

Howard County Retirement Plans

SMID Growth

October 26, 2017

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Portfolio Manager

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Client Relationship Manager

William Blair

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Overview

Firm Overview: Built for Client Success

- Founded in 1935
- Investment roots in small and mid cap growth
- 100% active employee owned
- Diversified, merit-based ownership structure

Assets Under Management

\$73.9 billion in assets under management As of September 30, 2017

U.S. Strategies \$28.7 billion			Non-U.S. Strategies \$42.9 billion		Dynamic Allocation Strategies \$2.3 billion	
All Cap Growth	\$1.9 billion	David Fording John Jostrand	International Growth (closed 6/12)	\$16.3 billion	Macro Allocation	
Large Cap Growth	\$2.9 billion	James Golan David Ricci	International Leaders	\$5.1 billion	Global Opportunity	
Mid Cap Growth	\$4.2 billion	Dan Crowe Robert Lanphier David Ricci	International Developed Plus	\$1.3 billion	Dynamic Diversified Allocation	
Small-Mid Cap Growth	\$7.4 billion	Dan Crowe Robert Lanphier	ADR Growth	\$205 million		
Small Cap Growth	\$855 million	Mike Balkin Ward Sexton	Intl. Small Cap Growth (closed 3/11)	\$3.3 billion		
Small-Mid Cap Value	\$75 million	Chad Kilmer Mark Leslie David Mitchell	Emerging Markets Growth (closed 6/11)	\$6.1 billion		
Small Cap Value (closed 9/17)	\$1.9 billion	Chad Kilmer Mark Leslie David Mitchell	Emerging Markets Leaders	\$6.0 billion		
Tax-Efficient Strategies	\$142 million	Mark Fuller Jackie Moss Greg Pusinelli	Emerging Markets Small Cap Growth (closed 10/13)	\$1.6 billion		
Custom Portfolios	\$7.7 billion		Global Leaders	\$2.9 billion		
Fixed Income	\$1.4 billion	Christopher Vincent Todd Kurisu Kathy Lynch Paul Sularz				

As used on this page, "William Blair" refers to William Blair Investment Management, LLC and the Investment Management division of William Blair & Company, L.L.C. unless otherwise noted. For more information about William Blair, please see <http://www.williamblair.com/About-William-Blair.aspx>. This material has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Strategy availability may be limited to certain investment vehicles; not all investment vehicles may be available to all investors. Please contact your William Blair representative for more information. Unless otherwise noted, all data shown is as of the date of this material. Assets shown in U.S. dollar.

SMID Growth Portfolio Team

Portfolio Management ¹		Portfolio Specialists				
Dan Crowe, CFA, Partner 18 years in industry 6 years at William Blair BS, University of Illinois	Robert Lanphier, Partner 30 years in industry 30 years at William Blair MBA, Kellogg School of Mgmt. BS, Purdue University	Matt McLaughlin, CFA 9 years in industry 1 year at William Blair BA, Loras College	Tara Patock, CFA 12 years in industry 4 years at William Blair MBA, Univ. of Chicago BBA, Loyola University	Patrick Quinn, CFA, Partner 17 years in industry 13 years at William Blair MBA, Univ. of Chicago BS, Indiana University		
Research Analysts						
	Consumer	Financials	Healthcare	Industrials	Information Technology	Resources
U.S. Large Cap	RJ Bukovac, CFA, CPA, Partner 29 years in industry 10 years at William Blair MSA, DePaul University BA, Cornell University Nancy Aversa, CFA 21 years in industry 2 years at William Blair MBA, University of Windsor BC, University of Windsor Lauren Thompson, CFA 6 years in industry 3 years at William Blair BS, University of Notre Dame	Mark Lane, Partner 25 years in industry 19 years at William Blair MBA, University of Chicago BA, Northwestern University	Yan Krasov, CFA 15 years in industry 11 years at William Blair MBA, University of Chicago BS, Northwestern University	Yan Krasov, CFA	James Golan, CFA, Partner 29 years in industry 17 years at William Blair MBA, Kellogg School of Management BA, DePauw University	James Golan, CFA, Partner
U.S. Mid Cap	Michael Lasota, CFA 9 years in industry 3 years at William Blair MBA, University of Chicago BA, University of Chicago	Michael Hubbard 6 years in industry 6 years at William Blair BBA, University of Iowa	Travis Cope 10 years in industry 9 years at William Blair MA, University of St. Andrews	Nick Zimmerman, CFA 13 years in industry <1 year at William Blair MS, University of Wisconsin BS, University of Illinois	Colin Williams, CFA, Partner 19 years in industry 17 years at William Blair BA, Grove City College	Nick Zimmerman, CFA
U.S. Small Cap	Henry Baby, CFA Research Analyst – U.S. Small Cap Generalist 12 years in industry 3 years at William Blair MBA, University of Chicago BS, Boston College	Mark Thompson, CFA, Partner Research Analyst – U.S. Small Cap Generalist 18 years in industry 11 years at William Blair MBA, BBA, University of Iowa	Kurt Wiese, CFA, CPA, Partner 19 years in industry 17 years at William Blair MBA, University of Chicago BS, Indiana University	Jim Jones, CFA, Partner¹ 17 years in industry 7 years at William Blair MBA, University of North Carolina BS, Miami University	Corey Tobin, Partner¹ 18 years in industry 15 years at William Blair ² MBA, Kellogg School of Management MS, University of Chicago BBA, University of Michigan	
Research Associates (8)						

Analysts average 17 years industry experience and 9 years at William Blair.

¹Karl Brewer serves as a Portfolio Advisor until December 1, 2017.

²Jim Jones and Corey Tobin also serve as Co-Directors of U.S. Growth Research.

³9 years of experience at William Blair from November 2002 to 2011. Rejoined the firm in August 2012. As of October 2017.

Philosophy and Process

Investment Philosophy

Quality Growth

Superior, longer-term earnings growth

- Strong management
- Sustainable business model
- Solid financials

Market Inefficiencies We Seek to Exploit

Traditional Quality Growth

A better company than the market expects

- Faster growing
- More durable growth rates

Fallen Quality Growth

Short term issue

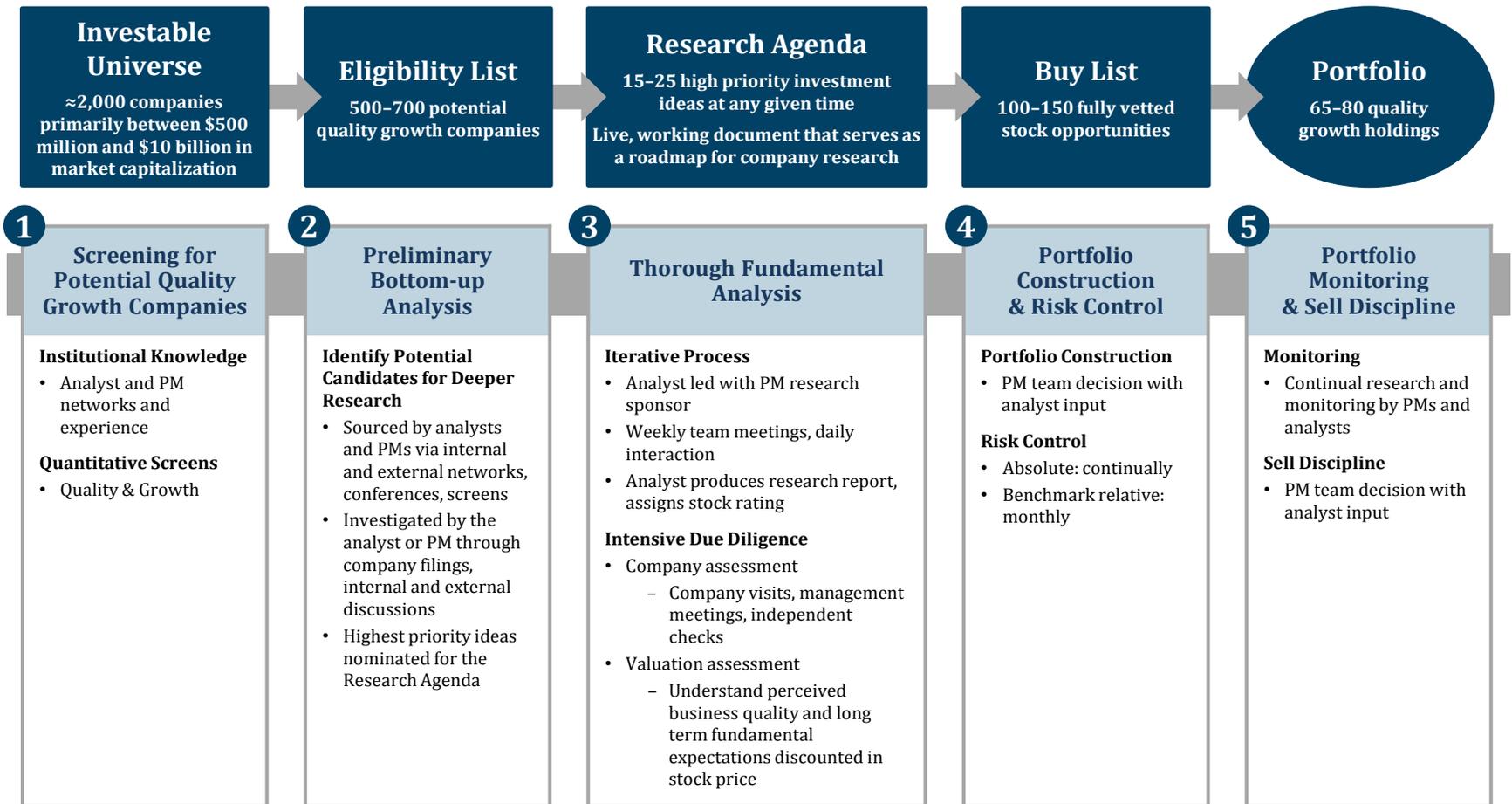
- Growth is non-linear
- Market overreacts
- Deep company knowledge

Undiscovered Quality Growth

Lack of readily accessible information

- Minimal analyst coverage
- Low institutional ownership

SMID Growth Investment Process



Performance and Portfolio Characteristics

Portfolio Characteristics

As of September 30, 2017

	Howard County Retirement Plans	Russell 2500 Growth Index
Growth		
EPS Growth Rate (3-year historic)	15.5%	17.0%
EPS Growth Rate (5-year historic)	17.2%	15.3%
EPS Growth Rate (LT forecast) ¹	16.4%	15.5%
Quality		
Return on Invested Capital	10.0%	7.7%
Free Cash Flow Margin	11.3%	8.2%
Debt to Total Capital Ratio	42.5%	41.1%
Valuation		
P/E (1-year forecast)	22.8x	26.0x
Capitalization (\$B)		
Weighted Average Market Cap	\$7,269	\$5,119
Weighted Median Market Cap	\$5,840	\$4,534
Portfolio Positions		
Number of Securities	74	1,432

Calculated in FactSet; Market cap calculated in Eagle. The projected P/E value is calculated using First Call Data.

Top 15 Holdings

As of September 30, 2017

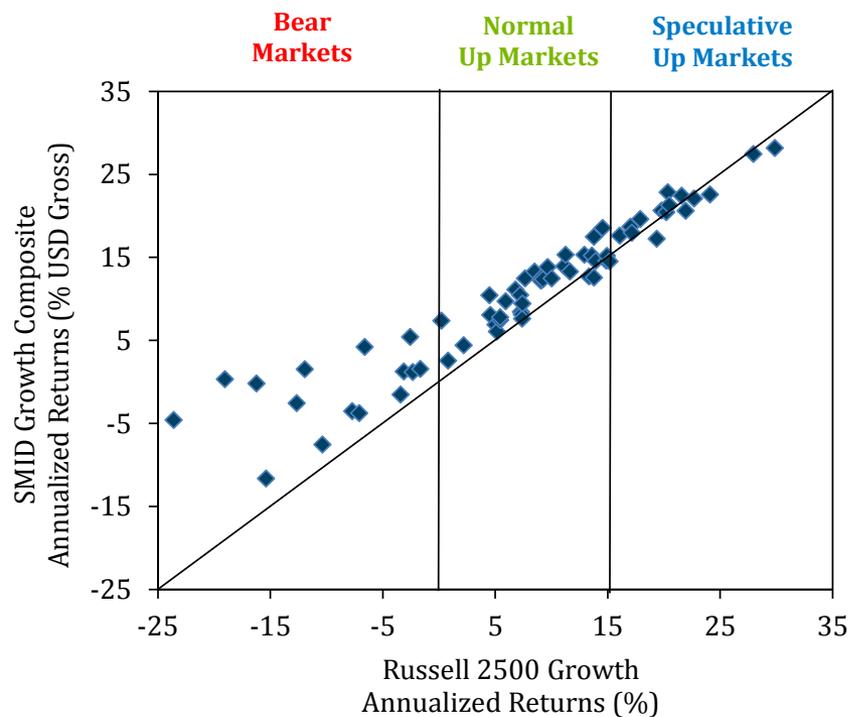
Top 15 Holdings – Howard County		
	Howard County % In Portfolio	Russell 2500 Growth % In Index
BWX Technologies Inc	2.74	0.24
CoStar Group Inc	2.73	0.40
Copart Inc	2.67	0.32
Six Flags Entertainment Corp	2.29	0.19
Guidewire Software Inc	2.24	0.10
SBA Communications Corp	2.22	-
Centene Corp	2.04	-
Booz Allen Hamilton Holding Co	1.98	0.24
Take-Two Interactive Software	1.95	0.49
Ligand Pharmaceuticals Inc	1.94	0.13
Middleby Corp/The	1.93	0.34
Ball Corp	1.92	-
Vantiv Inc	1.89	-
Arista Networks Inc	1.88	0.47
j2 Global Inc	1.82	0.16
Total	32.25	3.07

	Howard County	Russell 2500 Growth Index
Number of Securities	74	1,432

Calculated in Eagle. Holdings include cash. Individual securities listed in this report are for informational purposes only. Holdings are subject to change at any time. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities listed.

Institutional SMID Growth Strategy Batting Average

Rolling 3-Year Returns Since Inception (July 1, 1998)



Overall Batting Average: 86%

Market Environment	
<u>Bear Markets (<0% return)</u>	
SMID Growth Composite	-1.33
Russell 2500 Growth	<u>-9.58</u>
Relative Performance	8.25
<u>Normal Up Markets (0-15% return)</u>	
SMID Growth Composite	11.25
Russell 2500 Growth	<u>8.74</u>
Relative Performance	2.51
<u>Speculative Up Markets (>15% return)</u>	
SMID Growth Composite	20.88
Russell 2500 Growth	<u>20.73</u>
Relative Performance	0.15

September 2017 performance is preliminary.

As of September 30, 2017

Rolling 3-year returns graph calculated using quarterly data. Market environment returns reflect average annualized returns for rolling 3-year periods within each market environment category. Overall batting average reflects the percentage of rolling 3-year periods in which SMID Growth outperformed the Russell 2500 Growth Index.

Past performance is not indicative of future returns. Returns for periods greater than one year are annualized. Gross performance results shown do not reflect the deduction of investment management fees, assume the reinvestment of dividends and capital gains, and are net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. For example, assuming an annual gross return of 8% and an annual management/advisory fee of .40%, the net annualized total return of the portfolio would be 7.58% over a 5-year period. Net investment performance represents the deduction of the highest possible fee. Investment management fees are described in William Blair's Form ADV Part 2A. The Russell 2500 Growth Index is an unmanaged index registered to Russell/Mellon. It measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. It is a capitalization-weighted index as calculated by Russell on a total return basis with dividends reinvested. Investing in smaller companies involves special risks, including higher volatility and lower liquidity. Please see composite disclosure in appendix for a complete description of the composite.

Performance Summary

For periods ending September 30, 2017

Performance (%)	3Q17	YTD	1 Year	Annualized				
				3 Year	5 Year	7 Year	10 Year	Since Inception ¹
Howard County Retirement Plans	5.44	23.06	26.66	15.47	17.38	16.58	10.91	11.69
Russell 2500 Growth Index	5.78	17.03	20.07	11.27	14.46	14.37	8.72	9.47

Risk (Standard Deviation) ²	Annualized		
	5 Year	10 Year	Since Inception ¹
Howard County Retirement Plans	11.04	17.57	16.84
Russell 2500 Growth Index	12.89	19.45	18.57

Assets	
Howard County Retirement Plans	\$15,597,838

1. Howard County Retirement Plans Performance Inception: 5/30/2006.

2. Annualized standard deviation of monthly returns.

As of 7/1/2015, discretionary investment management of the portfolio is provided by William Blair Investment Management, LLC. Prior to such date, such discretionary investment management was provided by William Blair & Company, L.L.C., an affiliate of William Blair Investment Management, LLC.

Past performance is not indicative of future returns. Gross investment performance assumes reinvestment of dividends and capital gains, is gross of investment management fees and net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. For example, assuming an annual gross return of 8% and an annual management/advisory fee of .40%, the net annualized total return of the portfolio would be 7.58% over a 5-year period. Net investment performance represents the deduction of the account's actual fee. Investment management fees are described in William Blair's Form ADV Part 2A. Returns for periods greater than one year are annualized. The Russell 2500 Growth Index measures the performance of those Russell 2500 companies with higher price-to book ratios and higher forecasted growth values. It is a capitalization-weighted index as calculated by Russell on a total return basis with dividends reinvested. This benchmark is a comparable market proxy.

Institutional SMID Growth Attribution

September 30, 2017

QTD Contributors

- Top contributors: Take-Two Interactive Software (Information Technology), Exact Sciences (Health Care), Align Technology (Health Care), Centene (Health Care) and Arista Networks (Information Technology)

QTD Detractors

- Top detractors: j2 Global (Information Technology), Westinghouse Air Brake Technologies (Industrials), Signature Bank (Financials), Glaukos (Health Care) and DexCom (Health Care)
- Our emphasis on durable business models was a headwind as companies with more volatile fundamentals outperformed

YTD Contributors

- Positive stock selection in several sectors, most notably Health Care including Exact Sciences and Centene
- Other top contributors included Information Technology holdings Take-Two Interactive Software, 2U and Guidewire Software
- Our higher growth bias was a tailwind

YTD Detractors

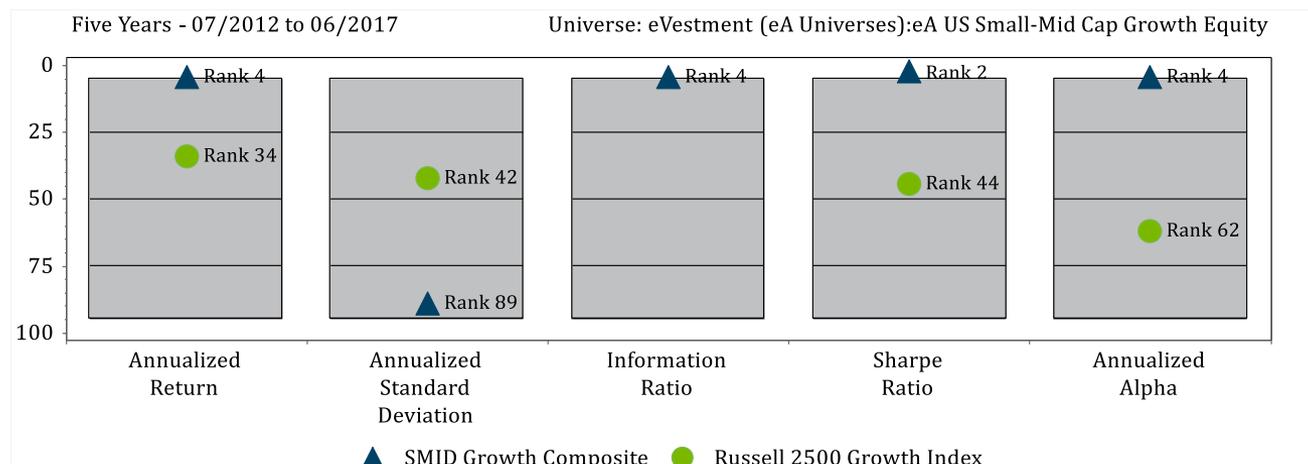
- Top detractors: Tractor Supply (Consumer Discretionary), Signature Bank (Financials), j2 Global (Information Technology), Akamai Technologies (Information Technology) and Carrizo Oil & Gas (Energy)
- Our emphasis on durable business models was a headwind as companies with more volatile fundamentals outperformed

Source: William Blair, Opturo.

Past performance is not indicative of future returns. The above information is based on the strategy's representative portfolio. Holdings are subject to change at any time. References to specific securities and their issuers are for illustrative purposes only and are not intended and should not be interpreted as recommendations to purchase or sell such securities. William Blair may or may not own the securities referenced and, if such securities are owned, no representation is being made that such securities will continue to be held. The above securities do not represent all of the securities purchased, sold or recommended for all William Blair clients.

Institutional SMID Growth Strategy

Performance Statistics – Five Years (USD Gross)



	Annualized Return	Annualized Standard Deviation	Information Ratio	Sharpe Ratio	Annualized Alpha
5th Percentile	17.62	16.45	0.84	1.45	5.21
25th Percentile	14.87	13.87	0.15	1.25	2.46
50th Percentile	13.81	12.64	-0.11	1.07	0.74
75th Percentile	12.19	11.85	-0.41	0.95	-0.71
95th Percentile	8.82	11.17	-0.95	0.57	-4.44
SMID Growth Composite (Gross)	17.62	11.20	0.84	1.56	5.21
Russell 2500 Growth Index	14.33	12.92	--	1.10	0.00
Number of Managers	61	61	61	61	61

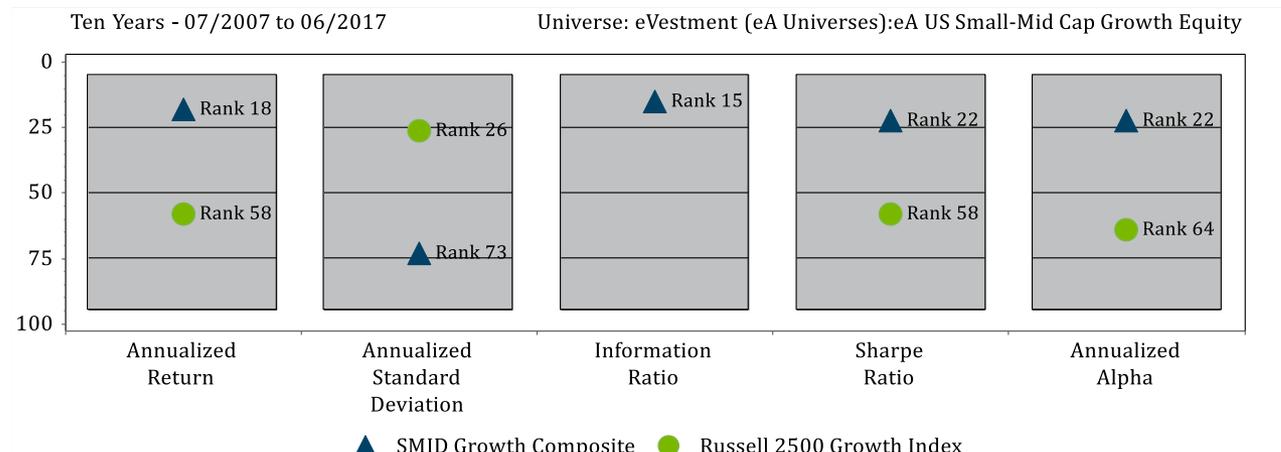
Composite inception July 1, 1998.

eVestment Alliance Small-Mid Cap Growth Universe – U.S. Equity products that invest primarily in small and mid capitalization stocks with fundamental characteristics showing high earnings growth expectations or in fast-growing economic sectors. The expected benchmarks for this universe would include the Russell 2500, or Russell 2500 Growth. Managers in this category will typically indicate a “Primary Capitalization Emphasis” equal to Small-Mid Cap and a “Primary Style Emphasis” equal to Growth. eVestment Alliance standard deviation reflects annualized calculation of quarterly returns.

Past performance is not indicative of future returns. Returns for periods greater than one year are annualized. Gross performance results shown do not reflect the deduction of investment management fees, assume the reinvestment of dividends and capital gains, and are net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. For example, assuming an annual gross return of 8% and an annual management/advisory fee of .40%, the net annualized total return of the portfolio would be 7.58% over a 5-year period. Net investment performance represents the deduction of the highest possible fee. Investment management fees are described in William Blair’s Form ADV Part 2A. The Russell 2500 Growth Index is an unmanaged index registered to Russell/Mellon. It measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. It is a capitalization-weighted index as calculated by Russell on a total return basis with dividends reinvested. Investing in smaller companies involves special risks, including higher volatility and lower liquidity. Please see composite disclosure in appendix for a complete description of the composite.

Institutional SMID Growth Strategy

Performance Statistics – Ten Years (USD Gross)



	Annualized Return	Annualized Standard Deviation	Information Ratio	Sharpe Ratio	Annualized Alpha
5th Percentile	12.89	21.06	0.67	0.68	5.41
25th Percentile	10.19	19.64	0.34	0.57	2.83
50th Percentile	8.44	18.54	0.05	0.45	1.16
75th Percentile	7.54	17.35	-0.14	0.36	-0.29
95th Percentile	4.23	15.87	-0.49	0.19	-2.29
SMID Growth Composite (Gross)	10.52	17.68	0.49	0.57	3.01
Russell 2500 Growth Index	8.18	19.50	--	0.39	0.00
Number of Managers	48	48	48	48	48

Composite inception July 1, 1998.

eVestment Alliance Small-Mid Cap Growth Universe – U.S. Equity products that invest primarily in small and mid capitalization stocks with fundamental characteristics showing high earnings growth expectations or in fast-growing economic sectors. The expected benchmarks for this universe would include the Russell 2500, or Russell 2500 Growth. Managers in this category will typically indicate a “Primary Capitalization Emphasis” equal to Small-Mid Cap and a “Primary Style Emphasis” equal to Growth. eVestment Alliance standard deviation reflects annualized calculation of quarterly returns.

Past performance is not indicative of future returns. Returns for periods greater than one year are annualized. Gross performance results shown do not reflect the deduction of investment management fees, assume the reinvestment of dividends and capital gains, and are net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. For example, assuming an annual gross return of 8% and an annual management/advisory fee of .40%, the net annualized total return of the portfolio would be 7.58% over a 5-year period. Net investment performance represents the deduction of the highest possible fee. Investment management fees are described in William Blair’s Form ADV Part 2A. The Russell 2500 Growth Index is an unmanaged index registered to Russell/Mellon. It measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. It is a capitalization-weighted index as calculated by Russell on a total return basis with dividends reinvested. Investing in smaller companies involves special risks, including higher volatility and lower liquidity. Please see composite disclosure in appendix for a complete description of the composite.

Appendix

Holdings

As of September 30, 2017

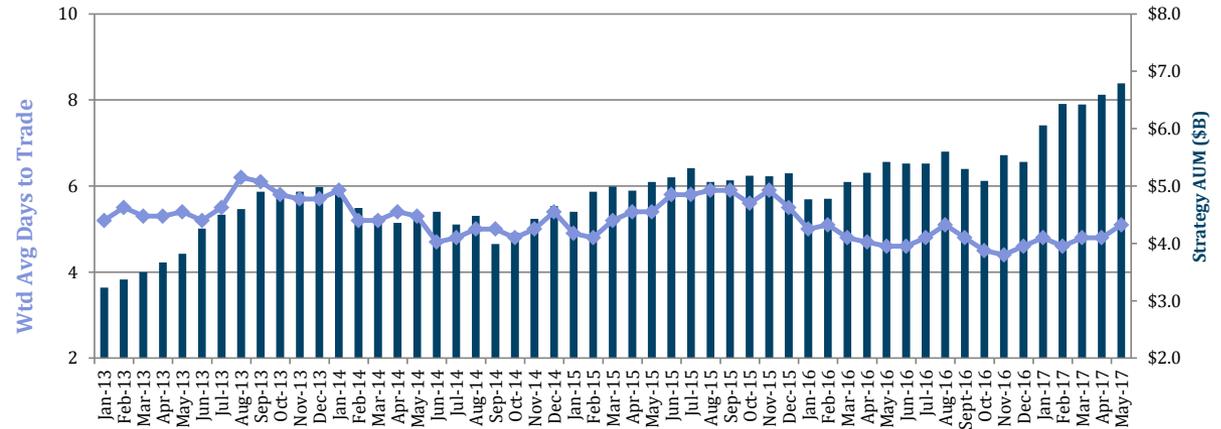
	Portfolio Weight	Benchmark Weight		Portfolio Weight	Benchmark Weight		Portfolio Weight	Benchmark Weight
Consumer Discretionary	14.80	14.80	Health Care (Cont'd)			Information Technology	25.61	25.07
Six Flags Entertainment Corporation	2.29	0.19	ABIOMED Inc.	1.48	0.32	CoStar Group Inc.	2.73	0.40
Grand Canyon Education Inc.	1.82	0.20	Exact Sciences Corporation	1.48	0.26	Guidewire Software Inc.	2.24	0.10
Domino's Pizza Inc.	1.55	0.44	HealthSouth Corporation	1.43	0.21	Booz Allen Hamilton Holding Corporation	1.98	0.24
Vail Resorts Inc.	1.55	0.42	Mettler-Toledo International Inc.	1.28	-	Take-Two Interactive Software Inc.	1.95	0.49
Tractor Supply Company	1.42	-	Acadia Healthcare Company Inc.	1.20	-	Vantiv Inc.	1.89	-
Adtalem Global Education Inc.	1.25	-	Horizon Pharma PLC	1.18	-	Arista Networks Inc.	1.88	0.47
Universal Electronics Inc.	1.22	0.04	Veeva Systems Inc	1.14	0.28	j2 Global Inc.	1.82	0.16
Michaels Companies Inc	1.20	0.09	Cambrex Corporation	1.13	0.08	2U Inc.	1.69	0.11
Live Nation Entertainment Inc.	1.12	0.27	Cooper Companies Inc.	0.94	0.41	MAXIMUS Inc.	1.58	0.19
Hilton Grand Vacations Inc.	0.79	0.12	DexCom Inc.	0.88	0.19	WEX Inc.	1.46	0.16
Cable One Inc.	0.60	0.16	Glaukos Corp	0.73	0.04	National Instruments Corporation	1.33	0.16
Consumer Staples	0.56	2.18	West Pharmaceutical Services Inc.	0.63	0.33	Yelp Inc	1.19	0.15
Nu Skin Enterprises Inc.	0.56	0.04	IDEXX Laboratories Inc.	0.48	-	Euronet Worldwide Inc.	1.09	0.22
Energy	1.18	1.66	Repligen Corporation	0.48	0.07	MaxLinear inc	1.05	0.07
Diamondback Energy Inc.	0.88	0.10	Charles River Laboratories International Inc.	0.04	0.24	CSRA Inc.	1.03	0.24
Carrizo Oil & Gas Inc.	0.30	0.06	Industrials	15.91	19.12	Coherent Inc.	0.69	0.27
Financials	9.09	7.41	BWX Technologies Inc.	2.74	0.24	Materials	6.31	6.51
Affiliated Managers Group Inc.	1.58	-	Copart Inc.	2.67	0.32	Ball Corporation	1.92	-
Bank of the Ozarks	1.56	0.12	Middleby Corporation	1.93	0.34	Celanese Corporation	1.73	-
FirstCash Inc.	1.33	0.03	HEICO Corporation	1.49	0.27	Martin Marietta Materials Inc.	1.67	-
CBOE Holdings Inc.	1.29	0.55	TransUnion	1.45	0.33	Axalta Coating Systems Ltd.	1.00	0.28
Encore Capital Group Inc.	1.22	-	Hexcel Corporation	1.42	0.16	Real Estate	4.97	3.58
East West Bancorp Inc.	0.78	0.02	Old Dominion Freight Line Inc.	1.14	0.19	SBA Communications Corp.	2.22	-
OM Asset Management PLC	0.66	0.05	SiteOne Landscape Supply Inc.	1.12	0.09	Jones Lang LaSalle Incorporated	1.18	-
Virtu Financial Inc.	0.66	0.02	Toro Company	1.08	0.30	FirstService Corp	0.98	-
Health Care	19.99	18.44	Dun & Bradstreet Corporation	0.86	0.08	Colliers International Group Inc.	0.59	-
Centene Corporation	2.04	-				Telecommunication Services	-	0.82
Ligand Pharmaceuticals Incorporated	1.94	0.13				Utilities	-	0.41
Align Technology Inc.	1.52	-				Cash & Equivalents	1.57	-
						Total:	100.00	100.00

Individual securities listed in this report are for informational purposes only. Holdings are subject to change at any time. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities listed. The benchmark above is the Russell 2500 Growth Index.

SMID Growth Capacity

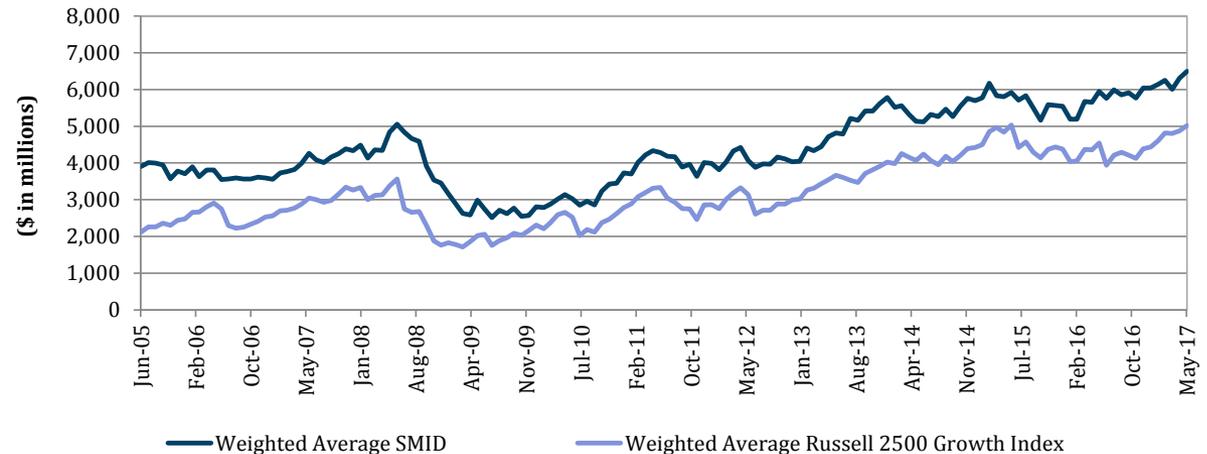
Portfolio liquidity remains stable despite our strategy AUM reaching a new high.

Liquidity Profile



Importantly, our relative market cap profile remains consistent with our history.

Market Capitalization Profile



As of May 2017.

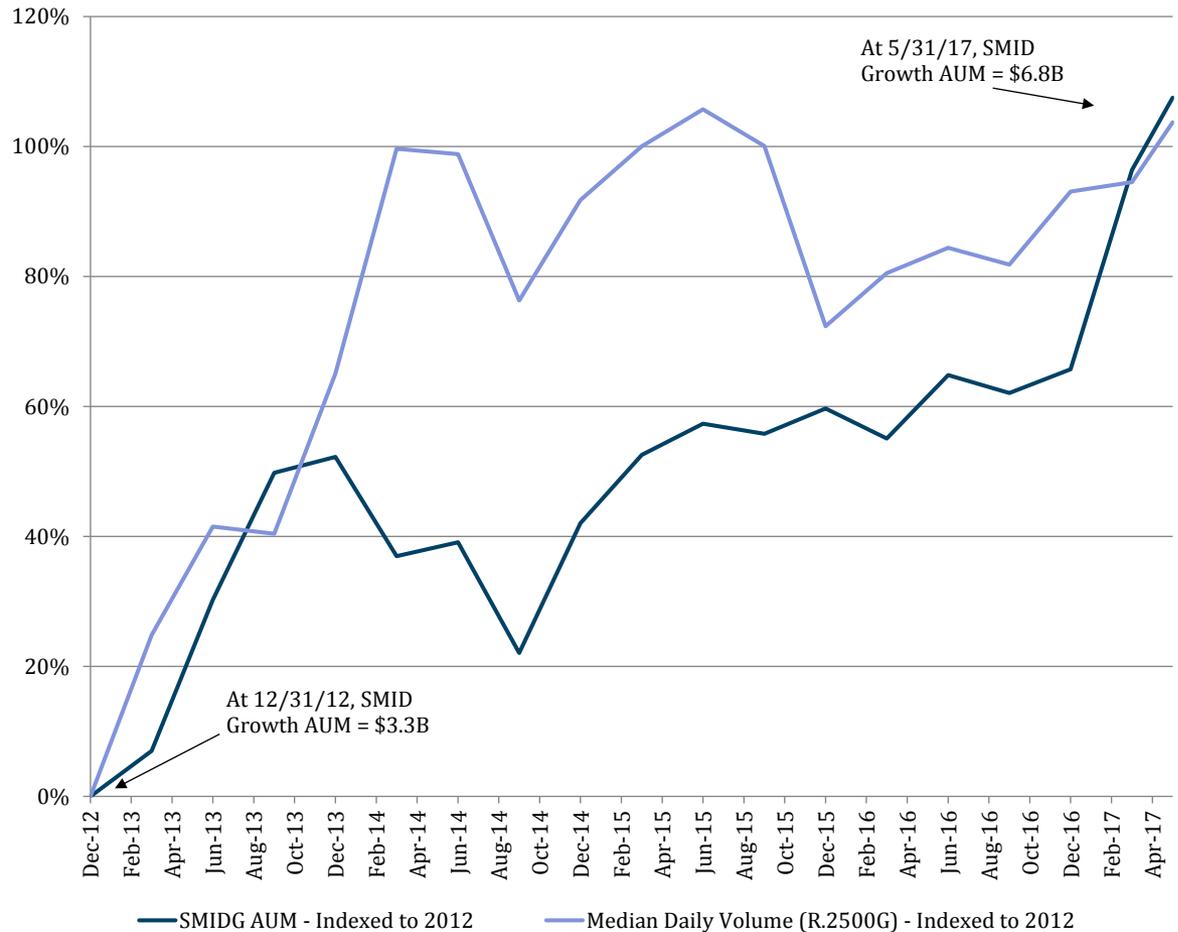
The data shown above is taken from a representative portfolio. Calculated in FactSet; Market cap calculated in Eagle.

SMID Growth Capacity

Our relative liquidity profile is similar to 2012 despite the strategy's higher AUM today.

Market liquidity and our strategy AUM have grown proportionally. Relative to 2012, the median daily volume of the Russell 2500 Growth increased by 104%. Our strategy AUM grew by 108% over that same time period.

SMID Growth Strategy AUM Increase vs. Russell 2500 Growth Liquidity Increase



As of May 2017.
Assets shown in USD.

Howard County – Investment Guidelines

SMID Growth Equity

- William Blair will invest in a diversified portfolio of growth-oriented companies. This portfolio typically will hold between 65–80 securities. The market capitalizations of the individual portfolio holdings will generally fall between \$250 million and \$14 billion at the time of initial purchase. The firm’s investment philosophy is to focus on companies with above-average growth prospects where growth can be sustained. Companies in the portfolio may have business characteristics such as proprietary products, market dominance and/or cost-based advantages.

Permissible Investments

- Common or preferred shares of corporations listed and traded on nationally recognized domestic exchanges or over-the-counter markets
- Warrants or rights to equity securities
- Cash or cash-equivalent securities, including money market mutual funds and equivalent commingled funds; U.S. Treasury Bills; commercial paper; certificates of deposit; bankers’ acceptances and repurchase agreements collateralized by US Treasury or Agency Securities
- The investment manager may use futures and exchange traded funds in order to equitize cash

Prohibited Investments

- Short sales of any type
- Share purchases involving the use of margin

Portfolio Construction Guidelines

- The portfolio will be diversified by issuer and sector
- The portfolio will be diversified by sector as defined by the investment manager, with no individual sector representing more than the benchmark weight or 50% of the portfolio, whichever is greater. The portfolio will be invested in a minimum of three economic sectors

Howard County – Investment Guidelines

- The maximum allocation to any one security is 5% of the portfolio (at purchase). Appreciation in market value of a security such that it represents more than 5% of the portfolio shall not result in liquidations except that if any one security position exceeds 8% of the portfolio at any given time, the position will be promptly reduced below 8%.
- The amount of cash and cash equivalents will generally not exceed 5% of the portfolio, except during periods of cash contributions and withdrawals or short term repositioning of the portfolio.
- If the manager breaches the portfolio construction guidelines, it must promptly notify the client.

Benchmark

- The benchmark for this strategy is the Russell 2500 Growth Index

Biographies – SMID Growth Team

Dan Crowe, CFA, Partner

Dan Crowe is a portfolio manager on the Mid Cap Growth and Small-Mid Cap Growth strategies. Dan had previously served as an Associate Portfolio Manager on our Mid Cap Growth strategy and before that as an associate portfolio manager on our Small Cap Growth strategy and a research analyst. His research focus was on the U.S. small cap space across all sectors. Dan joined William Blair as a generalist research analyst in May 2011. Before joining William Blair, he was a midcap portfolio manager at Pyramis Global Advisors, and before that a portfolio manager and analyst at The Boston Company/Founders Asset Management. He began his career as a generalist analyst at Marsico Capital Management. Dan is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S., mechanical engineering, University of Illinois at Urbana-Champaign.

Robert C. Lanphier, Partner

Rob Lanphier is a portfolio manager on the Mid Cap Growth and Small-Mid Cap Growth strategies. He co-founded the Mid Cap Growth strategy in 1997 and the Small-Mid Cap Growth strategy in 1998. Before that, he was with William Blair's sell-side institutional sales group for eight years. He joined William Blair in 1987. Before joining the investment industry, Rob was with Emerson Electric Corporation for nearly six years. Education: B.S., with honors, Purdue University; M.B.A., Northwestern University's Kellogg Graduate School of Management.

Karl W. Brewer, CFA, Partner

Karl Brewer is a portfolio advisor on the SMID Growth and Small Cap Growth strategies through December 1, 2017. Previously, Karl was a portfolio manager on the SMID Growth and Small Cap Growth strategies. He joined the Small Cap Growth strategy in 1999 and the Small-Mid Cap Growth strategy in 2002. He joined William Blair in 1996, serving as a research analyst for three years. Before that, he was in the mergers-and-acquisitions and corporate finance departments at Lehman Brothers Inc. for six years. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.A., Washington and Lee University; M.B.A., Northwestern University's Kellogg Graduate School of Management.

Matt McLaughlin, CFA, CAIA

Matt McLaughlin is a Portfolio Specialist for the firm's U.S. equity growth strategies. He joined William Blair in 2016 to work with the firm's domestic equity growth teams. Previously, Matt was Vice President, Research with Harbor Capital Advisors. Matt is a member of the CFA Institute, the CFA Society of Chicago, and the CAIA Association. Education: B.A., finance, and marketing, Loras College.

Tara Patock, CFA

Tara Patock is a Portfolio Specialist for the firm's U.S. equity growth strategies. She joined William Blair in 2013 to work with the firm's domestic equity growth teams. Previously, Tara was a consultant with Pavilion Advisory Group. Before her role at Pavilion, Tara was a registered sales associate with Oppenheimer & Co. Tara is a member of the CFA Institute and the CFA Society of Chicago. Education: B.B.A., summa cum laude, economics and finance, Loyola University Chicago; M.B.A., with honors, University of Chicago's Booth School of Business.

Patrick Quinn, CFA, Partner

Patrick Quinn is a Portfolio Specialist for the firm's U.S. equity growth strategies. He joined William Blair in 2004 to work with the firm's domestic equity growth teams. Previously, Patrick was an institutional equity trader with Strong Capital Management. Patrick is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S., accounting and finance, Indiana University; M.B.A., with honors, University of Chicago's Booth School of Business.

Biographies – U.S. Equity Research Team

Nancy Aversa, CFA

Nancy Aversa is a research analyst focused on U.S. large- and mid-cap consumer companies. She joined William Blair in 2015. Previously, Nancy worked in the research department and on the portfolio teams of Federated Investors for 10 years. During her time at Federated, Nancy covered a broad range of domestic equities within the consumer cyclicals and consumer staples sectors for both long-only and short-only portfolio strategies. Before that, she was a consumer research analyst with Victory Capital Management. Nancy started her career in investment banking with McDonald Investments. She is a member of the CFA Institute and the CFA Society of Chicago. Education: Bachelor of Commerce, University of Windsor; MBA, University of Windsor.

Henry Baby, CFA

Henry Baby is a domestic small-cap generalist research analyst. He joined William Blair in December 2014 after running his own firm Six Corners Capital for more than five years. Before joining Six Corners Capital, Henry was an equity analyst at RMB Capital Management and Holland Capital Management in Chicago. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S., finance, Boston College; MBA, University of Chicago Booth School of Business.

RJ Bukovac, CFA, CPA, Partner

RJ Bukovac is a research analyst focused on U.S. large- and mid-cap consumer companies. He joined William Blair as a research analyst in 2007. Previously, he worked in the research department and within the portfolio teams of Putnam Investments for 10 years. During his time at Putnam, RJ covered a broad range of domestic and international equities, including industrials, consumer cyclicals, consumer staples, and diversified media. Before that, he was an analyst for privately held businesses, and he determined fair market values for purposes of reorganizations, divestitures, and mergers and acquisitions in Price Waterhouse's Chicago valuation consulting practice for nine years. He is a member of the CFA Institute, the CFA Society of Chicago, and the Illinois CPA Society and AICPA. Education: B.A., economics and finance, Cornell University; M.S.A., DePaul University.

Travis Cope

Travis Cope is a research analyst focused on U.S. mid-cap healthcare companies. He joined William Blair in 2008 as a research associate working primarily with the U.S. growth team, where he was generalist analyst covering emerging market small-cap companies and non-U.S. small-cap resources companies. Before joining the firm, he was an analyst at Macquarie Bank in Chicago, where he engaged in corporate restructuring advisory activity. Education: M.A., international relations and modern history, University of St. Andrews, Scotland.

James S. Golan, CFA, Partner

Jim Golan is a portfolio manager on William Blair's Large Cap Growth strategy and a research analyst covering U.S. large-cap technology and resources. From 2000 until he took on his current role in 2005, Jim served as a research analyst focusing on financial, technology, industrial, and resource companies. Before joining William Blair in 2000, he worked at Citigroup Global Asset Management, where he was a global research team leader for the telecommunications sector and a key member of the team that devised valuation metrics for standardizing the analysis of domestic and international companies. Jim began his career at Kemper Financial as a research analyst covering telecommunications, technology, energy, industrial, food, and beverage companies. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.A., economics, DePaul University; MBA, finance, Northwestern University's Kellogg Graduate School of Management.

Michael Hubbard

Michael Hubbard is a research analyst on the financials sector team, where he focuses on U.S. small-cap companies. He joined William Blair in 2007, working as a research analyst for the firm's sell side, where he covered specialty technology and healthcare IT for two years. In 2013, after serving in the U.S. Marine Corps for four years, Michael rejoined William Blair as a research associate on the technology sector team, where he focused on U.S. companies and later emerging market small-cap companies. He founded and leads the company's veteran employee resource group. Education: B.B.A., finance, University of Iowa.

Jim Jones, CFA, Partner

Jim Jones is a research analyst focused on U.S. small-cap industrials and a co-director of research for the U.S. Growth Equity team. He joined William Blair as a research analyst in 2010. Previously, Jim was an investment analyst at Federated Investors for four years. Before that, he was a research analyst at Credit Suisse and an associate at Ashton Partners. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S., accounting, Miami University; MBA, University of North Carolina.

Biographies – U.S. Equity Research Team

Yan Krasov, CFA

Yan Krasov is a research analyst focused on U.S. large-cap industrials and healthcare companies. He joined William Blair in September 2006 as a research associate. Before joining the firm, Yan spent four years at JPMorgan Securities in Chicago, where he began his career in the firm's institutional equity sales and in the private client services groups. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S., speech and economics, Northwestern University; MBA, University of Chicago Booth School of Business.

Mark Lane, Partner

Mark Lane is a research analyst focused on U.S. large- and mid-cap financials. From June 2013 to June 2017, Mark also served as the director of research for the U.S. Growth Equity team. Before joining the team, he was a financials sector analyst with the firm's sell-side research department, where he specialized in asset management, brokerage, exchanges, and investment banking. Before joining William Blair in 1998, Mark worked as a senior underwriter for The St. Paul Companies, where he analyzed specialty property-casualty insurance risks. He also worked at Goldman Sachs as an analyst in the Chicago high-net-worth money-management group. Education: B.A., economics, Northwestern University; MBA, University of Chicago Booth School of Business.

Michael Lasota, CFA

Michael Lasota is a research analyst on the consumer sector team, where he focuses on U.S. small-cap companies. He joined William Blair as a research analyst in April 2014. Previously, Michael was an investment analyst at T. Rowe Price for nearly six years, where he covered hotel, cruise, and real estate companies. Before that, he was an associate at Boston Consulting Group for two years. Michael is a member of the CFA Institute. Education: B.A., economics, University of Chicago; MBA, University of Chicago Booth School of Business.

Lauren Thompson, CFA

Lauren Thompson is a research analyst on the consumer sector team, where she focuses on U.S. mid-cap companies. She joined William Blair as a research associate in September 2014. Previously, Lauren was an equity research associate at Credit Suisse, first on the small-/midcap strategy team and later covering the broadline retail sector. She is a member of the CFA Institute and CFA Society of Chicago. Education: B.S., mathematics and economics, University of Notre Dame.

Mark C. Thompson, CFA, Partner

Mark Thompson is a research analyst and small-cap growth associate portfolio manager. His research focus is on the U.S. small-cap space across all sectors. He joined William Blair as a research analyst in 2006. Previously, he was a research generalist at Kidron Capital for three years. Before that, he was a research analyst covering healthcare at American Express for two years. Mark is a member of the CFA Institute and the CFA Society of Chicago. Education: B.B.A., finance (with an emphasis in accounting), University of Iowa; MBA, finance, University of Iowa.

Corey S. Tobin, Partner

Corey Tobin is a research analyst focused on U.S. small-cap technology companies and a co-director of research for the U.S. Growth Equity team. Before rejoining William Blair in 2012, he was the senior vice president of healthcare solutions and corporate planning for Trustwave Holdings, Inc., a provider of data security and compliance solutions. In this role, he led Trustwave's administrative and planning functions, such as its financial planning and analysis, human resources, sales operations, facilities, investor relations, and special projects areas. From 2001 through 2011, Corey served in William Blair's sell-side research group, focusing on specialty software and healthcare IT companies; in this role he was recognized by The Wall Street Journal, The Financial Times, and Forbes. Before William Blair, Corey was an associate at private-equity firm Willis Stein & Partners, an analyst in the M&A investment banking group of Merrill Lynch, and an associate in the financial advisory services practice at Coopers & Lybrand (now PricewaterhouseCoopers). Education: B.S., business administration, high distinction, University of Michigan; MBA, Northwestern University Kellogg Graduate School of Management; M.S., computer science, with recognition, University of Chicago.

Kurt M. Wiese, CFA, CPA, Partner

Kurt Wiese is a research analyst focused on U.S. small-cap healthcare companies. He joined the team in 2001 after serving as a member of William Blair's corporate finance healthcare team, where he was engaged in all aspects of transaction execution. He joined William Blair in 2000. Before that, he worked in the Chicago audit practice of PricewaterhouseCoopers for two years. Kurt is actively involved within the Chicago community through his philanthropic work at the Chicago Jesuit Academy, a full-scholarship, college-prep middle school for underprivileged boys on Chicago's West Side. Kurt was a participant at the Center for Japanese Language and Culture at Nanzan University in Nagoya, Japan. Education: B.S., accounting and finance, Indiana University; MBA, University of Chicago Booth School of Business.

Biographies – U.S. Equity Research Team

Colin Williams, CFA, Partner

Colin Williams is a research analyst on the technology sector team focused on U.S. mid-cap companies. He initially joined William Blair in 2000 as a research associate in the firm's sell-side research group. In 2002, he moved to the firm's investment management group as a research analyst. In 2006, he began co-managing the Small Cap Growth strategy. In 2008, he requested to resume his research responsibilities. Previously, Colin held several finance positions of increasing responsibility at Allegiance Healthcare, a division of Cardinal Health. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.A., economics, Grove City College.

Nick Zimmerman, CFA

Nick Zimmerman is a research analyst focused on U.S. small- and mid-cap resources and mid-cap industrials companies. He joined William Blair as a research analyst in 2017. Before joining William Blair, Nick was an equity analyst at Holland Capital Management, where he covered energy, materials, aerospace and defense, and transportation companies. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S., finance, with high honors, University of Illinois at Urbana-Champaign; M.S., finance, University of Wisconsin-Madison.

Biographies

Systematic Research:

Spiro Voulgaris, Partner

Spiro Voulgaris is a Senior Quantitative Analyst leading the Systematic Research team. He joined William Blair in 2007. Prior to joining the firm, Spiro was a Senior Quantitative Analyst with Neuberger Berman for five years and subsequently worked alongside the same investment professionals for an additional three years while with Northern Trust. He was also with Lehman Brothers for six years where he was a Strategist and Quantitative Analyst for their global and U.S. Investment Strategy teams in London and New York. Prior to that, Spiro spent three years as a research analyst with the Center for Research in Securities Prices (CRSP). Education: B.A., Economics, University of Chicago; M.B.A., with a concentration in Statistics and International Finance, University of Chicago Booth School of Business.

Andrew Kominik, CFA

Andrew Kominik is a Quantitative Portfolio Analyst on the Systematic Research team. He primarily supports equity management teams in the use of internal and external quantitative models to evaluate portfolio risk and performance. Andrew also develops and programs multifactor quantitative models that are used by the fundamental equity analysts and portfolio managers. He joined William Blair in 2003 and previously served as a marketing analyst and portfolio construction analyst. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.A., History, Brandeis University; M.B.A., with concentrations in Econometrics & Statistics and Finance, University of Chicago Booth School of Business.

Paul Teetor

Paul Teetor is a Quantitative Developer on the Systematic Research team. He develops applications and tools for quantitative analysis and portfolio management. Prior to joining William Blair in 2015, he was a consultant to securities traders, portfolio managers, and risk managers in the Chicago area, developing quantitative software applications. His other experience in the financial services industry included work with market makers, hedge funds, and mortgage portfolio management. He is the author of the "R Cookbook," published by O'Reilly Media, and a member of the American Statistical Association. Education: B.S, Computer Science, Cornell University; M.S., Computer Science, Northwestern University; M.S., Applied Statistics, DePaul University.

Darragh Grogan

Darragh Grogan is a Quantitative Developer on the Systematic Research team. He joined William Blair in 2008 as a software engineer providing support for trading and reconciliation. He is responsible for building and maintaining our proprietary quantitative research platforms. Previously, Darragh worked as a senior software engineer at Accenture and Fidelity. Education: Bachelor of Commerce, National University of Ireland, Galway. Higher Diploma in Applied Science – Software Development and Design, National University of Ireland, Galway. Master of Science – Advanced Software Engineering, University College Dublin.

Strategy Research:

Olga Bitel

Olga Bitel joined William Blair in 2009. As Investment Management's Global Strategist, she is responsible for economic research and analysis across all regions and sectors. She distills macroeconomic and geopolitical developments into actionable insights for Global, International and Emerging Markets equities portfolios within a multifaceted strategic framework. Additionally, she provides insight on cyclical turning points and structural trends as inputs into portfolio construction in predominantly bottom-up investment approaches. Olga represents the firm with current and prospective clients in one-on-one settings, via conference calls, and written communications. With her contributions to the William Blair blog "Investing Insights," she is frequently quoted in the media. She is a frequent speaker at major global investment conferences with influential colleagues in the industry, heads of state, and global political figures. Prior to joining William Blair, Olga was a senior economist at the National Institute of Economic and Social Research in London, United Kingdom, where she produced macroeconomic forecasts for most Asian economies and led thematic research projects for some of the world's best known international organizations including OPEC, the IMF among others. Education: B.A., University of Chicago; M.Sc. economics, London School of Economics and Political Science.

Biographies – Client Service Team

Robert J. Duwa, CFA, Partner

Robert Duwa is head of institutional client relationship management. Previously, Bob was a Portfolio Specialist on the Global Equity team. Bob joined William Blair in 2010 as a Senior Client Relationship Manager responsible for institutional clients. Previously, he was a Senior Consultant and Practice Leader with DeMarche Associates, Inc. for 11 years, where he was responsible for the strategic investment direction for institutional clients. At DeMarche, he was also president and founder of Discretionary Management Services, a registered investment advisor providing OCIO services. Prior to DeMarche, Bob worked in institutional investment management for Boatmen's Trust Company. He is a member of the CFA Society of Chicago. Education: B.A. Finance, Loras College.

Douglas J. Kryscio, CFA, Partner

Doug Kryscio is a senior client relationship manager. Before joining William Blair in 2011, he was a partner and Midwest and Great Lakes market business leader with Mercer Investment Counseling for 11 years. While at Mercer, Doug was also a senior analyst, associate, and principal. Before joining Mercer, he was a portfolio manager for First Chicago. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.B.A., finance, with department honors, University of Kentucky; M.B.A., finance, with distinction, DePaul University. Distinctions: Phi Kappa Phi and Delta Mu Delta National Honor Society.

Stephen J. Weeks

Steve Weeks is a senior client relationship manager. Before joining William Blair in 2015, Steve was senior vice president of marketing, consultant relations, and client services at Columbus Circle Investors (CCI). Prior to joining CCI in April 2005, Steve was a director and senior investment specialist for Principal Global Investors and one of the founding partners of GlobeFlex Capital, L.P., where he was responsible for institutional marketing and client service. He is a current board advisor to the National Conference on Public Employee Retirement Systems (NCPERS). Education: B.S., finance, University of Arizona.

Julie Stevens, CFA

Julie Stevens joined William Blair in 2000 as a member of Investment Management's Operations team. She is the Head of Client Services. She has been a member of the Client Services team since May of 2004. Previously, she spent three years at Bank One as a Financial Analyst for the Asset Liability Management Department. She is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S., Indiana University; M.B.A., University of Chicago Booth School of Business.

James Dominguez

James Dominguez is a client relationship manager. Before joining William Blair in 2016, he served as a Vice President and Relationship Manager for Northern Trust Asset Management working with Public Pension plans and Taft-Hartley plans. While at Northern Trust, James also served as an Associate Relationship Manager within the Institutional Sales and Client Service group and as a Senior Investment Manager Liaison within Investment Operations. Prior to Northern Trust, James was the managing director of a national employment and training organization where he oversaw the service delivery of five workforce programs for the City of Chicago's Mayor's Office of Workforce Development. Education: B.A., psychology, Roosevelt University; M.B.A., financial analysis, DePaul University's Kellstadt Graduate School of Business.

Cliff Kalish, CFA

Cliff Kalish is a client relationship manager. Before joining William Blair in 2011, Cliff was a client relationship manager at Calamos Investments for six years. Before that, Cliff was a research analyst at Ellwood Associates for five years. Cliff is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S., consumer economics with an option in finance, University of Illinois at Urbana-Champaign.

Dana Denizman

Dana Denizman joined William Blair in 1999 as a member of the Small Cap Growth Team. Currently, she is a Senior Client Services Associate, responsible for both international and domestic accounts, and has been a member of the Client Services Team since May 2004. Previously, she spent four years at PaineWebber in various positions, including Registered Sales Assistant, Branch Office Administrator and in the Management Development Program. Prior to that, Dana spent four years at American Century as a Client Service Representative. Education: B.A., University of Iowa.

Biographies – Client Service Team

Matt Brady

Matt Brady joined William Blair in May 2015. He is a member of the Client Services Team as a Client Service Associate. He is responsible for both international and domestic accounts. Previously, Matt was an Analyst on the Product Development & Management Team for BMO Global Asset Management. Education: BBA, Finance and Risk Management, University of Wisconsin-Madison.

Luke Hepler

Luke Hepler joined William Blair in 2015 as a member of Investment Management Institutional Client Service. He is a Client Service Associate, responsible for both international and domestic accounts. Previously, Luke was a Research Analyst at Ellwood Associates. Education: B.S., Finance, Northern Michigan University.

Jennifer Pinner

Jennifer Pinner joined William Blair in 2014 as a member of Investment Management Institutional Client Service. She is a Client Service Associate, responsible for both international and domestic accounts. Previously, she spent eight years at Northern Trust in various positions, including Senior Consultant and Senior Account Manager for the Corporate and Institutional Services team. Education: B.S., DePaul University; M.B.A., Saint Xavier University Graham School of Management.

Thomas Riesenber

Tom Riesenber is a Senior Client Service Associate responsible for both international and domestic accounts. He joined Investment Management in November 2014. Previously, Tom was an International Accounting Analyst at William Blair for three years. Prior to that, Tom was a Financial Reporting Analyst at the Northern Trust Company for four years. Education: B.S.B.A. in Finance, Creighton University.

Investment Process – Company Assessment

Identifying Durable Business Franchises

Strong Management



Sustainable Business Model



Solid Financials



Investment Process – Valuation Assessment

We apply a valuation discipline to our buy and sell decisions. Some of the metrics include:

- Stock relative to its historical valuation
 - Stock relative to its peer group
 - Stock relative to the market
 - Stock relative to other companies with similar financial characteristics
-
- *Does the market price reflect our view of the company's long-term fundamentals?*
 - *Is the risk/reward favorable?*

Investment Process

SMID Growth Portfolio Construction and Risk Control

Portfolio Construction

Position Limit Parameters

Typical Initial Position	0.5–1.25%
Position Limit at Market	5%
Portfolio Holdings	65–80

Market Cap Range

Primarily between \$500 million and \$10 billion market capitalization at time of purchase

Sector Weight Parameters

Sector weights are generally .5x to 2x the benchmark weights of the major economic sectors

Risk Control

Absolute

- Best possible understanding of company
- Valuation discipline
- Position size parameters

Benchmark Relative

- Sector, industry and market cap weights
- Barra multi-factor risk analysis
- Internally-developed quantitative models
- Timely analysis of custom risk factors
 - Days to Cover, HF ownership, Self-Funding, Capital Market Dependency

Portfolio allocations exclude cash.

Weights shown are percentages of total net assets. Sector weights may vary over time as benchmark index weights shift. The data shown above is taken from a representative account. Calculated in FactSet based on Global Industry Classification Sectors (GICS).

Investment Process – Sell Discipline

Are fundamentals intact?

- Change in management
- Change in competitive environment
- Change in company strategy
- Change in growth rate

Is valuation attractive?

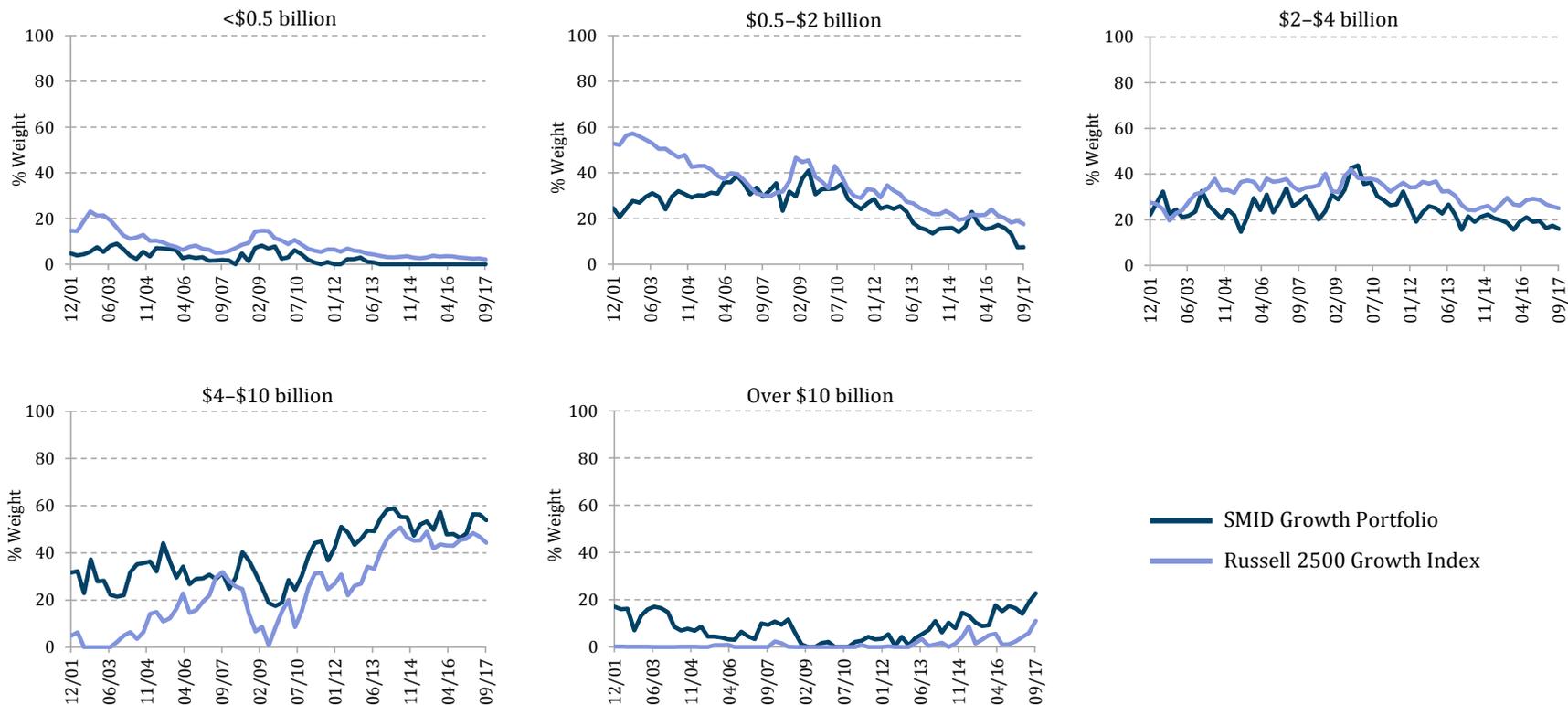
- Absolute and relative multiples
- Relative to other companies with similar financial characteristics

Are portfolio construction parameters met?

- Positions outside of parameters

SMID Growth Portfolio Capitalization Structure

September 30, 2017



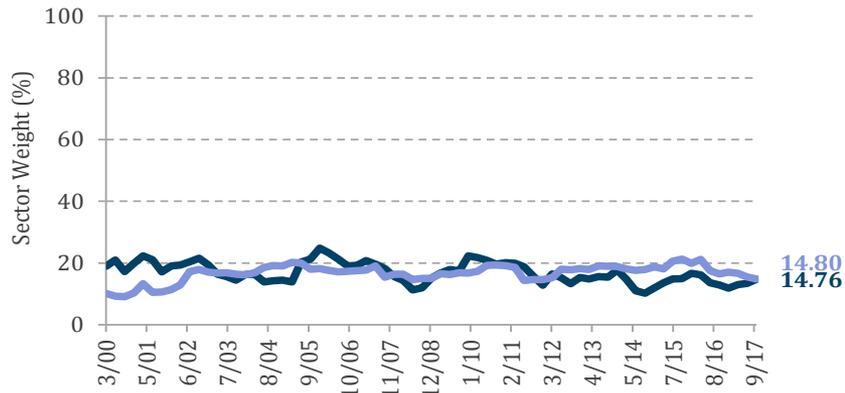
	SMID Growth	Russell 2500 Growth
Weighted Average Market Cap (\$B)	\$7.3	\$5.1
Weighted Median Market Cap (\$B)	\$5.8	\$4.5

The data shown above is based on the strategy's representative portfolio. Calculated in Eagle.

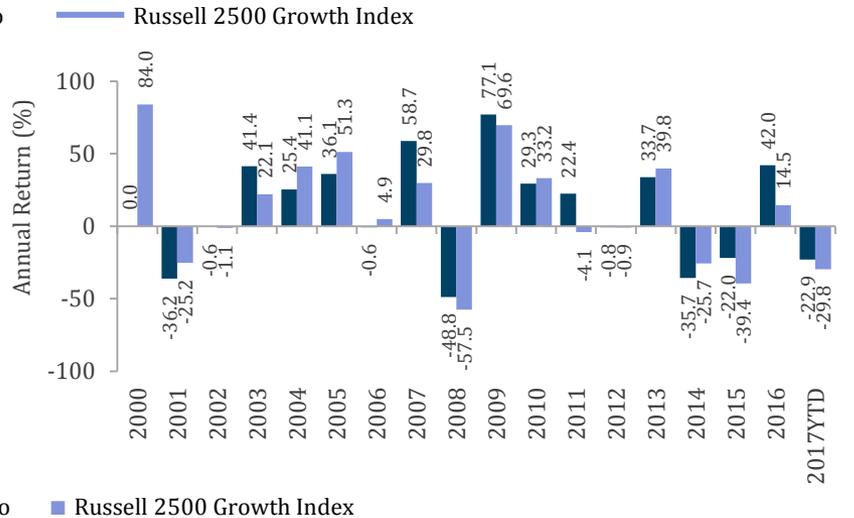
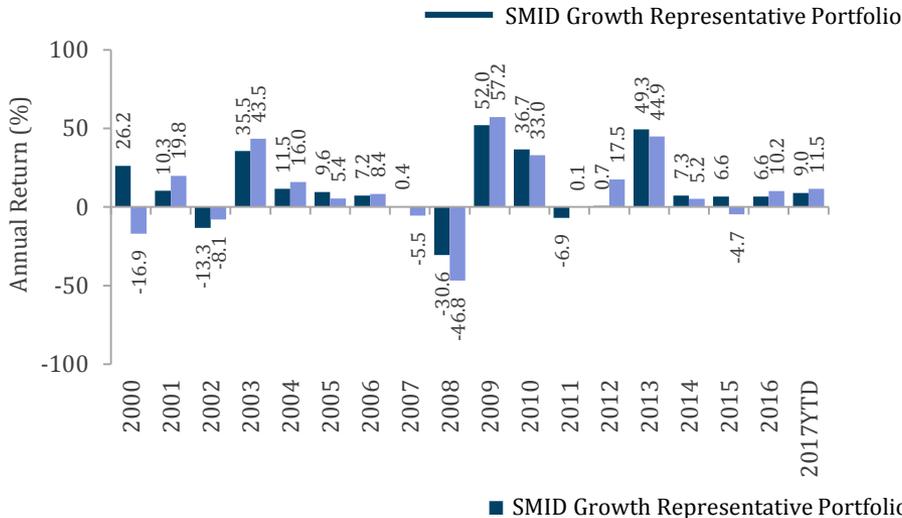
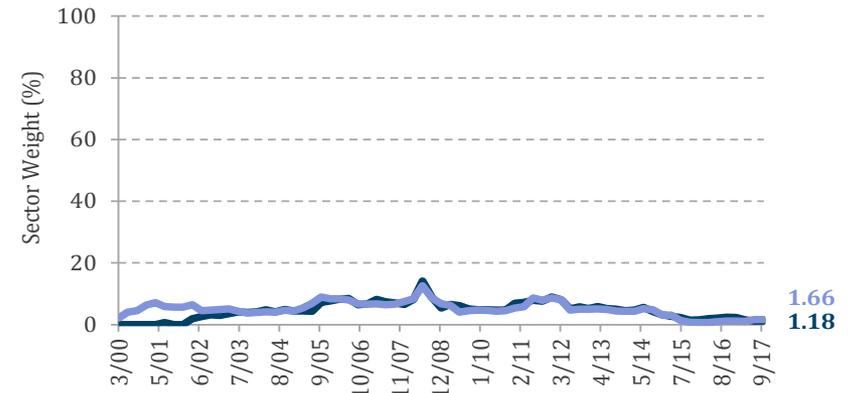
SMID Growth Portfolio Sector Weights and Performance

September 30, 2017

Consumer Discretionary



Energy

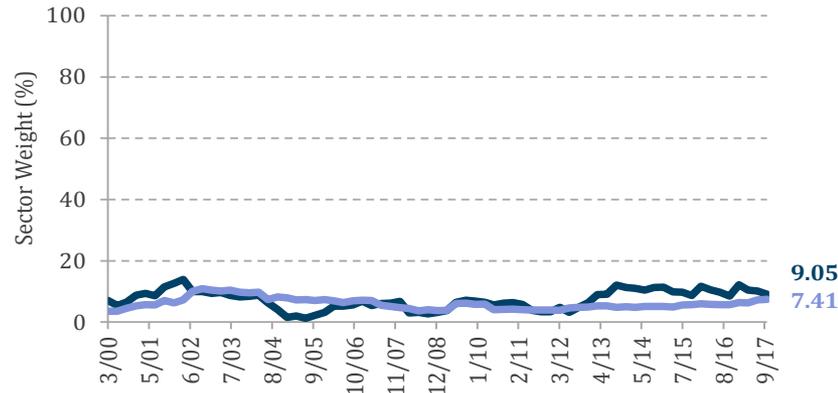


The data shown above is based on the strategy's representative portfolio. Cash is a residual of the total sector allocation. Calculated in Eagle based on Global Industry Classification Sectors (GICS). Past returns are no guarantee of future performance.

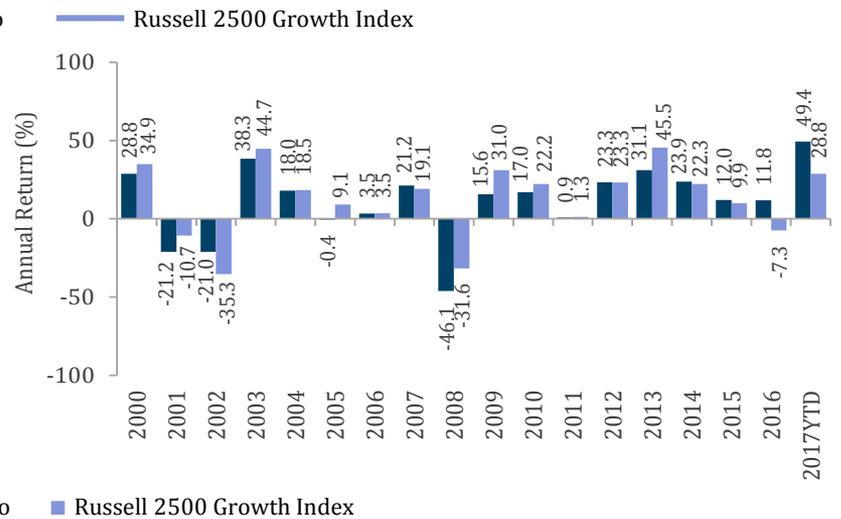
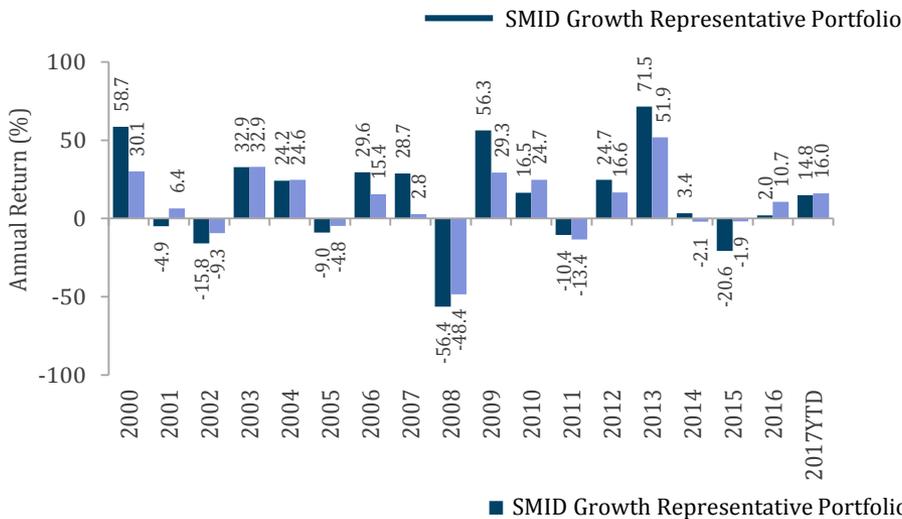
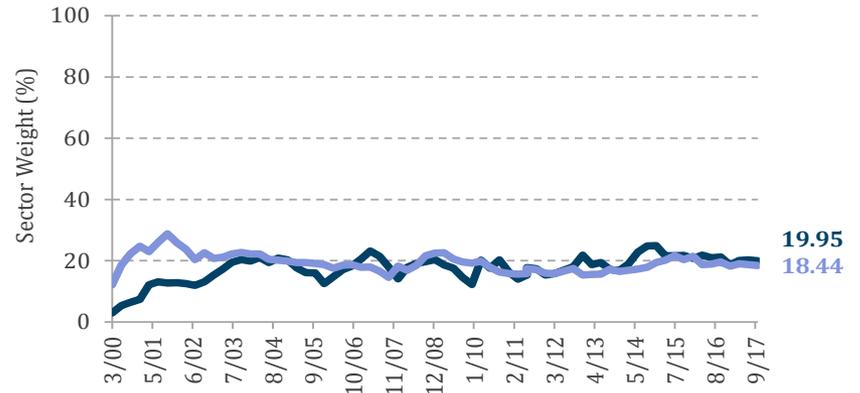
SMID Growth Portfolio Sector Weights and Performance

September 30, 2017

Financials



Healthcare

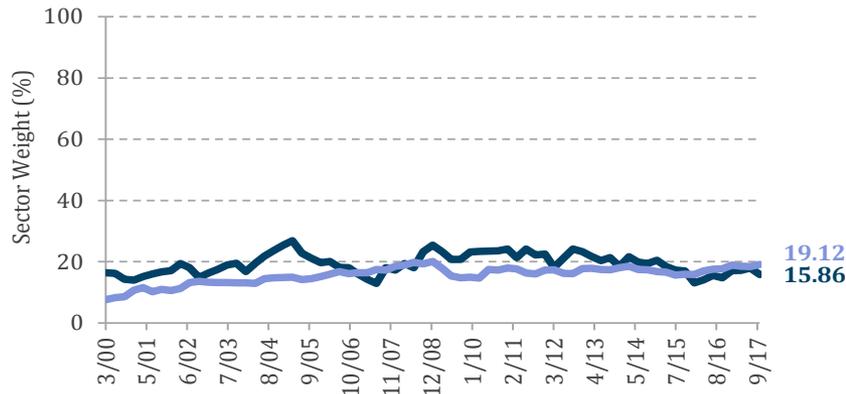


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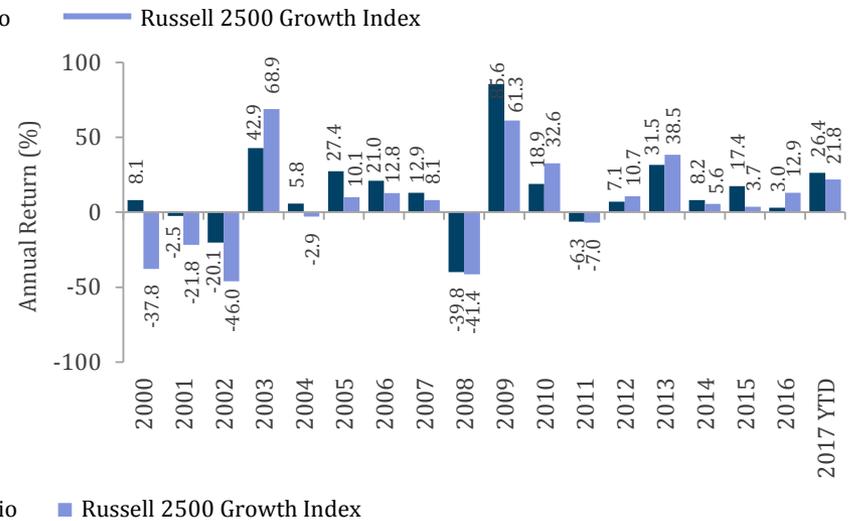
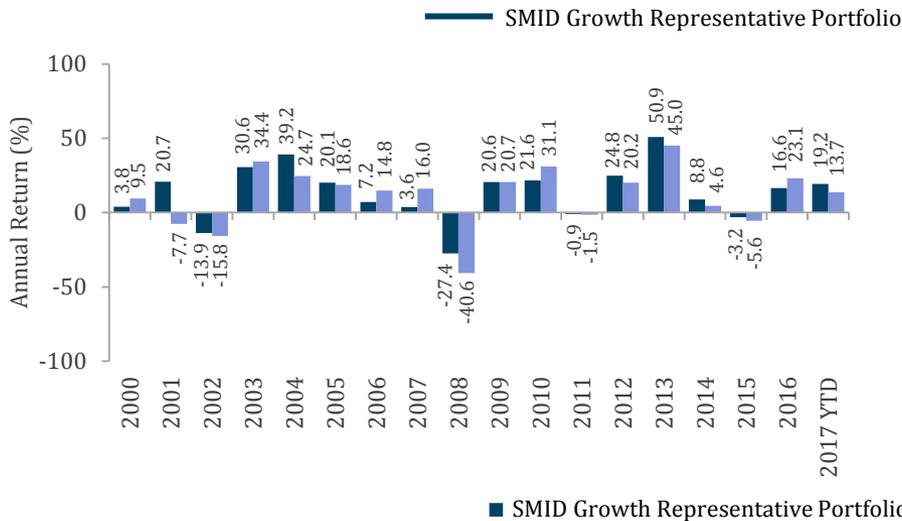
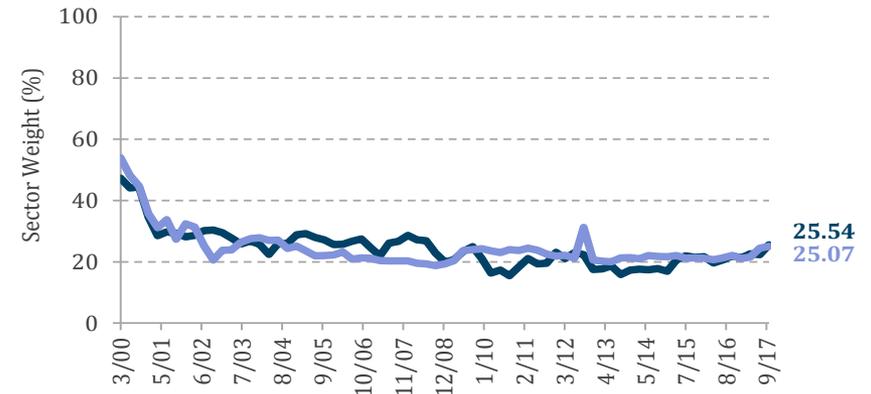
SMID Growth Portfolio Sector Weights and Performance

September 30, 2017

Industrials



Information Technology

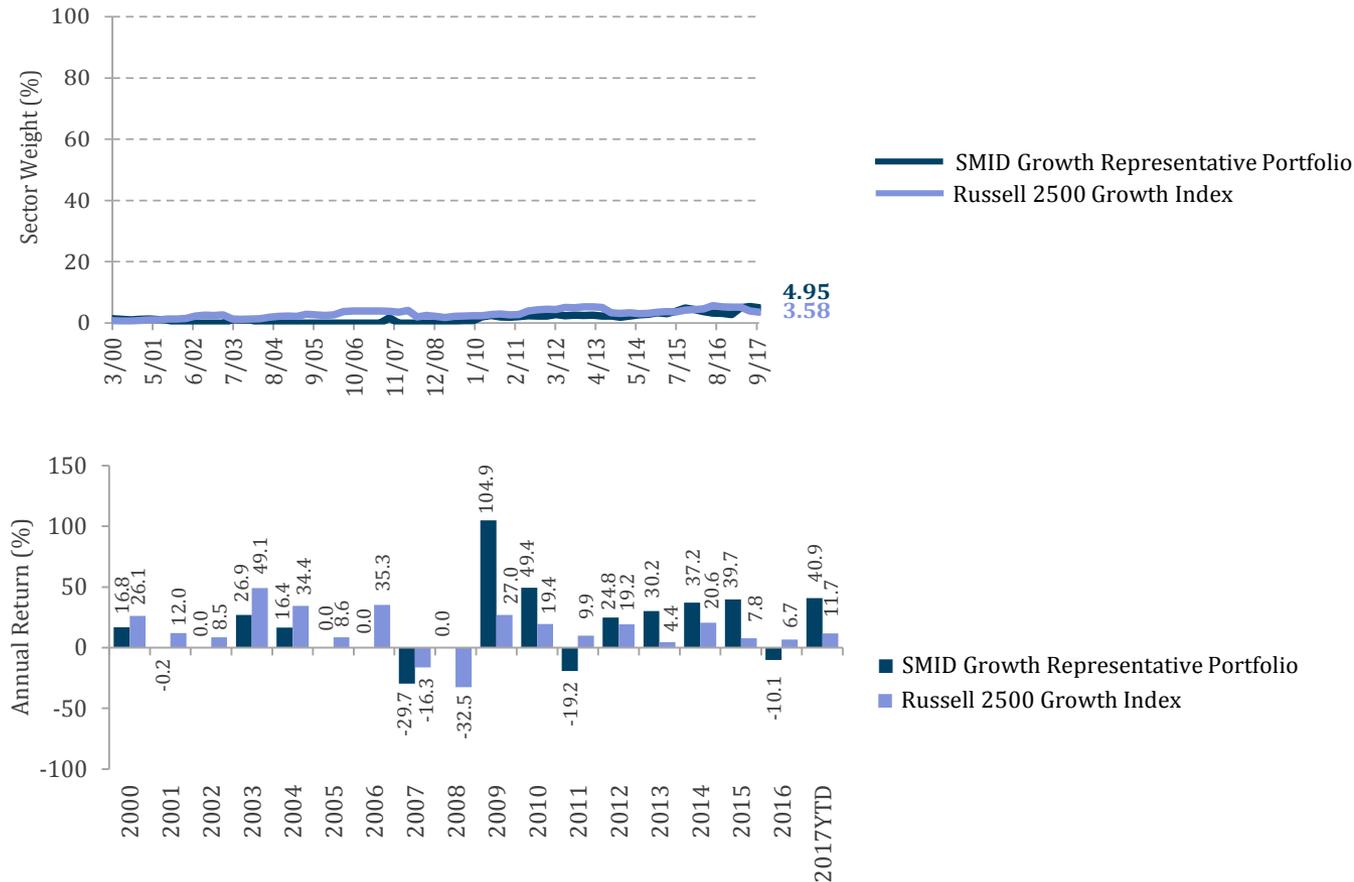


The data shown above is based on the strategy's representative portfolio. Cash is a residual of the total sector allocation. Calculated in Eagle based on Global Industry Classification Sectors (GICS). Past returns are no guarantee of future performance.

SMID Growth Portfolio Sector Weights and Performance

September 30, 2017

Real Estate



The data shown above is based on the strategy's representative portfolio. Cash is a residual of the total sector allocation. Calculated in Eagle based on Global Industry Classification Sectors (GICS). Past returns are no guarantee of future performance.

Institutional SMID Growth Strategy Performance

SMID Growth Composite vs. Russell 2500 Growth Index Quarterly and Annual Returns (%)

SMID Growth Composite vs. Russell 2500 Growth Index				SMID Growth Composite vs. Russell 2500 Growth Index				SMID Growth Composite vs. Russell 2500 Growth Index				SMID Growth Composite vs. Russell 2500 Growth Index			
SMID Growth Composite (USD Gross)		Index	Relative Performance	SMID Growth Composite (USD Gross)		Index	Relative Performance	SMID Growth Composite (USD Gross)		Index	Relative Performance	SMID Growth Composite (USD Gross)		Index	Relative Performance
Q1	--	--	--	Q1	3.99	5.50	-1.51	Q1	6.70	8.81	-2.11	Q1	-2.70	-2.66	-0.04
Q2	--	--	--	Q2	4.14	0.13	4.00	Q2	-8.39	-9.77	1.37	Q2	4.30	2.70	1.61
Q3	-12.42	-22.21	9.78	Q3	-3.10	-5.61	2.51	Q3	10.50	13.15	-2.64	Q3	3.14	6.98	-3.85
Q4	22.53	25.35	-2.83	Q4	10.51	14.91	-4.40	Q4	15.22	16.00	-0.78	Q4	2.89	2.60	0.29
1998	7.31	-2.48	9.79	2004	15.97	14.59	1.38	2010	24.44	28.86	-4.42	2016	7.70	9.73	-2.03
Q1	-9.24	-1.05	-8.18	Q1	-3.77	-4.33	0.56	Q1	10.70	9.83	0.87	Q1	9.13	6.25	2.88
Q2	7.50	16.81	-9.30	Q2	4.22	3.56	0.66	Q2	1.27	0.38	0.89	Q2	6.94	4.13	2.82
Q3	-9.65	-3.47	-6.18	Q3	7.47	6.29	1.18	Q3	-19.24	-21.35	2.11	Q3	5.40	5.78	-0.38
Q4	13.67	39.36	-25.69	Q4	4.54	2.72	1.82	Q4	11.42	13.51	-2.09	Q4			
1999	0.21	55.48	-55.27	2005	12.67	8.17	4.49	2011	0.88	-1.57	2.45	2016	23.01	17.03	5.98
Q1	10.78	15.15	-4.37	Q1	12.42	11.83	0.59	Q1	12.56	14.60	-2.05				
Q2	1.99	-6.91	8.90	Q2	-5.77	-6.12	0.35	Q2	-6.19	-5.38	-0.82				
Q3	16.45	-2.94	19.39	Q3	-0.57	-1.20	0.63	Q3	6.97	5.22	1.75				
Q4	-11.99	-19.35	7.36	Q4	5.64	8.24	-2.61	Q4	0.57	1.78	-1.21				
2000	15.79	-16.09	31.88	2006	11.26	12.26	-1.00	2012	13.59	16.13	-2.55				
Q1	-11.27	-19.92	8.64	Q1	5.78	4.03	1.74	Q1	14.27	12.20	2.07				
Q2	15.40	21.27	-5.87	Q2	7.72	6.99	0.74	Q2	4.78	3.23	1.55				
Q3	-16.09	-27.07	10.99	Q3	3.10	0.66	2.44	Q3	11.05	11.94	-0.89				
Q4	19.70	25.90	-6.20	Q4	-3.39	-2.09	-1.30	Q4	7.72	8.49	-0.77				
2001	2.85	-10.83	13.68	2007	13.50	9.69	3.81	2013	43.23	40.65	2.58				
Q1	2.39	-2.95	5.34	Q1	-14.52	-11.08	-3.44	Q1	1.42	1.04	0.38				
Q2	-9.66	-16.63	6.98	Q2	2.71	3.62	-0.91	Q2	1.32	2.90	-1.58				
Q3	-16.43	-19.06	2.63	Q3	-6.93	-12.09	5.16	Q3	-2.28	-4.21	1.93				
Q4	9.70	8.28	1.42	Q4	-23.41	-27.77	4.37	Q4	9.22	7.49	1.74				
2002	-15.20	-29.09	13.89	2008	-37.42	-41.50	4.08	2014	9.68	7.05	2.63				
Q1	-4.75	-3.20	-1.55	Q1	-1.89	-5.97	4.08	Q1	7.91	7.44	0.47				
Q2	16.73	22.72	-5.99	Q2	22.64	21.79	0.84	Q2	1.67	0.61	1.06				
Q3	8.34	9.97	-1.63	Q3	14.74	17.17	-2.43	Q3	-6.43	-11.05	4.62				
Q4	11.43	12.00	-0.57	Q4	5.89	5.57	0.32	Q4	3.26	3.81	-0.55				
2003	34.24	46.31	-12.08	2009	46.19	41.66	4.53	2015	6.00	-0.19	6.19				

September 2017 performance is preliminary.

Past performance is not indicative of future returns. Returns for periods greater than one year are annualized. Gross performance results shown do not reflect the deduction of investment management fees, assume the reinvestment of dividends and capital gains, and are net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. For example, assuming an annual gross return of 8% and an annual management/advisory fee of .40%, the net annualized total return of the portfolio would be 7.58% over a 5-year period. Net investment performance represents the deduction of the highest possible fee. Investment management fees are described in William Blair's Form ADV Part 2A. The Russell 2500 Growth Index is an unmanaged index registered to Russell/Mellon. It measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. It is a capitalization-weighted index as calculated by Russell on a total return basis with dividends reinvested. Investing in smaller companies involves special risks, including higher volatility and lower liquidity. Please see composite disclosure in appendix for a complete description of the composite.

Glossary – Terms

Active Share: A measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index.

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

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

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

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

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

EPS (Earnings Per Share) Growth Rate (Projected): This measure represents the weighted average of forecasted growth in earnings expected to be experienced by the stocks within the portfolio over the next year. From a portfolio perspective, the portfolio EPS Growth Rate is a weighted average of the individual holdings' EPS Growth Rate.

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

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

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

Integrated: Constructs a portfolio of the top 20% of stocks based on William Blair's multi-factor composite model, which uses Earnings Trend, Momentum, Quality, and Valuation factors. The portfolio is rebalanced on a monthly basis and weights stocks based on relative market capitalization.

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

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

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

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

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

Silo: Constructs portfolios using the top 20% of stocks based on each of the four sub-models used to construct William Blair's composite model, then averages the returns coming from each of the four portfolios. The portfolios are rebalanced on a monthly basis and weights stocks based on relative market capitalization. (The Equal Weighted strategy equally weights the returns coming from each of the sub-portfolios; the Optimized approach weights Quality 5%, Valuation 60%, Earnings Trend 5%, and Momentum 30%. The optimization was based on a monte-carlo simulation that sought an optimal weighting of each sub-portfolios to achieve the highest return).

Sortino Ratio: A modification of the Sharpe ratio that differentiates harmful volatility from general volatility by taking into account the standard deviation of negative asset returns, called downside deviation. The Sortino ratio subtracts the risk-free rate of return from the portfolio's return, and then divides that by the downside deviation. A large Sortino ratio indicates there is a low probability of a large loss.

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

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

Trailing 1-Year Turnover: This figure reflects the portfolio's trading activity by calculating the amount of the portfolio's holdings bought or sold over the prior year, expressed as a percentage of the portfolio's average market value. Turnover figures may be related to the amount of trading costs experienced by the portfolio.

Weighted Average Market Capitalization: Market capitalization refers to the total market value of each company's outstanding shares. The Weighted Average Market Capitalization for a portfolio is calculated as the average market capitalization of the stocks within the portfolio, weighted by the amount of each stock owned.

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

Glossary – Indices

Bank of America Merrill Lynch 1-Year U.S. Treasury Note Index: An unmanaged index comprised of a single U.S. Treasury Bill issued at the beginning of each month and held for a full month. Each month the index is rebalanced and the issue selected is the outstanding U.S. Treasury Note that matures closest to, but not beyond one year from the rebalancing date.

Bank of America Merrill Lynch 3-Month Treasury Bill Index: An unmanaged index tracking 3-month U.S. government securities.

Bloomberg Barclays U.S. Aggregate Bond Index: A broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid ARM pass-throughs), asset-backed securities and commercial mortgage backed securities.

Bloomberg Barclays Intermediate Govt./Credit Bond Index (formerly the Lehman Index): A fixed-rate government and corporate bonds rated investment grade or higher.

Bloomberg Barclay's Multiverse Index: Provides a broad-based measure of the global fixed-income bond market. The index represents the union of the Global Aggregate Index and the Global High-Yield Index and captures investment grade and high yield securities in all eligible currencies. Standalone indices such as the Euro Floating-Rate ABS Index and the Chinese Aggregate Index are excluded. The Multiverse Index family includes a wide range of standard and customized sub-indices by sector, quality, maturity, and country.

Bloomberg Barclays U.S. Intermediate Aggregate Bond Index: A broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid ARM pass-throughs), asset-backed securities and commercial mortgage backed securities with maturities between one and 10 years.

Merrill Lynch 1-Year U.S. Treasury Note Index: Comprised of a single U.S. Treasury Bill issued at the beginning of each month and held for a full month. Each month the index is rebalanced and the issue selected is the outstanding U.S. Treasury Note that matures closest to, but not beyond one year from the rebalancing date.

Merrill Lynch 3-Month Treasury Bill Index: An unmanaged index tracking 3-month U.S. government securities.

MSCI (Morgan Stanley Capital International): MSCI indices are the most widely used benchmarks by global portfolio managers. MSCI offers international investors performance benchmarks for 51 national stock markets as well as regional, sector, industry group, and industry aggregations.

MSCI All Country World ex-US EAFE Index: An unmanaged index that includes developed and emerging markets outside the United States.

MSCI All Country World ex-US Small Cap Index: A free float-adjusted market capitalization index designed to measure global developed and emerging market small capitalization equity performance, excluding the U.S.

MSCI EAFE Index: A free float-adjusted market capitalization index which captures large and mid cap representation across Developed Markets countries around the world, excluding the U.S. and Canada.

MSCI EAFE IMI Index: A free float-adjusted market capitalization index which captures large, mid and small cap representation across Developed Markets countries around the world, excluding the U.S. and Canada.

MSCI EAFE Growth Index: A free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada.

MSCI All Country World ex-US Index: An unmanaged index that includes developed and emerging markets, excluding the U.S.

MSCI All Country World ex-US Growth Index: A free float-adjusted market capitalization index that is designed to provide a broad measure of equity-market performance throughout the world, excluding the U.S. It includes those MSCI All Country World ex-US securities with higher price-to-book ratios and higher forecasted growth rates.

MSCI All Country World ex-US IMI Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the U.S.

MSCI All Country World IMI Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets.

MSCI All Country World ex-US IMI Growth Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the U.S. It includes those MSCI All Country World ex-US IMI Index securities with higher price-to-book ratios and higher forecasted growth rates.

MSCI World ex-US Growth Index: A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S., with higher price-to-book ratios and higher forecasted growth rates.

MSCI World ex-US Index: A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S.

MSCI Emerging Markets Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

MSCI Emerging Markets IMI Index: A free float-adjusted market capitalization index which captures large, mid and small cap equity market performance in the global emerging markets.

MSCI Emerging Markets Small Cap Index: A free float-adjusted market capitalization index that is designed to measure equity market performance of small cap companies in emerging markets.

MSCI Emerging Markets Large Cap Index: A free float-adjusted market capitalization index that is designed to measure equity market performance of large cap companies in emerging markets.

MSCI World ex-US Small Cap Index: An unmanaged index that includes non-US developed markets.

Russell 1000 Index: Measures the performance of the 1000 largest companies in the Russell 3000 Index, which represents approximately 90% of the total market capitalization of the U.S. market.

Russell 1000 Growth Index: Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index: Measures the performance of the large cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Index: Measures the performance of the 2000 smallest companies in the Russell 3000 index, which represents approximately 8% of the total market capitalization of the Russell 3000 index.

Russell 2000 Growth Index: Measures the performance of those Russell 2000 companies with higher price-to book ratios and higher forecasted growth values.

Russell 2000 Value Index: Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2500 Index: Measures the performance of the 2500 smallest companies in the Russell 3000 Index.

Russell 2500 Growth Index: Measures the performance of those Russell 2500 companies with higher price-to book ratios and higher forecasted growth values.

Russell 2500 Value Index: Measures the performance of those Russell 2500 companies with lower price-to book ratios and lower forecasted growth values.

Russell 3000 Index: Measures the performance of the 3000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

Russell 3000 Growth Index: Measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell Midcap Index: Measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 27% of the total market capitalization of the Russell 1000 companies.

Russell Midcap Growth Index: Measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.

Russell Midcap Value Index: Measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values.

S&P 500 Index: The Standard & Poor's 500 Index (S&P 500) is an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. Companies included in the index are selected by the S&P Index Committee, a team of analysts and economists at Standard & Poor's. The S&P 500 is a market value weighted index—each stock's weight is proportionate to its market value.

A direct investment in an unmanaged index is not possible.

Composite Presentation Report

Institutional SMID Growth

Calendar Year	Composite Gross Return (%)	Composite Net Return (%)	Russell 2500 Growth Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Portfolios	Dispersion (%)	Composite Assets End of Period \$(mm)	Percentage of Total Firm Assets (%)
2007	13.50	12.44	9.69	11.90	12.54	19	0.07	1,942.68	3.97
2008	-37.42	-38.03	-41.50	18.71	20.93	24	0.31	1,299.96	4.96
2009	46.19	44.80	41.66	22.54	24.54	22	0.35	1,582.85	4.32
2010	24.44	23.27	28.86	24.69	27.21	27	0.15	2,002.62	4.53
2011	0.88	-0.07	-1.57	21.35	22.94	39	0.21	2,321.99	5.64
2012	13.58	12.51	16.13	18.46	19.82	42	0.27	2,636.28	5.31
2013	43.23	41.88	40.65	15.51	16.48	49	0.22	4,929.37	7.95
2014	9.68	8.64	7.05	11.92	12.54	55	0.18	4,584.60	7.27
2015	6.00	5.00	-0.19	11.23	13.29	67	0.15	4,982.12	7.69
2016	7.70	6.68	9.73	12.12	14.67	71	0.26	5,633.96	8.68

Disclosures:

William Blair Investment Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. William Blair Investment Management has been independently verified for the periods January 1, 1993 through December 31, 2016. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Institutional SMID Growth Composite has been examined for the periods presented through December 31, 2016. The verification and performance examination reports are available upon request. For purposes of compliance with GIPS, the Firm is defined as all accounts managed by William Blair Investment Management. William Blair Investment Management includes William Blair Investment Management, LLC and some accounts managed by William Blair & Company, L.L.C. William Blair Investment Management, LLC and William Blair & Company, L.L.C. are investment advisers registered with the United States Securities and Exchange Commission ("SEC"). Registration with the SEC does not imply a certain level of skill or training.

The Institutional SMID Growth strategy invests in a mixture of small and medium-sized growth companies of recognized investment quality whose records of sales and earnings growth may not be as well established.

The benchmark that best reflects the composite's investment style is the Russell 2500™ Growth Index, which measures the performance of the small to mid cap growth companies with higher price-to-book ratios and higher forecasted growth rate

Portfolios must have an initial market value greater than or equal to \$1 million to be included in the composite. New portfolios are added to the composite at the beginning of the month following the first full calendar month under management. Prior to July 2007, new portfolios were added to the composite at the beginning of the quarter following two full calendar months under management. Portfolios will be excluded from the composite the first month immediately following the last complete month of authorized management by the Firm. Portfolios are removed from this composite, in the event of a significant cash flow, for the month during which the flow occurs. Portfolios are typically added back into the composite the following month. A portfolio is determined to have a significant cash flow if the accumulated net external flows of cash and/or securities during a month total more than 25% of the beginning of month portfolio market value. Additional information regarding the treatment of significant cash flows is available upon request.

Portfolio and composite returns are calculated daily. Prior to January 2009, portfolio returns were calculated monthly using a time-weighted monthly linked return formula with adjustments for cash flows and composites were calculated monthly by weighting portfolio returns based on beginning of month market value. Valuations and returns are denominated in U.S. Dollars. Accrual accounting is used for dividends. The dividend accruals included in portfolio valuations are net of applicable withholding taxes. Pending withholding tax reclaims are not accrued for in the portfolio valuations. Composite dispersion measures represent the consistency of a firm's composite performance with respect to the individual portfolio returns within a composite. The dispersion of annual returns is measured by the asset-weighted standard deviation of the gross returns in the composite. Dispersion includes only those portfolios that have been included in the composite for the entire year. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. This statistic is not presented until there are 36 months of performance available.

Performance results are stated gross and net of max investment advisory fees. The management fee schedule is as follows, effective June 1, 2004:

First \$10,000,000: 0.95%
 Next \$20,000,000: 0.80%
 Next \$20,000,000: 0.75%
 Next \$50,000,000: 0.70%
 Next \$100,000,000: 0.65%
 Over \$200,000,000: 0.60%
 The maximum fee is 0.95%.

The Institutional SMID Growth Composite was created in October, 2001. The composite performance inception date is July 1, 1998. Prior to April 2017, the composite was called Institutional SMID Growth Team.

A complete list and description of firm composites is available upon request. Additional information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations is also available upon request. Past performance is not indicative of future results.

Institutional SMID Growth Strategy

Performance for periods ending September 30, 2017

Composite Performance (% USD)	Qtr	YTD	1 Yr	Annualized			
				3 Yr	5 Yr	10 Yr	Strategy Inception (Jul 1 98)
SMID Growth (Gross)	5.40	23.01	26.56	15.32	17.28	10.77	10.57
SMID Growth (Net)	5.15	22.13	25.36	14.23	16.17	9.71	9.51
Russell 2500 Growth Index	5.78	17.03	20.07	11.27	14.46	8.72	7.78
Relative Performance (Gross)	-0.38	5.98	6.49	4.05	2.82	2.05	2.79

Annual Composite Performance (% USD)	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998*
SMID Growth (Gross)	7.70	6.00	9.68	43.23	13.59	0.88	24.44	46.19	-37.42	13.50	11.26	12.67	15.97	34.24	-15.20	2.85	15.79	0.21	7.31
SMID Growth(Net)	6.68	5.00	8.64	41.88	12.51	-0.07	23.27	44.80	-38.03	12.44	10.22	11.62	14.86	32.94	-16.05	1.83	14.66	-0.78	6.78
Russell 2500 Growth Index	9.73	-0.19	7.05	40.65	16.13	-1.57	28.86	41.66	-41.50	9.69	12.26	8.17	14.59	46.31	-29.09	-10.83	-16.09	55.48	-2.48

September 2017 performance is preliminary.

*Partial year performance from July 1 to December 31, 1998.

Past performance is not indicative of future returns. Net investment performance represents the deduction of the highest possible fee. Actual client net returns may be higher or lower depending on fees charged to your account and the amount invested.

Returns for periods greater than one year are annualized. Gross performance results shown do not reflect the deduction of investment management fees, assume the reinvestment of dividends and capital gains, and are net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. For example, assuming an annual gross return of 8% and an annual management/advisory fee of .40%, the net annualized total return of the portfolio would be 7.58% over a 5-year period. Net investment performance represents the deduction of the highest possible fee. Investment management fees are described in William Blair's Form ADV Part 2A. The Russell 2500 Growth Index is an unmanaged index registered to Russell/Mellon. It measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. It is a capitalization-weighted index as calculated by Russell on a total return basis with dividends reinvested. Investing in smaller companies involves special risks, including higher volatility and lower liquidity. Please see composite disclosure in appendix for a complete description of the composite.