund
- William Blair Small-Mid Cap Value Fund
- William Blair Small Cap Value Fund
- William Blair International Growth Fund
- William Blair International Developed Plus Fund
- William Blair International Leaders Fund
- William Blair International Small Cap Growth Fund
- William Blair Emerging Markets Growth Fund
- William Blair Emerging Markets Leaders Fund
- William Blair Emerging Small Cap Growth Fund
- William Blair Institutional International Growth Fund

- William Blair Institutional International Developed Plus Fund
- William Blair Global Leaders Fund
- William Blair Macro Allocation Fund

PWM Advisors have discretion to buy and sell mutual funds, including the William Blair Funds, in their clients' accounts and receive asset-based investment management fees. As the William Blair Funds' principal distributor, we also receive fees from the sale of William Blair Fund shares. As discussed above, our affiliate, William Blair Investment Management LLC, compensates us up to 0.35% of our clients' assets invested in William Blair Funds. These circumstances create a conflict of interest because we are incented to recommend the purchase of affiliated mutual funds over other types of investments or funds. To help manage any conflict, we have implemented controls, including the following:

- We maintain a written Code of Ethics, which details our fiduciary duty to clients;
- We monitor client portfolios to ensure they are consistent with each client's objectives and investment strategy;
- We typically solicit client consent to invest in affiliated mutual funds; and
- We offset investment management fees on a client's assets held in affiliated mutual funds.

Please also refer to the William Blair Funds' prospectuses and statements of additional information, which are available at www.williamblairfunds.com or by calling 1-800-742-7272.

Investment Adviser/Sub-Adviser for Other Pooled Funds

Our affiliate, William Blair Investment Management, LLC, serves as investment adviser or sub-adviser to other pooled funds including other U.S. mutual funds, Canadian trusts/funds, Australian trusts/funds, collective investment trusts, and UCITS² and receives investment management fees as described in William Blair Investment Management, LLC's Form ADV Part 2A.

Similar to the William Blair Funds, a conflict of interest exists as we are incented to recommend these pooled funds for purchase by our investment

² William Blair has been appointed global distributor of the William Blair SICAV.

management clients, which may conflict with our fiduciary duty. To help manage conflicts, we have implemented controls, including the following:

- We maintain a written Code of Ethics, which details our fiduciary duty to clients; and
- We monitor client portfolios to ensure they are consistent with each client's objectives and investment strategy.

Private Investment Offerings

Our affiliate, William Blair Investment Management, LLC, is the investment manager to a number of limited partnerships and limited liability companies, which are Private Funds that are structured as hedge funds, funds-of-hedge funds, multi-advisor commodity pools or other pooled investment vehicles. These Private Funds are offered only to accredited investors, qualified purchasers or qualified eligible persons.

We are in a position to recommend securities, including affiliated Private Funds, to our clients. With respect to any recommendation that our PWM clients invest in a Private Fund, we have a conflict of interest because we receive compensation from our affiliate, William Blair Investment Management, LLC, based on the amount of assets invested in the Private Funds. This creates conflicts of interest because we are incented to recommend these securities for clients over other suitable investment options.

To help manage conflicts of interest, we make these investments available solely to certain William Blair partners and employees as well as select eligible investors. Because our affiliate, William Blair Investment Management, LLC can receive performance fees for certain Private Funds, our affiliate is incented to favor these accounts over other clients' accounts; however, this incentive is mitigated by the illiquid nature of these investments.

We have implemented controls, including the following:

- We maintain a written Code of Ethics, which details our fiduciary duty to clients;
- We offset investment management fees on a client's assets held in Private Funds;
- Conflicts of interest are disclosed in Private Funds' offering documents;

- A client does not need to accept our recommendation with respect to Private Funds; and
- We monitor client portfolios to ensure they are consistent with each client's objectives and investment strategy.

Corporate and Executive Services

William Blair provides strategic advice and solutions for companies and corporate executives. Examples of these services include the following:

- Corporate cash management
- Corporate share repurchases
- Directed share programs
- Retirement plans
- Investment banking services
- Cashless stock option exercise
- Restricted stock coordination and sales
- Officer and affiliate trading programs
- Equity risk management

Financial Planning and Advisory Services

William Blair provides financial planning and advisory services to high-net-worth individuals and families and works with you to help you determine the services that may be appropriate given your goals and circumstances. We may charge a fee for these services that is separate from any investment advisory fees and transaction charges. Examples of these services include the following:

- Asset allocation
- Retirement planning
- Estate planning
- Philanthropic strategies
- Advisory services for foundations and endowments

Securities Business

In addition to our registration with the SEC as an investment adviser under the Investment Advisers Act of 1940, William Blair also is registered with the SEC as a securities broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority (FINRA). In its broker-dealer capacity, the firm executes securities transactions for clients, underwrites securities, distributes the William Blair Funds, and may distribute shares of the William

Blair SICAV. These activities present conflicts of interest, as described below and throughout this Brochure.

Investment Banking Activities

William Blair's Investment Banking Department provides investment banking and financial advisory services to corporate clients. This creates conflicts of interest with our investment management clients. In the provision of investment banking services, our employees may come into possession of material, non-public information or other confidential information about a particular company, which if disclosed might affect a person's decision to buy, sell or hold a company's securities. The firm maintains policies and procedures as well as physical, technical and logical controls to mitigate unauthorized access to and/or use of non-public information. Because of these procedures (and related legal requirements), investment decisions related to these securities may be temporarily restricted in your account.

Sell Side Equity Research

William Blair's Equity Research Department provides investment analysis and recommendations of companies across various sectors. This creates conflicts of interest with our investment management clients because our employees may

come into possession of material, non-public information or other confidential information about a particular company, which if disclosed might affect a person's decision to buy, sell or hold a company's securities. The firm maintains policies and procedures as well as physical, technical and logical controls to mitigate unauthorized access to and/or use of non-public information. Because of these procedures (and related legal requirements), investment decisions related to these securities may be temporarily restricted in your account.

Institutional Sales and Trading

William Blair's Institutional Sales and Trading Department provides trade execution, underwriting and sales to investors and issuers. This can create conflicts of interest with our investment management clients because our employees may come into possession of material, non-public information or other confidential information about a particular company, which if disclosed might affect a person's decision to buy, sell or hold a company's securities. The firm maintains policies and procedures as well as physical, technical and logical controls to mitigate unauthorized access to and/or use of non-public information. Because of these procedures (and related legal requirements), investment decisions related to these securities may be temporarily restricted in your account.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

William Blair has adopted a Code of Ethics, pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 that govern a number of conflicts of interest we have when providing our advisory services to clients. We have designed our Code of Ethics to help ensure we meet our fiduciary obligation to our clients as well as to emphasize a culture of compliance within our firm.

- We distribute our Code to each employee at the time of hire and annually thereafter. We provide annual training and monitor employee activity on an on-going basis.

According to our Code, employees must:

- Report their transactions in reportable securities quarterly and disclose reportable securities holdings annually;
- Disclose all securities accounts in which they have a beneficial interest (i.e., they are the account owner or have a present economic interest in the account);
- Refrain from purchasing securities in an initial public offering (IPO) and obtain prior approval for participation in limited offerings;
- Receive approval prior to engaging in outside business activities including serving on any Board of Directors of a public company;
- Report gifts and business entertainment; and
- Certify on an annual basis as to compliance with our Code.

If you would like a copy of PWM's Code of Ethics, please contact our Compliance team at imcompliance@williamblair.com or (312) 236-1600 or write to us at the following address:

William Blair & Company, L.L.C.
Attn: PWM Compliance
150 North Riverside Plaza
Chicago, IL 60606

Securities in which William Blair has a Financial Interest

Because of our diverse financial services activities, William Blair or its affiliates have financial interests in various securities including the William Blair Funds, William Blair SICAV, and William Blair

Private Funds as well as securities of corporations to which we provide investment banking and other corporate and executive services. We or our affiliates also have financial interests in securities for which William Blair Investment Management, LLC serves as sub-adviser (such as other mutual funds or collective investment trusts).

We sometimes recommend to our clients that they purchase or sell securities in which we have a financial interest, or in cases where we have investment discretion, we may purchase or sell those securities on behalf of our clients. In addition, our participating affiliate, William Blair International, Ltd, may recommend to or invest in the same securities for its own clients as securities in which William Blair or its clients have an interest. As discussed above, we receive compensation from our affiliate, William Blair Investment Management, LLC, based on our clients' assets invested in William Blair Funds and Private Funds. This creates a conflict because we are incented to promote these securities over others. A conflict of interest also arises in situations where we may restrict or refrain from making investment recommendations on particular securities because we are actively engaged in investment banking activities for issuers of those corporate securities.

To help manage these conflicts, we rely on various compliance controls including the following:

- We maintain a Code of Ethics, which reinforces our fiduciary duty to clients, and conduct annual training on our Code;
- We have written policies and procedures that clearly prescribe processes for employees when recommending or managing investments for our clients;
- We utilize technological trading and compliance tools to monitor portfolio activities;
- We review portfolios to ensure investments are consistent with clients' guidelines and restrictions;
- We typically solicit client consent to invest in the William Blair Funds for their investment advisory accounts;
- A client does not need to accept our recommendation to invest in a Private Fund;
- Conflicts of interest are disclosed in this Form ADV as well as in William Blair Funds' and Private Funds' offering documents;

- In cases where we purchase the William Blair Funds and/or Private Funds in clients' investment advisory accounts, we do not charge additional investment advisory fees on the portion of assets invested in our William Blair Funds; and
- We have information barriers in place to prevent dissemination of material, non-public information between our various business groups.

Personal Securities Trading

Because William Blair permits employees to engage in personal securities transactions, our employees may buy or sell securities for their own personal accounts in a manner that is inconsistent with those purchased or sold in our clients' accounts. As an example, an employee may buy a particular security that we recently have sold for clients. This creates a conflict of interest because employees could be motivated to favor their own investment interests over clients' interests. In addition, an employee or an employee of our affiliate, William Blair Investment Management, LLC, may make a personal investment in the securities of our clients' companies. This creates a conflict because employees could be motivated to favor their own

investment interests or the interests of certain clients over others. To help manage these conflicts, we rely on various compliance controls including the following:

- We maintain a Code of Ethics, which reinforces our fiduciary duty to clients;
- In cases where we are purchasing or selling securities for clients' accounts, we routinely prohibit employees from transacting in the same securities for their own accounts until trades are completed for their client accounts; and
- We monitor employees' personal securities transactions in an effort to identify patterns or improper activities.

Political Contributions

We do not allow our employees to make or solicit political contributions to support political candidates or elected officials for the purpose of obtaining or retaining business with governmental entities. We permit employees to make personal contributions to support candidates for whom they are eligible to vote subject to William Blair's political contributions policy.

ITEM 12 – BROKERAGE PRACTICES

Best Execution in Private Wealth Management Accounts

In most instances, William Blair's clients will maintain a brokerage account with William Blair, as the introducing/executing broker (cleared through and custody held by NFS).

In effecting transactions for clients whose accounts are introduced or maintained by William Blair, as described above, all trades are directed to William Blair's sell-side broker-dealer trade desk. In effecting transactions for clients whose accounts are introduced by William Blair, William Blair takes all reasonable steps to achieve best execution of orders. We have policies and procedures which are designed to obtain the best possible execution result, subject to the nature of the order, any restrictions placed upon us in filling the order and the market in question. We take into consideration a range of different factors which include price, but may also include such other factors as timely execution, the liquidity of the market, the cost of the transaction and the nature of the financial transaction. In some markets price volatility may mean that the timeliness of the execution is a priority, where other markets that have low liquidity may mean the execution itself may constitute the best execution.

In limited circumstances, a client will maintain their custodial account at another qualified custodian and give William Blair the ability to effect transactions through any broker-dealer. In effecting trades for these clients' accounts, all trades will be directed to William Blair's sell-side broker-dealer trade desk, as described above.

In other circumstances, a client will maintain their custodial account at another qualified custodian and direct us to place their order or a portion of their brokerage orders through specific broker-dealers, other than William Blair "Directed Brokerage". Please refer to the Client Directed Brokerage discussion later in this section.

Important Information about Best Execution and Trading Away for Certain Client Accounts

William Blair has historically offered to clients William Blair Select, a diversified open architecture platform of investment strategies provided by affiliated and third party investment managers. As of the date of this Brochure, this offering is no longer available to new clients.

Additionally, some PWM Advisors access and hire Sub-Managers through the asset management Platform described in Item 4 – Advisory Services.

In cases where a client's account or a portion thereof are managed by third party investment managers or Sub-Managers, the third party investment manager or Sub-Manager, in its sole discretion, may place a client's trade orders with a broker-dealer firm other than the custodian's designated broker-dealer if the manager determines that it must do so to comply with its best execution obligations. This means that clients who invest with third party investment managers or Sub-Managers will most likely incur execution costs (whether in the form of commissions or markup/markdowns that are built into the net price of the security) in addition to, and which will not reduce the advisory account fees. Clients should therefore take these costs into consideration when selecting and/or determining whether to remain invested in accounts managed by third party investment managers or Sub-Managers.

Research and Other Soft Dollar Benefits

Under the limited circumstances where William Blair selects broker-dealers (i.e., for certain client accounts), we may use broker-dealers that provide us research to execute client transactions, and we may pay higher commissions to receive such research. These kinds of arrangements are referred to as "soft dollar" arrangements. Section 28(e) of the Securities Exchange Act of 1934 permits us to pay higher commissions if we can demonstrate the commissions are reasonable in relation to the research or brokerage services we receive. William Blair is incented to use commission dollars to purchase research instead of having to pay for the research out of its profits. To the extent William Blair wishes to use commission dollars to purchase research, we must use the commission dollars generated from accounts that have granted discretion to us as to brokerage placement. Accordingly, commission dollars generated from accounts that grant brokerage placement discretion to William Blair are likely to be used to purchase research that also benefits accounts that do not grant us discretion.

We do not use all products and services for the sole benefit of the clients whose commission dollars paid for the products and services. Research we obtain from commissions paid by one account is used to benefit all accounts. This creates conflicts because

some clients get the benefit of research or services received due to another client's commission dollars.

Client Directed Brokerage

In most instances, clients direct us to place their order through William Blair, as the introducing/executing broker (transactions cleared through NFS). In more limited instances, clients direct us to place their order or a portion of their brokerage orders through specific broker-dealers, other than William Blair ("Directed Brokerage"). This Directed Brokerage arrangement may include "expense reimbursement" and "commission recapture" arrangements, where certain broker-dealers will rebate a portion of a client's brokerage commissions (or spreads on fixed income or principal trades) directly to their account, or apply the amount to an account's expenses. In some instances, clients may direct us to place their order or a portion of their brokerage orders through "discount brokers". We may deny client requests to direct brokerage, and we must accept direction before it will be effective.

In selecting the directed broker, the client is solely responsible for negotiating commission rates and other transaction costs with the directed broker. Clients with directed broker arrangements may not receive best execution since the directed brokerage may result in higher commissions than might be the case if we were empowered to negotiate commission rates or select broker-dealers based on best execution. We are not required to execute any transaction through the directed broker if we reasonably believe that doing so could result in a breach of our fiduciary duty.

By instructing us to execute transactions through the directed broker (including expense reimbursement and commission recapture arrangements), the client may not necessarily obtain commission rates and execution as favorable as those that would be obtained if we were able to place transactions with other brokers. The client also may forego benefits that we may be able to obtain for our other clients through, for example, negotiating volume discounts or block trades. In addition, directed brokerage can distract us from our normal trading process and represents a conflict of interest in our efforts to obtain best execution for all clients and to obtain adequate research. Also, if the directed broker played a role in

introducing or referring the client to our firm, we face a conflict of interest that could be seen as reducing our incentive to obtain a lower commission. If the brokerage firm to which William Blair is directed by the client to execute trades is not on our approved list of brokers, the client may be subject to additional credit and settlement risks.

Trade Order Aggregation for Private Wealth Management Clients

In effecting transactions for our clients, William Blair may enter and combine transactions in the same security for different client accounts for which discretionary authority is exercised, and record the price for each client account as the average of the prices at which such transactions are executed.

Trade Allocation

When the full amount of a bunched equity order is not executed, partially executed orders will typically be allocated among the participating client accounts on a pro rata basis in a fair and equitable manner in accordance with applicable policies and procedures.

Trade Errors

William Blair employs a standard of care in the placement, execution and settlement of trades for clients' accounts and generally considers any deviation from this standard a trade error.

When we cause a trade error, we take prompt action to resolve the error with the objective to return the client's account to the position that it would have been in had there been no error. We pay to correct an error and reimburse a client for any loss resulting from the error. To ensure trade errors do not adversely affect a client's portfolio, the Compliance Department or delegate reviews each trade error and routinely reviews our trade error log.

Cross Trades

We can effect securities transactions between two advisory clients, (which are commonly referred to as "cross trades"). William Blair receives no compensation for effecting the transactions and will do so in an objective manner and only if it does ensure it has a reasonable basis for believing the price is fair to both buyers and sellers. William Blair does not effect cross trades in ERISA accounts.

ITEM 13 – REVIEW OF ACCOUNTS

Account Reviews

William Blair reviews clients' accounts for appropriateness and relative value of investments. We meet periodically to discuss current developments and relative merits of particular investments. We appraise account holdings and review accounts for accuracy from an administrative, accounting and investment viewpoint. A member of PWM senior management reviews the appropriateness of investment holdings on an ongoing basis.

We determine the frequency, depth and nature of reviews based on the terms of each client's advisory agreement, mandate and particular needs as they may be communicated to us by the client. We may review accounts during other periods based upon certain trigger factors including significant market events, changes in a client's investment objectives or guidelines or expected or unexpected material cash flow in an account.

PWM Advisors conduct the reviews. The compliance department also routinely assesses client accounts via electronic compliance monitoring systems.

We use technological tools (as noted above) to assist with our reviews on both an account-by-account basis and on a securities holdings basis, as well as performance exceptions and other bases. We

conduct reviews to determine if an account's holdings are consistent with the investment objectives and restrictions imposed by the client. For our PWM clients, financial advisors typically construct custom portfolios based on a client's unique objectives and restrictions and manage and review portfolios based on individualized parameters.

Client should communicate any changes in investment objectives and restrictions as well as changes in financial condition to their William Blair PWM Advisor. As the client will not be able to communicate directly with any Sub-Manager available through a Platform, client should communicate these reasonable restrictions to their William Blair PWM Advisor.

Account Reports

William Blair provides written reports to clients at least on a quarterly basis. These reports may include portfolio performance and portfolio positioning as of the end of the period. Portfolio performance reports are provided to clients on at least an annual basis. We will include additional detail related to transactions or other information as may be requested by clients. We also will provide reports on a monthly or other interim basis upon client request. For clients in wrap fee programs or other programs where the client has requested that a report not be sent because a report is being sent by the consultant, wrap program sponsor, or broker, we do not send a statement.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Solicitation Payments

On occasion, we enter into an agreement with unaffiliated third party solicitors in order to pay cash compensation to the solicitor for referring advisory clients to our firm. Solicitors must provide clients referred to us through such arrangements a disclosure document describing the terms and conditions of the solicitation arrangement, including the compensation paid to the solicitor. The advisory fees paid by referred clients to us generally are based upon the revenue generated by the referred clients' accounts, and the clients' advisory fees are not higher than they would otherwise be because of the referral fees paid.

Other Payments and Contributions

Some of our clients and prospective clients retain investment consultants or financial advisors to advise them on the selection and review of investment managers. As a firm, we also may have other business relationships with these third parties. To the extent allowed under applicable law and our policies, we may contribute toward expenses related to educational seminars, training programs, conferences or meals and entertainment incurred by third parties, financial advisors, and firms that use William Blair or affiliates as a sub-advisor or include us on a list of recommended investment advisers (including consultants). We also may pay travel and lodging expenses relating to financial advisors' attendance at our due diligence meetings. We may make charitable contributions or underwrite or sponsor charitable events at the request of others, including those who may be affiliated with clients or program sponsors or consultants that may have referred clients to the firm.

From time to time we also may buy from third parties certain services or products used in our investment advisory business (such as research services) or pay registration or other fees toward or assist in sponsoring such parties' industry forums, seminars or conferences. We pay these contributions and payments out of our own resources. The amount of payments and the value of items and benefits may or may not be substantial. These payments, items and benefits give the recipients incentives to favor our investment management services and other William Blair-affiliated investment products and services over those of investment management firms that do not

provide the same payments, items and benefits. Conversely, from time to time, third parties may defray costs of William Blair sponsored training events and conferences. These payments create a conflict of interest in that William Blair is incented to favor products offered by these third parties over those third parties that do not. However, these payments are subject to our internal policies that address and, in some cases, limit payments with the overall aim to avoid compromising advice or recommendations given to clients by special incentives or compensation arrangements.

Asset-Based Compensation

William Blair employees, including when the employees are acting in their role as registered representatives, receive compensation for their clients' investment in securities or other investment products, including asset-based compensation when the clients invest in mutual funds, the William Blair Funds, and Private Funds, except where otherwise noted³. As discussed above, our affiliate, William Blair Investment Management, LLC, compensates us and our PWM Advisors with respect to PWM's clients' assets invested in William Blair Funds and Private Funds. This practice constitutes a conflict of interest in that we and our PWM Advisors are incented to purchase William Blair Funds and recommend an investment in Private Funds. Please see Item 5-Fees and Compensation, Item 10-Other Financial Industry Activities and Affiliations and Item 11- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading for a description of these conflicts of interest and how William Blair manages them.

In addition, financial advisors in our legacy Private Client Advisors' group purchasing shares of a Fund receive from William Blair, not the Fund, a one-time payment equal to one percent of the net asset value of the shares purchased. This practice constitutes a conflict of interest for the William Blair employee (and indirectly, William Blair) in that it gives the employee an incentive to recommend investment products based on the compensation received. As always, clients have the option to purchase recommended investment products through other brokers or agents that are not affiliated with William Blair.

³ Applicable only to taxable accounts.

As described in Item 10, William Blair acts as distributor for the William Blair Funds and receives for its services a shareholder/distribution services fee from certain share classes of each Fund as described in the William Blair Funds' prospectuses and statements of additional information. This constitutes a conflict of interest for William Blair in that its employees are incented to recommend investment in share classes subject to the above-described fees. William Blair's registered representatives are responsible for understanding the availability of sales charge discounts to provide the client the opportunity to purchase a Fund under the most favorable terms available. Clients also have the option to invest in securities other than the William Blair Funds.

Clients should review the prospectuses and statements of additional information for the William Blair Funds. The William Blair Funds' prospectuses are available on the William Blair Funds' website at www.williamblairfunds.com or by calling 1-800-742-7272.

Compensation from Individual Retirement Accounts

William Blair receives compensation from clients whose assets are invested in an Individual Retirement Account ("IRA"). William Blair and its PWM Advisors have a conflict of interest when they recommend that a participant roll money out of an employer retirement plan, such as a 401(k) plan, and into an IRA that will generate ongoing fees for the firm and the PWM Advisor. Even though William Blair and its employees are NOT compensated for making the recommendation, we will receive compensation for services under an investment advisory agreement should the retirement investor follow our recommendation to rollover their money into an IRA with William Blair. Investing assets in a William Blair IRA most likely will result in higher fees than investing through an employer's retirement plan.

To help manage this conflict of interest, we have implemented various controls, including the following:

- We provide retirement investor clients and prospects with "Information Regarding Transfers, Distributions, and IRA Rollovers"; and
- We review recommendations to a retirement investor client or prospect for compliance with the "Impartial Conduct Standards" (as set forth under the Department of Labor's fiduciary rule, applicable as of June 9, 2017).

Compensation from Service Providers

As described in Item 4 – Advisory Business, William Blair has entered into agreements with NFS whereby NFS provides custodial, brokerage and certain other services for certain clients of William Blair. Pursuant to an agreement with NFS, NFS reimburses William Blair for certain transition fees incurred in moving new client assets to the NFS platform.

In addition, through an agreement with NFS, William Blair is paid fees by NFS on most mutual funds above a certain threshold held in custody at NFS by William Blair clients. William Blair also will receive fees from NFS related to assets held in certain Fidelity money market funds (including sweep funds) made available to clients who custody their assets with NFS when the Fed Funds Rate exceeds 1.00%.

Also pursuant to an agreement with NFS, William Blair receives from NFS fees related to certain other services, including securities lending, multi-margin accounts, wire transfers, and certain fixed income trades executed through systems made available by NFS, among other services offered for certain types of client accounts as disclosed in separate agreements with NFS.

These fees cause conflicts of interest because: 1) they incentivize William Blair to recommend clients utilize NFS custodial and other services; and 2) they incentivize William Blair to recommend that clients invest in mutual funds that provide fee payments.

To help manage these conflicts, we rely on controls including the following:

- these payments and a description of conflicts are disclosed in separate client account opening documentation with NFS; and
- PWM Advisors are obligated to employ a standard of care and comply with clients' investment guidelines and restrictions when selecting investments for clients' accounts.

William Blair also pays for and receives services from Platform providers or their affiliates. William Blair receives a discount on the cost of these services based on the level of our clients' assets on the Platform. Therefore, William Blair has a conflict of interest in that there is an incentive to increase the amount of its clients' assets on a Platform to reduce the cost of other services received from the Platform provider or its affiliates.

Compensation for Internal Referrals

William Blair employees can be paid direct compensation for generating qualified leads within one of the other departments across William Blair and affiliates. Therefore, employees are incented to refer a client to other business lines of William Blair or its affiliates.

Compensation for Insurance Referrals

From time to time, William Blair refers its clients to insurance providers and receives referral fees from the provider when the client purchases an insurance product. William Blair employees who are properly licensed as insurance agents are eligible to receive referral fees.

ITEM 15 – CUSTODY

Clients choose which custodians will custody their assets. It is our understanding that certain such custodial agreements or other agreements or documents may contain provisions that could result in William Blair having inadvertent custody of client account assets as a result of language permitting us, as investment adviser, to withdraw client assets upon instruction to the custodian. Our agreements with our clients, however, are not intended to give us broad authority to withdraw client assets, and we disclaim such authority to the extent applicable.

With respect to these concerns, our authority as it relates to custody should be considered to be limited in the ordinary course to customary trading and settlement of securities and investment transactions in the client's account, typically on a "delivery vs payment" basis for securities transactions, as well as fee deductions in certain cases, as applicable.

Most clients choose to custody their assets at NFS since William Blair has a clearing relationship with NFS as described in Item 5 – Fees and Compensation and Item 14 – Client Referrals and Other Compensation.

William Blair has custody of client accounts since some clients provide their custodian, including NFS, a standing authorization to deduct advisory fees or disburse funds to one or more third parties, as specifically designated by the client, from their account upon receipt of a bill from William Blair

or other third party designated by the client. After granting William Blair with this limited authorization, the client then instructs the qualified custodian for the client's account to accept William Blair's direction on the client's behalf to move money to the third party designated by the client on the Standing Letter of Authorization. The qualified custodian takes that instruction in writing directly from the account holder (the client), and William Blair's authority is limited by the terms of that instruction. We are authorized to act merely as an agent for the client. The client retains full power to change or revoke the arrangement.

William Blair also has custody of its clients' assets because in limited instances, William Blair is investment adviser to a trust for which a William Blair employee acts as trustee to the trust.

You should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains your investment assets. Investors in Private Funds will receive audited financial statements.

Our investment account statements will vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. For tax and other purposes, your custodial statement is the official record of your account(s) and assets.

We urge you to carefully review your custodian statements and compare them to the account statements that we may provide to you as your investment manager.

ITEM 16 – INVESTMENT DISCRETION

Investment Discretion

William Blair maintains discretionary authority for the majority of assets we manage. In addition, William Blair will accept client accounts on a non-discretionary basis. We typically receive an executed investment management agreement from the client providing the authority to manage their account assets, subject to certain limitations that are set forth in the agreement's investment guidelines. The investment guidelines may restrict our discretion, for example, with respect to the securities of a particular country or industry. We typically request clients provide changes to their investment guidelines to us in writing and will confirm in writing any verbal changes provided by the client. We also may request certain documentation in addition to an executed

investment management agreement as may be needed (for example, to verify a client's authority over the assets).

Aggregate Ownership of Securities

We monitor the aggregate ownership of equity securities across accounts and have adopted limits placed on aggregate ownership levels based on firm and regulatory considerations. The limits we place on aggregate ownership of securities across accounts can cause performance dispersion among accounts with similar investment guidelines if a security's aggregate ownership has reached prescribed limits. This tends to be more common with accounts invested primarily in small and mid-capitalization stocks. In cases where a security has reached its ownership limit, PWM Advisors may seek to either substitute a similar security or omit the security and reallocate the portfolio.

ITEM 17 – VOTING CLIENT SECURITIES

Proxy Voting Practices

In cases where William Blair has proxy voting authority, we will vote the proxies of our clients solely in the interest of our clients' participants and beneficiaries and for the exclusive purpose of providing benefits to them. We act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. We are not responsible for voting proxies we do not receive in a timely manner. For clients participating in a securities lending program via their custodian, we will not be eligible to vote proxies for the portion of shares on loan.

Generally, William Blair relies upon a Proxy Administrator to facilitate our proxy voting activities. Our Proxy Administrator reviews all proxies received, subject to the requirement that all votes shall be cast solely in the best interest of the clients in their capacity as shareholders of a company. The Proxy Administrator votes the proxies according to the firm's voting guidelines (domestic or international), which are designed to address matters typically arising in proxy votes.

We do not intend our voting guidelines to be exhaustive; hundreds of issues appear on proxy ballots and it is neither practical nor productive to fashion a guideline for each. Rather, our voting guidelines are intended to cover the most significant and frequent proxy issues that arise. For issues not covered or to be voted on a "case-by-case" basis by the voting guidelines, the Proxy Administrator will consult the Proxy Policy Committee. The Proxy Policy Committee will review the issues and will vote each proxy based on information from the company, our internal analysts and third party research sources, in the best interests of the clients in their capacity as shareholders of a company.

In the event that any conflicts of interest arise in the firm's voting of proxies, the Proxy Policy Committee will vote all proxies for that company according to our predetermined procedures. If our voting guidelines indicate a vote "for" or "against" a

specific issue we will continue to vote according to the voting guidelines. If our voting guidelines have no recommendation or indicate a vote on a "case-by-case" basis, we will vote consistent with the voting recommendation provided by Institutional Shareholder Services (ISS), an independent third party research provider that analyzes each vote from the shareholder vantage point. As stated above, ISS provides proxy voting, maintenance, reporting, analysis and recordkeeping services for William Blair for clients where William Blair has proxy voting authority.

Share-Blocking Policy for International Markets

In international markets where share blocking applies, we typically will not, but reserve the right to, vote proxies due to liquidity constraints. Share blocking is the "freezing" of shares for trading purposes at the custodian/sub-custodian bank level in order to vote proxies. Share blocking typically takes place between 1 and 20 days before an upcoming shareholder meeting, depending on the market. While shares are frozen, they may not be traded. Therefore, the potential exists for a pending trade to fail if trade settlement falls on a date during the blocking period. We do not subordinate the interests of participants and beneficiaries to unrelated objectives.

How to Obtain Proxy Records and Voting Policy

We will make available to our clients a report on proxy votes cast on their behalf upon their request. Clients can contact us at 312-236-1600 or imcompliance@williamblair.com for this information.

Clients and prospects also can obtain a copy of our proxy voting policies and procedures upon request by contacting us at (312) 236-1600 or imcompliance@williamblair.com.

For information regarding how proxies were voted for the William Blair Funds, please refer to the William Blair Funds' website at www.williamblairfunds.com and select *Proxy Voting Information*. The William Blair Funds' proxy voting records also are available on the SEC's EDGAR website at www.sec.gov/edgar.

ITEM 18 – FINANCIAL INFORMATION

As described in Item 15, William Blair is considered to have custody of clients' assets because we have the ability to debit some of our clients' accounts for investment management fees. William Blair also has custody of client assets since, in limited instances, it may serve as trustee to a trust for which it also serves as investment adviser.

William Blair has no known financial condition that we believe is likely to impair our ability to meet our commitments to our investment advisory clients. Additionally, we have not been the subject of any bankruptcy petition during the past ten years. You can obtain a copy of our most recent financial statement on our website at www.williamblair.com under *Statement of Financial Condition*.