

ClientFocus

Walsh Transformed McCormick Place into COVID Alternative Care Facility

INDUSTRY TRENDS

Now What? Assessing the Opportunities and Risks in a Post COVID-19 World

EQUITY RESEARCH

Q&A on Coronavirus Testing with Equity Research Analyst Brian Weinstein

RESOURCES

COVID-19 Giving Strategies and Resources

WILLIAM BLAIR THINKING

Digitization of Healthcare in America

COMMUNITY ENGAGEMENT

Engaging in Our Communities





Embracing Change

The first six months of the new decade have been a great reminder that life is filled with change. But what matters is how we embrace it and move forward.

Volatility in the markets continues as the economy weathers a global lockdown due to COVID-19. Social distancing has become common ground. Meanwhile, between the economic crisis and the pandemic, civil unrest has erupted as the nation grapples with social injustice.

Through all of this, I could not be more proud of how our firm has come together to serve clients, each other, and our communities and to live into our mission, vision, and values.

In June, William Blair migrated its 40th Annual Growth Stock Conference, the industry's leading forum for growth investors, to a virtual experience. Traditionally held at a Chicago hotel, this year because of the coronavirus, the team pivoted quickly to turn the event into an online forum. The conference was a huge success, drawing our biggest crowd ever of 3,000 participants—triple last year's attendance. Participants joined us from around the world for company presentations and client meetings over three days.

Following the tragic killing of Minneapolis resident George Floyd on May 25, and the social unrest that followed, employees were deeply troubled by the unfolding events that weighed heavily on their communities. So we initiated a global town hall and hosted a firm-wide conversation about race, social injustice, and how to help bring about sustained change. We are continuing that dialogue with over 50 smaller employee-sessions as well.

The William Blair Foundation and the firm's employee-match gifting program for COVID-19 relief have raised hundreds of thousands of dollars since March for food banks, disaster relief, and front-line health workers. The firm has also expanded its gift-matching program to triple the amount each employee donates to organizations working on social justice and racial equality.

This issue of *Client Focus* spotlights these efforts along with some remarkable examples of how clients responded. Among those are Walsh Construction, a 122-year-old company, which transformed Chicago's McCormick Place into a 3,000-bed facility for COVID-19 patients. It is an amazing story of civic leadership and dedication. Dan Walsh and his

brother Matthew, co-chairmen of Walsh Construction, have been long-time William Blair clients.

In our thought leadership series William Blair Thinking, William Blair analysts discuss that we are living in a seminal time of change for the economy and society. In addition, *Client Focus* features discussions with Brian Weinstein on the implications of COVID-19 testing and Ken McAtamney on the transition to a more digital world.

Undoubtedly, 2020 will continue to be eventful. William Blair has a long history of weathering change and we value our clients now more than ever—we see you as our partners working closely together to meet these changes and your financial needs. On behalf of the entire firm, thank you for your trust.

Sincerely,

John Ettelson
President and CEO

Walsh Transformed McCormick Place into COVID Alternative Care Facility

It was Saturday March 28 and the COVID-19 crisis was evolving rapidly in Illinois.

Two weeks earlier, the World Health Organization had declared the new COVID-19 virus a worldwide pandemic. Cases outside China were soaring. Iran and Italy were being devastated by the death tolls. Infections in New York jumped from 424 on March 16 to 7,195 on March 28.

Illinois had announced 467 new COVID cases on the 28th, centered in Chicago. Governor J.B. Pritzker and other officials were planning for the worst, including a backup-care facility to handle an expected surge in cases. Pritzker had already closed state schools and all nonessential businesses.

Lt. Gen. Todd Semonite, head of the U.S. Army Corps of Engineers, had responded to the governor's request for help. McCormick Place was one of a couple of dozen sites nationwide, including New York City's Javits Center, designated as potential alternative care facilities (ACFs).

Timeline

At 5 o'clock on March 28 Chicago-based Walsh Construction was invited by the Metropolitan Pier Exposition Authority under the direction of the Army Corps to bid on converting three big exhibition halls of McCormick Place into a 3,000-bed COVID-19 facility. The emergency project deadline was 26 days.



McCormick Place Alternative Care Facility

By 8:30 a.m. the next day Walsh submitted a proposal. It was accepted in two hours and, an hour later, 50 Walsh employees were on site at McCormick Place with the Army Corps of Engineers.

"We responded quickly to a valued customer in the Corps of Engineers and had the depth of resources to meet the demands of the project," says Dan Walsh, who along with his brother Matthew are co-chairmen of Walsh Construction and long-time clients of William Blair. "The Corps selected us for the country's biggest acute-care facility and the one with the fastest schedule."

Walsh healthcare operations manager Tony Galullo recalls that Sunday morning at McCormick Place after the proposal was accepted.

"When we walked in at 11:30 with all our own personal protective

equipment, it set the tone right out of the gate," Galullo says. "The impression was we were ready to go, which helped define the mission we were on."

First 500 beds in 5 days

By April 3, just five days after construction began, the first 500 beds at the McCormick Place ACF were ready.

"Monumental, round-the-clock dedication got this done before we need it, preparing for saving lives in the event things become as bad as some have predicted," Pritzker said at the time. "In one week's time, the heroes who came together to make this possible built us a facility larger than the largest hospital in Illinois."

By April 10 another 1,750 beds were ready for use and by April 23 another 500, with the enhanced support space

“This project was taken on at a time when the city needed to come together and Walsh was really proud to be part of that effort.”

—**Brian Walsh**, a fourth-generation member of the Walsh family

and medical infrastructure completed for any needed buildout to 3,000 beds all completed in 25 days.

Tom Caplis, vice president of Walsh’s healthcare group, says logistics, worker safety, and securing supplies for the buildout were challenging. Besides the Corps, Walsh personnel worked with hundreds of Illinois National Guard, city and state workers, and specialty contractors around the clock to transform North America’s largest convention center into one the country’s largest ACFs.

“This was very much a civic pride mission the government gave us to make something happen for this city that we live in and work in,” Caplis said. “People just laced up their boots, put on their hard hats, didn’t complain and went to work.”

Galullo, a 25-year employee of Walsh who was in charge of operations for the project, says the actual construction work to retool McCormick Place was complex but relatively normal.

“What was not typical was the extraordinary pace of the project, the speed of delivery,” Galullo says. “We were designing, finding materials, building all in real time.”

A model for the world

Amid a nationwide COVID panic, sourcing materials for the work wasn’t easy. Galullo said many fabricators and distributors of basic construction materials nationally were closed or had limited capacity amid their governors’ stay-at-home orders. It meant pairing up with the right specialty contractors.

“Here was the government and private industry coming together very quickly, efficiently building something that we needed, doing something to help the situation, which seemed so out of control,” Caplis says. “That mindset carried through to everyone on the jobsite.”



VIDEO

Overnight delivery of isolation tents at Midway Airport

The halls at McCormick were reshaped to handle patients with varying levels of illness.

Hall C was the first to open for low-acuity patients. It provided 500 tri-walled, 10’ x 10’ patient spaces with a curtain front, furnished with beds and basic healthcare items. The unit also included 14 nursing stations,

medical storage facilities, a pharmacy, and housekeeping services.

Hall A was transformed next for 1,750 patients and 41 nursing stations, with open-space care for fully mobile, low-acuity COVID patients. The final phase was Hall B, aimed to care for a maximum of 750 patients exhibiting high transmission symptoms. The unit was fitted with negative-pressure isolation tents for each patient, including a sophisticated HEPA filter system to purify the air of contagious bacteria and viruses.

“This whole Hall B has become the model for the country and actually the world now,” says Caplis, citing a new rack system of 15 patient isolation pods that can be packaged in sets of 15 then shipped and reassembled anywhere in the country or the world.

Caplis says the Hall B materials were a good example of how efficient the private-public partnership was in the high-pressure project. The negative pressure tents were tracked down to a supplier in Eugene, Oregon. But it would have taken at least three days to arrive cross-country by truck.

“In a period of an hour after bringing it up to the governor, we had birds dedicated to us and a delivery date at Midway Airport,” Caplis said of two

C-130 military transports Pritzker dispatched from the Illinois National Guard in Peoria for an overnight delivery to Midway.

The light-speed project also demanded new challenges for all the on-site workers.

Extra health precautions were put in place to protect workers from the spread of COVID-19. These included social distancing, working together to stay 6 feet apart; face coverings; temperature checks; wristbands for everybody entering the job site each day.

Caplis noted that over 25 days of construction, thousands of man hours were logged without a single accident and not one person was affected by COVID which he called “absolutely remarkable.”

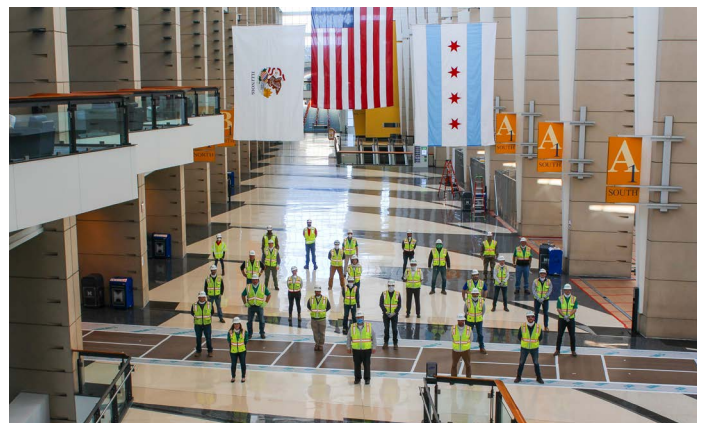
“Our incredible employees and in-house healthcare expertise allowed us to be able to contribute to the efforts of what happened at McCormick Place,” says Brian Walsh, a fourth-generation member of the founding family now with the company.

“This project was taken on at a time when the city needed to come together and Walsh was really proud to be part of that effort.”

Note: At the time of this writing, McCormick Place remained available as an alternative care facility for COVID-19 patients.



From left, Dr. Ngozi Ezike, Illinois Public Health Director, Gov. J.B. Pritzker, Chicago Mayor Lori Lightfoot at McCormick Place



Construction team at McCormick Place

Walsh Serving Communities for 122 Years

Chicago-based Walsh Construction, one of the nation’s largest construction companies with 20 regional offices in the U.S. and Canada, was founded in 1898 by Matthew Myles Walsh, an Irish immigrant who came to the city as a carpenter for the 1893 World’s Columbian Exposition.

The company, led by the founder’s grandsons Dan and Matthew Walsh, designs, builds and finances a wide range of projects from skyscrapers to schools, bridges to highways, water treatment plants to energy facilities.

For healthcare facilities, Walsh Construction is among the country’s largest healthcare contractors in the United States. The company builds hospitals, emergency departments, critical-care units, and more. Its most recent venture was the renovation of Cook County Hospital, a

historic preservation project and the anchor of a multi-phase \$1 billion redevelopment of the Illinois Medical District that will include hotels, offices, and restaurants.

Walsh is a well-known community leader, committed to investing in the communities where its employees live and work. Among its work, Walsh is a long-time supporter of Rebuilding Together, a nationwide nonprofit that repairs houses of low-income homeowners.

“Our story of growth and development is rooted in the neighborhood environment,” Walsh explains on its website. “From work with local organizations to repairing houses, we are dedicated to giving back to enhance the future for others.”

Now What? Assessing the Opportunities and Risks in a Post COVID-19 World

The COVID-19 pandemic has changed our lives in ways many of us did not expect. For Ken McAtamney, a William Blair partner and portfolio manager who leads investment management's global equity research group, it was the speed of many of the shifts that was surprising—not necessarily the shifts themselves.

That's because McAtamney and his team see the crisis accelerating a number of structural trends that were already underway pre-pandemic. He and his team are analyzing these changes to better understand the investment opportunities and risks in a post-COVID world.

Digital adoption

The most sweeping cultural change amid the pandemic, according to McAtamney: the forced acceleration to a digital society. What had been a gradual 20-year shift to online life changed overnight amid the realization that digital was no longer a choice. It was and is the key to our survival.

Nowhere is this forced acceleration more evident than in the healthcare system itself. Before COVID-19, technologies such as live videoconferencing and remote monitoring of patients by healthcare providers had not been widely accepted. But interest in and implementation of telemedicine grew rapidly during the crisis as policymakers, insurers, and health systems found ways to deliver care to

patients in their homes to limit the spread of the virus and reduce the strain on hospitals.

Another area where digital adoption is playing out: e-commerce. For years, consumers have steadily shifted to online shopping as retailers embraced e-commerce to personally connect with customers. Technology also improved security around payment and delivery times. Even so, in-store shopping remained popular for many until COVID-19 changed everything.

More people are now shopping online, whether due to fears of contagion or closed stores. McAtamney and his team expect to see a permanent increase in adoption of e-commerce, as more consumers become comfortable shopping online and some traditional brick-and-mortar retailers go out of business.

“Online shopping went into overdrive,” says McAtamney. “With that, we saw a number of retailers, which had large brick-and-mortar operations, file for bankruptcy this spring.”

E-learning has seen a similar boost. As elementary schools to universities were shuttered, educators once resistant to using e-learning tools no longer had a choice. Additionally, they embraced digital meeting tools like Teams, Zoom, and Google+ to stay connected with their students. So did thousands of companies that sent their employees home to work. McAtamney and his team expect that

e-learning, the corporate shift to the cloud and more remote work are likely here to stay in some form or another.

Changing food preferences

The pandemic has also accelerated changes to the global food chain, which spans from farm to plate. The food chain has been undergoing change for years, as customer preferences for health and convenience spurred the spread of organically grown foods; online grocery shopping and deliveries; at-home meal-preparation kits; sustainable-sourced foods; and plant-based proteins.

During the COVID-19 crisis, these preferences have become more widespread, according to McAtamney. Consumers have sought more online shopping apps, curbside pickups, and at-home deliveries. COVID also exposed weak links in the mass food production system, when meat processing plants across the U.S. were forced to close as workers became sick. That fed the consumer movement for plant-based meat alternatives occurring long before the pandemic. Plant-based food makers like Impossible Foods, Beyond Meat, and Tofurky have ramped up to fill the gaps, McAtamney says.

Sustainable growth in China

The transformation of China's economy from infrastructure and manufacturing toward value-added services and consumer business models was clear before the pandemic,



as China evolved into a global competitor of scale. The COVID-19 crisis has helped accelerate this shift in China away from investment- and export-led growth toward consumption-led growth.

The Chinese government’s stimulus in reaction to the pandemic shock, for instance, has been mostly targeted at boosting domestic consumption. This follows the government’s focus in recent years on stimulus efforts, such as tax cuts, aimed at putting money in consumers’ pockets to drive domestic consumption.

McAtamney and his team see this structural shift persisting, leading to ongoing improvement in the quality and sustainability of Chinese economic growth, with the benefits particularly to be seen in sectors such as healthcare and IT.

Slowing globalization

Globalization was already slowing heading into the COVID-19 crisis. This trend too has been accelerated by the pandemic, McAtamney says. Before COVID, for instance, some companies were already starting to rethink their supply chains and manufacturing sources as the U.S.-China trade war intensified, shifting their supply chains to rely on multiple countries or to bring production back home. McAtamney sees this supply-chain shift accelerating in healthcare especially, as the current pandemic has made it clear that relying on a single country puts a supply chain at risk. He and his team expect to see more investments in the U.S. healthcare system to make it better prepared for another big crisis or pandemic shock like this one.

“The obvious ones are investments in vaccines and antivirals—which is already happening—but we are



“We like to talk about not just investing in the technology sector but in all sectors and industries that use technology to differentiate their business model...”

—Ken McAtamney, William Blair Portfolio Manager

going to need more,” he says. That includes being better equipped to accommodate mass cases that strain healthcare workers, ICUs, hospital beds, and other support systems.

The slowing of globalization brings risks along with opportunities, however. McAtamney calls globalization arguably the largest single force fueling global economic growth for the last 40 years. But that trend was being challenged even prior to the pandemic, driven in part by a growing perception that globalization was a driving force between increasing income inequality. The current crisis is likely to further drive this wedge, potentially slowing globalization even further.

“The implications of that are not good: lower global growth, the potential for higher prices and higher inflation,”

says McAtamney. “Additionally, a lack of geopolitical leadership or alignment raises the volatility of global markets.”

The investing implications

What’s certain is that in the near term, the economic growth outlook is uncertain. Testing for the virus and contact tracing for potential exposure are seen as critical to restoring consumer confidence and resuming some level of recovery. But longer term, the structural changes set in motion by the pandemic will continue. And McAtamney says the changes all have a common theme: technology will lead.

“We like to talk about not just investing in the technology sector but in all sectors and industries that use technology to differentiate their business model and form stronger relationships with customers,” he says.

Q&A on Coronavirus Testing with William Blair's Equity Analyst Brian Weinstein

Key to reopening the economy and staying open is COVID-19 testing. Brian Weinstein, the firm's lead equity analyst covering COVID-19 diagnostics, describes the latest developments regarding tests, logistics, and the future of the industry.

Q | The U.S. Centers for Disease Control (CDC) has said the key to reopening the economy and staying open is COVID-19 testing. Do we have enough tests, supplies, staff, and labs to run them effectively?

Testing in the U.S. has progressed meaningfully though it is still not at the level we need to have visibility on active infections—symptomatic and asymptomatic. Through the first couple weeks of June, we have ramped up to more than 3 million tests per week. That number continues to rise as we see new hotspots, like Arizona and Florida, and more tests are brought online nationwide. That said, we still have issues around having enough lab technicians to run the tests and have a significant lack of national logistical coordination that needs to be addressed.

In our view, the first thing we need is logistical coordination to get samples where test kits, instruments, and technicians are available to run the test. That would be a big help in getting symptomatic patients tested. With a lack of coordination between different healthcare institutions this is somewhat limiting.

Also, today the tests are almost entirely given to symptomatic people who show up at a healthcare facility asking to be tested because they are sick. Less than 10% of these people have a positive test. But we know many more are positive, i.e., those who are asymptomatic and are not getting tested at all. That's because our testing infrastructure is at places where sick people go to be treated.

Most of the tests done at healthcare facilities or laboratories are nucleic acid amplification tests, also known as molecular tests. This technology looks for the genetic sequence of the virus and is very accurate though not rapid and, in most cases, cannot

be easily deployed outside of healthcare settings.

Rather, to understand the scope of the virus, we need to test asymptomatic people—which is difficult logistically. Who do we test? Where do we offer testing given the capacity of the system now being used to test symptomatic populations? This is why we need new technologies and capabilities.

As far as antibody testing (also known as serology testing) which shows if someone has developed antibodies to COVID-19 we see little to no value outside of accumulating epidemiological data. If antibodies



“To understand the scope of the virus, we need to test asymptomatic people—which is difficult logistically.”

—Brian Weinstein, William Blair Research Analyst

are present it presumes someone had been exposed and fought off the virus. But prevalence of the virus is pretty low with many leading experts saying it is less than 10% of the population. So even a perfectly accurate test would only pick up and “clear” 10%, hardly a number that would help open the economy. But more importantly, these tests miss some cases and many have a false positive rate of at least a few percent. That can be dangerous because with limited prevalence, it means that as many as half of patients who are told they have antibodies will not. What will these people do with a belief they are immune? The consequences are significant.

Antigen testing can be deployed in a variety of settings, including back-to-office protocols, school systems, travel and entertainment settings, first responders and front-line workers. Like molecular tests, these tests also look for the virus. But instead of looking for the genetic sequence, antigen tests quickly look for a protein that is part of the virus. Antigen testing can also report where someone tested positive so appropriate government resources can be brought in to minimize the spread and contain it to a small location, avoiding mass shutdowns.

Q | Which companies are leading the efforts?

In terms of molecular testing, large multinational companies like Becton Dickinson, Roche, Thermo Fisher, Danaher, and Abbott all have offerings as do smaller companies like bioMérieux, GenMark, Luminex, and Quidel. FDA has given emergency use authorization (EUA) for over 100 molecular tests. However, we have been most impressed with Hologic and its Panther system, which is well deployed (1,000 in the U.S.

alone) and can handle around 1,000 samples per day. As of June 19, FDA had authorized 122 molecular tests.

On antigen testing, Quidel is the only company with a test that was given an EUA by the FDA. It has a massive installed base and manufacturing capability. Others like Becton Dickinson and Abbott seem likely to have a product here as well, but are likely to be well behind Quidel.

On antibody testing, Abbott, Siemens, Roche, Danaher, Ortho Clinical Diagnostics, Bio-Rad, DiaSorin all have tests on the market. There are several smaller companies with rapid, point-of-care serology tests available. In total, FDA has granted 13 EUAs for serology testing. As of June 19, FDA had authorized 21 antibody tests.

Q | What are you most concerned about regarding the pace of testing?

First, using antibody tests as the basis to decide immunity is just not a good idea. Secondly, we need to get in front of this virus by identifying people who are asymptomatic and isolate them. We have technologies available now such as antigen testing and other technologies like CRISPR or next-generation sequencing that can be helpful here. Finally, logistics have to improve so we can move available tests to where the need is.

Q | What is your expectation on when a vaccine will be available? Will we be prepared with enough syringes and other supplies needed to administer the vaccine?

We will defer to our colleagues in the biotech space for their thoughts on vaccine availability as it relates to end of 2020 targets that have been

discussed by government officials. But regardless of the timing, the question on syringes is a great one and is something not getting anywhere near the attention it deserves. Becton Dickinson controls 90% of the worldwide markets and makes 15 billion needles and syringes per year at a cost and quality that we believe is unmatched.

Many governments around the world are using them because it is the obvious choice. Yet the U.S. has elected to award contracts for the 850 million or so devices that will be needed to a very small player in the space, a distributor that doesn't even do manufacturing, and a start-up with no manufacturing in place as of yet. It was a very curious decision and we believe that if a vaccine is ready in the next several months, injection of the vaccine will be a meaningful issue for the country. We hope the government rethinks its approach.

Q | What should investors watch most closely as the COVID-19 crisis continues?

Watch the infection rates to see if symptomatic infections remain strong through the summer as they may very well spike again in the fall. Watch for the contracts signed by private and public institutions around antigen testing. And, keep an eye on vaccine development so we have an idea when symptomatic testing should start to slow assuming we can figure out how to get vaccines actually delivered into the body efficiently.

To receive the firm's research reports, contact your William Blair representative. Visit williamblair.com/ResearchCoverage for disclosure information.

Engaging in Our Communities

Responding to communities hurting from the health and economic crisis brought on by the coronavirus pandemic, William Blair colleagues and clients are joining others around the world to help.

Among the hardest hit have been those living in the poorest communities, many of color, and those deemed essential workers who are also exposed to the virus risk on a continual basis.

Engaging in the communities where William Blair employees work and live has always been a core firm value. But the COVID-19 crisis brought an urgency to living that mission, according to Laura Coy, director of philanthropy strategy who oversees the William Blair Foundation.

“Every community is being impacted and the role of philanthropy is more important than I’ve seen play out in any situation before,” Coy says. “It’s not like 2008 when philanthropy dipped during the financial crisis. We’ve all been awakened that we’ve got a role to play.”

The foundation and the firm’s expanded employee-match gifting program for COVID-19 relief raised hundreds of thousands of dollars since March to support food banks, disaster relief, and front-line health workers. That includes nearly \$500,000 donated by the firm, the foundation, and employees to food banks in

Chicago and London, the Chicago COVID-19 Response Fund, and UK’s NHS Charities Together.

William Blair employees led fundraising campaigns to deliver meals to hospital workers, including the staff at Lurie Children’s Hospital and Shirley Ryan Ability Lab in Chicago and Atlanta’s Grady Health. Clients also pitched in to support organizations like Chicago Cubs baseball player Anthony Rizzo’s foundation, which sent such meals to 20 hospitals in four states from over 30 different restaurants. Other employees organized events that raised funds for charities serving families in low-income communities in San Francisco, Boston, and Chicago. And, the list goes on.

It has been one of the most challenging but rewarding times, Coy says. What made a huge difference is how quickly groups organized digitally and connected to donate and volunteer.

“This is a new era of philanthropy,” Coy says. “The connectivity and technology created a platform for catalytic change.”

William Blair clients and partnerships are also making a sizable impact. Fidelity Charitable, the nation’s largest donor-advised fund and a William Blair DAF partner, challenged donors to grant at least \$200 million



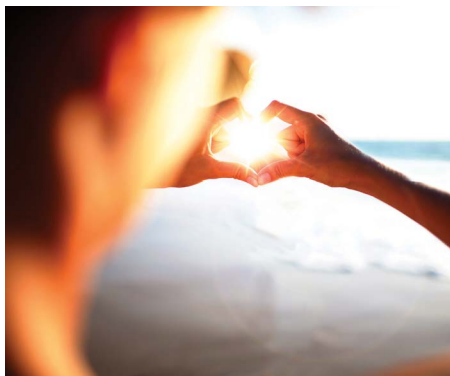
Pasta meals provided by William Blair to the Shirley Ryan Ability Lab during Nurses Week in May.



The Greater Chicago Food Depository is among the food banks William Blair colleagues and clients are supporting.

Continued on Page 11

COVID-19 Giving Strategies and Resources



If you are considering giving to those affected most by the coronavirus pandemic, the new CARES Act, signed into law in March, provides tax incentives for donors.

Charitable deductions enhanced.

CARES eliminates the adjusted gross income limitation (previously 60%) on cash charitable deductions and provides up to a \$300 cash charitable deduction for those who do not itemize deductions. The idea is that ultra-charitable taxpayers be able to offset 100% of their income with charitable deductions in 2020. In addition, for taxpayers who contribute more than their 2020 limit, the excess is not lost but can be carried forward up to 5 years. Both options require the cash to go directly to charity—i.e., not through a foundation or donor-advised fund.

Stimulus check donations an option.

Stimulus checks (up to \$2,400 for married couples filing a joint tax return and \$1,200 for single filers) coupled with new charitable deductions provides opportunities to

give directly to charities. In today's environment, every donation helps. So \$1,200 each from a large pool of donors can add up quickly to be very impactful. Taxpayers who don't need the stimulus checks for living expenses might consider using these funds to expose children to philanthropy for the first time or engage them further in the family's charitable goals.

Qualified charitable distribution continues.

Required minimum distributions from retirement accounts are waived for 2020. But the waiver does not eliminate one's ability to make a qualified charitable distribution (QCD). QCDs allow taxpayers 70-1/2 or older to transfer up to \$100,000 per individual directly from an IRA to charity. With QCDs taxpayers don't have to report the distribution as income but also don't get the charitable deduction. However, there is typically at least a marginal tax benefit, and often times a much bigger benefit, from sending the distribution directly to charity versus taking the money as income then making a charitable gift.

Roth conversion can be timely.

Donors looking to make larger gifts to charities but have limited access to income sources, may want to consider converting a traditional IRA to a Roth IRA. The conversion raises taxable income but CARES allows you to claim an offsetting charitable deduction on the taxable amount. Donors can then

benefit from the tax-free growth and tax-free withdrawals of the Roth IRA.

Charitable lead trusts benefits.

Charitable lead trusts, which provide an annuity payment to charities for a set number of years, are particularly relevant today because of the low interest rate environment. These trusts are typically used by philanthropists with a big tax bill and a desire to support charities and pass on wealth to their heirs. Let's say the donor sets up a 10-year charitable lead trust. The donor gets an immediate charitable tax deduction based on the fair market value of the annuity payments going to the charity. Because interest rates are historically low the donor gets a bigger upfront charitable deduction. At the end of the 10 years, the remaining assets usually fund a trust that benefits the donor's family members.

William Blair COVID-19 Philanthropic Resources.

Our special guide is filled with tips and resources for philanthropists and nonprofits to assist them during these challenging times.

For more information about these strategies, contact your William Blair representative.

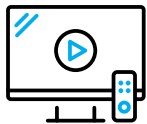
This information has been prepared for informational purposes and is not intended to provide, nor should it be relied on for, accounting, legal tax, or investment advice. Please consult with your tax and/or legal advisor regarding your individual circumstances.

Digitization of Healthcare in America

During the early weeks of the COVID-19 crisis, signs were clear that digitization of healthcare in America was accelerating.

It was a path the industry had been on for years, though slow in accepting amid a preference for in-person doctor visits and established management systems. But as social distancing took effect to prevent the virus from spreading, both patients and healthcare providers stepped up to embrace online healthcare.

In this video, William Blair investment banker Joe Schauenberg, who leads the healthcare information technology practice, shares his insights on how COVID-19 pushed the industry to adopt technology to provide services, a trend he expects to continue.



VIDEO

Joe Schauenberg discusses Digitization of Healthcare in America

Engaging in our Communities

Continued from Page 9

by May 5 to nonprofits responding to the COVID-19 pandemic. Donors exceeded the challenge giving more than \$236 million in grants to over 9,600 charities.

The Chicago Community Trust (CCT) was among the frontline foundations William Blair works with that stepped up aid to low-income areas hit hardest by the pandemic. CCT supplied emergency food, rent, mortgage, and utility assistance through grants to local nonprofits serving the area's most vulnerable neighborhoods.

There's also been the creation of special cultural relief initiatives to assist groups under the radar such as artists, performers, writers, theater companies, and museums. The Arts for Illinois Relief Fund, a private-public partnership, is one example. Since it began in April, the fund has raised over \$8 million from private-public partners. The effort was supported by a William Blair client, the Walder Foundation.

“Looking beyond COVID, where do we need to invest and sustain our communities?” Coy asks, reflecting the conversations employees have been having this summer. Those discussions led William Blair in June to initiate a new gift-matching program, with the firm tripling the amount each employee donates to organizations that work on social justice and racial equality.

“We are all learning from each other. It's really about how philanthropy is coming together, inspiring everyone to stand up and make a difference,” Coy adds.

To read more, view the online version of [Client Focus](#).

Past performance does not guarantee future results. This is not in any sense a solicitation or offer of the purchase or sale of securities. The factual statements herein have been taken from sources we believe to be reliable, but such statements are made without any representation as to accuracy or completeness or otherwise. Opinions expressed herein are our own unless otherwise stated and are current opinions as of the date appearing in this material only. These materials are subject to change without notice. From time to time, William Blair & Company, L.L.C. or its affiliates may buy and sell the securities referred to herein, may make a market therein, and may have long or short position therein. Prices shown are approximate. References to specific securities and their issuers are for illustrative purposes only and are not intended and should not be interpreted as recommendations.

This material is distributed in the United Kingdom and European Economic Area (EEA) by William Blair International, Ltd., authorized and regulated by the Financial Conduct Authority (FCA), and is directed only at, and is only made available to, persons falling within Article 9, 38, 47, and 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons being referred to as “relevant persons”). This document is intended for persons regarded as professional investors (or equivalent) and is not to be distributed or passed on to any “retail clients”. No persons other than persons to whom this document is directed should rely on it or its contents or use it as the basis to make an investment decision.

William Blair & Company and the script logo *William Blair* are registered trademarks of William Blair & Company, L.L.C. William Blair & Company Client Focus ©2020 William Blair & Company, L.L.C. All rights reserved. Member FINRA • Member SIPC