



Form CRS Relationship Summary - October 14, 2022

William Blair & Company, L.L.C. (William Blair) is registered with the Securities and Exchange Commission (SEC) as both a broker-dealer and an investment adviser and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC).

Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at www.Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

Q | What investment services and advice can you provide me?

We offer both brokerage and investment advisory services.

- Our **brokerage services** include buying and selling securities at your direction and providing you with investment recommendations, investment research and financial planning services from time to time or at your request. Among other products, we offer domestic and international equities, options, fixed income securities, proprietary and unaffiliated mutual funds, exchange traded funds (ETFs), structured notes, proprietary and unaffiliated private funds, money market funds, and certificates of deposit (CDs). William Blair recommends a wide array of investment products depending on your investment objectives and does not limit investment recommendations to only proprietary products or otherwise have a limited menu of investment products. William Blair can act as a dealer to facilitate clients' transactions by buying or selling securities for its own account (known as principal trading). You must meet certain investment minimums to open a brokerage account. Unless we separately agree in writing, we do not monitor your brokerage account. We do not have an obligation to update recommendations made previously; and do not make implied hold recommendations. For brokerage accounts, you make the ultimate decision regarding the investment strategy and the purchase or sale of investments given your

investment objective, risk tolerance, financial circumstances and investment needs.

- Our **advisory services** include managing assets principally invested in, among other products, domestic and international equities, options, fixed income securities, proprietary and unaffiliated mutual funds, ETFs, structured notes, proprietary and unaffiliated private funds, money market funds, and CDs. Our advisory services also include asset allocation services using managed portfolios from third-party investment managers as well as financial planning services. William Blair invests in or recommends a wide array of investment products depending on your investment objectives and does not limit investments to only proprietary products or otherwise have a limited menu of investment products. In very limited circumstances, William Blair engages in principal trading to facilitate client transactions. Our advisory services are either "non-discretionary" or "discretionary." If non-discretionary, we recommend investments or third-party managers to you and you make the ultimate decision regarding the purchase or sale of investments or whether to hire or fire a third-party manager. If discretionary, we make the ultimate investment decisions, including the decision to hire and fire third-party managers, without your signoff. Third-party managers invest your account on a discretionary basis. For all advisory services, you make the ultimate decision as to the investment strategy for your advisory account.

As described below, if you have a brokerage account with William Blair you are eligible to participate in and select our comprehensive fee program (commonly known as a Wrap Fee Program). You are not required to have a brokerage account with William Blair to use our advisory services. As part of our standard advisory services, we review the appropriateness of your investment holdings on an ongoing basis. The frequency, depth and nature of these reviews are based on the terms of your advisory agreement, mandate and particular needs as well as on certain trigger factors including significant market events. You must meet certain investment minimums to open an advisory account.

For additional information, see *Guide to Brokerage Services and Products (Relationship Guide)*, *Form ADV, Part 2A (Brochure) Items 4 and 7 or Items 4.A and 5, Form ADV, Part 2A-Appendix 1 (Wrap Brochure)*, *advisory agreements*, and *other account documentation (including applicable account opening, margin account and securities lending forms)*, *confirmations*, *account statements*, *prospectuses*, *private placement memoranda*, *Information Regarding Transfers and Distributions & IRA Rollovers (Retirement Information)* and at <https://www.williamblair.com/en/Private-Wealth-Management.aspx>.

Conversation Starters

Ask your financial professional:

- Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

Q | What fees will I pay?

The fees you pay depend on whether you choose brokerage services, advisory services, or both. Fees are negotiable. Clients are also charged for certain administrative services. For clients who custody at NFS, William Blair retains a portion of certain of these fees, with the remainder paid to NFS.

- For **brokerage services**, the principal fees and costs are transaction-based fees for securities trades you decide to enter into. Depending on the investment product you select, these fees vary by asset class (i.e., equities versus bonds) and can include up-front commissions, sales charges such as 12b-1 fees, fees charged on an on-going basis for as long as you hold the investment (“trails”) and compensation from third-parties that are disclosed to you. If we act as a dealer by buying a security from you, or selling a security to you from our own account (as “principal”), we may mark the price up or down, which is a benefit to us. Because we are compensated for transactions, we have an incentive to encourage you to trade more frequently, in greater amounts, and in higher compensating asset classes or to trade with us as principal because we receive more revenue when you do so. We earn additional fees on margin, securities lending and various loans, which therefore incents us to recommend these riskier products or services to you. You will also pay fees for custodial and administrative services, as well as fees and expenses that are included in the expense ratios of certain of your investments, including in mutual funds, ETFs, and private funds.

For additional information about the fees and costs for our brokerage services, please see *Relationship Guide*, *brokerage account documentation (including applicable account opening, margin account and securities lending forms)*, *confirmations*, *account statements*, *prospectuses*, and *private placement memoranda*.

- For **advisory services**, fees and costs vary based, in part, on your overall relationship with William Blair. Under our standard agreement (either discretionary or non-discretionary), you will pay us an “asset-based” fee meaning that the fee is calculated as a percentage of the assets in your advisory account according to the fee schedule (which may vary based on asset class) in your advisory agreement with us. This means that the more assets you invest in your account, the more you will pay in fees, and therefore we have an incentive to encourage you to increase your advisory account assets, invest in or recommend higher compensating asset classes

and to recommend or make riskier investments to increase performance. In some instances, you pay an agreed upon dollar amount, regardless of the assets in your account. We do not charge clients an advisory fee on assets managed by our affiliate (in mutual funds, private funds or separate accounts); however, our affiliate compensates us up to 50% of the management fee it earns.

We offer a comprehensive fee program for certain clients who have both a brokerage and advisory account with us (Wrap Fee Program). In our Wrap Fee Program accounts, the asset-based fee includes most transaction and custodial costs and fees and therefore is higher than an asset-based advisory fee that does not include transaction costs and custodial fees. Because we pay these transaction fees and costs, we are incented to trade less frequently in your account. If you authorize us to hire and fire third-party managers, an additional third-party manager and platform fee (separate and apart from our Wrap Fee) is charged. You will be charged certain additional administrative fees (such as wire transfer fees) separate and apart from our Wrap Fee. You are not required to open a William Blair brokerage account and maintain a Wrap Fee Program account; however, you will be responsible to negotiate execution, custody and other fees and costs (such as wire, transfer and bank fees) directly with your broker-dealer and custodian.

Under our standard investment advisory agreement, our fees for advisory services are paid, in advance, on a quarterly basis. There are no additional fees for financial planning. You will pay fees and expenses that are included in the expense ratios of certain of your investments, including in mutual funds, ETFs, and private funds.

For additional information about the fees and costs for our advisory services, please see Brochure Item 5A., B., C., and D. or Wrap Brochure Item 4, advisory agreements, and other applicable documents such as brokerage account documentation (including applicable account opening, margin account and securities lending forms), confirmations, account statements, prospectuses, and private placement memoranda.

You will pay fees and costs whether you make or lose money on your investments. Fees and

costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Conversation Starters

Ask your financial professional:

- Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

Q | What are your legal obligations to me when providing recommendations as my broker or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

Examples of Ways We Make Money and Conflicts of Interest

- **Proprietary Products and Platform Provider:**

We (or our affiliates) may earn higher fees, compensation, and other benefits when you access third-party managers or model providers through our affiliated platform, SYSTM Wealth Solutions LLC (SYSTM), or invest in a product that we (or one of our affiliates) advise, manage, or sponsor, such as the William Blair Mutual Funds and William Blair private funds. As such, we have an incentive to use the SYSTM platform over unaffiliated platforms and to recommend (or to invest your assets in) our proprietary products over third-party products.

- **Third-Party Products:** We receive payments, credits, reductions in our costs and/or conference support from third-party product managers, sponsors, intermediaries, and platform providers

(or their affiliates), including from our clearing broker (National Financial Services and Fidelity Brokerage Services, collectively, NFS) and third-party asset management platform providers when we recommend, sell or use certain products and services. As such, we have an incentive to recommend (or invest your assets in) products and services of these third-party providers over available products and services offered by third-parties that do not pay or reduce their fees to us.

- **Principal Trading:** In the limited instances where we act as principal, we may buy or sell securities to you from our own account, including securities that we buy as part of an underwriting. Because we earn compensation and can receive other benefits in principal transactions, we have an incentive to trade with you on a principal basis and to recommend securities that we hold in inventory.

Conversation Starters

Ask your financial professional:

- How might your conflicts of interest affect me, and how will you address them?

For additional information, see *Relationship Guide, Brochure Items 4, 5, 6, 10, 11 & 12 or Wrap Brochure Items 4, 6 and 9 and other applicable documents such as advisory agreements, trade confirmations, prospectuses, private placement memoranda, separate disclosure forms, Retirement Information and at www.williamblair.com.*

Q | How do your financial professionals make money?

Our financial professionals receive a portion of the revenue the firm earns from the financial professional's brokerage and/or advisory services provided to you. The amount of revenue earned by the firm varies based on a number of factors including, but not limited to: your negotiated agreement with the firm, an investment's asset class (for example, equities versus fixed income), product type, type of account and other account features (for example, margin or securities lending). On an annual basis, the percentage of revenue paid to the financial professional is adjusted based on the amount of revenue that financial

professional generated for the firm. Therefore, the financial professional is incented to: trade more frequently in a brokerage account; increase assets in an advisory account, including through riskier investments to increase performance; and to recommend, buy or sell investments that pay us either more in commissions (for a brokerage account) or in advisory fees (for example, equities instead of fixed income). If the financial professional is a partner, they are eligible to receive a share of firm profits. Financial professionals receive, for example, the occasional gift, meal, entertainment and/or attendance at conferences which may lead to recommendation or use of these vendors' products and services over vendors that do not provide them with non-cash compensation.

Q | Do you or your financial professionals have legal or disciplinary history?

Yes. See Brochure and Wrap Brochure Item 9 and visit www.Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation Starters

Ask your financial professional:

- As a financial professional, do you have any disciplinary history? For what type of conduct?

For additional information about our services, see *Relationship Guide, Brochure and Wrap Brochure among other documents. If you would like additional, up-to-date information or a copy of this disclosure, please call 800-621-0687 where you can request up-to-date information and a copy of Form CRS.*

Conversation Starters

Ask your financial professional:

- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?