

Custody and Safekeeping— What it Means for You and Your Assets at William Blair

William Blair & Company, L.L.C. (William Blair) remains committed to the safekeeping of our clients' assets. Client assets are held and cleared through National Financial Services LLC (NFS), a Fidelity Investments company. We have a solid and steadfast relationship with Fidelity.

William Blair is a private partnership. We have a stable balance sheet and conservative fiscal management. Our primary capital source is from our partners, and we maintain regulatory capital levels well above the statutory requirements across our entities and geographies. Currently, all of William Blair's operating cash is invested in fully liquid assets.

We oversee and advise on \$76 billion in client capital as of 12/31/24. As mentioned above, those assets are held, custodied, and cleared at NFS, one of the largest private client asset custody providers in the industry.

Who are Fidelity and NFS?

Fidelity is a private financial services company that operates a brokerage firm, manages a family of mutual funds, provides fund distribution and investment advice, retirement services, index funds, wealth management, securities execution and clearance, asset custody, and life insurance. Fidelity serves over 40 million investors and has over \$12 trillion in administrative assets as of year-end 2023.

Established in 1983, NFS is one of the largest providers of brokerage and custody services for private clients. NFS services millions of customer accounts representing over \$8 trillion in assets under administration as of year-end 2023, and several thousand relationships with registered investment advisors and broker-dealers.

What is a clearing firm?

A clearing firm is responsible for the execution, clearance, and settlement of securities transactions; the custody (or safekeeping), receipt, and delivery of funds and securities; and the preparation and sending of account statements and transaction confirmations for its client firms and their clients.

Your assets at NFS are segregated and not commingled with their assets. Your assets are readily accessible within normal business settlement cycles. NFS only executes trades at our direction under the supervision of your William Blair advisor. Additionally, NFS does not provide investment banking services such as using firm capital for investment opportunities, raising capital, or advising and managing mergers and acquisitions.

Why does William Blair use NFS as its clearing firm?

After extensive due diligence, in 2015, William Blair selected NFS as William Blair's clearing firm, to separate the custody and advisory responsibilities for our clients.

For more information, please refer to the following:

- <https://www.fidelity.com/about-fidelity/our-company>
- [Fidelity Annual Report 2023](#)
- [NFS Statement of Financial Condition](#)

What insurance is in place to protect client accounts?

There are several investor protections in place, including the Federal Deposit Insurance Corporation (FDIC), the Securities Investor Protection Corporation (SIPC), and "excess of SIPC" insurance provided as part of the Fidelity platform.

What is FDIC insurance? The FDIC insures cash deposits at a bank (checking, savings, bank deposit accounts) of up to \$250,000 per individual. The FDIC is backed by the full strength and credit of the U.S. government.

In addition, William Blair clients have access to our Bank Deposit Sweep Program, in which individual ownership accounts are covered up to \$2,500,000, and joint ownership accounts are covered up to \$5,000,000. Entity accounts (i.e., corporate accounts) are also covered up to \$2,500,000.

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What is SIPC insurance? SIPC is a nonprofit organization that protects stocks, bonds, and other securities in case a brokerage firm goes bankrupt, and assets are missing. It will cover up to \$500,000 in securities, including a \$250,000 limit for cash held in a brokerage account.

What is “excess of SIPC” coverage? In addition to SIPC protection, NFS provides additional “excess of SIPC” coverage. The excess of SIPC coverage will be used only when SIPC coverage is exhausted. Like SIPC protection, excess of SIPC protection does not cover investment losses in customer accounts due to market fluctuation. It also does not cover other claims for losses incurred while broker-dealers remain in business. Total aggregate excess of SIPC coverage available through NFS’s excess of SIPC policy is \$1 billion. Within NFS’s excess of SIPC coverage, there is no per-customer dollar limit on coverage of securities, but there is a per-customer limit of \$1.9 million on coverage of cash awaiting investment. This is the maximum excess of SIPC protection currently available in the brokerage industry.

For additional information, please refer to Fidelity’s [Customer Asset Protection Overview](#).

About William Blair

We are a 90-year-old private partnership, dually registered as both a broker-dealer (BD) and registered investment advisor (RIA). We have over 1,900 employees across four continents, and offer expertise in investment banking, investment management, private wealth management, institutional sales and trading, and equity research. We provide advisory services, strategies, and solutions to meet our clients’ evolving needs.

As an independent and employee-owned firm, together with our strategic partners, we operate in more than 20 offices worldwide.*

National Financial Services LLC is an independent company, unaffiliated with William Blair & Company, L.L.C. (William Blair), and is a service provider to William Blair. There is no form of legal partnership, agency affiliation, or similar relationship between your financial advisor and NFS, nor is such a relationship created or implied by the information herein.

*Includes strategic partnerships with Allier Capital, BDA Partners, and Poalim Capital Markets.