

March 31, 2015

FORM ADV PART 2A – Appendix 1 (Wrap Fee Program Brochure)

This wrap fee program brochure 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.

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Chicago, Illinois 60606
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ITEM 2 – MATERIAL CHANGES

We have updated our Wrap Brochure (also known as Form ADV Part 2A – Appendix 1) as of March 31, 2015. Our last amendment was an annual amendment as of March 28, 2014. We have amended our Wrap Brochure primarily to reflect updates to assets and other minor changes.

If you would like another copy of this Wrap Brochure, you may download it from the SEC's website at www.adviserinfo.sec.gov, or you may contact our compliance team at imcompliance@williamblair.com or (312) 236-1600.

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ITEM 4 – SERVICES, FEES AND COMPENSATION

Wrap Fee Program Services

William Blair serves as sponsor and investment manager for the William Blair Comprehensive Fee Program, the Comprehensive Mutual Fund Fee Program, and the Investible Model Portfolios Program (collectively “Wrap Fee Programs”).

We offer the Comprehensive Fee Program and the Investible Model Portfolios Program services to clients in our Private Client Advisors (“PCA”) division. Our PCA division typically provides customized wealth management to individuals, smaller institutions, high net worth and wrap program clients on a discretionary basis. We offer the Comprehensive Mutual Fund Fee Program primarily to clients in PCA and may offer program services on a limited basis to clients in our Investment Management (“IM”) division. William Blair’s IM division provides investment management services to institutions, registered investment companies (mutual funds), including the William Blair Funds (the “Funds” or “William Blair Funds”), other pooled funds, high net worth clients and wrap program clients primarily on a discretionary basis. Customized wealth management for clients whose accounts are managed by the IM division is provided by the Investment Counseling group (“Counseling”). The discretionary investment advisory services provided by PCA are monitored by William Blair’s PCA compliance personnel. The discretionary investment advisory services provided by IM are monitored by William Blair’s IM compliance personnel. William Blair also is registered with the Securities and Exchange Commission as a broker-dealer, and PCA offers brokerage services to clients as described in William Blair’s Form ADV 2A.

Under these Wrap Fee Programs, clients pay a single fee for investment advisory services and transaction costs. Financial Advisors in our PCA division and Investment Counselors in our IM division (collectively “Financial Advisors”) typically manage the accounts in our Wrap Fee Programs according to each client’s investment objectives, financial circumstances and risk considerations. In our Investible Model Portfolios Program, client accounts are invested according to one of a number of model portfolios (dependent upon the client’s investment objectives and risk tolerance) managed by our William Blair Select research team.

As described in Item 6, for our Comprehensive Fee portfolios, we consider a broad array of securities and investment vehicles including equity securities, debt securities, mutual funds or other investments that we consider suitable for a client based on their particular circumstances. For our Comprehensive Mutual Fund Fee portfolios, we consider a broad array of no-load mutual funds (and exchange-traded funds, as deemed appropriate) when making portfolio investment decisions for these clients. For our Investible Model Portfolios Program

portfolios, client accounts are invested in accordance with one of a number of model portfolios using an allocation among selected no-load mutual funds representing various asset classes. A client may choose a suitable model portfolio based upon factors such as the client’s personal financial circumstances, investment objectives, and risk tolerance.

Account Fees

William Blair charges a single comprehensive fee for the provision of services to Wrap Fee Program Clients. The comprehensive fee includes investment advisory services and trade execution costs (including costs involved in purchasing and selling no-load mutual funds) for an account. Although not typical in our Wrap Fee Program accounts, William Blair may accept unsolicited orders from clients and may charge a commission on any unsolicited order initiated by the client. We generally charge annual fees based on the following schedules and may negotiate fees with certain clients in our Wrap Fee Programs:

<u>Comprehensive Fee Program*</u>	<u>Equities*</u>	<u>Fixed Income*</u>
All Assets	1.50%	0.35%

* William Blair may purchase mutual funds or exchange traded funds in its investment advisory programs. In the Comprehensive Fee Program, we charge clients the same fee rate for assets invested in equity securities and in shares of equity and balanced mutual funds and exchange traded funds. We also charge clients in these programs the same fee rate for assets invested in fixed income securities and in shares of fixed income mutual funds and exchange traded funds.

Please be advised that this program currently is not accepting new clients.

<u>Comprehensive Mutual Fund Fee Program</u>	<u>Mutual Funds</u>	<u>ETFs</u>
First \$250 thousand	1.65%	0.70%
Next \$250 thousand	1.35%	0.70%
Next \$250 thousand	1.00%	0.70%
Over \$750 thousand	0.65%	0.70%

<u>Investible Models Portfolio Program</u>	<u>Mutual Funds</u>
First \$250 thousand	1.65%
Next \$250 thousand	1.35%
Next \$250 thousand	1.00%
Over \$750 thousand	0.65%

We customarily bill fees quarterly, in advance, based on the market value of portfolio assets (including dividends and interest) as of the last day of the prior quarter. We do not charge clients in either the Comprehensive Fee Program or Comprehensive Mutual

Fund Fee Program account level advisory fees on the Funds held in Wrap Fee Program accounts. We do not purchase the Funds for clients in the Investible Models Portfolio Program.

Ongoing fees can 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 potential impact of fees with your Financial Advisor.

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) 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 affiliated mutual funds ("Funds" advised by William Blair) in your account, you are subject to the Funds' internal management fees and other expenses (as described below); however, we do not charge our investment management fee in addition to the Funds' internal management fee. Instead, we exclude the assets invested in the Funds when we calculate the investment management fees we charge you.

Mutual funds, including the 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 Funds, are set forth in the applicable prospectus, and with respect to the Funds, some of these fees and expenses are paid by the Funds to William Blair. Clients can obtain more information by reviewing a prospectus for the underlying mutual funds, including the Funds, or exchange traded funds. Fees and expenses are exclusive of and in addition to any investment management fees we may charge you. As described above, we do not charge our investment management fee in addition to a Fund's internal investment management fee. William Blair's overall fee will depend on the proportion of a client's account allocated to the

Funds. If the fee William Blair receives from the Funds is higher than the fee received from the client for managing the account, then William Blair's overall fee will increase as the allocation to the Funds increases.

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

Our provision of services to the Funds presents potential conflicts of interest because we may be incented to recommend the Funds based on our compensation rather than a client's needs. To help manage potential conflicts, we have implemented various controls including the following:

- We maintain a Code of Ethics, which details our fiduciary duty to put clients' interests ahead of our own;
- We monitor portfolio holdings to ensure they are consistent with each client's objectives; and
- We offset investment management fees on a client's assets held in affiliated Funds.

Compensation

The Financial Advisor who manages your Wrap Fee Program account receives a portion of the comprehensive fee you pay to us as compensation for his or her services. The financial advisor's annual compensation, which can range from approximately 30% to 53% of the investment management fee depending upon certain criteria, is based on a graduated scale where he or she receives a greater percentage (portion) of the fee for larger relationships versus smaller accounts. Registered representatives associated with William Blair who refer clients to our Wrap Fee Programs receive a portion of the fee and commissions charged by us.

William Blair employees, including when the employees are acting in their role as registered representatives with an affiliated broker-dealer, receive compensation for their clients' investment in securities or other investment products, including asset-based compensation when the clients invest in mutual funds, including the Funds. This practice constitutes a potential conflict of interest for the William Blair employee (and, indirectly, William Blair) in that it may give them 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. In addition, clients should review the prospectuses for the Funds. The Funds' prospectuses are available on the Funds' website at www.williamblairfunds.com or by calling 1-800-742-7272.

For these reasons, your Financial Advisor may have a greater financial incentive to recommend a Wrap Fee Program account and make certain types of investments over other investment options. To help manage potential conflicts of interest that may arise, we have various controls in place including the following:

- We maintain written policies (and provide periodic training) requiring our employees to uphold our fiduciary duty to place clients' interests ahead of our own;
- New accounts and client documentation are reviewed by dedicated personnel prior to opening; and
- We maintain procedures to periodically review portfolio holdings and transactions for unusual activity.

The overall cost of a Wrap Fee Program account may be higher than you otherwise would pay if you paid our standard investment management fee schedule and negotiated transaction costs and other services such as custody through us or another financial institution.

ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Account Requirements

William Blair generally requests a minimum account size of \$100,000 for the Comprehensive Fee Program, \$50,000 for the Comprehensive Mutual Fund Fee Program, and \$20,000 for the Investible Model Portfolios Program. Mutual fund investment options considered for our Wrap Fee Programs may impose investment minimums as described in the funds' prospectuses, which are available from your Financial Advisor. We reserve the right to negotiate fees or accept accounts below our stated minimums.

Types of Clients

William Blair generally manages Wrap Fee Program accounts for clients in our PCA division. The types of clients typically include the following:

- Individuals
- High net worth clients
- Trusts
- Foundations
- Retirement Plans

William Blair also manages Comprehensive Mutual Fund Fee Program accounts for a limited number of clients in our IM division.

ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION

Comprehensive Fee Program – Portfolio Management

William Blair generally does not select outside portfolio managers for its Comprehensive Fee Programs. Instead, Financial Advisors in our PCA division (who are William Blair employees) are primarily responsible for managing our client's Comprehensive Fee Program portfolios. Our Financial Advisors design custom portfolios based on each client's financial circumstances, investment objectives and risk considerations. In choosing investments for Comprehensive Fee portfolios, we consider a broad array of securities and investment vehicles including equity securities, debt securities, mutual funds or other investments that would be suitable for a client based on their particular circumstances.

Comprehensive Mutual Fund Fee Program – Manager Selection

Financial Advisors in our PCA division (and on a limited basis, in our IM division) are responsible for managing our clients' Comprehensive Mutual Fund Wrap Program portfolios. William Blair selects third party mutual funds, the Funds, and third party exchange-traded funds ("ETFs") for its Comprehensive Mutual Fund Fee Program portfolios. Our Financial Advisors work with analysts of William Blair Select, our open architecture investment platform, when choosing mutual funds or ETFs as options for our Comprehensive Mutual Fund Fee portfolios.

William Blair seeks to identify a diverse selection of investment strategies that focus on particular asset classes and styles. In recommending investments for our Comprehensive Mutual Fund Fee portfolios, we emphasize asset allocation to help manage risk and return in portfolios. In our research-driven investment process, we seek to find mutual funds managed by investment teams that meet our key criteria including the following:

- Expertise in a specific discipline;
- Investment philosophy based on sound capitals markets theory;
- Repeatable investment process that supports the investment philosophy;
- Structured approach to managing risk;
- Stable organizational structure supportive of future growth;
- Track record consistent with successful implementation of the investment philosophy; and
- High level of organizational capability

The weight given to a particular criterion will depend on the circumstances, and investments may not meet all of these criteria.

Investible Model Portfolios Program

Under the Investible Model Portfolios Program, a client's account is managed on a discretionary basis according to one of a number of proprietary model asset allocation strategies developed by the William Blair Select research team. The analysts select third party no-load mutual funds to represent the various asset classes included in each of the model portfolios. All of the strategies and mutual funds utilized in the model portfolios were on, or continue to be on, the William Blair Select open architecture platform and are subject to strict due diligence procedures and research by the William Blair Select research team. The William Blair Select Investible Model Portfolios span different levels of the risk/return spectrum. Typically a client would choose a suitable model portfolio based upon the client's financial circumstances, investment objectives and risk tolerance. Client portfolios are re-balanced by William Blair Select operations personnel at least annually if necessary to re-align the asset allocation with the relevant model portfolio.

Performance Monitoring

For mutual funds available in our Comprehensive Mutual Fund Fee Program and our Investible Model Portfolios Program, members of William Blair Select, our open architecture platform, review mutual fund performance on at least a quarterly basis. Clients should be aware that the Funds that are included in Wrap Fee Program portfolios are not subject to the same level of scrutiny as those managed by unaffiliated third parties.

Portfolio Management for William Blair-Sponsored Wrap Programs

Financial Advisors in our PCA division provide portfolio management services for clients in our Comprehensive Fee, Comprehensive Mutual Fund Fee, and Investible Model Portfolios Programs that we also sponsor. Financial Advisors (Investment Counselors) in our IM division also provide portfolio management services for clients in our Comprehensive Mutual Fund Fee Program. Conflicts of interest may arise because our Financial Advisors may be incented to recommend our Wrap Fee Programs over other suitable investment options due to the nature of compensation as described in Item 4 in this Brochure. To help manage conflicts, we employ compliance controls as described in Item 4 of this Wrap Program Brochure.

Investment Advisory Business

William Blair provides investment management services on a discretionary basis to institutional and individual clients through our IM and PCA divisions and provides non-discretionary investment management services on a limited basis. Our PCA division typically provides customized wealth management to individuals, smaller institutions, high net worth and wrap program clients on a discretionary basis. William Blair's IM division provides investment management services to institutions, registered investment companies (mutual funds), including the Funds, other pooled funds, high net worth clients and wrap program clients primarily on a discretionary basis. Customized wealth management for clients whose accounts are managed by the IM division is provided by the Investment Counseling group ("Counseling"). Investment management services provided by IM are monitored by William Blair's IM compliance personnel. Discretionary investment advisory services provided by PCA are monitored by William Blair's PCA compliance personnel.

As of December 31, 2014, William Blair had \$68.8 billion in total assets under management consisting of \$62.9 billion in our IM division and \$5.8 billion in our PCA division. Of the 68.8 billion in total assets under management, we managed \$68.7 billion on a discretionary basis and \$0.02 billion on a non-discretionary basis.

Availability of Tailored Services for Clients

As a discretionary investment manager, we provide investment advice and actively manage client accounts based on each client's investment objectives. We accept investment restrictions from clients if the restrictions do not hinder our ability to execute our investment strategies.

Portfolio Management for Third Party-Sponsored Wrap Programs

Our IM division provides investment management services to clients of wrap fee programs sponsored by third party wrap program sponsors (e.g., broker-dealers). Sponsors pay us an investment management fee from a portion of the total wrap fee based upon the total assets we manage for wrap program sponsors' clients. We manage these accounts using strategy model portfolios (similar to how we manage other separate accounts), but we generally accept fewer client-imposed investment restrictions for these accounts. For international investment strategies, we may invest in ordinary shares for institutional clients and generally invest in American Depositary Receipts (ADRs) for wrap program clients. IM portfolio managers who manage third party wrap program portfolios do not typically advise William Blair-sponsored Wrap Fee Program portfolios. William Blair does not offer wrap fee programs sponsored by third parties to our clients.

Performance Based Fees and Side-by-Side Management

William Blair does not offer performance-based fee arrangements to its Wrap Fee Program clients. Although we also manage mutual funds and funds-of-hedge funds, these products are managed by separate and distinct investment teams within our IM division.

Our Financial Advisors manage multiple portfolios for clients whose portfolios can vary based on investment objectives, restrictions or account size, among other reasons. Management of multiple portfolios can give rise to conflicts of interest including the possibility of preferential treatment of certain portfolios. To help manage conflicts, we have implemented controls designed to help ensure we treat clients' portfolios fairly over time:

- Department Managers (or their designate) routinely review purchase and sales in clients' portfolios;
- We periodically review portfolio holdings across accounts from administrative, accounting and investment perspectives; and
- Our compliance department monitors Financial Advisors' portfolio trading activity.

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 newspapers, magazines and websites; corporate data; ratings services; third party research; SEC filings (e.g., annual reports, prospectuses); company press releases; and proprietary research. Our Financial Advisors frequently rely upon investment information provided by our firm's research analysts as well as our William Blair Select team for mutual fund information. Financial Advisors in our Counseling group have access to research provided by the IM Institutional Investment Management team. The Counseling group determines when or if to act upon research information received and can buy or sell securities that differ from when institutional portfolio management teams choose to act on information. Because our Counseling group has access to institutional research, all members of the group are considered Access Persons subject to IM compliance policies and procedures, including its Code of Ethics.

Investment Strategies

As described above, our Financial Advisors design custom portfolios based on each client's financial circumstances, investment objectives and risk considerations and consider a broad array of securities and investment vehicles including equity securities,

debt securities, mutual funds or other investments that would be suitable for a client based on their particular circumstances. In cases of our Comprehensive Mutual Fund Fee Program, Financial Advisors work with analysts in William Blair Select, our open architecture investment platform, when choosing mutual funds (or exchange-traded funds) for portfolios.

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.
- **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 in your portfolio that substantially exceed the initial amount paid or received from the investment.

Common Risks Associated with Non-U.S. Investments

Investments in non-U.S. securities can expose you to certain specific risks such 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 impact your portfolio.
- **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.
- **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.
- **Foreign currency exchange rates.** Foreign exchange rates may adversely affect the value of investments in foreign securities held in your portfolio.
- **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.
- **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, Rule 144A securities, below investment grade securities and other securities without an established market.
- **Prepayment risk.** There is a risk of prepayment of high interest rates 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.

- **Foreign investments.** Foreign investments often involve additional risks, including political instability, differences in financial reporting standards and less stringent regulation of securities markets.
- **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.
- **Rule 144A securities.** Rule 144A securities are not registered for resale in the general securities market and may be less liquid than registered securities.

Voting Client Securities

Clients typically retain voting responsibility for proxies for securities held in their Comprehensive Fee Wrap Program portfolios. In certain cases, William Blair will accept voting responsibility. For those portfolios, we will vote proxies in accordance with William Blair's Proxy Voting Policy and Procedures. 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. However, the firm will make reasonable efforts to obtain missing proxies.

Clients and prospects may obtain a copy of our proxy voting policies and procedures upon request by contacting us at (312) 236-1600 or imcompliance@williamblair.com. We will make available to our clients a report on proxy votes cast on their behalf upon their request. Clients may contact us at (312) 236-1600 or imcompliance@williamblair.com for this information.

This item typically is not applicable to the Comprehensive Mutual Fund Fee or the Investible Model Portfolios Programs.

ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Because our Financial Advisors serve as portfolio manager for their own Wrap Fee Program clients, they are able to gain comprehensive knowledge about clients' unique financial situations, investment objectives and risk considerations. The Financial Advisors also are able to address clients' specific

investment restrictions since portfolios are managed on an individualized basis. Financial Advisors solicit this information from clients during the account opening process. Financial Advisors periodically communicate with their clients and solicit information regarding changes to clients' information.

ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS

Because our Financial Advisors serve as portfolio managers for their Wrap Fee Program clients, they are available to speak with clients as needed and routinely communicate with clients to solicit information regarding any changes to clients' financial circumstances or investment objectives.

Portfolio managers for mutual funds in the Comprehensive Mutual Fund Fee Program are not generally available to wrap clients; however, the Financial Advisors are readily available to address questions or concerns regarding these investments.

ITEM 9 – ADDITIONAL INFORMATION

Disciplinary Information

As described in Item 9. Of William Blair's Form ADV Part 2A, 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.

Other Financial Industry Activities and Affiliations

As described in Form ADV Part 2A, William Blair is a global investment firm with diverse financial services activities including the following:

- Securities Broker/Dealer Business
- Commodities and Futures Registrations
- Affiliated Mutual Funds
- Sub-Advisory Activities for Other Pooled Funds
- Investment Banking
- Private Investment Offerings (e.g., limited partnerships, funds-of-hedge funds, multi-advisor commodity pools)
- Model Portfolio Provider
- Financial Planning and Advisory
- Corporate and Executive Services
- Sell Side Equity Research
- Institutional Sales and Trading

Code of Ethics

William Blair's IM division has adopted a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers

Act of 1940 and 17j-1 under the Investment Company Act of 1940 that governs a number of potential conflicts of interest we have when providing our advisory services to our clients and to the Funds. We have designed our Code of Ethics to help ensure we meet our fiduciary obligation to our clients and to the Funds we manage as well as to emphasize a culture of compliance within our firm.

We distribute our Code to each IM Access Person (as defined under Rule 204A-1 under the Investment Advisers Act) at the time of hire and annually thereafter. We also supplement the Code with annual training and monitor Access Person activity on an on-going basis. In accordance with our Code, Access Persons must:

- Pre-clear most all personal securities transactions;
- 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);
- Adhere to prescribed holding period requirements for most all personal securities;
- Refrain from purchasing securities in an initial public offering (IPO) and obtain prior approval for participation in limited offerings;
- Receive approval prior to serving on any Board of Directors of a public company;
- Report gifts and business entertainment; and
- Certify on a periodic basis as to compliance with our Code.

If you would like a copy of IM'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
Attn: IM Compliance
222 W. Adams St.
Chicago, IL 60606

Securities in which William Blair has a Financial Interest

Because of our diverse financial services activities, William Blair has financial interests in various securities including the Funds, William Blair SICAV, William Blair Private Funds as well as securities of corporations to which we provide investment banking and other corporate and executive services. We also have financial interests in securities for which we serve as subadviser (such as other mutual funds or collective

investment trusts).

In our position as an investment adviser, 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. This creates a conflict because we may be incented to promote these securities over others. A conflict also may arise 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:

- Our IM division maintains a Code of Ethics, which reinforces our fiduciary duty to clients, and conduct periodic training on our Code;
- We have written policies and procedures that clearly prescribe processes for employees when recommending investments for our clients;
- We utilize technological tools to help monitor portfolio activities;
- We review clients' portfolios to ensure investments are consistent with clients' investment guidelines and restrictions;
- We typically solicit client consent to invest in the Funds for their investment advisory accounts;
- In cases where we purchase the Funds in clients' investment advisory accounts, we do generally not charge additional investment advisory fees on the portion of assets invested in our 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 its employees to engage in personal securities transactions, our employees may buy or sell securities that we have recommended to clients for their own personal accounts in a manner that is inconsistent with our recommendations to clients. As an example, an employee may buy a particular security that we recently have sold for clients. This may create a conflict because employees could be motivated to favor their own investment interests over clients' interests. To help manage these conflicts, we rely on various compliance controls including the following:

- Our IM division maintains a Code of Ethics, which reinforces our fiduciary duty to clients;

- We require pre-clearance and reporting of most all personal transactions in covered securities for IM employees;
- 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 all client accounts;
- We monitor IM employees' personal securities transactions in an effort to identify patterns or improper activities; and
- We have holding period requirements for most all personal securities activities of our IM employees to deter short-term or frequent trading.

Same Securities Investments for William Blair Related Accounts

Although William Blair does not typically maintain and manage firm accounts (proprietary accounts), we may occasionally establish a proprietary account (typically for purposes of seeding a new investment strategy). Managing these sorts of accounts can create a conflict with other investment advisory accounts as our portfolio managers may be incented to focus extra attention on or allocate select investment opportunities to these accounts. To manage these conflicts, we have implemented various compliance controls, including the following:

- Our Chief Compliance Officer must approve each proprietary account before opening;
- We require that trades for proprietary accounts be executed after the completion of trades involving the same securities for unrelated accounts (consistent with our practice for trades in employee-related accounts); and
- We typically do not compensate our portfolio managers based on individual account performance, which provides no additional incentive to focus excessively on any single account.

Review of Accounts

Financial Advisors routinely review clients' accounts for appropriateness and relative value of investments. The Financial Advisors participate in routine meetings to discuss current developments and relative merits of particular investments. Holdings for each account are valued in our portfolio accounting system. The Manager of the PCA division (or his or her delegate) and/or Compliance also periodically review purchases and sales in clients' portfolios.

Clients receive broker confirmations for transactions or instead may opt for monthly transaction statements. William Blair also provides quarterly statements that

detail portfolio holdings and appraisals. Performance reports may be furnished at least annually or upon request.

obtain a copy of our most recent financial statement on our website at www.williamblair.com under *Statement of Financial Condition*.

Client Referrals and Other Compensation

As described in Item 14 of William Blair's Form ADV Part 2A, William Blair may enter into agreements whereby we compensate eligible third parties for referring client business to our firm. Registered representatives associated with William Blair who refer clients to our Wrap Fee Programs receive a portion of the fee and commission charged by us. These arrangements do not increase the client's fees.

From time to time, we also may buy from third parties certain services or products used in our investment advisory business 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 could 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. 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.

William Blair also receives fees from certain investment companies (mutual funds) under Rule 12b-1 under the Investment Company Act of 1940 with respect to investment company shares acquired for clients' portfolios. William Blair employees, acting in their role as registered representatives with an affiliated broker/dealer may receive compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. This practice may constitute a conflict of interest for William Blair or the employee in that it may give them 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. William Blair's Compliance Department monitors such fees, which are periodically reported to Senior Management.

Financial Information

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 may