

MiFID II Update

We are writing to update you on William Blair Investment Management's response to the European MiFID II Directive and our global implementation plan.

The revised EU Markets in Financial Instruments package—known as MiFID II—takes effect in Europe today, January 3, 2018. An important outcome of MiFID II is that asset managers will now have transparency on the split between third-party research and execution costs. As a U.S.-based asset manager, William Blair Investment Management has limited direct client exposure to MiFID II's research rules. We will begin absorbing research costs in January for our one MiFID-related client.

William Blair takes seriously its role as a steward of client assets. As a result, we are pleased to share with you that we also plan to absorb external research costs for clients globally, not just those subject to MiFID II. We plan to

implement the same treatment for all of our clients as soon as we are able to pay hard dollars for external research across our investment strategies. At this time a number of our U.S.-based external research partners are unable to accept hard dollar payments from William Blair. We believe that eliminating their research could be detrimental to investment results; as a result, we are actively working with these research providers to resolve the matter on behalf of our clients.

We will continue to update you on our progress in implementing this important initiative. Thank you for your continued support as we greatly value our relationship with you and your firm.

Please do not hesitate to contact me at any time should you have any questions. Thank you for investing with William Blair.

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