

October 9, 2023

## FORM ADV PART 2A

This Brochure (also known as Form ADV Part 2A) provides information about the business practices of William Blair & Company, L.L.C. If you have questions about the contents of this Brochure, please contact us at

[pwmcompliancegroup@williamblair.com](mailto:pwmcompliancegroup@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](http://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.

**William Blair & Company, L.L.C.**

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## ITEM 2 – MATERIAL CHANGES

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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 October 9, 2023. Our last update was an amendment as of August 1, 2023. We continue to conduct our business and provide investment advisory services in substantially the same manner as described in this last annual update to our Brochure. This Brochure contains material updates to Item 9 – Disciplinary 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](http://www.adviserinfo.sec.gov), or you may contact our Compliance team at (312) 236-1600 or e-mail us at [pwmcompliancegroup@williamblair.com](mailto:pwmcompliancegroup@williamblair.com).

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## ITEM 4 – ADVISORY BUSINESS

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### 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 provides institutional investment management business, separate from the other business lines within William Blair. William Blair is also an affiliate of SYSTM Wealth Solutions LLC (“SYSTM”), an investment adviser registered with the SEC. SYSTM operates a fee-based platform which affiliated investment advisers (such as William Blair) and unaffiliated investment advisers can utilize to recommend, select, retain, fire and monitor sub-managers and model providers.

### Investment Advisory Services

William Blair’s private wealth management division (“PWM”) 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. William Blair also manages accounts for wrap fee program clients.

As a discretionary investment manager, we provide investment management services in accordance with each client’s investment guidelines. We accept investment restrictions from clients if the restrictions do not hinder our ability to execute our investment strategies. According to a client’s investment objectives and subject to reasonable investment restrictions, a PWM Advisor may elect to allocate all or a portion of that discretionary advisory client’s assets to one or more William Blair proprietary models (“William Blair Proprietary Home Office Models”). William Blair Proprietary Home Office Models are available through SYSTM.

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. William Blair provides non-discretionary advisory services to other registered investment advisers by delivering model portfolios (“Non-Discretionary Model Portfolio Program”). With respect to the Non-Discretionary Model Portfolio Program, William Blair has no investment discretion, no knowledge of the underlying investment advisers’ clients, no authority to effect and/or execute trades on behalf of these registered investment advisers’ clients and no knowledge as to whether a registered investment adviser followed any of our non-discretionary investment recommendations. We provide non-discretionary investment advisory services to these registered investment advisers based on strategy model portfolios (similar to how we manage other separate accounts). William Blair has an indirect, minority-ownership interest in investment advisers that participate in the Non-Discretionary Model Portfolio Program.

### Wrap Fee Program Clients

William Blair serves as an investment manager to and sponsor of a comprehensive advisory fee program (also known as a wrap fee program), the “William Blair Wrap Program,” as described further in William Blair’s Form ADV 2A, Appendix 1, also known as our “William Blair 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, record keeping and reporting. In order to participate in a William Blair Wrap Program, an advisory client must maintain a brokerage account with William Blair, as introducing broker-dealer. As described more fully below, Fidelity Investments and/or its various affiliates including but not limited to National Financial Services and Fidelity Brokerage Services (collectively, “NFS”) acts as clearing broker and provides custodial, clearing, settlement and certain other services for William Blair Wrap Program advisory clients.

Our compensation under our William Blair Wrap Fee 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. William Blair’s wrap program fees and standard advisory fees are negotiable.

## **Platform Clients**

William Blair has entered into agreements with asset management platform providers, including with our affiliate, SYSTM (the “Platform”). PWM Advisors, for certain discretionary advisory account clients, access and hire discretionary investment advisers (the “Sub-Managers”) or model providers (the “Model Providers”) through the Platforms.

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 or Model Provider available through a Platform, the client should communicate these reasonable restrictions to their William Blair PWM Advisor.

## **Sub Advisory Clients**

In certain instances, other registered investment advisers hire William Blair to manage assets for their underlying clients. In these instances, William Blair acts in a sub-advisory capacity. In some instances, William Blair has discretion to buy, sell and hold securities in the underlying clients’ accounts. In other instances, William Blair acts in a non-discretionary capacity and the ultimate decision to buy, sell or hold securities is made by the registered investment adviser that hired William Blair. In some instances, the underlying client is able to communicate with William Blair while in other instances all communication is between William Blair and the other registered investment adviser.

## **Sub-Management Agreement with William Blair Investment Management, LLC**

William Blair has entered into a Sub-Management Agreement with its affiliate, William Blair Investment Management, LLC. If authorized by the client, William Blair has the discretion to hire its affiliate, William Blair Investment Management, LLC as a sub-adviser to manage those allocated assets, with discretion (“WBIM Sub-Advisory Accounts”).

## ***William Blair MB Investments Program***

William Blair established the “MB Investments Program” to provide select clients with access to certain investment opportunities generated through William Blair’s proprietary, global relationship network. William Blair MB Investments GP, LLC, a William Blair affiliate, (“MB General Partner”), serves as the general partner to William Blair MB Investments, L.P., a Delaware series limited partnership (“MB Partnership”). The MB Partnership’s investments were made in (a) other investment funds (such as private equity, debt, venture capital, and real estate) and (b) direct investments in private capital and business combination transactions including private company financings (ranging from early-stage to late stage rounds), leveraged and unleveraged buyout transactions, and management buyout transactions (collectively, “MB Investments”). A new series will be formed to invest in each MB Investment (“Series”).

An investor must independently and affirmatively elect to participate in the MB Investments Program and to invest in a Series and, if admitted as a limited partner, will receive interests in that Series (“Interests”). In some instances, a Series investor may be offered a co-investment opportunity directly in a MB Investment or affiliate thereof (each a “Co-Investment”). Interests in a MB Partnership Series are in Client’s name and ownership is recorded in the books and records of the MB Partnership. A Co-Investment will be held in Client’s name and ownership will be recorded in the books and records of the Co-Investment issuer. The MB Partnership is excluded from regulation under the Investment Company Act of 1940 and its securities are exempt from registration under the Securities Act of 1933. Accordingly, investors are not afforded the protections of those Acts.

As discussed in the MB Partnership offering documents and in the non-discretionary investment advisory agreement, the MB General Partner uses its good faith efforts to determine the fair market value of Interests. To the extent a

client participates in the MB Investments Program or a Co-Investment through a non-discretionary investment advisory account, William Blair earns an investment advisory fee based on the fair market value of the Interests. Our affiliate, the MB General Partner, fair values the Interests. The higher the fair market value of the Interests or Co-Investment, the more William Blair earns in advisory fees, creating a conflict of interest.

The MB General Partner can delegate to William Blair certain management and administrative responsibilities including the authority to select investment opportunities and make investment-related decisions on behalf of the MB Partnership. Investment advice is provided directly to the MB Partnership and not individually to the limited partners.

William Blair and PWM Advisors will not provide investment advice or recommendations to clients with respect to participation in the MB Investments Program or investing in any Series or Co-Investment. A client independently decides to participate in the MB Investments Program and affirmatively elects to purchase Interests in each MB Partnership Series or to invest in a Co-Investment. A Series limited partner can contribute capital through a brokerage account, advisory account, bank account or otherwise. Once the client invests in any Series or Co-Investment through a non-discretionary advisory account, William Blair will provide asset allocation, monitoring and performance reporting.

Information regarding limited partner eligibility, fees, expenses, risks, conflicts of interest and terms and conditions are set forth in the MB Partnership offering documents, any Co-Investment offering documents as well as highlighted in this Brochure.

#### **Proxy Voting, Corporate Actions and Other Legal Matters**

Clients have the option of voting proxies directly or delegating proxy voting discretion to William Blair or a third party. 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.

#### **Assets under Management**

As of December 31, 2022, William Blair had approximately \$41.7 billion in assets under management, of which, we managed approximately 91% on a discretionary basis and 9% on a non-discretionary basis.

### **ITEM 5 – FEES AND COMPENSATION**

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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). We charge up to a 2.00% fee on all assets, subject to negotiation. When charged in advance, fees are calculated on the total market value of each account (including on assets invested in cash and cash equivalents and on 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 calculated on the total market value of each account (including on assets invested in cash and cash equivalents and on accrued interest and dividends) on the last day of the current quarter, except as otherwise described in this section. As more fully described below, assets in a client's account invested in a William Blair Fund, Blair Private Fund, William Blair MB Managed Investment, WBIM Sub-Advisory Account, WBIM Separate Account and any assets agreed to by the client and William Blair to be held in the account as an accommodation and not subject to supervision will be excluded from the calculation of the advisory fee. Please see Item 4 of our William Blair Wrap Fee Program Brochure and the investment advisory contract for a description of fees and compensation with respect to William Blair 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 when the fee is debited from a portfolio's assets. You are encouraged to discuss the impact of fees with your PWM Advisor.

Client's custodian shall be responsible for valuing all assets in a client's account; valuation is not the responsibility of William Blair. Securities without a readily available market price shall be valued as determined in good faith by

custodian, as appropriate, to reflect its fair value. William Blair, Platform providers and Sub-Managers will cooperate with custodian in custodian's good faith efforts to determine fair market value. With respect to client account assets in alternative investments (such as private funds), alternative investment managers and underlying vehicles are responsible for providing custodian with valuation in accordance with applicable laws.

### **Payment of Fees**

Many of our clients elect to have their quarterly fees directly debited from their accounts while others choose to receive an invoice. 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 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;
- Transaction fees for the purchase or sale of mutual funds in advisory accounts;
- Dealer mark-ups, markdowns and spreads;
- Auction fees;
- Certain odd-lot differentials;
- Exchange fees;
- Taxes, duties and other governmental charges, such as transfer taxes;
- Costs associated with international exchange transactions;
- Electronic fund, wire transfer and other transfer fees;
- Fees imposed for certain types of custody or brokerage accounts;
- Fees imposed in connection with certain custodial, trustee or other account services;
- Account maintenance or service fees;
- Fees in connection with transferring your account to another investment advisor or broker-dealer (also known as ACAT exit fees);
- Regulatory transaction fees;
- Securities lending fees;
- Multi margin fees;
- Non-purpose loan fees;
- Platform provider fee reflects costs to access a Platform and costs to pay each Sub-Manager and Model Provider; when accessing Sub-Managers and Model Providers through SYSTM, SYSTM is paid the fee for access to its Platform and retains a portion (up to 0.10%) of the management fee paid to Sub-Managers and Model Providers;
- Access Fees for certain private funds (including MB Access Fee, as described more fully below); Note that for any MB Partnership Series purchased after October 2022, no MB Access Fee will be assessed;
- Performance-based fee, if applicable, on MB Partnership Series purchased after October 2022;
- Mutual fund redemption fees if shares are sold before the designated time period set forth in a prospectus;
- Fees and expenses associated with mutual funds (including William Blair Funds), exchange traded funds and other commingled products (such as affiliated private funds including Blair Private Funds and William Blair Managed MB Investments) as well as unaffiliated private funds (including William Blair MB Investments);
- Fees associated with separate accounts established with affiliated and unaffiliated registered investment advisers;
- Pass-through or other fees associated with American Depositary Receipts;

- Fees and charges related to reporting, including performance reporting;
- Activity assessment fee;
- Charges mandated by law or regulation; and
- Fees in connection with the establishment, administration, maintenance, or termination of accounts (including 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 as well as in other documents such as, brokerage account documentation, other third-party service provider documentation, third party advisory and/or Platform provider documentation and mutual fund and private fund offering documents. For more information regarding fees and expenses, please discuss with your PWM Advisor.

#### **Other Fees and Expenses Related to NFS, Platform Providers and Other Third-Party Providers**

William Blair has entered into agreements with NFS whereby NFS provides custodial, brokerage and certain other services for certain clients of William Blair. 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. Please note that not all custodians provide the same services or services at the same cost as NFS. 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 an asset management platform provider (including SYSTM) must maintain a custodial account with NFS and direct most, if not all trades, to NFS or William Blair.

Pursuant to an agreement with NFS, William Blair receives certain fees and credits including, but not limited to, those set forth in this section. NFS pays William Blair a fee in connection with moving new client assets to the NFS platform (the "Transition Fees"). In certain cases, the amount of the Transition Fees exceeds the amount of the fee charged by the prior custodian in connection with the transfer. If William Blair terminates its agreements with NFS, William Blair repays NFS a portion of the Transition Fees.

Also pursuant to an agreement with NFS, William Blair receives from NFS a portion of the fees it charges or credits it pays related to certain services, including securities lending, multi-margin accounts, non-purpose loans 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. If you choose to enter a multi-margin relationship, our advisory fees increase as the market value of your investment portfolio increases. Our offer to provide margin as a strategy creates a conflict of interest since we stand to receive increased advisory fees, and William Blair earns margin revenue from NFS based on your interest payments. If you choose to loan your securities, NFS pays you a fee based on the loan. NFS reduces the amount of the loan fee paid to you by the amount that NFS pays to William Blair. Our continued receipt of our advisory fee on the security as if it was not loaned as well as NFS paying us a portion of your loan fee creates a conflict of interest. In addition, because we receive this fee and have discretionary authority over purchases and sales of securities in your account, we are incented to purchase and hold securities that are available to be loaned (or generate a larger loan fee) instead of those that are ineligible to be loaned or garner a lower fee. PWM Advisors are compensated on multi-margin and securities lending. NFS offers non-purpose loans, for a fee, collateralized by assets in your advisory accounts. NFS shares with William Blair a portion of the interest earned on non-purpose loans. As with multi-margin, William Blair's receipt of a portion of NFS' interest fees on non-purpose loans create a conflict of interest and incentivizes William Blair to recommend NFS over other providers.

In addition, William Blair charges its advisory clients certain operational fees such as: account transfer ("ACAT Exit Fees"), wire transfers, foreign exchange, bounced check, IRA termination fees, and other fees described in the client account documentation. The amount that William Blair charges its clients is higher than the amount that William Blair pays to NFS in connection with those services. William Blair keeps the difference between the fee its clients pay, and the amount paid to NFS for coordination and oversight of these services provided through NFS as well as to generate revenue. This presents a conflict of interest since setting a higher fee increases the revenue William Blair receives even though it results in you paying higher fees. These markups are in addition to the investment advisory fees you pay us, and you should consider the additional revenue that William Blair receives when evaluating the appropriateness of our investment advisory fees.



NFS has also agreed to pay William Blair business, infrastructure and technology development credits. If William Blair terminates its agreements with NFS, William Blair repays NFS a portion of these credits.

These fees, charges and credits cause conflicts of interest because: 1) they incentivize William Blair to recommend clients utilize NFS custodial and other services instead of another custodian; 2) they incentivize William Blair to recommend securities lending, non-purpose loans and margin activity; and 3) they incentivize William Blair to maintain its relationship with NFS to avoid repayment of Transition Fees, business, infrastructure, technology development and other credits. To help manage these conflicts, we rely on controls including the following:

- payments and credits as well as a description of conflicts are disclosed in documents including, but not limited to, this Brochure, Wrap Brochure, advisory agreements, the Customer Relationship Summary (“Form CRS”), prospectuses and other offering documents, separate client account opening documentation and/or separate disclosure forms;
- payments and credits from NFS are de minimis in relation to William Blair’s overall revenue;
- PWM Advisors are not compensated based on Transition Fees, or business, infrastructure, technology credits (PWM Advisors are compensated on multi-margin and securities lending);
- We maintain our Code of Ethics (“Code”), which details our fiduciary duty to put our clients’ interests ahead of our own, and conduct annual training on our Code; 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 services from Platform providers (as defined under Item 4) or their affiliates. William Blair is incented to access Sub-Advisers and Model Providers through SYSTM so that its affiliate will earn a portion of the Platform provider fee. Therefore, William Blair has a conflict of interest to utilize SYSTM to access Sub-Advisers and Model Providers instead of unaffiliated, third-party Platform providers. 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 to William Blair of other services it receives from the Platform provider or its affiliates.

SYSTM is used to generate orders for the Proprietary Home Office Models, which will route trades according to SYSTM’s trade allocation policies, and may include William Blair’s broker-dealer trade desk for execution through various trading venues. While an underlying client account is not charged an additional fee for using SYSTM, William Blair retains a larger portion of the Advisory Fee to cover the administrative cost of SYSTM and the PWM Advisor retains less of the Advisory Fee. This creates an incentive for the PWM Advisor not to use the Proprietary Home Office Model. To help manage conflicts, we have implemented various controls including the following:

- We maintain our Code, which details our fiduciary duty to put our clients’ interests ahead of our own and conduct annual training on our Code;
- We monitor portfolio holdings to ensure they are consistent with each client’s objectives;
- Amount of revenue retained by William Blair to utilize SYSTM or a third-party Platform provider in connection with Proprietary Home Office Models is not material;
- Amount of revenue paid by PWM Advisor to utilize SYSTM or a third-party Platform provider in connection with Proprietary Home Office Models is not material;
- Clients do not need to authorize the use of Proprietary Home Office Models through a Platform provider, including SYSTM; Client’s consent can be revoked, in writing, at any time;
- Clients do not need to authorize the hiring of any Sub-Adviser or Model Provider through a Platform provider, including SYSTM; Clients’ consent to hiring a Platform provider, including SYSTM, can be revoked, in writing, at any time;
- SYSTM’s Platform provider fees are competitive;

- For clients utilizing a Platform provider prior to the establishment of SYSTM, their SYSTM Platform provider fee is equal to or less than that paid by the client to access the same Sub-Adviser or Model Provider through the unaffiliated Platform provider; and
- Conflicts of interest are disclosed in this Brochure, Form CRS, SYSTM's Form ADV, Part 2A, SYSTM's Form CRS and in the investment advisory agreement.

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

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 consider these costs when selecting and/or determining whether to remain invested in accounts managed by third party investment managers or Sub-Managers. William Blair does not monitor the level of trading away from the designated broker-dealer by third party investment managers or Sub-Managers.

#### **Other Fees and Expenses Related to Private Funds**

Private fund investments may be held in a brokerage account, a discretionary or non-discretionary investment advisory account, directly (if the client meets the private fund's minimum investment) or through a private fund platform. If you hold a private fund investment in a brokerage account, you will typically pay an upfront placement agent fee to William Blair plus the underlying costs of the private fund investments (which in some cases includes a platform access fee). If a client chooses to hold a private fund in an advisory account (including a William Blair Wrap Program account), you will pay an investment advisory fee to William Blair plus the underlying costs of the private fund investment (which in some cases includes a platform access fee, such as the MB Access Fee; please note that for MB Partnership Series purchased after October 2022, the MB General Partner will no longer earn an MB Access Fee).

Private funds are highly illiquid and cannot be sold or transferred and you will pay the ongoing, annual advisory fee for the life of the private fund investment. The fair market value of interests in an underlying unaffiliated private fund (including a MB Investment and Co-Investment) shall be included for purposes of calculating William Blair's advisory fee. William Blair relies on the issuer and custodian to provide a good faith, fair market value. The timing and process for fair market valuation of private fund investments is not as reliable as valuations of publicly traded securities. Depending on the size of the advisory fee and the market value of the private fund investment over the life of the fund, William Blair could earn more revenue than if the same investment was held in a brokerage account or directly with the issuer. Therefore, to earn these ongoing advisory fees, William Blair and your PWM Advisor are incented to recommend that you purchase interests through your advisory account instead of in a brokerage account. If a client invests in private funds through a private fund platform (including interests purchased before October 2022 in the MB Investment Program), clients may pay an access fee. Neither William Blair nor the PWM Advisor earns an access fee.

For MB Partnership Series purchased prior to October 2022, for providing access to the MB Investments through a MB Partnership Series, the MB General Partner receives a platform access fee ("MB Access Fee") from its limited partners. The MB Access Fee is based on capital commitments for each MB Partnership Series. In the case of most MB Partnership Series, William Blair's affiliate (the MB General Partner) earns the MB Access Fee and William Blair earns an account level investment advisory fee on the fair market value of the client's Interest in the MB Partnership Series. PWM Advisors do not earn any portion of the MB Access Fee. Please note that for any MB Partnership Series purchased after October 2022, the MB General Partner will not receive the MB Access Fee; instead, the MB General Partner may earn a performance-based fee, if applicable, as more fully described in Item 6 below. Neither William Blair nor the PWM Advisor earns any portion of the performance-based fees.

In some instances, a client may pay an Access Fee in connection with a Co-Investment. As discussed above, for any Co-Investments made after October 2022, the MB General Partner will not receive the MB Access Fee but may, if applicable, earn a performance-based fee. The MB General Partner can waive payment of the MB Access Fee, waive payment of any performance-based fee or reduce the amount of the performance-based fee for certain limited partners, including employees and partners of William Blair and its affiliates. Moreover, certain employees, partners and clients of William Blair and its affiliates will be able to access the same MB Investments directly or through other investment vehicles at different fee structures that are more advantageous than accessing the MB Investment through the MB Partnership Series. The ability for certain employees, partners and clients to access the MB Investments or Co-Investments without paying an Access Fee or without paying a performance-based fee (or a lower performance-based fee), directly or through a lower paying fee structure also creates a conflict of interest between William Blair's employees, partners and clients and the MB Partnership's limited partners.

*Affiliated private funds.* When you invest in a private fund managed by William Blair's affiliate, William Blair Investment Management, LLC ("Blair Private Fund") or where William Blair or an affiliate is the general partner, manager, adviser and/or control person of the underlying MB Investments ("William Blair Managed MB Investment"), you are subject to the Blair Private Fund's and/or William Blair Managed MB Investment's internal management fees and other expenses; however, we do not charge our investment management fee in addition to these internal management fees. Instead, we exclude the assets invested in the Blair Private Funds and/or William Blair Managed MB Investments when we calculate the investment management fees we charge you. However, up to 50% of the management fee earned on PWM's clients' assets invested in the Blair Private Funds and/or William Blair Managed MB Investments is shared with William Blair and PWM Advisors.

Receipt of, or the prospect of receiving, this compensation influences William Blair and PWM Advisors with respect to Blair Private Funds and/or William Blair Managed MB Investments over non-affiliated private funds and creates a conflict of interest. If the payment William Blair receives from Blair Private Fund and/or William Blair Managed MB Investments is higher than the fee it receives from the client for managing the advisory account, then William Blair's overall fee will increase as the allocation to Blair Private Funds and William Blair Managed MB Investments increases. For more information on conflicts of interest, please discuss with your PWM Advisor and see documents including, but not limited to, the Brochure, Form CRS, advisory agreements, Blair Private Funds' offering documents, MB Partnership offering documents, separate client account opening documentation and/or separate disclosure 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.

Investing in our Blair Private Funds and William Blair Managed MB Investments creates a conflict of interest. To help manage conflicts, we have implemented various controls including the following:

- We maintain our Code, which details our fiduciary duty to put our clients' interests ahead of our own and conduct annual training on our Code;
- We monitor portfolio holdings to ensure they are consistent with each client's objectives;
- A client does not need to invest in a Blair Private Fund or William Blair Managed MB Investments;
- Compensation received from our affiliates is not material in relation to William Blair's account level advisory fees;
- Conflicts of interest are disclosed in documents including, but not limited to, this Brochure, Form CRS, advisory agreements, Blair Private Fund offering documents, William Blair MB Partnership offering documents and/or separate disclosure forms;
- Blair Private Funds and William Blair Managed MB Investments are subject to an annual audit; and
- We offset investment management fees on a client's assets held in the Blair Private Funds and William Blair Managed MB Investments.

If the client invests in a William Blair Managed MB Investment, the client will not pay the MB Access Fee nor will William Blair earn an account level investment advisory fee on the fair market value of the client's Interests in the William Blair Managed MB Investment; however, the MB General Partner earns a management fee and could, if applicable, earn a performance-based fee. With respect to a Co-Investment related to a MB Partnership Series, William Blair's affiliate may earn the MB Access Fee on any MB Partnership Series before October 2022 or may earn, if applicable, a performance-based fee, if applicable, on any MB Partnership Series after October 2022 and William Blair earns an account level investment advisory fee on the fair market value of the Co-Investment as determined by the issuer of the Co-Investment.

While William Blair and PWM Advisors do not provide any recommendations or advice with respect to client's independent decision to participate in the MB Partnership Program, subscribe for Interests in any MB Partnership Series or to invest in a Co-Investment, receipt of, or the prospect of receiving, the MB Access Fee (on Series before October 2022), performance-based fees, if applicable (on Series after October 2022), advisory fees on the fair market value of Interests and Co-Investments, investment banking fees and any internal management fee on a William Blair Managed MB Investment creates conflicts of interest to favor MB Investments instead of investing in unaffiliated private funds, directly or through an unaffiliated private fund platform. To help manage conflicts:

- We maintain our Code, which details our fiduciary duty to put our clients' interests ahead of our own and conduct annual training on our Code;
- We monitor portfolio holdings to ensure they are consistent with each client's objectives;
- A client does not need to invest in private funds, including any MB Investment;
- If a client meets the minimum investment amount, the client may be able to invest directly instead of through any private fund platform (including the MB Investments Program);
- A client can invest in a MB Investment through a brokerage account instead of an advisory account;
- Account level investment advisory fees earned on a MB Investment and MB Access Fees are de minimis relative to advisory and/or brokerage revenue generated from clients offered the opportunity to participate in the MB Partnership Program;
- MB Partnership maintains written policies and procedures with respect to the fair market valuation of Interests and allocation of investment opportunities;
- William Blair, William Blair affiliates and PWM Advisors do not participate in access fees unrelated to MB Investments Program;
- For MB Partnership Series purchased before October 2022, while William Blair's affiliate earns the MB Access Fee, neither William Blair nor PWM Advisors participate in any MB Access Fees;
- The MB Access Fee is comparable to access fees charged by other platforms;
- MB Access Fee revenue is not material to William Blair in relation to William Blair's advisory, brokerage or investment banking activities;
- After October 2022, if applicable, only the MB General Partner is entitled to carried interest (performance-based fees); neither William Blair nor PWM Advisors participate in carried interest;
- MB General Partner revenue from carried interest (performance-based fees) is not material in relation to William Blair's advisory, brokerage or investment banking activities;
- With respect to a William Blair Managed MB Investment purchased before October 2022, the client does not pay the MB Access Fee;
- We offset the account level advisory fee on the fair market value of client's Interests in any William Blair Managed MB Investment;

- Any internal management fee and performance-based fee, if applicable, earned on a client's assets invested in a William Blair Managed MB Investment is not material in relation to William Blair's revenue (and, in turn, the PWM Advisor's compensation) from client's advisory activities;
- Private funds, including the William Blair MB Partnership, are subject to annual audits; and
- Conflicts of interest are disclosed in documents including, but not limited to, this Brochure, Form CRS, advisory agreements, William Blair MB Partnership offering documents and/or separate disclosure forms.

As discussed above, unaffiliated private funds (including MB Partnership Series), Blair Private Funds (affiliated private funds advised by William Blair Investment Management, LLC) and William Blair Managed MB Investments also bear their own operating and other expenses such as those associated with the formation, operation, dissolution, winding-up or termination.

Each MB Partnership Series will bear partnership expenses, including but not limited to the MB Access Fee (on MB Partnership Series purchased before October 2022), carried interest/performance-based fees, if applicable, and additional expenses incurred in connection with the formation, management, operation, maintenance and liquidation of the MB Partnership and the MB General Partner. From time to time, the MB General Partner or William Blair will be required to decide whether certain fees, costs and expenses should be borne by a Series, allocated among multiple Series or paid entirely or in part by the MB General Partner or William Blair. Therefore, in these circumstances, the portion of an expense allocated to a Series will not reflect the relative benefit derived by such Series for the service received. In exercising its discretion to allocate fees and expenses, the MB General Partner or William Blair are faced with a variety of conflicts of interest due to the inherent biases in the process. William Blair or the MB General Partner will make any such expense allocation determinations in a fair and reasonable manner using its good faith judgment, despite its interest (if any) in the allocation.

### **Mutual Fund and ETF Fees and Expenses**

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

- When invested 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 invested 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 influences William Blair and PWM Advisors to recommend or invest client assets in the William Blair Funds over unaffiliated funds and creates a conflict of interest. If the payment William Blair receives from William Blair Investment Management, LLC is higher than the fee it receives from the client for managing the account, then William Blair's overall fee will increase as the allocation to the William Blair Funds increases.

For more information on conflicts of interest, please discuss with your PWM Advisor and see documents including, but not limited to, this Brochure, Form CRS, advisory agreements, the William Blair Funds' prospectus and other offering documents, separate account opening documentation and/or separate disclosure documents.

## ***Share Class Selection***

As noted above, investment in a mutual fund is subject to certain internal fees and expenses, such as advisory, administrative, custody and other fees and expenses charged by the fund, which shareholders bear on a pro rata basis. Mutual funds offer a variety of share classes, which hold the same portfolio securities but differ in total cost due to the imposition of various fees (such as 12b-1 fees, sub-transfer agency and shareholder services fees). A higher cost share class of a particular mutual fund will result in lower investment performance compared to a lower cost share class of the same fund.

William Blair does not typically use share classes that charge 12b-1 fees if there is a non-12b-1 share class available. If a 12b-1 share class is used in the future, any such fees paid to William Blair will be rebated to clients. William Blair seeks to purchase or recommend the least costly share class that is available on the relevant custodial platform and for which a client is eligible. Note that there may be other less costly share classes offered by the fund that are not available on the relevant custodial platform. The lowest cost share class available on one custodial platform may not be available on other custodial platforms. William Blair monitors on a periodic basis for the launch and availability of lower cost share classes and will seek to exchange investors into such share classes on a periodic basis following the availability of such lower cost share class; note however that William Blair does not canvass the entire universe of lower cost share classes. William Blair will be able to more expediently identify lower cost share classes and exchange holdings for investors when their accounts are held on the NFS custodial platform as opposed to other custodial platforms. Certain mutual funds will waive eligibility criteria if requested by a financial intermediary, such as an investment adviser. As a general practice, William Blair does not request waivers of the share class criteria set by mutual fund companies even if the prospectus of the fund states that such a waiver is possible. This means that clients generally will not receive the benefit of being able to invest in a lower cost share class that might be obtainable if William Blair were to request a waiver of the criteria set by a fund company to purchase a particular share class.

Some mutual funds also charge redemption fees if shares are sold before the designated holding period set forth in a prospectus. William Blair does not reimburse your account for redemption fees even if William Blair, using discretion, caused your shares to be sold before the designated time period set forth in a prospectus.

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. As with all investments, you should ask your PWM Advisor why the particular funds held in your advisory account are appropriate for you in consideration of your expected holding period, investment objective, risk tolerance, time horizon, financial condition, amount invested, the amount of the advisory fee charged and how these fees and expenses adversely affect long-term performance. 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 broker-dealers or agents not affiliated with William Blair and can restrict William Blair Funds in their account.

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, which details our fiduciary duty to put our clients' interests ahead of our own and conduct annual training on our Code;
- 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;
- Compensation received from our affiliate, William Blair Investment Management, LLC is not material in relation to William Blair's account level advisory fees;
- Conflicts of interest are disclosed in documents including, but not limited to, this Brochure, Form CRS, advisory agreements, prospectuses and other offering documents, separate client account opening documentation and/or separate disclosure forms; and
- We offset investment management fees on a client's assets held in the William Blair Funds (as described more fully above, a fee offset is not applicable if any third party Sub-Manager through a Platform, invests your assets in the William Blair Funds).

#### **Other Fees and Expenses Related to William Blair Investment Management, LLC Sub-Advisory Accounts**

If authorized by the client, PWM Advisors may use their discretion to hire our affiliate, William Blair Investment Management, LLC as a sub-adviser. PWM Advisors do not conduct initial or ongoing due diligence on our affiliate, William Blair Investment Management, LLC.

With respect to WBIM Sub-Advisory Accounts, we do not charge our account level investment management fee in addition to what William Blair Investment Management, LLC earns to manage assets in the WBIM Sub-Advisory Account. Instead, we exclude the assets under a WBIM Sub-Advisory Account when we calculate the investment management fees we charge you. However, our affiliate, William Blair Investment Management, LLC earns a sub-advisory fee to manage client assets in a WBIM Sub-Advisory Account. WBIM compensates William Blair (and, in turn, PWM Advisors) up to 50% of the sub-advisory fee it earns based on PWM's clients' assets managed in WBIM Sub-Advisory Accounts. Receipt of, or the prospect of receiving, this compensation influences William Blair and PWM Advisors to hire its affiliate as a sub-adviser over other third-party managers or Sub-Managers and creates a conflict of interest. If the payment William Blair receives from William Blair Investment Management, LLC is higher than the fee it receives from the client for managing the account, then William Blair's overall fee will increase as the allocation to a WBIM Sub-Advisory Account increases. For more information on conflicts of interest, please discuss with your PWM Advisor and see documents including, but not limited to, this Brochure, Form CRS, William Blair Investment Management, LLC's Form ADV, Part 2A, advisory agreements, separate client account opening documentation and/or separate disclosure documents.

Hiring our affiliate as a sub-adviser creates a conflict of interest based on compensation we receive from our affiliate, William Blair Investment Management, LLC. To help manage conflicts, we have implemented various controls including the following:

- We maintain our Code, which details our fiduciary duty to put our clients' interests ahead of our own and conducts annual training on our Code;
- We monitor WBIM Sub-Advisory Accounts to ensure they are consistent with our understanding of the client's objectives;
- A client may refuse to authorize us to hire William Blair Investment Management, LLC as a sub-adviser;
- Compensation received from our affiliate, William Blair Investment Management, LLC is not material in relation to William Blair's account level advisory fees;

- Conflicts of interest are disclosed in documents including, but not limited to, this Brochure, Form CRS, William Blair Investment Management, LLC's Form ADV, Part 2A, advisory agreements, separate client account opening documentation and/or separate disclosure forms; and
- We offset our investment management fees on a client's assets held in a WBIM Sub-Advisory Account.

### **Fees Related to Bank Deposit Sweep Program**

**Please review the Bank Deposit Sweep Program (the "Program") Disclosure Document for more information about how the Program works, including limitations, restrictions, interest rates, deposit insurance, how changes are implemented and additional discussion of William Blair's conflicts of interest. For current interest rates (and fees) applicable to the Program or a copy of the Disclosure Document, please contact your PWM Advisor or click on the following link: <https://www.williamblair.com/Private-Wealth-Management/Bank-Deposit-Sweep-Program.aspx>.**

William Blair "sweeps" available uninvested cash balances for eligible account types that custody at NFS into deposit accounts at one or more banks participating in our Bank Deposit Sweep Program. The compensation that William Blair receives from the Program is in addition to the account's advisory fee that you pay (as further described in this Item 5). This means that William Blair earns two layers of fees on the cash balances in your account. William Blair receives significant compensation from your account's use of the Program. For more information regarding our compensation, see Frequently Asked Questions at <https://www.williamblair.com/Private-Wealth-Management/Bank-Deposit-Sweep-Program.aspx>.

The Program is a multi-bank program under which uninvested account cash balances are automatically swept into deposit accounts at participating FDIC-insured banks (and in some cases, into shares of a money market mutual fund). Clients earn interest on such deposits (and dividends on investments in a money market mutual fund, where applicable).

The Program is made available and administered by NFS, which also earns fees in connection with record keeping and other services provided for the Program. Absent the fees earned by NFS under the Program, NFS would likely charge us higher fees for providing their clearing services. Fees for the Program will typically exceed the interest paid on client deposits.

Under the Program, NFS generally contracts with participating banks to make specific amounts of deposit capacities available at certain all-in funding rates, which are typically tied or related to the Federal Funds Rate (or a similar type of metric, composite, index, etc.). Client interest, as well as Program fees (i.e., the compensation received by William Blair and NFS), are paid from the bank's all-in funding rates. All-in funding rates (generally a percentage applied to average daily program deposits at the bank), may be fixed, variable, subject to capacity and other requirements or a combination thereof. Capacity levels may be subject to minimums and maximums. Contract terms with each participating bank are unique and are expected to change over time. Accordingly, at any given time, participating banks will generally pay different all-in funding rates notwithstanding that interest earned by clients on their sweep deposits will not vary regardless of where their funds are actually swept. Moreover, changes in the Federal Funds Rate (or other applicable factor) will not immediately affect all-in funding rates paid or interest rates offered under the Program.

The greater the amount of client deposits held in the Program and the longer such deposits are held, the greater the compensation William Blair and NFS receive. Different banks participating in the Program pay different all-in funding rates (and are subject to different contractual requirements), creating an incentive for NFS to direct Program deposits to banks (through how the Program bank priority list(s) are designed or changed from time to time) that result in William Blair and NFS receiving greater compensation. Both William Blair and NFS receive more compensation with respect to amounts in the Program than with respect to other sweep products. The fees William Blair receives in connection with the Program creates a conflict of interest and incentive to offer and designate the Program as the cash sweep option for client accounts. In addition, the fees William Blair receives in connection with the Program creates a conflict of interest and incentive to recommend you maintain and/or increase cash balances in your Account, as greater cash balances in your Account increase compensation to William Blair under the Program.



Banks participating in the Program do not have a duty to provide William Blair clients with the highest interest rates available and will instead seek to pay a lower rate, and a rate that is lower than other options available in the market, including money market mutual funds and most certificates of deposit. Banks have the financial incentive to pay all-in funding rates as low as the market will permit. There is no necessary linkage between rates of interest paid by Program banks and the highest rates available in the market, including any money market mutual fund rates. By comparison, a money market mutual fund generally seeks to achieve the highest rate of return (less fees and expenses) consistent with the fund's investment objective, which can be found in the fund's prospectus. The Program operates differently depending on your account type.

#### ***Program Accounts other than Advisory Individual Retirement Accounts***

With respect to all eligible account types other than advisory individual retirement accounts, William Blair is responsible for establishing its compensation levels under the Program. Each Program bank will pay William Blair a fee equal to a percentage of the average daily deposit balance in each deposit account with the bank. Such fees differ among the participating Banks. The combined total fees that William Blair and NFS can earn will be a maximum of the Federal Funds Target Rate plus 0.25% as determined by the total deposit balances at all of the Program banks over a 12-month rolling period. The higher the compensation received by William Blair and NFS, the less available to pay client interest. William Blair will set its compensation levels for the Program based on prevailing economic and business conditions, which are subject to change at any time. It is expected that the vast majority of the all-in funding rates paid by the banks will be paid to William Blair and NFS as fees. Accordingly, the interest rate clients receive on Program deposits will be lower than the all-in funding rates paid by the banks and will likely be lower than the rate of return on (i) other investment vehicles that are not FDIC-insured, such as money market mutual funds and (ii) bank deposits offered outside of the Program. William Blair may change its compensation levels for the Program and any such reductions or increases may vary between clients.

#### ***Program Accounts that are Advisory Individual Retirement Accounts***

With respect to advisory individual retirement accounts ("Advisory IRAs") in the Program, the Program is made available and administered by NFS and a Program Administrator, which both earn fees in connection with record keeping and other services provided to the Advisory IRAs for the Program. For Advisory IRAs, William Blair receives a level monthly fee for each Advisory IRA participating in the Program (the "Advisory IRA Sweep Fee"). The monthly Advisory IRA Sweep Fee is determined based on the Federal Funds Target Rate expressed as a percentage. The Advisory IRA Sweep Fee schedule is included in the Bank Deposit Sweep Program Disclosure Document, available at <https://www.williamblair.com/Private-Wealth-Management/Bank-Deposit-Sweep-Program.aspx>. It is anticipated that William Blair's Advisory IRA Sweep Fee will be paid from the total amounts paid by Program banks. For Advisory IRAs participating in the Program, William's Blair's fees, and those of NFS and the Program Administrator, reduce the interest rates that are credited to Advisory IRAs. As a result, William Blair has a significant incentive and conflict of interest in offering the Program to Advisory IRAs.

#### **Separate Account Fee Schedules**

We charge investment management fees for separate accounts as described below. Fees are negotiable. 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. William Blair may, but is not obligated to, aggregate assets under management across multiple accounts when determining the amount of advisory fee charged to these accounts.

#### **PRIVATE WEALTH MANAGEMENT - SEPARATE ACCOUNTS**

For clients' accounts managed by PWM, we charge up to a 2.00% fee on all assets, subject to negotiation. These annual fees are generally 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, Blair Private Funds, WBIM Sub-Advisory Accounts, WBIM Separate Accounts, William Blair Managed MB Investments,

any assets agreed to by the client and William Blair to be held in the account as an accommodation and not subject to supervision will be excluded from the calculation of the advisory fee and as described in the investment advisory agreement.

### ***Fee & Discount Commission***

As of June 30, 2020, William Blair no longer offered fee & discount commission based advisory accounts. For clients with a Fee & Discount Commission investment advisory agreement, as of January 1, 2021, William Blair no longer charges a commission. Clients will continue to pay the advisory fee negotiated under each existing Fee & Discount Commission advisory agreement, as amended from time to time. William Blair charges up to a 2.00% fee on all assets, subject to negotiation. After January 1, 2021, Fee & Discount Commission investment advisory agreement client accounts will now be considered Comprehensive Fee/William Blair Wrap Fee Program clients (see description below).

### **Comprehensive Fee/William Blair Wrap Fee Program**

For clients with a Comprehensive Fee (“William Blair Wrap Fee Program”) investment advisory agreement, (which also includes clients with a Fee & Discount Commission advisory agreement, as discussed more fully above), William Blair charges up to a 2.00% fee on all assets in a William Blair Wrap Fee Program account, subject to negotiation.

William Blair generally acts as the introducing broker-dealer and executes trades for accounts in the William Blair 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 more information regarding William Blair’s obligation to seek best execution, see Item 12. Under a Comprehensive Fee investment advisory agreement, you do not pay separately for commissions for each trade executed in your account. Instead, we incur the cost of executing securities transactions in your account. This creates a conflict of interest because William Blair is incented to initiate fewer trades in your account to minimize expenses for William Blair. To manage this conflict of interest, we monitor account activity to help identify inactivity and ensure that trading levels are consistent with a client’s investment objectives and risk tolerance.

Where William Blair has discretion to select Sub-Managers, PWM clients’ statements will either reflect a separate Platform provider fee that reflects the costs to access the Platform and pay each Sub-Manager, or the Platform provider fee and Sub-Manager fee will be deducted from the account level advisory fee, depending on the investment advisory agreement with the client. With respect to transactions in a WBIM Sub-Advisory Account, trades are not executed with William Blair as the introducing broker and NFS as the clearing broker. Therefore, clients will incur brokerage costs. As such, Sub-Managers who trade away from William Blair and WBIM Sub-Advisory Accounts are not part of the William Blair Wrap Fee Program.

For fee information associated with William Blair 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 (including registered investment advisers under the Non-Discretionary Model Portfolio Program) for a fee. These non-discretionary advisory services include but are not limited to: recommending the purchase and sale of securities; monitoring the performance of third party managers; recommending unaffiliated investment advisers that are otherwise not available on the Platform Provider; 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.

With respect to the Non-Discretionary Model Portfolio Program, William Blair provides investment recommendations to other registered investment advisers. These registered investment advisers pay us advisory fees based on their clients’ total assets following a model portfolio. William Blair’s interest in these minority-owned investment advisers creates a conflict of interest that William Blair would provide them with investment recommendations in advance of other clients. To help manage conflicts, we have implemented various controls including the following:

- We maintain our Code, which details our fiduciary duty to put our clients' interests ahead of our own and conducts annual training on our Code;
- We maintain an equity trade rotation process where transactions in William Blair's discretionary account clients following a model portfolio are effected in the first tier; and only after all such transactions are executed and complete, investment recommendations will be disseminated to investment advisers in the Non-Discretionary Model Portfolio Program; and
- We monitor transactions in our discretionary client accounts following a model portfolio as well as investment recommendations provided to investment advisers in the Non-Discretionary Model Portfolio Program for compliance with our equity trade rotation process.

In some instances, PWM Advisors may recommend to certain clients that they establish a separate investment advisory account managed by our affiliate, William Blair Investment Management, LLC. ("WBIM Separate Accounts"). William Blair and PWM Advisors do not conduct initial or ongoing due diligence on our affiliate, William Blair Investment Management, LLC. In these instances, PWM's clients are free to accept or reject our recommendation. If a PWM client accepts our recommendation, the client would enter into a separate investment advisory agreement with William Blair Investment Management, LLC setting forth all fees (including an investment management fee) and expenses (including execution costs).

When we recommend that our PWM client hires our affiliate, we do not charge our account level investment management fee in addition to what William Blair Investment Management, LLC charges to manage assets in the WBIM Separate Account. Instead, we exclude the assets in a WBIM Separate Account 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) up to 50% of the management fee it earns based on PWM's clients' assets invested in WBIM Separate Accounts. Receipt of, or the prospect of receiving, this compensation influences William Blair and PWM Advisors to recommend that you open a WBIM Separate Account instead of hiring an unaffiliated investment adviser and creates a conflict of interest. If the payment William Blair receives from William Blair Investment Management, LLC is higher than the fee it receives from the client for managing the account, then William Blair's overall fee will increase as the allocation to a WBIM Separate Account increases. For more information regarding conflicts of interest, please discuss with your PWM Advisor and see documents including, but not limited to, this Brochure, Form CRS, William Blair Investment Management, LLC's Form ADV, Part 2A, advisory agreements, separate client account opening documentation and/or separate disclosure forms.

Recommendations to open a WBIM Separate Account creates a conflict of interest based on compensation we receive from our affiliate, William Blair Investment Management, LLC. To help manage conflicts, we have implemented various controls including the following:

- We maintain our Code, which details our fiduciary duty to put our clients' interests ahead of our own and conduct annual training on our Code;
- We monitor WBIM Separate Accounts to ensure they are consistent with our understanding of the client's objectives;
- A client may decline our recommendation to open a WBIM Separate Account;
- Conflicts of interest are disclosed in documents including, but not limited to, this Brochure, Form CRS, William Blair Investment Management, LLC's Form ADV, Part 2A, advisory agreements, separate client account opening documentation and/or separate disclosure forms; and
- We offset our investment management fees on a client's assets held in a WBIM Separate Account.

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

### Performance-Based Fees

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

As discussed above, beginning in October 2022, William Blair's affiliate, the MB General Partner, may earn a performance-based fee for MB Partnership Series, if applicable. As more fully described in any applicable offering documents, the MB General Partner will be entitled to a portion of the profits of the limited partnership as "carried interest." The amount of the performance-based fee and how it is calculated is fully disclosed in the applicable MB Partnership offering document. The amount of the performance-based fee may vary by MB Partnership Series. Carried interest, where applicable, is indirectly borne by limited partners who are not affiliated with the MB General Partner and/or William Blair. Limited partners should understand that the receipt of performance-based fees creates a conflict of interest as the MB General Partner has the potential to receive higher compensation. Performance-based fees creates an incentive for the MB General Partner to pursue riskier or more speculative investments than might otherwise be the case in the absence of such arrangement. Additionally, the payment by some MB Partnership Series, but not all MB Partnership Series, or the payment of carried interest at varying rates creates an incentive for the MB General Partner to disproportionately allocate time, services, functions or investment opportunities to those MB Partnership Series paying carried interest or paying carried interest at a higher rate. The MB General Partner seeks to mitigate these conflicts through disclosures in this Brochure; additional disclosures in the applicable offering documents as well as policies and procedures, including allocation of investment opportunities.

### **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. Some of these same investment strategies serve as the basis for the Non-Discretionary Model Portfolio Program. In addition, according to a client's investment objectives and subject to reasonable restrictions, a PWM Advisor may elect to allocate all or a portion of a discretionary advisory client's assets to one or more William Blair's Proprietary Home Office Models.

In connection with the MB Investments Partnership, William Blair and the MB General Partner will encounter situations in which it must determine how to allocate investment opportunities. When an opportunity is identified, William Blair will make a good faith determination to present such investment opportunity to: (1) the MB Partnership, (2) other investment vehicles utilized by partners and employees of William Blair to make investments in privately held companies, or (3) participants in the MB Partnership as co-investors. Such good faith determination is based on several factors including, but not limited to, the source of origination. The MB Partnership will not be presented with every investment opportunity. In addition, the application of William Blair's investment allocation methodology will often result in the MB Partnership receiving an allocation on a non-pro rata basis. In addition, William Blair has several clients that may independently elect to invest in one or more MB Investments (directly or indirectly through MB Partnership).

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 and recommendations based on an account's available cash, investment objectives, restrictions, permitted investment techniques and other relevant considerations. With respect to privately held investment opportunities, William Blair has adopted written policies and procedures that will not favor or disfavor, consistently or consciously, other investment vehicles utilized by partners and employees over the MB Partnership or other clients.

The conflicts of interest that arise in managing multiple accounts include, for example, conflicts among investment strategies, conflicts in allocation of trades, conflicts in the allocation of investment opportunities (including MB Investments), conflicts based on account type, or conflicts due to different fees. Some accounts have higher fees than others do. 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 could pay higher fees than another client with the same PWM Advisor or 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 PWM Advisor 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 review the performance of accounts to identify performance outliers;
- For accounts managed according to strategy-based model portfolios, we confirm differences relative to account-specific guidelines; and
- We have adopted trade order aggregation, trade allocation and MB Investment allocation policy and procedures that seek to manage, monitor and, to the extent possible, minimize the effects of these conflicts.

## ITEM 7 – TYPES OF CLIENTS

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William Blair provides investment advisory and management services to a number of clients including high net worth clients, individuals, small institutions, William Blair Wrap Program clients and other registered investment advisers following our Non-Discretionary Model Portfolio Program. In addition, William Blair provides investment management services to the MB Partnership (subject to the direction and control of its affiliate, the MB General Partner) and not individually to any limited partner.

### Investment Minimums

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

<u>Account Type/Relationship</u>	<u>Minimum</u>
WBIM Sub-Advisory/WBIM Separate Accounts	\$2 million
PWM Non-Wrap Program Accounts	\$50,000
William Blair Wrap Program Accounts	\$100,000
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).

Private fund investment minimums vary by fund (including Blair Private Funds and MB Partnership Series), however the managing member or general partner may, in its sole discretion, permit investments below the minimum amount set forth in each respective offering document.

Interests in the Blair Private Funds and the MB Partnership are offered to “qualified purchasers” as defined under the Investment Company Act of 1940 or as a “qualified client” under the Advisers Act. In addition to these investor qualification requirements, in order to participate in the William Blair MB Investments Program, a client typically maintains \$25 million in assets with William Blair.

### Redemption Limitations for Investments in Private Funds

Unless otherwise noted in any underlying private fund offering document, investors in private funds typically redeem all or a portion of their investments from the private fund with limited frequency and upon prior written notice as specified in the applicable offering document.

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

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### 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 and offering documents for private fund investments.

### **1. Private Wealth Management Investment Strategies**

William Blair 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 but not limited to: 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, we have discretion to hire Sub-Managers through Platforms or WBIM as sub-adviser.

### **2. Sub-Manager and Model Provider Strategies Offered through Platforms**

For certain clients that have given us discretion, PWM Advisors select Sub-Managers and Model Providers 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. PWM Advisors access Sub-Managers and Model Providers through Platforms. In our investment process, we seek Sub-Managers and Model Providers who meet the Platforms' (including SYSTM'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 and Model Providers available on the Platforms, including SYSTM.

In addition, certain clients authorize us to hire our affiliate, William Blair Investment Management, LLC as a sub-adviser. In other instances, we recommend that a client establish a WBIM Separate Account. We hire our affiliate as a sub-adviser or recommend our affiliate as an adviser in instances where a William Blair Investment Management, LLC strategy meets a client's unique objectives, risk tolerance and financial profile. We do not conduct any initial or ongoing due diligence on William Blair Investment Management, LLC.

Clients are provided the applicable Platform providers', Sub-Managers' and/or William Blair Investment Management, LLC's Form ADV Part 2A.

### **3. Private Fund Investments**

Based on each client's individual needs and objectives, William Blair may recommend that the client invest in affiliated or unaffiliated private funds. Our investment process before recommending an unaffiliated private fund typically includes investment and due diligence reviews, including assessment of relevant investment and operational factors. As part of our investment process, we either conduct initial and ongoing due diligence internally and/or by employing external consulting and research resources. For private fund investments that are offered through certain external alternative investment platforms, we rely upon research and due diligence processes and materials developed by the third-party platform providers. The third-party platform provider relies either on proprietary research resources of the third-party platform or consultants employed by the third-party platform. We do not conduct independent initial or ongoing due diligence on unaffiliated private funds accessed through the third-party platforms. We do not conduct any initial or ongoing due diligence on Blair Private Funds.

With respect to the MB Investments Program, William Blair does not make any recommendations to clients regarding participation in the MB Investments Program or investing in a MB Partnership Series or Co-Investment. However, the MB General Partner (or an affiliate, including William Blair) does conduct initial due diligence on the underlying investment opportunities. For example, the MB General Partner (or an affiliate, including William Blair) either conducts initial due diligence internally and/or employs external due diligence consulting and research resources when assessing relevant investment and operational factors related to potential MB investment opportunities. No initial or ongoing due diligence is conducted on William Blair Managed MB Investments.

### **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). The value of securities in an account can go up or down, sometimes rapidly or unpredictably. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions or other events could have a significant impact on the valuation of securities. Securities may decline in value due to factors affecting securities markets in general or particular industries represented in the securities markets. The value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. The value of a security may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. During a general downturn in securities markets, including those unrelated to financial markets (such as a global pandemic), multiple asset classes may decline in value simultaneously. If an Account is not diversified, a loss in a single position or group of positions with a concentrated, aggregate exposure could have a materially adverse impact on an Account. In addition, if you enter into securities lending, margin and/or non-purpose loans arrangements, there are additional risks to your principal, as more fully described in separate account documentation.

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.
- **ESG Investing.** Portfolios that select securities based on responsible investing, Environmental, Social and Governance factors or similar criteria may forgo certain market opportunities available to portfolios or strategies that do not use these criteria and therefore may adversely impact investment performance.

### **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 international, 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 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.
- **International markets.** International markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments.
- **International securities.** International 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.
- **International currency markets.** Investments in international securities expose a portfolio to fluctuations in currency exchange rates, which may adversely affect the value of investments in international securities held in your portfolio.
- **Currency risks.** Investments denominated in an international currency are subject to the risk that the value of a particular currency will change in relation to one or more currencies.

#### **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.
- **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.
- **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. Under extreme circumstances, a substantial decrease in interest rates may lead to a negative yield on investments.
- **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 including structured notes can expose you to certain specific risks, including risks associated with equity and fixed income investments (in the U.S. and Non-U.S. investments) previously described above, as well as 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.
- **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 maintained a wide diversification among types of securities, geographical areas, issuers and industries. Accordingly, a loss in a single position could have a materially adverse impact on a portfolio.
- **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 utilizing Sub-Managers, Model Providers, WBIM Sub-Advisory Accounts and WBIM Separate Accounts are subject to risks depending upon the strategy and types of securities employed by the third party and/or affiliated investment manager. William Blair selects Sub-Managers and Model Providers or hires or recommends its affiliate, William Blair Investment Management, LLC, based on, among other things, the client's investment objectives and the Sub-Managers', Model Providers' and William Blair Investment Management, LLC's management style and performance track record. However, past performance is not a guarantee of future results. In addition, William Blair does not have any influence over the Sub-Manager's, discretionary Model Provider's or William Blair Investment Management, LLC's investment decisions or securities selections. In most instances, William Blair does not independently conduct due diligence on Sub-Managers and Model Providers. There is a risk that the Platforms (including SYSTM) do not conduct adequate initial and ongoing due diligence on Sub-Managers and Model Providers. William Blair and William Blair Investment Management, LLC are affiliates and William Blair Investment Management, LLC is not subject to the same level of due diligence as unaffiliated Sub-Managers and Model Providers. As disclosed throughout, William Blair has a conflict of interest when hiring William Blair Investment Management, LLC as a sub-

adviser, recommending a WBIM Separate Account or any product managed by William Blair Investment Management, LLC. Please refer to this Brochure for information as to how William Blair manages this conflict of interest. As with all investments, investment strategies employed by Sub-Managers and Model Providers (including our affiliate, William Blair Investment Management, LLC) may fail to produce the intended results.

### Common Risks Associated with Private Funds

Investors in private funds must be prepared to bear the risk of a complete loss of their investments. In addition to the material risks affecting financial markets generally (as described above), investments in affiliated and unaffiliated private funds include but are not limited to the following specific risks:

- **Long-Term Investment; Illiquidity of Investments.** Unlike liquid investments, private fund investments do not provide daily liquidity or pricing. In fact, investment in certain private funds (including the MB Partnership) requires a long-term commitment, with limited or no liquidity opportunities and no certainty of return. The return of capital and the realization of gains and other income, if any, from an investment may not occur until several years after such investment is made, if at all. Given that certain private funds are expected to operate over several years, substantial changes to the business, economic, political, and regulatory and technology environment may have a more profound effect on private fund investments.
- **Limited Transferability of Interests.** Certain private funds (including the MB Partnership and Blair Private Funds) and applicable securities laws impose substantial restrictions upon the transferability of private fund interests. There is no public market or other market for most private fund interests.
- **Valuation.** The underlying investments in certain private funds consists of significant amounts of securities and other financial instruments that are very thinly traded, or for which no market exists, or which are restricted as to their transferability. As discussed above, William Blair relies on the issuers and custodians to provide a good faith, fair market value with respect to interests in private funds. With respect to the MB Partnership, there is no actively traded market for the securities issued by each MB Partnership Series. The MB General Partner will apply a fair value methodology based on their best judgment and that is appropriate considering the nature, facts and circumstances of each MB Investment. The process of valuing securities for which reliable market quotations are not readily available is based on inherent uncertainties and likely results in values that would differ had an active market existed for such securities. The good faith fair market value determinations for Interests in a MB Partnership Series will most likely differ from the value of such securities when ultimately sold. To the extent that the MB General Partner or William Blair's interests are not fully aligned with those of the MB Partnership's limited partners, conflicts of interest with respect to valuations of interests in MB Partnership Series will arise. As discussed above, William Blair charges an advisory fee based on the fair market value of unaffiliated private fund interests held in advisory accounts. In addition, as William Blair earns an asset based advisory fee on MB Partnership Interests and the fair market value of these Interests are determined, in good faith, by the MB General Partner, a conflict of interest exists to increase the fair market value of these Interests. In addition to disclosing this conflict of interest, the MB Partnership has in place written, valuation policies and procedures.
- **Limited Operating History.** Certain private funds have limited operating histories and there can be no assurance that the private funds' investments will achieve results similar to those achieved by previous investments (including performance of predecessor private funds).
- **Competition.** The activity of opportunistically identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty. Private funds will be competing with other established funds and investment organizations with substantial resources and experience.
- **Limited Number of Investments/Lack of Diversity.** Except as set forth in each private fund's offering documents, private funds are under no obligation to diversify its investments, whether by reference to amount invested or industries or geographical areas in which the investments are made. Accordingly, private funds participate in a limited number of investments and, as a consequence, the aggregate return of any private fund may be substantially adversely affected by the unfavorable performance of even a single investment.
- **Investing in a Single Issuer.** Unlike a typical private equity fund or fund-of-funds, which are intended to invest in a variety of portfolio companies and/or portfolio funds, a MB Partnership Series is expected to invest exclusively

in a single MB Investment. This approach carries a number of risks and special considerations not associated with typical private equity funds or funds-of-funds, including: no benefits of portfolio diversification; performance will be determined exclusively by the performance of the MB Investment; performance will be burdened by the costs and procedures associated with the formation, management, operation, dissolution and liquidation of the MB Partnership Series; and susceptibility to idiosyncratic risks associated with the MB Investment such as death or incapacity of a key officer or manager or possibility of fraud and other misconduct by its employees and service providers.

***The common risks of loss described in this section are intended as a high-level overview. Please see other disclosure documents for a complete discussion of the risks attributable to an individual investment including, but not limited to, prospectuses, private placement memorandum and structured note, margin and option documentation.***

## **ITEM 9 – DISCIPLINARY INFORMATION**

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On September 29, 2023, William Blair & Company, L.L.C. and William Blair Investment Management, LLC (collectively for purposes of this paragraph, William Blair) entered into a settlement with the SEC in connection with the agency's industry-wide investigation into the maintenance and preservation of electronic communications pursuant to applicable recordkeeping provisions of federal securities law. The settlement requires William Blair to pay a civil monetary penalty of \$10,000,000 and retain a compliance consultant for a period of one year, following the format for all other recent electronic communications settlements. William Blair cooperated with the government's inquiry and has already taken significant steps to further strengthen the firm's compliance environment as it relates to electronic communications.

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, the SEC found that 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.

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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### 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, 2022, investment management fees paid by the William Blair Funds ranged from 0.60% to 1.10% for all share classes. In addition to an investment management 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, 2022, William Blair Investment Management, LLC advised approximately \$10.3 billion in assets for the William Blair Funds.

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. Clients typically consent to the purchase of William Blair Funds in their accounts and can exclude the purchase of William Blair Funds in their accounts. 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 purchase or 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, which details our fiduciary duty to clients and conduct annual training on our Code;
- We monitor client portfolios to ensure they are consistent with each client's objectives and investment strategy;
- At account opening, we typically solicit client consent to invest in affiliated mutual funds;
- Compensation received from our affiliate, William Blair Investment Management, LLC is not material in relation to William Blair's account level advisory fees;
- Conflicts of interest are disclosed in documents including, but not limited to, this Brochure, Form CRS, advisory agreements, William Blair Funds' prospectuses and other offering documents, separate client account opening documentation and/or separate disclosure forms; 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](http://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 UCITS<sup>1</sup> and receives investment management fees as described in William Blair Investment Management, LLC's Form ADV Part 2A.

With respect to these types of pooled funds where our affiliate serves as investment adviser or sub-adviser, William Blair Investment Management, LLC compensates us up to 0.35% of our clients' assets invested in the pooled fund.

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<sup>1</sup> William Blair has been appointed global distributor of the William Blair SICAV.

Similar to the William Blair Funds, a conflict of interest exists as we are incented to purchase or recommend these pooled funds for purchase by our investment management clients over unaffiliated pooled funds. To help manage conflicts, we have implemented controls, including the following:

- We maintain a written Code, which details our fiduciary duty to clients and conduct annual training on our Code;
- 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 pooled vehicles;
- Compensation received from our affiliate, William Blair Investment Management, LLC is not material in relation to William Blair's account level advisory fees;
- Conflicts of interest are disclosed in documents including, but not limited to, this Brochure, Form CRS, advisory agreements, prospectuses and other offering documents, separate client account opening documentation and/or separate disclosure forms; and
- We offset investment management fees on a client's assets held in affiliated pooled vehicles.

### **Blair Private Funds**

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

When we recommend the purchase of Blair Private Funds, 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 Blair 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 Blair 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, which details our fiduciary duty to clients and conduct annual training on our Code;
- We offset investment management fees on a client's assets held in Blair Private Funds;
- Conflicts of interest are disclosed in Blair Private Funds' offering documents;
- A client may decline our recommendation with respect to Blair Private Funds;
- Conflicts of interest are disclosed in documents including, but not limited to, this Brochure, Form CRS, advisory agreements, private fund offering documents, separate client account opening documentation and/or separate disclosure forms; and
- We monitor client portfolios to ensure they are consistent with each client's objectives and investment strategy.

### **WBIM Separate Accounts and WBIM Sub-Advisory Accounts**

Our affiliate, William Blair Investment Management, LLC, manages a number of domestic and international fixed income, equity and alternative investment strategies. With respect to any recommendation that our PWM clients open a WBIM Separate Account or in instances where a client has authorized us to hire WBIM as a sub-adviser, 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 these WBIM Separate Accounts and WBIM Sub-Advisory Accounts. This creates conflicts of interest because we are incented to recommend these WBIM Separate Accounts or hire William Blair Investment Management, LLC as a sub-Adviser over other third-party managers.

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

- We maintain a written Code, which details our fiduciary duty to clients and conduct annual training on our Code;
- We offset investment management fees on a client's assets held in WBIM Separate Accounts and WBIM Sub-Advisory Accounts; Conflicts of interest are disclosed in this Brochure, Form CRS, and in other documents;
- A client may decline our recommendation with respect to WBIM Separate Accounts;
- A client may withhold consent to hire William Blair Investment Management, LLC as a sub-adviser;
- Compensation received from our affiliate, William Blair Investment Management, LLC is not material in relation to William Blair's account level advisory fees;
- Conflicts of interest are disclosed in documents including, but not limited to, this Brochure, Form CRS, William Blair Investment Management, LLC's Form ADV, Part 2A, advisory agreements, separate client account opening documentation and/or separate disclosure forms; and
- We monitor WBIM Separate Accounts and WBIM Sub-Advisory Accounts to ensure they are consistent with our understanding of the client's objectives in hiring a third-party manager or sub-advising a portion of their account.

#### **SYSTM Wealth Solutions LLC**

Our affiliate, SYSTM, is a Platform provider. We have a conflict of interest to access Sub-Managers and Model Providers through our affiliate, SYSTM, instead of through unaffiliated Platform providers so that SYSTM can receive compensation. In addition, William Blair provides consulting services to its affiliate, SYSTM. SYSTM pays William Blair a fee for these consulting services. William Blair's consulting services relate to, among other things: initial and ongoing due diligence of Sub-Managers and Model Providers available on SYSTM's platform as well as the input into a preferred list of strategies and models, which represents SYSTM's high conviction selections for each asset class and investment style. William Blair's provision of consulting services creates a conflict of interest to preference strategies and models provided by Sub-Managers and Model Providers that generate more revenue for SYSTM than other strategies and models. In addition, WBC Holding, L.P., and certain employees, officers and directors of William Blair, have a direct or indirect ownership interest in all of the minority investors of SYSTM. Accordingly, all of these parties are further incented to increase the revenue of SYSTM.

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

- We maintain a written Code, which details our fiduciary duty to clients and conduct annual training on our Code;
- Conflicts of interest are disclosed in this Brochure, Form CRS, SYSTM's Form ADV, SYSTM's Form CRS and in other documents;
- A client may withhold consent for us to access Sub-Managers and Model Providers through SYSTM and may revoke their consent, at any time, in writing;
- SYSTM's Platform provider fees are competitive;
- For clients utilizing a Platform provider prior to the establishment of SYSTM, their SYSTM Platform provider fee is equal to or less than that paid by the client to access the same Sub-Adviser or Model Provider through the unaffiliated Platform provider;
- Placement on a preferred list is not dependent on or impacted by the amount of revenue earned (including the portion of the management fee retained) by SYSTM;
- William Blair's consulting services' personnel generally are not aware of the portion of the management fee retained by SYSTM for any strategy or model; however, if consulting services' personnel became aware of the portion retained, it would not influence initial or ongoing due diligence, processes, or inclusion/exclusion on the a preferred list; and
- We monitor portfolio holdings to ensure they are consistent with our client's objectives.

## Corporate and Executive Services

William Blair provides strategic advice and solutions for companies, corporate executives and other registered investment advisers. 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
- Other services as deemed appropriate

A PWM Advisor will be restricted from trading in a public company's securities if an executive officer, director or any insider of that company is also a client of the PWM Advisor. This means that clients of that PWM Advisor may experience less favorable performance than others who are clients of other PWM Advisors or financial professionals of other advisory firms who are not similarly restricted.

## Financial Planning, Consulting and Advisory Services

William Blair provides financial planning, consulting 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 also provide services to foundations, endowments, retirement plans and other registered investment advisers (including SYSTM and those investment advisers where William Blair owns an indirect, minority ownership interest). We may charge a fee for these services that is separate from any investment advisory fees and transaction charges. In other cases, the client is not charged a separate fee for these services. Examples of these services include the following:

- Asset allocation
- Retirement planning
- Estate planning
- Philanthropic strategies
- Enhanced reporting services, including performance
- Advisory services for foundations and endowments
- Investment Consulting
- Research & Due Diligence
- Alternative Investments
- Retirement Plans

## 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 distributes 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 private wealth 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 logistical 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. In addition, certain MB Investments are generated through William Blair's proprietary, global relationship network (including our Investment Banking Department). William Blair (including one or more of its affiliated or related entities) and/or the MB General Partner have interests that conflict with the interests of the MB Partnership, one or more MB Partnership limited partners that are also PWM clients, and/or one or more MB Investments. In addition, William Blair's Investment Banking Department may make referral payments to indirectly, minority-owned investment advisers upon the completion of a successful investment banking transaction. Please see Item 11 below

for discussion of material conflicts of interest related to MB Partnership and William Blair's indirect, minority ownership interest in investment advisers.

William Blair is expected to serve as a pipeline for prospective investment opportunities for the MB Partnership, including as a result of William Blair's proprietary investment banking and other relationships. William Blair earns investment banking and other fees in connection with certain MB Investments, such as substantial investment banking fees related to mergers, acquisitions, add-on acquisitions, refinancings, private placements, public offerings, sales, divestments or other dispositions and similar transactions. In addition, William Blair and its affiliates or one or more of its clients, prospective clients, outside members, directors and/or other person or entities with which William Blair and/or its affiliates have a relationship may be control persons or otherwise have a financial interest in MB Investments.

Receipt of investment banking and other fees from a MB Investment creates conflicts of interest for William Blair, the MB General Partner and their respective members, affiliates and employees. If William Blair receives fees (including investment banking fees) in connection with a transaction, the MB General Partner is incentivized to cause the MB Partnership to participate in such transaction even if participation in the transaction would have a negative impact on the MB Partnership or otherwise conflict with the interests of the MB Partnership Series.

In addition, certain MB Investments may be managed by or related to William Blair as well as to other William Blair clients or referral sources. Management fees, incentive compensation, and any other fee or investment amount that the MB Partnership Series pays to such a MB Investment confers a benefit on William Blair, an affiliate, client or referral source, which potentially conflicts with William Blair's duty to treat each client (including the MB Partnership) equitably and make recommendations that are in each client's best interest.

The payment and receipt of these fees to and from the MB Investments creates a conflict of interest between William Blair and its affiliates and the MB Partnership and its limited partners because the amounts of these other fees are often substantial.

#### **Certain Affiliated Investment Strategies and Products**

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; hire William Blair Investment Management for a Sub-Advisory Account; recommend a WBIM Separate Account; or recommend or invest in Blair Private Funds. In some instances, a client independently elects to participate in the MB Partnership Program and to invest in a William Blair Managed MB Investment. 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. Similarly, we either hire or recommend William Blair Investment Management, LLC for a WBIM Sub-Advisory Account or WBIM Separate Account, respectively, because our affiliate utilizes the same strategies for institutional separate accounts.

As discussed above, when we invest in shares of affiliated mutual funds in your account, recommend that you invest in Blair Private Funds or you independently elect to invest in a William Blair Managed MB Investment, you are subject to the William Blair Funds', Blair Private Funds' or William Blair Managed MB Investment's internal management fees and other expenses (as described above); however, we do not charge our investment management fee and/or the MB Access Fee in addition to the William Blair Fund, Blair Private Fund or William Blair MB Investment internal management fee. Similarly, we do not charge our investment management fee on any client assets in a WBIM Sub-Advisory Account or WBIM Separate Account. Instead, we exclude the assets invested in the William Blair Funds, Blair Private Funds, William Blair MB Managed Investment, WBIM Sub-Advisory Account or WBIM Separate Account when we calculate the investment management fees we charge you. However, as discussed more fully above, William Blair does receive compensation based on PWM's clients' assets in William Blair Funds, Blair Private Funds, William Blair Managed MB Investments, a WBIM Sub-Advisory Account or WBIM Separate Account, creating a conflict of interest.

#### **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 private wealth 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 logistical 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. In addition, if a PWM Advisor's client purchases William Blair equity research, in some instances, revenue is recognized by the Private Wealth Management Department and the PWM Advisor. The receipt of this compensation creates an incentive to recommend that an advisory client purchase equity research.

### **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 PWM 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 logistical 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. In addition, if a PWM Advisor's client utilizes services provided by William Blair's Institutional Sales and Trading Department, in some instances, revenue is recognized by the Private Wealth Management Department and the PWM Advisor. The receipt of this compensation creates an incentive to recommend that an advisory client utilize these services.

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

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William Blair has adopted a Code of Ethics, pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, that governs a number of conflicts of interest we have when providing our advisory services to clients. We have designed our Code 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);
- Protect material non-public information;
- Not purchase securities in an initial public offering (IPO) and obtain prior approval for participation in private placements;
- 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 [pwmcompliancegroup@williamblair.com](mailto:pwmcompliancegroup@williamblair.com) or (312) 236-1600 or write to us at the following address:

William Blair & Company, L.L.C.  
Attn: PWM Compliance

### **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, but not limited to, the William Blair Funds, William Blair SICAV, William Blair Private Funds, SYSTM, and a partnership that holds minority interests in other registered investment advisers (some are clients in the Non-Discretionary Model Portfolio Program, clients of SYSTM, purchase Equity & Consulting Research and/or pay us referral fees for insurance products) as well as securities of corporations to which we provide investment banking and other corporate and executive services. William Blair, its affiliates, partners and certain employees may have a pre-existing interest in, or may subsequently acquire an interest in, a MB Investment, or in investment opportunities that are offered to and/or evaluated by but rejected by the MB Partnership. These interests may substantially differ in liquidation preference, voting rights or other investment terms and may result in investment interests that directly conflict with the interests of the MB Partnership. 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 affiliates, William Blair International, Ltd, William Blair B.V. and William Blair International (Singapore) Pte. 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, WBIM Separate Accounts, WBIM Sub-Advisory Accounts and Blair Private Funds. Certain PWM clients are offered the opportunity and independently elect to participate in the William Blair MB Investments Program and invest in a MB Partnership Series or Co-Investment. This creates a conflict because we are incented to promote or purchase these securities over others. In addition, as discussed above, our affiliate, SYSTM, receives compensation when our clients access Proprietary Home Office Models and access Sub-Managers and Model Providers and, therefore, we are incented to utilize SYSTM instead of unaffiliated Platform providers. 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, issuing sell side equity research and institutional sales and trading for issuers of those corporate securities.

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

- We maintain a Code, which reinforces our fiduciary duty to put our clients' interests ahead of our own 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' objectives, guidelines and restrictions;
- We typically solicit client consent to invest in the William Blair Funds for their investment advisory accounts;
- A client may decline to invest in William Blair Funds, Blair Private Fund or to open a WBIM Separate Account;
- A client may withhold consent to hire William Blair Investment Management, LLC as a sub-adviser;
- A client may withhold consent to utilize SYSTM as a Platform provider to access Proprietary Home Office Models, Sub-Managers and/or Model Providers and may revoke its consent, at any time, with written notice;
- With respect to the William Blair MB Investments Program, William Blair does not make any recommendation to clients with respect to participation in the William Blair MB Investments Program or investing in any MB Partnership Series or Co-Investment. A client makes an independent decision as to whether to participate in the

William Blair MB Investments Program and affirmatively elects to invest in Interests in any MB Partnership Series or to make a Co-Investment;

- If a client meets the minimum investment amount, the client may be able to invest directly in the MB Investment instead of through the William Blair MB Investment Program (which, before October 2022, generated a MB Access Fee); In some instances, before October 2022, an MB Access Fee was charged in connection with some Co-Investments;
- For MB Partnership Series purchased before October 2022, while William Blair's affiliate earns the MB Access Fee, neither William Blair nor PWM Advisors participate in any MB Access Fee;
- MB Access Fee is comparable to other access fees;
- MB Access Fee revenue is not material to William Blair in relation to William Blair's advisory, brokerage or investment banking activities;
- With respect to a William Blair Managed MB Investment, the client does not pay the MB Access Fee;
- For MB Partnership Series purchased after October 2022, if applicable, only the MB General Partner is entitled to carried interest (performance-based fees); neither William Blair nor PWM Advisors participate in carried interest;
- MB General Partner revenue from carried interest (performance-based fees) is not material in relation to William Blair's advisory, brokerage or investment banking activities;
- In order to avoid an account level investment management fee, a client can invest in Interests of a MB Partnership Series or Co-Investment through a brokerage account instead of an advisory account;
- Account level investment advisory fees earned on Interests in a MB Partnership Series or a Co-Investment are de minimis relative to advisory and/or brokerage revenue generated from clients offered the opportunity to participate in the William Blair MB Investments Program;
- MB Partnership has written policies and procedures with respect to the fair market value of Interests; Fair market value of Co-Investments are determined by the issuer of the Co-Investment;
- MB Partnership has written policies and procedures with respect to allocation of investment opportunities;
- Any internal management fee earned on a client's assets invested in a William Blair Managed MB Investment is not material in relation to William Blair's revenue (and, in turn, the PWM Advisor's compensation) from clients' advisory activities;
- We offset investment management fees on a client's assets invested in any William Blair Managed MB Investment;
- For the portion of our clients' assets in a WBIM Separate Account, WBIM Sub-Advisory Account, William Blair Funds, Blair Private Funds and/or William Blair Managed MB Investments, we do not charge additional investment advisory fees;
- Compensation received from our affiliate, William Blair Investment Management, LLC is not material in relation to William Blair's account level advisory fees;
- SYSTM's Platform provider fees are competitive;
- For clients utilizing a Platform provider prior to the establishment of SYSTM, their SYSTM Platform provider fee is equal to or less than that paid by the client to access the same Sub-Adviser or Model Provider through the unaffiliated Platform provider;
- We have information barriers in place to prevent dissemination of material, non-public information (including with respect to MB Investments) between our various business groups;
- We have allocation policies in place that seek to ensure fair and equitable access to investment opportunities for accounts over time;

- We have trade rotation policies in place that seek to effect securities transactions of our clients and to disseminate Non-Discretionary Model Portfolios to our investment adviser clients in a fair and equitable manner; and
- Conflicts of interest are disclosed in documents including, but not limited to, this Brochure, William Blair Wrap Brochure, Form CRS, William Blair Investment Management, LLC's Form ADV, Part 2A, advisory agreements, William Blair Funds' prospectuses and other offering documents, Blair Private Funds' and MB Partnership's offering documents, SYSTM's Form ADV, SYSTM's Form CRS, separate client account opening documentation and/or separate disclosure forms.

### **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. 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. These situations create conflicts of interest because employees could be motivated to favor their own investment interests or the interests of certain clients over other clients. To help manage these conflicts, we rely on various compliance controls including the following:

- We maintain a Code, which reinforces our fiduciary duty to clients and conduct annual training on our Code;
- In cases where we are purchasing or selling securities for clients' accounts, we prohibit a client's PWM Advisor from trading ahead in the same securities in his or her own 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**

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### **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 seek best execution of orders. William Blair's sell-side broker dealer has policies and procedures that 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. William Blair's sell-side broker dealer takes into consideration a range of different factors which includes 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, in most instances, 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**

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 (including William Blair Investment Management, LLC for a WBIM Separate Account or WBIM Sub-Advisory Account) 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. William Blair Investment Management, LLC does not typically execute trades through William Blair’s sell-side broker-dealer. This means that clients, even those in our Comprehensive Fee Program, 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 (including William Blair Investment Management, LLC) or Sub-Managers.

### **Research and Other Soft Dollar Benefits**

Under the limited circumstances where William Blair Investment Management, LLC selects broker-dealers for WBIM Sub-Advisory Accounts or WBIM Separate Accounts, our affiliate may use broker-dealers that provide it research to execute client transactions, and William Blair Investment Management, LLC may pay higher commissions to receive such research. Our affiliate receives research products and services from broker-dealers and third parties that are used to carry out its investment management responsibilities with respect to client accounts over which it exercises investment discretion (including WBIM Sub-Advisory and WBIM Separate Accounts). William Blair Investment Management, LLC pays for these research products and services using a combination of direct payment (“hard dollars”), and client commission dollars (“soft dollars”), paying for independent third-party research with hard dollars while paying for broker-dealers’ proprietary research and services using both soft and hard dollars. William Blair Investment Management, LLC uses both agency only brokers and broker-dealers, some of which provide us with research products and services to execute client transactions. William Blair Investment Management, LLC pays all brokers execution only commission rates but also will participate in client commission arrangements and commission sharing arrangements with certain broker-dealers. Only broker-dealers who generate their own proprietary research are eligible to be compensated with soft dollars. Similarly, a Sub-Manager may execute Platform account transactions through broker-dealers that charge higher commissions in order to receive such research.

Section 28(e) of the Securities Exchange Act of 1934 permits a registered investment adviser such as William Blair Investment Management, LLC and Sub-Managers to pay higher commissions if it can demonstrate the commissions are reasonable in relation to the research or brokerage services it receives.

Registered investment advisers using soft dollars are incented to use client commission dollars to purchase research instead of having to pay for the research out of its profits. To the extent William Blair Investment Management, LLC and Sub-Managers use commission dollars to purchase research, it must use the commission dollars generated from accounts that have granted discretion for brokerage placement. Accordingly, commission dollars generated from accounts that grant brokerage placement discretion are likely to be used to purchase research that also benefits accounts that do not grant such discretion.

To the extent that soft dollars are utilized, William Blair Investment Management, LLC and Sub-Managers are not required to use all products and services for the sole benefit of the clients whose commission dollars paid for the products and services. Research obtained from commissions paid by one account are most likely 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. For more information on our affiliate’s and Sub-Managers’ soft dollar practices, see William Blair Investment Management, LLC’s and Sub-Managers’ Form ADV.

## **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 William Blair for execution through trading venues. 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, we process orders as received by the various PWM Advisors. 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 (a "bunched trade" or "bunching"). We are not obligated to aggregate/bunch orders.

## **Equity Trade Rotation Process**

We utilize a multi-tiered trade rotation process that seeks to effect equity securities transactions of our discretionary clients (including the Proprietary Home Office Model Program) and disseminate model portfolios to our Non-Discretionary Model Portfolio Program in a fair and equitable manner.

The trade rotation process presents issues that include detrimental market impact (i.e., earlier trades can move the market causing subsequent trades to receive inferior prices), "signaling" concerns (i.e., broker-dealers anticipate additional trades in the same security and use this information to the detriment of the adviser's client), and timing differences that result in clients obtaining different execution prices and performance dispersion among accounts. Such concerns are mitigated where the securities involved have significant trading volume and high liquidity.

William Blair's trade rotation tiers for client's accounts not in the Proprietary Home Office Model Program, are as follows:

### **1. First Tier**

Discretionary advisory clients are traded in the first tier.

## **2. Second Tier**

We typically wait to trade second tier accounts until the “bunched” first tier trade is completed. We then execute trades for second tier accounts.

Clients included in the second tier are 1) clients that direct us to utilize specified broker-dealers; and 2) clients invested in certain securities markets or security types that make bunching impractical or would lead to unfair results.

A client’s decision to utilize a broker as the custodian of its account can, even in the absence of an express direction to use that broker for executing securities transactions, have the same practical effect as a direction depending on the broker’s capabilities and charges.

## **3. Third Tier**

Third tier accounts typically wait until the first tier and second tier trades are completed. Non-Discretionary Model Portfolio Programs are included in the third tier.

William Blair’s trade rotation tiers for client’s accounts in the Proprietary Home Office Model Program, are as follows:

### **1. First Tier**

Proprietary Home Office Model Program advisory clients are traded in the first tier.

### **2. Second Tier**

We typically wait to trade second tier accounts until the first tier trades are completed. We then execute discretionary advisory clients’ accounts whose PWM Advisor customizes the investment recommendations underlying a Proprietary Home Office Model Program strategy.

### **3. Third Tier**

We typically wait to trade third tier accounts until all trades in the first and second tiers are completed. We then execute trades for third tier accounts.

Clients included in the third tier are 1) clients that direct us to utilize specified broker-dealers; and 2) clients invested in certain securities markets or security types that make bunching impractical or would lead to unfair results.

A client’s decision to utilize a broker as the custodian of its account can, even in the absence of an express direction to use that broker for executing securities transactions, have the same practical effect as a direction depending on the broker’s capabilities and charges.

## **Trade Allocation and Investment 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.

With respect to the William Blair MB Partnership Program, William Blair has adopted written investment allocation policies and procedures.

Please see Item 6-Performance Based Fees and Side-By-Side Management for more information.

## **Trade Errors**

William Blair as an investment adviser employs a standard of care in the placement of trades for clients’ accounts. William Blair as the introducing broker-dealer on certain client accounts employs a standard of care in the execution of trades for clients’ accounts. Generally, William Blair considers any deviation from these standards 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.

We can effect securities transactions for an advisory client with non-advisory clients of William Blair (which are commonly referred to as "agency cross trades") in accordance with Section 206(3) of the Investment Advisers Act of 1940 and Rule 206(3)-2 thereunder. William Blair receives compensation from the non-advisory client to execute the transaction. William Blair has duties and obligations to both their advisory and non-advisory clients and a conflicting division of loyalty exists on the part of William Blair in such transactions. At the time you enter into an investment advisory agreement with us, you will be asked whether you authorize us to effect agency cross trades on your behalf. If you do authorize us to enter into agency cross trades on your behalf, you may terminate such authorization at any time. We generally do not sell securities to, nor purchase securities from, our advisory clients' accounts as principal (which are commonly referred to as "principal trades"). With authorization by our clients, in very limited circumstances and in accordance with applicable laws and the rules and regulations promulgated by the SEC, we will engage in a principal trade.

## **ITEM 13 – REVIEW OF ACCOUNTS**

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### **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 investments. We appraise account holdings and review accounts for accuracy from an administrative, accounting and investment viewpoint. A member of PWM's 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 or with William Blair Investment Management, LLC for a WBIM Sub-Advisory Account, client should communicate these reasonable restrictions to their William Blair PWM Advisor.

### **Account Reports**



William Blair provides written reports to clients periodically. 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. Investors in private funds (including Blair Private Funds and MB Partnership) typically receive a copy of audited financial statements of the relevant private fund within 120 days after the fiscal year end of each such fund.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

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### **Referral Payments**

On occasion, we can enter into an agreement with unaffiliated third-party promoters in order to pay cash compensation to the promoter for referring advisory clients to our firm. To the extent we enter into such an arrangement, we will comply with the applicable requirements under Rule 206(4)-1 of the Investment Advisers Act pertaining to compensated “endorsements.” Clients that are referred to us through such arrangements are provided a disclosure document describing the terms and conditions of the arrangement, including the compensation paid to the promoter. 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.

### **Participation in Fidelity Wealth Advisor Solutions®**

William Blair participates in the Fidelity Wealth Advisor Solutions® Program (the “WAS Program”), through which William Blair receives referrals from Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser and Fidelity Investments company. William Blair is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control William Blair, and FPWA has no responsibility or oversight for William Blair’s provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for William Blair, and William Blair pays referral fees to FPWA for each referral received based on William Blair’s assets under management attributable to each client referred by FPWA or members of each client’s household. The WAS Program is designed to help investors find an independent investment adviser, and any referral from FPWA to William Blair does not constitute a recommendation or endorsement by FPWA of William Blair’s particular investment management services or strategies. More specifically, William Blair pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as “fixed income” assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, William Blair has agreed to pay FPWA a minimum annual fee of \$50,000 to participate in the WAS Program. These referral fees are paid by William Blair and not the client.

To receive referrals from the WAS Program, William Blair must meet certain minimum participation criteria, however, William Blair was selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC (“FBS”). Clients should refer to Item 5-Advisory Business for important information regarding William Blair’s arrangements with NFS, an affiliated entity of FPWA and FBS.

As a result of its participation in the WAS Program, William Blair has a conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and William Blair has an incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to William Blair as part of the WAS Program. Under an agreement with FPWA, William Blair has agreed that it will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, William Blair has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when William Blair’s fiduciary duties would so

require, and William Blair has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a referred client account that is transferred from FPWA's affiliates to another custodian; therefore, William Blair has an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit William Blair's duty to seek best execution.

### **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 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 pay travel and lodging expenses relating to financial advisors' attendance at our due diligence meetings. We make charitable contributions or underwrite or sponsor charitable events at the request of others, including those who are affiliated with clients or program sponsors or consultants that may have referred clients to the firm.

From time to time, we also 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 private wealth 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, including NFS and Platform Providers, 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 and services 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 receives compensation from clients whose assets are held in advisory accounts. The William Blair advisory fee charged may vary based on the underlying holdings in the client's accounts (for example, a client may have an account with only fixed income securities that may be charged a lower advisory fee than that same client's account with only equity securities). Based on this advisory fee differential, William Blair and its PWM Advisors have a conflict of interest when purchasing securities. William Blair and its PWM Advisors have a conflict of interest when they recommend that a prospective client or a current brokerage client open an advisory account that will generate ongoing fees instead of no fees (for a prospective client) or transaction-based fees for a brokerage client. 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. 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 WBIM Separate Accounts, WBIM Sub-Advisory Accounts, William Blair Funds and Blair Private Funds. This practice constitutes a conflict of interest in that we and our PWM Advisors are incented to purchase William Blair Funds, recommend a WBIM Separate Account, hire William Blair Investment Management, LLC as a sub-advisor and recommend an investment in Blair Private Funds. While William Blair and PWM Advisors do not make recommendations with respect to a client's election to participate in the William Blair MB Investments Program or invest in any MB Partnership Series (including a William Blair Managed MB Investment) or Co-Investment, advisory compensation based on the fair market value of the MB Partnership Interests (as determined by our affiliate, MB General Partner) and Co-Investment (as determined by the issuer of the Co-Investment) as well as compensation to or from our affiliate, the MB General Partner, creates conflicts of interest with respect to PWM's clients' assets invested in that MB Partnership Series or Co-Investment. Please see Item 4-Advisory Business, Item 5-Fees and Compensation, Item 6-Performance Based Fees and Side-By-Side Management, 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.

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](http://www.williamblairfunds.com) or by calling 1-800-742-7272.

#### **Other Financial Incentives from William Blair to PWM Advisors**

William Blair pays investment professionals with financial incentives when they join William Blair and on an ongoing basis. PWM Advisors are eligible to receive incentives, including loans, back-end bonuses and/or other compensation if they reach certain asset levels within a specified period of time. These asset levels can be met by a combination of bringing client assets with them from their prior firm and/or garnering assets from clients new to them and William Blair. The amount paid to PWM Advisors under these arrangements is largely based on the size of the business serviced at their prior firm and the PWM Advisor achieving the target asset levels within a specific time period after joining William Blair. These payments are substantial and take various forms, including salary guarantees, loans, transition bonus payments and various form of compensation to encourage financial professionals to join William Blair. Therefore, even if the fees you pay at William Blair remain the same or are less, the transfer of your assets to William Blair contributes to your PWM Advisor's ability to meet targets. While William Blair does not claw back these payments, your PWM Advisor's continued employment is based on meeting these targets. These practices create an incentive and conflict of interest for your PWM Advisor to recommend the transfer of your account assets to William Blair since a significant part of their compensation is contingent on the PWM Advisor achieving a pre-determined level of assets at William Blair. You should consider whether your PWM Advisor's advice is aligned with your investment strategy and goals.

#### **Compensation from 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 the following:

- acknowledging that when we provide investment advice to a retirement investor (including a recommendation to rollover retirement assets into a William Blair IRA), William Blair and the PWM Advisor are fiduciaries within the meaning of ERISA and the Code;
- William Blair and the PWM Advisor will act in the retirement investors' best interest and not put our interest ahead of the retirement investors;
- Conflicts of interest are disclosed in the Brochure, Form CRS, the "Retirement Investor Acknowledgement & Fiduciary Acknowledgement" form;
- Retirement investor clients and prospects are provided with "Information Regarding Transfers, Distributions, and IRA Rollovers;" and

- William Blair has policies, procedures and controls (including an annual, retrospective review) in place with respect to advisory accounts for retirement investors.

Similarly, NFS' affiliate acts as a record keeper for certain retirement plans whose participants are pre-existing investment advisory clients of William Blair. Certain retirement plans allow their participants to grant discretion to investment advisers to manage assets within their retirement accounts. In these instances, William Blair and the PWM Advisor have a conflict of interest in that they will receive compensation for services under an investment advisory agreement should we be hired to manage the participant's assets within their retirement account held at NFS' affiliate.

### **Compensation from Service Providers**

As described in Item 5 – Advisory Business, William Blair has entered into agreements with NFS, whereby NFS acts as a clearing broker and provides custodial, brokerage and certain other services for certain clients of William Blair. As described in Item 5-Fees and Compensation-Other Fees and Expenses Related to NFS, NFS reimburses William Blair for Transition Fees. In certain cases, the Transition Fees may exceed the costs incurred by the client in moving assets from their prior custodian to NFS. If William Blair terminates its agreements with NFS, William Blair repays NFS a portion of the Transition Fees.

As described more fully above in Item 5, William Blair receives from NFS a portion of the fees it charges or credits it pays related to certain services, including securities lending, multi-margin accounts, non-purpose loans and certain fixed income trades, among other services offered. In addition, William Blair charges its advisory clients certain operational fees such as ACAT Exit Fees, wire transfer, bounced check, IRA termination fees and other fees. NFS has also agreed to pay William Blair business, infrastructure and technology credits that help defray William Blair's costs associated with advisory clients' accounts that are maintained at NFS. If William Blair terminates its agreements with NFS and client assets are removed from NFS, William Blair repays NFS a portion of these credits.

These fees and credits cause conflicts of interest because: 1) they incentivize William Blair to recommend clients utilize NFS custodial and other services instead of another custodian; 2) they incentivize William Blair to recommend securities lending and margin activity; and 3) they incentivize William Blair to maintain its relationship with NFS to avoid repayment of Transition Fees, business, infrastructure and technology credits and other credits.

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

- payments and credits as well as a description of conflicts are disclosed in documents, including but not limited to, this Brochure, Form CRS, advisory agreements, prospectuses and other offering materials, separate client account opening documentation and/or separate disclosure forms;
- payments and credits from NFS are de minimis in relation to William Blair's overall revenue;
- PWM Advisors are not compensated based on Transition Fees, business, infrastructure or technology (PWM Advisors are compensated based on multi-margin and securities lending);
- We maintain our Code, which details our fiduciary duty to put our clients' interests ahead of our own, and conduct annual training on our Code; 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.

In certain instances, William Blair utilizes a platform provider for the purchase and sale of structured notes. Certain partners and employees of William Blair own an interest in the structured note platform provider. The structured note platform provider is a non-controlling minority investor in SYSTM. In addition, the reference assets for certain structured notes available on this platform are based on William Blair's Sell Side Equity Research. William Blair receives a licensing fee on structured notes utilizing its Sell Side Equity Research. For the portion of your account

invested in a structured note based on William Blair's Sell Side Equity Research, we do not charge an account level advisory fee. William Blair allocates up to 50% of this licensing fee to the PWM Department (and, in turn, to the PWM Advisor). Therefore, William Blair has a conflict of interest in that there is an incentive to purchase structured notes (including those based on William Blair's Sell Side Equity Research) using this platform provider.

William Blair utilizes various technology service providers. Certain partners of William Blair own an interest in one of these technology service providers. This technology service provider is also a key technology provider to and a minority, non-controlling investor in SYSTM. William Blair has a conflict of interest in that there is an incentive to maintain and increase our business relationship with this technology service provider rather than with comparable technology service providers.

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

- We maintain a written Code, which details our fiduciary duty to clients;
- We monitor client portfolios to ensure they are consistent with each client's objectives and investment strategy;
- The allocation of a percentage of William Blair's licensing fee is de minimis in relation to William Blair's account level advisory fees; and
- We offset investment advisory fees on a client's assets held in a structured note based on William Blair's Sell Side Equity Research.

#### **Compensation for Internal Referrals**

William Blair and its affiliates have established an internal referral program to support growth across the organization. If a referral is made for a William Blair advisory relationship, there is no impact on the advisory fee charged to that client. 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, including annuities. This referral fee creates a conflict of interest because William Blair and PWM Advisors are incented to refer clients to insurance providers paying a referral fee instead of to those that do not pay a referral fee. William Blair has an indirect, minority ownership interest in one such insurance provider which creates an additional incentive to refer clients to this insurance provider rather than to an insurance provider where we have no ownership interest or those that do not pay a referral fee. William Blair employees who are properly licensed as insurance agents are eligible to receive referral fees. Conflicts of interest are disclosed in this Brochure, Form CRS, and in separate disclosure documents.

#### **Compensation for Bank Referrals**

From time to time, William Blair refers its clients to national banks and receives referral fees based on a percentage of the monthly average outstanding balance on the referred client's line of credit. This referral fee creates a conflict of interest because William Blair and PWM Advisors are incented to refer clients to providers that pay a referral fee instead of to a provider that does not pay a referral fee. Conflicts of interest are disclosed in this Brochure, Form CRS, and in separate disclosure documents.

#### **ITEM 15 – CUSTODY**

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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.

Clients are not required to use NFS for these services and clients are free to work with other custodians. As discussed above, William Blair receives certain fees and credits from NFS. 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 authorize their custodian, including NFS, to deduct William Blair's advisory fees from their client account. In addition, pursuant to a standing letter of authorization ("SLOA") some clients grant William Blair limited discretion to disburse funds to one or more third parties, as specifically 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 SLOA. 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 does NOT have discretion as to the amount, payee or timing of transfers under the SLOA.

If client's interests in private funds cannot be held at a qualified custodian, the interests will be held in the client's name and ownership is recorded in the books and records of the issuer. For the avoidance of doubt, client's Interests in any MB Partnership Series are held in the client's name and recorded in the books and records of the MB Partnership Series while Co-Investments are held in the client's name and recorded in the books and records of the Co-Investment issuer.

The MB Partnership is required to undergo an annual audit of its financial statements to comply with certain exemptions set forth in Rule 206(4)-2 of the Advisers Act. Investors in private funds, including Blair Private Funds and MB Partnership Series, will receive audited financial statements. To the extent a private fund does not get its financial statements audited on annual basis and instead is subject to a surprise examination of its assets, the assets of such private funds are held by one or more custodial banks or broker-dealers, and such custodial banks or broker-dealers send account statements to investors in such private fund.

You should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains your investment assets.

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 provide to you as your investment manager. If you have any questions with respect to your custodial statement and account statements, please contact your PWM Advisor.***

## **ITEM 16 – INVESTMENT DISCRETION**

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### **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. As discussed above, William Blair provides a Non-Discretionary Model Portfolio Program where the underlying clients are other registered investment advisers. We typically receive an executed investment advisory agreement from the client providing the authority to manage their account assets.

Subject to acceptance by William Blair, a client may request certain limitations on the management of their account as set forth in the agreement's investment guidelines or otherwise in writing. These 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 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**

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### **Proxy Voting Practices**

In cases where William Blair has proxy voting authority, we will vote the proxies solely in the interest of our clients. 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. For clients where we vote proxies, unless a client otherwise notifies William Blair, in writing, contact information will not be distributed to third-party solicitors.

Generally, when William Blair votes proxies, we rely upon a Proxy Administrator, Institutional Shareholder Services ("ISS") to facilitate our proxy voting activities. ISS 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. ISS votes the proxies according to the firm's selected voting guidelines (domestic or international), which are designed to address matters typically arising in proxy votes.<sup>2</sup> Accordingly, if the voting guidelines indicate a vote "for", ISS will vote in favor of the matter; if the voting guidelines indicate a vote "against," ISS will not vote in favor of the matter.

We do not intend for such 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, such voting guidelines are intended to cover the most significant and frequent proxy issues that arise.

In the rare instance where the voting guidelines have no recommendation or indicate a vote on a "case-by-case" basis, ISS will vote in the manner directed by William Blair, based on what we believe is in the best interest of our client. ISS is an independent third-party research provider that analyzes each vote from the shareholder vantage point. ISS provides proxy voting, maintenance, reporting, analysis and recordkeeping services.

For information regarding proxy voting for private funds, including Blair Private Funds and MB Partnership, please see each fund's offering materials.

### **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

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<sup>2</sup> The voting guidelines are available on ISS's website at <https://www.issgovernance.com/policy-gateway/voting-policies>. William Blair typically follows the Sustainability Proxy Voting Guidelines. Clients also can instruct William Blair to follow other ISS proxy voting guidelines.

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.

#### **Oversight of Proxy Administrator**

William Blair and its affiliate, William Blair Investment Management, LLC utilize ISS as their proxy administrator. William Blair relies on William Blair Investment Management, LLC for oversight of ISS. For more information related to ISS oversight, please see William Blair Investment Management, LLC's Form ADV. We periodically review a random sample of votes for consistency with the voting guidelines.

#### **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 [pwmcompliancegroup@williamblair.com](mailto:pwmcompliancegroup@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 [pwmcompliancegroup@williamblair.com](mailto:pwmcompliancegroup@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](http://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](http://www.sec.gov/edgar).

### **ITEM 18 – FINANCIAL INFORMATION**

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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 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](http://www.williamblair.com) under Statement of Financial Condition.