

William Blair International Leaders ADR SMA Strategy Portfolio Review

March 2025

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A decorative graphic on the right side of the slide. It features a large, dark blue diagonal shape that points towards the bottom right corner. Overlaid on this and the white background are several vertical bars of varying heights and widths, some in a dark blue color and others in a lighter blue-grey color. The bars are positioned at different heights, creating a sense of movement or data points.

William Blair

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Strategy

The International Leaders ADR SMA invests in the ADRs and dual listed securities of companies based outside of the United States. Companies have had and are expected to maintain superior growth, profitability and quality relative to local markets.

Performance and Fees

Past performance is not indicative of future returns. Performance is shown in U.S. dollar unless otherwise noted. Returns for periods greater than one year are annualized. Performance results assume the reinvestment of dividends and capital gains. Gross investment performance is shown gross of all fees and transaction costs. Net of fee results are calculated using the wrap program's maximum fee of 3.00%. This bundled (wrap) fee includes investment advisory fees, financial consultant fees, custodial fees, and trading expenses.

Risk

The strategy's returns will vary, and you could lose money by investing in the strategy. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. Investing in emerging markets can increase these risks, including higher volatility and lower liquidity. Investing in smaller and medium capitalization companies involves special risks, including higher volatility and lower liquidity. Small and mid-cap stocks are also more sensitive to purchase/sale transactions and changes in the issuer's financial condition. The strategy invests most of its assets in equity securities of international growth companies where the primary risk is that the value of the equity securities it holds might decrease in response to the activities of those companies or market and economic conditions. Diversification does not ensure against loss.

Benchmark

The Morgan Stanley Capital International (MSCI) All Country World Ex-U.S. IMI Index (net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the United States. This series approximates the minimum possible dividend reinvestment. The Index is unmanaged and does not incur fees or expenses. It is not possible to directly invest in an unmanaged index.

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Summary & Outlook

As of March 31, 2025

Market Review

Global equities declined in the first quarter (the MSCI ACWI IMI returned -1.61% for the quarter) as U.S. equities reversed course, posting their worst quarterly performance since 2022. Tariff uncertainty and implications of global growth fueled a swift reversal into value-oriented equities outperforming growth (the MSCI ACWI IMI Growth returned -6.74% for the quarter, while the MSCI ACWI IMI Value returned +4.02% for the quarter). From a global sector perspective, information technology sharply declined following the emergence of the Chinese artificial intelligence startup, DeepSeek (-11.69% for the quarter as measured by MSCI ACWI IMI) while energy and utilities led (+7.58% and +6.29%, respectively)

U.S. equities declined during the period (-4.89% for the quarter as measured by the MSCI USA IMI) with significant volatility stemming from uncertainty around the impact of tariffs on the U.S. economy and the path of inflationary trends. Concerns surrounding the profitability and competition within the AI market also weighed on returns, as the top performing mega-cap technology names underperformed, following strong performance in 2023 and 2024. As widely expected, the Federal Reserve left rates unchanged during the quarter however comments suggested that the Fed will also be watching for deterioration of growth in addition to the risks of inflation. Economic data within the U.S. was mixed, as February consumer confidence slipped to 98.3 for the month, however inflation eased more than expected, providing some relief to consumers. The primary focus of markets will be on April 2nd, when President Trump is expected to impose sweeping reciprocal tariffs on global trading partners, calling it America's Liberation Day.

European equities advanced during the first quarter (+9.99% for the quarter as measured by the MSCI Europe IMI) despite a looming trade war with the U.S., posing a threat to the eurozone economy. Sentiment however was boosted largely on a wave of optimism around fiscal and defense spending, particularly in Germany. The European Commission President announced a proposal of a €150 billion defense package, funded through a joint European budget. The European Central Bank announced another rate cut in March, bringing its key rate down to 2.5%. Inflationary trends continued to move in the right direction in the first quarter, with February and March data continuing to decline.

Emerging markets posted positive returns (+1.70% for the quarter as measured by the MSCI EM IMI), led by strong gains in Chinese equities (14.60% as measured by MSCI China IMI). Strength in China was boosted by U.S. tariffs thus far being better-than-feared, coupled with improving sentiment on information technology related names, following the emergence of DeepSeek, along with indications of a more supportive policy stance on the platform economy. Following strong performance in 2024, Indian equities were notably weak in the first quarter (-5.18% for the quarter, as measured by MSCI India IMI) amid a softer macro backdrop and earnings deceleration combined with extended valuations and foreign investor outflows weighing on performance. This was particularly evident within the higher momentum, smaller cap companies within India. Latin America returns advanced (+12.81% for the quarter as measured by the MSCI EM Latin America IMI) with broad strength from Colombia, China, and Brazil. EMEA was also positive (+6.81% for the quarter as measured by the MSCI EM EMEA IMI), with strength from Poland (+30.68% for the quarter, as measured by MSCI Poland IMI).

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As of March 31, 2025

Performance

The William Blair International Leaders ADR SMA Strategy (net of fees) underperformed its benchmark, the MSCI ACWI ex US IMI index during the first quarter.

In first quarter of 2025, the International Leaders ADR strategy underperformed the MSCI ACWI ex USA IMI index. From a sector perspective, allocation effect was negative driven by an overweight to information technology and an underweight to financials. Selection effect was negative primarily within consumer discretionary, financials, and information technology. This was partially offset by strong selection within industrials. On a regional view, allocation effect was positive due to an overweight in Europe and underweight in emerging Asia. Selection effect was negative primarily within Europe and Japan.

Consumer discretionary selection was negative primarily within China due to Trip.com and not owning Alibaba. Given the structural and cyclical challenges facing the Chinese economy, the strategy has been underweight China for some time. Recently, market sentiment has improved, and the cyclical economic trough appears close, if not already behind China. Alibaba significantly benefited from this shift in sentiment and was unowned in the strategy as we believe its competitive position in e-commerce is dwindling. Trip.com was an owned name that, after performing very well in 2024, gave back some of the strong performance after management announced a significant increase in investment for international expansion, eating into near-term margins.

Selection within financials was negative due in part to an underweight to banks, which continued to perform well given the higher-for-longer rate environment and high spread on loans-to-deposits creating a strong environment for net interest margins. Additionally, a position in Brookfield Asset Management was negative for performance within capital markets. Brookfield is an alternatives asset manager that we believe is well positioned to benefit from the attractive long-term structural growth across the alternatives industry given its strong brand, investment performance, global platform, solid distribution, and ability to conduct large transactions. After strong performance in 2024, Brookfield declined in the first quarter along with global alternatives managers given some of the uncertainty in global markets and global policy.

Early in the quarter, Chinese company DeepSeek announced that it created a large language AI model that rivaled the best models currently in the market but with significantly less cost and computing power. This brings into question the amount of capital expenditures required to achieve impact from AI and led to a significant sell-off for semiconductors. Given the strategy's overweight to this industry, this was a headwind to performance with stocks such as Taiwan Semiconductor, ASM International, and Advantest all experiencing negative performance. Given the wider range of outcomes for AI capital expenditures, the portfolio's semiconductor exposure was reduced during the quarter.

Industrials stock selection was strong and primarily driven by BAE Systems and Thales, two European defense companies. The current U.S. administration has been clear that it will not support Europe, and NATO specifically, to the same extent that the U.S. has in the past. We believe this is a watershed moment for Europe and plans to increase defense spending at the aggregate EU level and individual country level have already been announced, with more possibly to come. BAE and Thales are well positioned to take advantage of this increase in defense spending as two of the major players in European defense. BAE Systems is the largest pure-play European defense contractor with exposure to some of the largest defense markets in the world. It boasts a large and diversified portfolio that includes some of the most successful and in-demand defense programs globally.

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Thales is among the world's leading providers of critical secure communications systems, with main applications in the defense, aerospace, telecommunication, and banking industries. Also benefitting from this theme was Safran. Safran manufactures aircraft, engines, and defense and communication equipment including navigation and GPS guidance systems and high-performance optics. The company also delivered a strong set of results, powered by the engine aftermarket (repair and replace), with full year 2025 guidance raised.

Positioning

During the quarter, exposure to financials was increased, primarily in banks. We expect that the conditions that have led to banks performing well are likely to persist in the short term, including higher-for-longer rates and high net interest margins. The increase was made through the purchase of several developed market banks that we think will benefit from this environment, including Royal Bank of Canada and UniCredit.

Materials exposure was reduced, which included sales of Linde and Sika. Linde primarily provides consumable gases across a wide array of industrial and commercial end markets that are integral to various production processes. While recent execution has been solid, forward-looking expectations for volume growth are challenged. Given the full valuation and recent strong share price, we are exiting for better opportunities. Sika is a construction materials company that has underperformed given weak end-markets, and we exited the position due to the resulting deterioration in earnings and growth outlook.

Within Europe, exposure to luxury was reduced through the sale of LVMH and trim of Industria de Diseno Textil, as luxury may be directly impacted by tariffs and potentially indirectly impacted through a weaker U.S. consumer. Exposure to construction was increased given the announced increase in infrastructure spending. This includes a purchase of Heidelberg Materials, a cement, aggregates, and ready-mix/asphalt supplier to the construction industry across infrastructure, commercial, and residential applications. We expect Heidelberg to benefit from increased infrastructure spending as Europe's largest cement producer and aggregates supplier.

Outlook

Policy uncertainty plagued global markets in the first quarter. Implications for global growth coupled with the emergence of DeepSeek, spurred a swift unwind of momentum and growth equities into value. This was evident with the outperformance of many pockets of the market that have been out of favor for some time, while the winners of last year tumbled, namely the U.S.

Shifting Balance of Power

The implications are potentially much greater, with the market now questioning both the status of U.S. Exceptionalism and the potential for a reshaping of globalization.

In summary, the construct of U.S. Exceptionalism is underpinned by long-term structural advantages including economic dynamism, superior technological innovation and sound, independent government institutions. Earlier this year, we argued that the proposed tariffs and trade policies could backfire resulting in an “own goal” undermining the U.S. growth advantage, reversing at least the more recent cyclical element of U.S. Exceptionalism. We didn't expect things to unfold so quickly or dramatically.

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As discussed, the post-pandemic growth differential to the rest of the world has been the primary driver of the cyclical advantage enjoyed by the U.S. The proposed tariffs, if maintained at these higher levels, begin to challenge the growth differential, pressure U.S. inflation, lower visibility of growth, and reduce corporate confidence, leading to less economic activity.

Further, the confusing rational and chaotic implementation of proposals set forth by the Trump Administration have called into question the outlook for the long-term direction of globalization, and thus also the nearer term outlook for economic growth. These potential risks are causing the repricing of stocks, bonds, and currencies.

Based on these assumptions, we now expect GDP growth in the U.S. to be roughly 2% lower over a two-year horizon. However, we believe it is too early to fully price-in a recession as the administration will likely offset some of the tariff impact via tax cuts and financial deregulation. These potential rollbacks of capital and regulatory requirements for regional banks could spur credit growth, provide a boost to corporate earnings, and support consumer spending. These policies have yet to be articulated fully.

Abroad, threats from the U.S. government have catalyzed some positive action within Europe, with signs the economic malaise may be lifting. This is evidenced by Germany relaxing its fiscal conservatism, which includes amendments to long-standing debt policies to enable higher defense spending, as well as facilitating the creation of a €500bn infrastructure fund.

Undeniably, if kept at current proposed levels, U.S. tariffs will pose a challenge for Europe, especially for exporters.

The upside is that this threat presents an opportunity for Europe to pivot toward domestic-driven growth. Proposed fiscal stimulus and credit cycle expansion, coupled with the revitalization of Europe's military-industrial complex, could serve as a key driver of technological innovation. Together, these are critical steps toward establishing deeper liquidity and maturity in euro-denominated financial markets, which could result in a structural tailwind for sustained European growth. Overall, we expect the growth differential between Europe and the United States to narrow considerably over the next 12-18 months, with European economic momentum accelerating just as U.S. growth stabilizes or potentially slows.

China is likely to bear the brunt of any material change to trade policy. While the tariffs will be non-negligible, China is also increasingly proving its ability to produce more domestically, moving up the value chain in response to isolationism. Additionally, its reliance on U.S. trade has significantly decreased, as their exports to the U.S. have more than halved in the last six years.

The "DeepSeek Moment" for China was akin to Open AI's "Chat GPT moment" of 2022 – immediately bringing attention to a step change in compute capabilities. At the very least it served as further evidence that China was closing the technological innovation gap to the U.S. As we've discussed previously, China's threat to U.S. tech dominance is not to be dismissed, as they have been gaining ground for well over a decade. Taken further, this challenges the U.S.'s technological strength that is a foundation of their "Exceptionalism."

Both cyclical and structural changes to U.S. Exceptionalism are now on the table, being priced at a greater than zero probability of weakening. The third pillar, strong institutions, while not yet directly under fire, could be, as the administration has questioned the legitimacy of numerous agencies and the authorities that have governed them. It is undetermined if these views are well-founded or misguided, but the challenge alone has caused some market stress.

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We can only speculate about the ultimate motivations of the U.S. Administration and the future policy changes that may be proposed or even implemented. We do believe that risk to the systems we were all accustomed to for decades may be under more disruption than any time in recent memory. Global trade, corporate leadership, economic outcomes, and market reactions are all likely to be more different than we expected, even immediately following the November election. The related constructs of U.S. Exceptionalism and Globalization are being challenged.

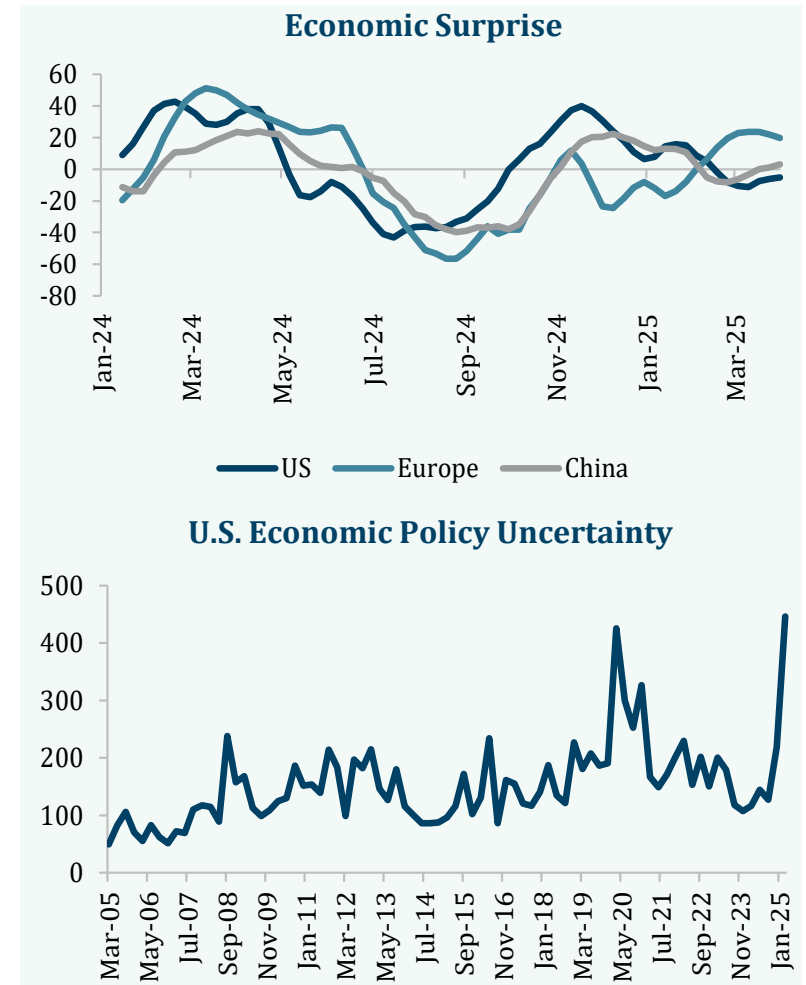
Overall, the "Liberation Day" tariff policy introduces stagflation risk in the U.S., accelerates global trade rebalancing, and reduces leverage of the U.S. Dollar. We believe the second quarter will be shaped by unfolding negotiations, enforcement capacity, and fiscal/monetary responses. It is unlikely to expect the market to stabilize, or risk assets (e.g., growth equities) to outperform until we see progress on any or all of these matters.

Given these changes, and a higher level of uncertainty, where do we expect to find growth and market leadership? Two (related) themes that resonate are the development of infrastructure and the shift to increased domestic manufacturing. Infrastructure development is a global phenomenon, with key areas being Europe and Japan (not to mention the U.S.) who have under-invested for decades, in both digital and physical infrastructure. Examples include compute/digital, energy, defense, and transportation. This is a geo-strategic imperative as much as it is a growth imperative. As we've already started to see in China, manufacturing will likely begin pivoting closer to each respective demand center. We expect this will be true for Europe in particular. Importantly for allocators and global investors, we believe there is a strong case to be made for international or non-U.S. equities over U.S. shares. We expect economic growth and corporate profit gaps to narrow, with a backdrop of supportive valuations.

Market Performance – International Equity Markets

March 31, 2025

	QTD	YTD	2024
Regions			
AC World ex US IMI	4.6	4.6	5.2
Developed Markets (DM)	-2.0	-2.0	17.5
Pacific ex JP	0.2	0.2	3.6
Japan	1.0	1.0	7.6
Europe ex UK	10.5	10.5	-0.2
UK	8.3	8.3	7.2
Canada	1.1	1.1	11.9
USA	-4.9	-4.9	23.3
Emerging Markets (EM)	1.7	1.7	7.1
Asia	0.0	0.0	11.2
China	14.6	14.6	18.8
India	-5.2	-5.2	13.5
Korea	4.6	4.6	-22.3
Taiwan	-12.2	-12.2	28.5
EMEA	6.8	6.8	6.3
South Africa	10.4	10.4	9.7
Latin America	12.8	12.8	-26.8
Brazil	14.2	14.2	-30.4
Mexico	8.3	8.3	-27.3
Frontier Markets (FM)	7.2	7.2	8.5
Size			
Large Cap	5.5	5.5	6.0
Small Cap	0.6	0.6	3.4
Sectors			
Communication Svcs	11.0	11.0	11.3
Discretionary	3.2	3.2	4.2
Staples	5.7	5.7	-6.8
Energy	7.0	7.0	-3.2
Financials	9.9	9.9	17.6
Healthcare	2.1	2.1	-1.0
Industrials	4.2	4.2	7.6
IT	-6.4	-6.4	11.3
Materials	6.7	6.7	-10.8
Real Estate	1.7	1.7	-3.1
Utilities	8.1	8.1	-1.0
Style			
Quality	2.9	2.9	7.7
Valuation	16.3	16.3	9.5
Etrend	2.9	2.9	11.6
Momentum	-0.8	-0.8	11.9
Growth	-3.3	-3.3	1.2



Source: William Blair, Bloomberg. 3-Week Moving Average using Citi Economic Surprise Indices. Regional performance is based on IMI region/country indexes. Sector and style values are based on the MSCI ACWI ex US IMI Index. Size values are based on the MSCI ACWI ex US Large/Small Cap Indices. Style values reflect the Quintile 1 minus Quintile 5 spread of William Blair's proprietary quantitative models. Sectors are based on Global Industry Classification (GICS) sectors. Large Cap and Small Cap based on MSCI Global Investable Market Index Methodology. Data in blue reflects the top 20% (highest) values by region, country, sector, and style. Data in red reflects the bottom 20% (lowest) values by region, country, sector, and style.

Past performance is not indicative of future returns. A direct investment in an unmanaged index is not possible. The Morgan Stanley Capital International (MSCI) All Country World ex US IMI Index is a free float-adjusted market capitalization index that is designed to measure equity market performance, net of withholding taxes, in the global developed and emerging markets, excluding the US. Calculated in FactSet. Index returns are net total returns, which approximate the minimum possible dividend reinvestment.

International Leaders ADR SMA Strategy

Performance for periods ending March 31, 2025

			Annualized				Since Inception
Composite Performance (%)	Qtr	1 Yr	3 Yr	5 Yr	10 Yr	(Jan 1 03)	
International Leaders ADR SMA (Gross of fees)	1.58	-4.10	1.47	9.02	5.17	7.40	
International Leaders ADR SMA (Net of fees)	0.82	-6.95	-1.53	5.81	2.07	4.25	
MSCI AC World ex-US IMI Index	4.59	5.50	3.99	11.02	5.02	7.45	
MSCI EAFE Index	6.86	4.88	6.05	11.77	5.40	7.06	

Annual Composite Performance (%)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
International Leaders ADR SMA (Gross of fees)	0.42	18.94	-25.22	9.01	25.43	28.22	-12.64	24.44	1.52	0.33
International Leaders ADR SMA (Net of fees)	-2.55	15.47	-27.49	5.80	21.78	24.50	-15.25	20.82	-1.48	-2.64
MSCI AC World ex-US IMI Index	5.23	15.62	-16.58	8.53	11.12	21.63	-14.76	27.81	4.41	-4.60
MSCI EAFE Index	3.82	18.24	-14.45	11.26	7.82	22.01	-13.79	25.03	1.00	-0.81

March 2025 performance is preliminary.

The benchmark that best reflects the composite's investment strategy is a custom benchmark, linking the MSCI All Country World Ex US Index (net) through June 30, 2019, to the MSCI All Country World Ex US Investable Market Index (net) after June 30, 2019. The benchmark was changed in December 2020 from the MSCI All Country World Ex US Index (net).

Past performance is not indicative of future returns. Performance is shown in U.S. dollar unless otherwise noted. Returns for periods greater than one year are annualized. Gross investment performance is shown gross of all fees and transaction costs and assumes the reinvestment of dividends and capital. Net investment performance represents the deduction of all fees charged directly or indirectly to the accounts. Net of fee results are calculated using the wrap program's maximum fee of 3.00%. Investment management fees are described in William Blair's Form ADV Part 2A. The MSCI All Country World Ex US Investable Market Index (net) is a free float-adjusted market capitalization index that is designed to measure equity market performance, net of withholding taxes, in the global developed and emerging markets, excluding the US. The MSCI EAFE Index is a float-adjusted market capitalization index which captures large and mid cap representation across developed markets countries, excluding the U.S. & Canada. The ADR strategy invests in the ADRs and dual-listed securities of companies based outside of the United States. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. Please see GIPS Composite Report in appendix for a complete description of the composite.

Performance Analysis (by sector)

As of March 31, 2025

The table below shows the calculated quarterly sector attribution of the International Leaders ADR representative portfolio vs. its benchmark.

William Blair International Leaders ADR SMA vs. MSCI ACWI ex-US IMI (Net) Index
01/01/2025–03/31/2025

	International Leaders ADR SMA				MSCI ACWI ex-US IMI (Net) Index			Attribution Analysis		
	Average Weight	Total Return (Gross of Fees)	Total Return (Net of Fees) ¹	Contribution To Return	Average Weight	Total Return	Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Communication Svcs.	4.7	20.0	19.1	0.9	5.7	11.0	0.6	0.0	0.4	0.3
Discretionary	17.8	-0.7	-1.4	-0.2	11.3	3.2	0.4	-0.1	-0.9	-0.9
Staples	0.4	-2.7	-2.9	0.0	6.6	5.7	0.4	-0.1	0.0	-0.1
Energy	1.2	17.3	16.4	0.2	4.7	7.0	0.3	-0.1	0.1	0.0
Financials	17.8	4.9	4.1	0.9	22.4	9.9	2.2	-0.2	-0.8	-1.0
Healthcare	13.2	-2.3	-3.0	-0.3	8.5	2.1	0.2	-0.1	-0.6	-0.7
Industrials	21.0	8.9	8.1	1.9	14.9	4.2	0.6	0.0	1.0	0.9
IT	17.3	-10.4	-11.1	-1.7	13.1	-6.4	-0.9	-0.3	-0.8	-1.1
Materials	4.1	-3.4	-4.1	0.0	7.0	6.7	0.5	0.0	-0.4	-0.4
Real Estate	0.0	0.0	0.0	0.0	2.8	1.7	0.0	0.1	0.0	0.1
Utilities	0.0	0.0	0.0	0.0	2.9	8.1	0.2	-0.1	0.0	-0.1
Cash	2.4	0.1	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	100.0	1.6	0.9	1.6	100.0	4.6	4.6	-0.9	-2.0	-3.0

¹Net returns are based on a model fee equal to the maximum separate account management fee for the strategy as of the time the return was calculated.

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. Attribution by segment is based on estimated returns of equities held within the segments listed. All stocks held during a measurement period, including purchases and sales, are included. Cash is not allocated among segments. Calculations are for attribution analysis only and are not intended to represent simulated performance history. The actual returns may be higher or lower. We calculate attribution using our proprietary attribution system. Attribution effects are calculated with gross of fee portfolio performance using the Selection Plus methodology. Sector diversification calculated by William Blair based on Global Industry Classification Sectors (GICS). Weights may vary over time as benchmark index weights shift. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. Please refer to the performance summary slide for complete performance information.

Performance Analysis (by region)

As of March 31, 2025

The table below shows the calculated quarterly regional attribution of the International Leaders ADR representative portfolio vs. its benchmark.

William Blair International Leaders ADR SMA vs. MSCI ACWI ex-US IMI (Net) Index
01/01/2025-03/31/2025

	International Leaders ADR SMA				MSCI ACWI ex-US IMI (Net) Index			Attribution Analysis		
	Average Weight	Total Return (Gross of Fees)	Total Return (Net of Fees) ¹	Contribution To Return	Average Weight	Total Return	Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Pacific ex-Japan	3.1	1.3	0.6	-0.1	7.0	-0.2	0.0	0.2	0.0	0.2
Japan	16.1	-7.1	-7.8	-1.1	15.3	1.0	0.2	0.0	-1.4	-1.4
Europe + ME ex-U.K.	44.8	3.6	2.8	1.7	31.4	10.1	3.0	0.8	-2.9	-2.2
United Kingdom	14.3	9.0	8.2	1.2	9.1	8.6	0.8	0.2	0.1	0.3
W. Hemisphere	4.5	-7.8	-8.4	-0.5	7.8	1.1	0.1	0.1	-0.5	-0.4
EM Asia	12.4	-1.1	-1.8	-0.1	23.5	0.1	0.0	0.5	-0.1	0.4
EMEA	0.0	0.0	0.0	0.0	3.9	6.7	0.3	-0.1	0.0	-0.1
Latin America	2.4	15.2	14.3	0.4	2.0	12.8	0.2	0.1	0.1	0.2
Cash	2.4	0.1	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	100.0	1.6	0.9	1.6	100.0	4.6	4.6	1.8	-4.8	-3.0

¹Net returns are based on a model fee equal to the maximum separate account management fee for the strategy as of the time the return was calculated.

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. Attribution by segment is based on estimated returns of equities held within the segments listed. All stocks held during a measurement period, including purchases and sales, are included. Cash is not allocated among segments. Calculations are for attribution analysis only and are not intended to represent simulated performance history. The actual returns may be higher or lower. We calculate attribution using our proprietary attribution system. Attribution effects are calculated with gross of fee portfolio performance using the Selection Plus methodology. Sector diversification calculated by William Blair based on Global Industry Classification Sectors (GICS). Weights may vary over time as benchmark index weights shift. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. Please refer to the performance summary slide for complete performance information.

Top Contributors/Detractors QTD – International Leaders ADR

As of March 31, 2025

Top 5 Contributors

Security	Sector	Country	Total Effect
Thales SA	Industrials	France	1.18
BAE Systems PLC	Industrials	UK	0.58
Safran SA	Industrials	France	0.23
Spotify Technology SA	Communication Svcs.	Sweden	0.22
MercadoLibre Inc	Discretionary	Brazil	0.17

Top 5 Detractors

Security	Sector	Country	Total Effect
Advantest Corp	IT	Japan	-0.56
ASM International NV	IT	Netherlands	-0.45
Taiwan Semiconductor Manufacturing Co Ltd	IT	Taiwan	-0.32
Prysmian SpA	Industrials	Italy	-0.31
Flutter Entertainment PLC	Discretionary	Ireland	-0.30

Total returns for the representative portfolio: Gross of Fee = 1.63 and Net of Fee = 1.46

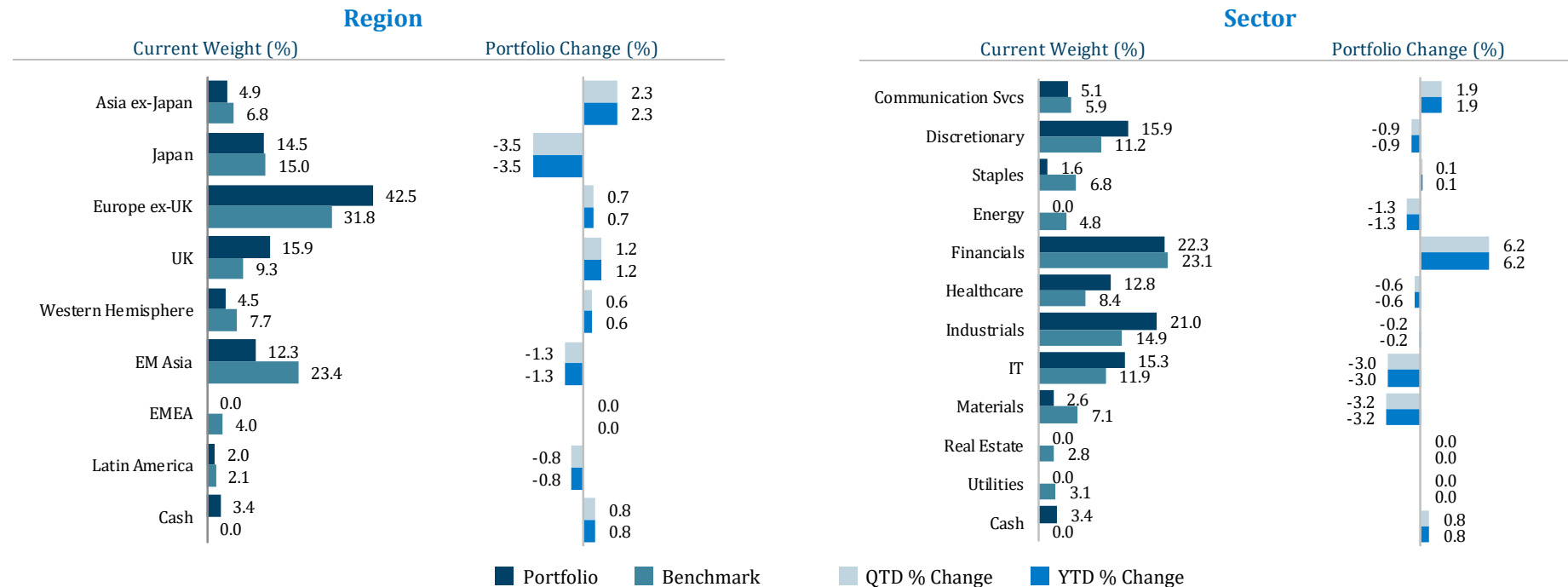
Net returns are based on a model fee equal to the maximum separate account management fee for the strategy as of the time the return was calculated.

Index: MSCI AC World ex US IMI (net).

Past performance is not indicative of future returns. The data shown above is based on the strategy's representative portfolio. 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. Attribution by is based on estimated returns of all equities held during a measurement period, including purchases and sales. We calculate attribution using our proprietary attribution system. Attribution effects are calculated with gross of fee portfolio performance using the Selection Plus methodology. Sector diversification calculated by William Blair based on Global Industry Classification Sectors (GICS). Geographic distribution is calculated by William Blair. Weights may vary over time as benchmark index weights shift. 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. Specific securities identified and described do not represent all of the securities purchased, sold, or recommended and you should not assume that investments in the securities identified were or will be profitable. Please refer to the performance summary slide for complete performance information.

Portfolio Positioning – International Leaders ADR

As of March 31, 2025



Top Portfolio Additions During the Quarter¹

Security	Country	Sector	Corp Lifecycle	Trans
Asics Corp	Japan	Discretionary	Expanding	Buy
Heidelberg Materials Ag	Germany	Materials	Expanding	Buy
Unilever Plc	UK	Staples	Sustained	Buy
Asm International Nv	Netherlands	IT	Expanding	Buy
Sea Ltd	Indonesia	Communication Svcs.	Expanding	Buy

Top Portfolio Reductions During the Quarter¹

Security	Country	Sector	Corp Lifecycle	Trans
Taiwan Semiconductor Manufacturing Co Ltd	Taiwan	IT	Expanding	Trim
Haleon Plc	UK	Health Care	Sustained	Sell
Linde Plc	Ireland	Materials	Sustained	Sell
Lvmh Moet Hennessy	France	Discretionary	Expanding	Sell
Louis Vuitton Se	France	Discretionary	Expanding	Sell
Totalenergies Se	France	Energy	Sustained	Sell

¹Reflects largest purchases and sales during the quarter.

The data shown above is based on the strategy's representative portfolio. Transaction data may be limited to trades related to strategy decisions and not inclusive of trades performed due to cash flows. Sector diversification calculated in Eagle by William Blair based on Global Industry Classification Sectors (GICS). Geographic distribution is calculated in Eagle by William Blair. Cash incorporates cash equivalents and accruals. Weights may vary over time as benchmark index weights shift. Not intended as investment advice. The MSCI AC World ex-US IMI Index is a free float-adjusted market capitalization index designed to measure global developed and emerging market equity performance, excluding the U.S.

The benchmark that best reflects the composite's investment strategy is a custom benchmark, linking the MSCI All Country World Ex US Index (net) through June 30, 2019, to the MSCI All Country World Ex US Investable Market Index (net) after June 30, 2019. The benchmark was changed in December 2020 from the MSCI All Country World Ex US Index (net).

Top Holdings by Market Cap – International Leaders ADR

As of March 31, 2025

The table below shows the International Leaders ADR portfolio's largest holdings by market cap as well as the sub-totals by market cap for the portfolio and index. The stocks are listed by country and by the sector that defines each one's role in the portfolio.

	Country	Sector	% of Total Net Assets in Portfolio	% of Total Net Assets in Index ¹
Large Cap(>\$20b)			88.2%	58.1%
Taiwan Semiconductor Manufacturing Co Ltd	Taiwan	Information Technology	4.1%	2.2%
SAP SE	Germany	Information Technology	2.8%	0.9%
Thales SA	France	Industrials	2.8%	0.1%
London Stock Exchange Group PLC	United Kingdom	Financials	2.7%	0.2%
Compass Group PLC	United Kingdom	Discretionary	2.5%	0.2%
Mid Cap(\$5-20b)			11.8%	23.0%
Sandoz Group AG	Switzerland	Health Care	2.3%	0.1%
Brookfield Asset Management Ltd.	Canada	Financials	1.8%	0.1%
Asics Corp.	Japan	Discretionary	1.4%	0.0%
Kingspan Group PLC	Ireland	Industrials	1.4%	0.0%
Techtronic Industries Co Ltd	Hong Kong	Industrials	1.3%	0.1%
Small Cap (<\$5b)			0.0%	18.9%

¹Index: MSCI AC World ex-US IMI (net).

Sector diversification calculated by William Blair based on Global Industry Classification Sectors (GICS). Market capitalization and geographic distribution are calculated by William Blair. Weights may vary over time as benchmark index weights shift. 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. Specific securities identified and described do not represent all of the securities purchased, sold, or recommended and you should not assume that investments in the securities identified were or will be profitable.

International Leaders ADR Portfolio Attributes

As of March 31, 2025

	International Leaders ADR	MSCI AC World ex-US Index	Difference
Quality			
WB Quality Model (Percentile)	24	35	
Return on Equity (%)	20.2	14.8	36%
Cash Flow ROIC (%)	22.2	16.9	31%
Debt/Equity (%)	70.9	88.1	-19%
Growth			
WB Growth Model (Percentile)	45	56	
EPS 3Y Forward CAGR (%)	16.6	11.7	41%
5-Year Historic EPS Growth (%)	7.9	9.5	-16%
Reinvestment Rate (%)	13.0	9.0	44%
Earnings Trend			
WB Earnings Trend Model (Percentile)	30	42	
EPS Est Rev Breadth (%)	-0.3	-1.4	1.1
Valuation			
WB Valuation Model (Percentile)	76	58	
P/E (next 12 months)	19.0	13.4	42%
Dividend Yield (%)	1.0	2.9	-67%

The data shown above is based on the strategy's representative portfolio. Calculated by William Blair. Aggregate scores shown above based on William Blair's quantitative model. For individual and composite ranks, 1 is best and 100 is worst. Yield is only one component of expected performance and is not and should not be viewed as a statement of the future performance of the strategy. Please refer to the performance summary for complete performance information. The index is comparable to the strategy in terms of investment approach but contains significantly more securities. Not intended as investment advice. The benchmark that best reflects the composite's investment strategy is a custom benchmark, linking the MSCI All Country World Ex US Index (net) through June 30, 2019, to the MSCI All Country World Ex US Investable Market Index (net) after June 30, 2019. The benchmark was changed in December 2020 from the MSCI All Country World Ex US Index (net).

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.

CFROI (Cash Flow Return on Invested Capital): A measure of how effectively a company generates cash flow based on legacy capital investment.

Convexity: A measure of the sensitivity of a fixed income investment's duration to changes in yield.

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 riskier. From a portfolio perspective, the portfolio Debt to Total Capital Ratio is a weighted average of the individual holdings' Debt to Total Capital Ratio.

Duration: A measure of the price sensitivity of a fixed income investment to a change in interest rates, stated in years.

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 Estimate Revision Breadth: A 1-month factor representing the trend in the direction of estimate changes. Range from -100% to +100%, it is calculated as the number of positive revisions minus the number of negative revisions divided by the total number of estimates.

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.

EPS Growth Rate (5-Year Historic): The weighted average earnings per share growth for stocks within the portfolio over the past 5 years.

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.

Frontier Markets: Less advanced capital markets in the developing world.

FX: In finance, an exchange rate is the rate at which one currency will be exchanged for another. It is also regarded as the value of one country's currency in relation to another currency.

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.

Net Debt to EBITDA: A measure of leverage calculated by taking interest bearing liabilities minus cash divided by earnings before interest, taxes, depreciation, and amortization.

Option-Adjusted Spread (OAS): A measure of the spread of a fixed income investment's yield relative to a benchmark, adjusted to take into account an embedded option.

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.

Price to Book: A stock's capitalization divided by its book value. This ratio compares the market's valuation of a company to the value of that company as indicated on its financial statements.

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.

Recovery Rate: The extent to which principal and interest on defaulted debt can be recovered, expressed as a percentage of face value.

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.

Spread Duration: A measure of the price sensitivity of a fixed income investment to a change in credit spreads.

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.

Yield to Maturity: A representation of the rate of return anticipated on a bond if held until its maturity.

Yield to Worst: A representation of the lowest potential yield that an investor would receive on a bond if the issuer does not default.

Glossary – Indices

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 China All Shares Index: a free-float weighted equity index designed to capture large and mid-cap representation across China A-shares, B-shares, H-shares, Red-chips, P-chips and foreign listings (e.g. ADRs). The index aims to reflect the opportunity set of China share classes listed in Hong Kong, Shanghai, Shenzhen and outside of China.

MSCI China A Onshore Index: A free-float weighted equity index, designed to measure performance of China A share securities listed on either the Shanghai or Shenzhen Stock Exchanges.

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 ex-China IMI Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets excluding China.

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

International Leaders ADR SMA

Calendar Year	Composite Gross Return (%)	Composite Net Return (%)	Intl Ldrs ADR Linked Return (%)	MSCI EAFE (net) Return (%)	Composite 3-Yr Yr Std Dev (%)	Primary Benchmark 3-Yr Std Dev (%)	Secondary Benchmark 3-Yr Std Dev (%)	Number of Portfolios	Dispersion (%)	Composite Assets End of Period \$(mm)	Total Firm Assets \$(mm)
2015	0.33	-2.64	-5.66	-0.81	11.60	12.13	12.46	5/Fewer	N/A**	168.18	64,777.78
2016	1.52	-1.48	4.50	1.00	11.99	12.51	12.46	5/Fewer	N/A**	71.19	64,872.51
2017	24.44	20.82	27.19	25.03	10.91	11.87	11.83	5/Fewer	N/A**	84.56	73,549.85
2018	-12.64	-15.25	-14.20	-13.79	10.90	11.38	11.24	5/Fewer	N/A**	38.81	48,880.26
2019	28.22	24.50	21.92	22.01	10.80	11.35	10.81	5/Fewer	N/A**	43.25	58,446.29
2020	25.43	21.78	11.12	7.82	17.29	18.29	17.89	5/Fewer	N/A**	47.64	69,739.61
2021	9.01	5.80	8.53	11.26	16.56	17.15	16.92	5/Fewer	N/A**	45.66	79,683.54
2022	-25.22	-27.49	-16.58	-14.45	22.47	19.64	19.96	5/Fewer	N/A**	45.82	56,036.64
2023	18.94	15.47	15.62	18.24	20.48	16.13	16.61	5/Fewer	N/A**	49.61	67,246.03
2024	0.42	-2.56	5.23	3.82	20.21	16.07	16.61	5/Fewer	N/A**	57.38	71,590.16

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, 2024. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

For purposes of compliance with GIPS, the Firm is defined as all portfolios managed by William Blair Investment Management, a distinct operating unit within William Blair. William Blair Investment Management currently operates as William Blair Investment Management, LLC, an investment adviser registered with the United States Securities and Exchange Commission ("SEC") which is a separate legal entity that is distinct from William Blair & Company, L.L.C. Registration with the SEC does not imply a certain level of skill or training.

The International Leaders ADR SMA strategy invests in the ADRs and dual listed securities of companies based outside of the United States. Companies have had and are expected to maintain superior growth, profitability and quality relative to local markets. A portfolio manager change occurred effective 7/1/2019 and 1/1/2020. The investment strategy was not materially altered by the personnel change.

The benchmark that best reflects the composite's investment strategy is a custom benchmark, linking the MSCI All Country World Ex US Index (net) through June 30, 2019, to the MSCI All Country World Ex US Investable Market Index (net) after June 30, 2019. Both component indexes are free float-adjusted market capitalization indexes designed to measure equity market performance, net of withholding taxes, in the global developed and emerging markets, excluding the US. The first index excludes small capitalization companies and the second index includes small capitalization companies. The benchmark was changed in December 2020 from the MSCI All Country World Ex US Index (net).

The secondary benchmark is the MSCI EAFE Index (net), which is a free float-adjusted market capitalization index that is designed to measure equity market performance, net of withholding taxes, in the developed markets, excluding the U.S. & Canada.

There is no minimum initial market value requirement for this composite. New portfolios are added to the composite at the beginning of the month following the first full calendar month 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 at the wrap total level by Vestmark, 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 exceed the significant cash flow threshold, which is 25% of the beginning of month portfolio market value. Additional information regarding the treatment of significant cash flows is available upon request.

Performance includes the reinvestment of dividends and other earnings. Portfolio returns are calculated daily. Composite returns are calculated monthly by weighting monthly portfolio returns based on beginning of month market values. Valuations and returns are denominated in U.S. Dollars. 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 gross composite returns and 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 net of all fees charged directly or indirectly to the accounts. Net of fee results are calculated using the wrap program's maximum fee of 3.00%. This bundled (wrap) fee includes investment management fees, financial consultant fees, custodial fees, and trading expenses. Bundled fee portfolios constitute 100% of composite assets. Performance results are also stated gross of all fees and transaction costs ("Pure Gross") and are presented as supplemental data.

The International Leaders ADR SMA Composite was created in January 2003. The composite performance inception date is January 1, 2003. Prior to December 2020, the composite was named International Leaders ADR Wrap.

A complete list and description of firm composites and pooled funds is available upon request. Additional information regarding valuing investments, calculating performance, and preparing GIPS reports is also available upon request. Past performance is not indicative of future results. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. The data and other information included herein has been provided for the intended recipient's review only and may not be copied, reproduced, redistributed, published, retransmitted, or otherwise shared with any third-party without written permission from William Blair. Please refer to the 'Index Disclosures' in this document for further information.

**Five or fewer portfolios were included in the composite for the entire year.