

*William Blair*

**William Blair & Company, L.L.C.**

**Guide to Brokerage Services and Products**

**Effective Date: April 2025**

## I. Introduction

William Blair & Company, L.L.C. (“William Blair”) is registered with the Securities and Exchange Commission (“SEC”) as both a broker-dealer and an investment adviser. William Blair is also a member of the Financial Industry Regulatory Authority (“FINRA”). This guide provides important information about the brokerage products and services we offer.

For information regarding William Blair’s advisory services, please refer to our Form ADV available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## II. Information About the Brokerage Services and Products We Offer

When we provide you with brokerage services and products, we act as your broker and provide you with recommendations at your request. Our brokerage services are “non-discretionary,” meaning that you make the ultimate decision to buy, sell, or hold a security, open an account, or take other action, because we do not have discretionary authority to do so on your behalf. There is no minimum amount required to open or maintain a William Blair brokerage account.

When William Blair and its financial advisors make recommendations to you in a brokerage capacity, we evaluate your needs based on the information you provide to us and recommend products that are in your best interest. Once an initial recommendation is made, neither William Blair nor its financial advisors monitor your investments on an ongoing basis. If you seek ongoing monitoring of your investments, please speak to your financial advisor about investment advisory products and services.

As part of our brokerage services, we will also provide you with financial tools, investment research, and investor education. At your request, we will also prepare a financial plan. William Blair does not charge a fee for the preparation of a financial plan for brokerage account clients.

### A. *Standard of Conduct*

You should be aware of key differences between broker-dealer and investment adviser standards of conduct. For example, investment advisers are subject to a fiduciary duty and are generally obligated to provide ongoing advice and monitoring, while broker-dealers are subject to no such duty under federal securities laws. Instead, broker-dealers must act in your best interest at the time a recommendation is made under the SEC’s Regulation Best Interest (“Reg BI”), and are not required to monitor your account or transactions on an ongoing basis unless they have voluntarily agreed to do so. As described above, William Blair does not provide ongoing monitoring of brokerage accounts.

When our financial advisors provide recommendations of securities or investment strategies involving securities **for your brokerage account**, they are acting in the capacity as a broker-dealer with regard to the recommendation and are subject to Reg BI. Conversely, when they make recommendations **for your advisory account**, they are acting in the capacity of an adviser and are not subject to Reg BI. If you have both a brokerage account and an advisory account with William Blair, all recommendations regarding your brokerage account will be made in a broker-dealer capacity and all activity in your advisory account are made in our investment advisory capacity.

It is important to note that Reg BI only applies to recommendations of securities or investment strategies involving securities. While we include certain information in this document regarding banking and insurance products (such as fixed income annuities), recommendations of these products are not subject to Reg BI.

### ***B. Brokerage Recommendations***

Our financial advisors may recommend you open a brokerage account or advisory account for the purchase, sale, or retention of securities, and/or certain investment strategies. Financial advisors may recommend a brokerage account instead of an advisory account for clients who do not trade frequently, do not want active ongoing advice and monitoring, and are sufficiently experienced and knowledgeable to make investment decisions for their account, whether working with a financial advisor or independently. Financial advisors use a variety of factors in assessing what products or services are in your best interest such as your age, other investments, financial situation and needs, tax status, investment objective(s), investment experience, investment time horizon, liquidity needs, risk tolerance, and any other information you provide your financial advisor regarding your specific circumstances.

William Blair and our financial advisors use a variety of methods and strategies to make investment recommendations. When evaluating investment opportunities, we employ fundamental and technical research methods using various resources such as financial news sources and websites; corporate data; ratings services; third-party research; SEC filings (e.g., annual reports, prospectuses); company press releases; and proprietary research. We do not conduct the same level of research on proprietary products managed by our affiliate, William Blair Investment Management, LLC.

***It is your responsibility to provide your financial advisor with complete and current information regarding your personal and financial situation.*** More or less information may be required from you, depending on the brokerage services you seek to obtain, and it is important that you provide all requested information and that you promptly provide your financial advisor with any updates or changes to such information. Your financial advisor will review the features and benefits of available accounts and products, including performance, costs and risks to determine that they are recommending a product or account in your best interest.

### ***C. Account-Level Fees and Costs***

You pay a transaction charge each time you buy or sell a security in your brokerage account. That means the more you trade, the more you will be charged (and the more revenue William Blair earns), so it benefits us to recommend that you to trade often.

Other fees and expenses will apply to your brokerage account.

**William Blair provides a wide range of services to our clients. Special services related to the operation and maintenance of your account trigger certain fees. For your convenience, we have summarized the fees below. Please do not hesitate to call your investment professional with questions or comments.**

Category	Fee Detail	Brokerage Account Fee
Charges & Fees Relating to Account Operations	Trade & Margin Extension	\$15*
	Interest on Debit Balances in Cash Accounts	NFBLR** + 3%
	Brokerage Access (Legacy Plan) - Check Reorder	\$5
	Select Access & Premier Access - ATM Fee & Surcharge Subsidies	\$1
Charges & Fees Relating to Banking Services	Select Access & Premier Access - Bounced Check	\$25*
	Debit Card Forex Fee	1% Conversion Fee
	Premier Access (ACH + Checkwriting + Debit Card)	\$100
	Premier Access (Metal Debit Card)	\$10
	Foreign Exchange Transaction Fee - Through NFS	\$25*
Charges & Fees Relating to the Deposit or Payment of Funds	Wire Transfer Fee	\$25*
	Foreign Exchange Transaction Fee - Away from NFS	\$50*
	Stop Payments	\$25*
Charges & Fees Relating to the Deposit or Withdrawal of Securities	Physical Reorganization	\$100
	Transfer & Ship Certificate (DRS Eligible)	\$25*
	Transfer & Ship Certificate (Non-DRS Eligible)	\$250
	Safekeeping Fee	\$15/month per certificate*
Charges & Fees Relating to the Opening, Closing, or Maintenance of Accounts	Full Transfer of Accounts Delivery Fee (ACAT Exit Fee)	\$100*
	Annual Custody & Recordkeeping Fee (Inactivity Fee)	\$175* <sup>A</sup>
	IRA Maintenance Fee (per account per year)	\$35
	IRA Termination Fee (per account)	\$125*
Charges & Fees Relating to Trust Services	Fidelity Trust Services	Maximum 0.38% (3K Minimum)
	Fidelity Trustee Match Program	Maximum 0.38% (3K Minimum)
Charges & Fees Relating to Non-Standard Capabilities	Online Trading Fees	
	Precious Metals Transfer & Delivery & Storage Fees International ADR Conversion & Safekeeping & Settlement Fees 529 Accounts	Contact your Wealth Advisor for more information*

\*William Blair retains a portion of certain other fees listed above. This payment is designed to compensate us for oversight and quality control, as well as for operational costs.

\*\*NFS sets a base lending rate according to commercially recognized interest rates, industry conditions regarding the extension of credit, and general credit conditions. The NFBLR is set at the discretion of NFS and can change without notice.

<sup>A</sup>Assessed on each account which holds a position, and for which there has been no trading activity during the calendar year.

William Blair retains a portion of certain other fees listed above. This payment is designed to compensate us for oversight and quality control, as well as for operational costs. Fees for which William Blair retains a portion are designated with an asterisk (\*) above.

Please visit our website available at <https://www.williamblair.com/Private-Wealth-Management/Form-CRS-Relationship-Summary> for more information regarding the fees and costs assessed on a brokerage account.

#### ***D. Clearing Firm***

NFS generally clears your transactions and acts as the custodian for your account. In this regard, all investments, including any mutual fund or exchange-traded funds (“ETFs”), must be available and offered on NFS’s platform in order to be purchased in your brokerage account. Our arrangement with NFS creates conflicts of interest, which we describe in more detail in Section IV.

### ***E. Cash Sweep Program***

Cash balances in eligible accounts are automatically deposited into interest-bearing bank deposit accounts (the “Deposit Accounts”), as described further in the Bank Deposit Sweep Program Disclosure Document (“Disclosure Document”). Any credits to your account, including those arising from deposits into your account, sales, interest and dividends will “sweep” to the Deposit Accounts. Debits in your account, including those arising from securities purchases and other charges, will be satisfied by withdrawing from the Deposit Accounts and “sweeping” the cash back to your account. You will earn interest on your Deposit Accounts based on interest rate tiers. Note that interest rates are a function of the fee that William Blair and others retain. Further note that interest rates can change at any time without notice to you, and the participating banks have no duty to offer the highest rates available or rates that are otherwise comparable to the yield on other cash equivalent investment vehicles. The interest earned on the Deposit Accounts is, as of the date hereof, less than the yield earned on other cash equivalent investment vehicles, such as money market mutual funds, that you may invest in outside of the cash sweep program. If you do not wish to sweep to the Deposit Accounts, you should discuss other investment options with your financial advisor.

Note that the cash sweep program to the Deposit Accounts creates financial benefits for us, our affiliates and NFS. We will receive a fee from each bank in connection with the cash sweep program, and are therefore incented to hold your cash balances in the Deposit Accounts instead of in other cash equivalent investment vehicles that do not pay us a similar fee. Note that your financial advisor will not receive any direct compensation in connection with the fee we receive from the participating banks. In addition, William Blair is incented to sweep cash balances to certain banks with whom it has existing relationships to obtain certain services or rates in connection with other lines of business or other transactions.

Bank deposits are eligible for deposit insurance by the Federal Deposit Insurance Corporation (“FDIC”) up to a total of \$250,000 principal and accrued interest per depositor per bank in most insurable capacities (e.g., corporate, individual or joint) when aggregated with all other deposits held in the same insurable capacity at the same bank. This means that if you have bank deposits separate from the cash sweep program held at a bank offered through the cash sweep program, those deposits will be aggregated together for purposes of determining insurance coverage. William Blair does not monitor the total of their clients’ deposits at any given bank for FDIC coverage limitations. You should monitor the total amount of deposits, including bank accounts, CDs, and deposits held through other brokers, that you hold at any one of the participating banks to determine the status of your FDIC coverage at that particular bank. As described more fully in the Disclosure Document, deposits through the Bank Deposit Sweep Program will flow from one bank to another as such deposits near the FDIC limit in an effort to maximize FDIC coverage. Unlike money market mutual funds, bank deposits are not covered by the Securities Investor Protection Corporation.

Notwithstanding the available number of participating banks in the cash sweep program, program limitations require that eligibility for FDIC insurance on deposits made into Deposit Accounts is limited to up to a maximum of \$2.5 million at any given time (for individual accounts, business accounts and eligible retirement accounts) or up to \$5 million at any given time for joint accounts, subject to the total amount deposit in an account, capacity constraints at one or more participating banks, applicable FDIC rules, and other factors (such as up to only

\$500,000 per joint account, regardless of the number of account holders).

You should carefully review the differences in returns on bank deposits and money market mutual funds, as well as the differences in asset protection.

#### ***F. Securities Lending***

NFS, as permitted by law, uses certain securities in William Blair client's account for, among other things, settling short sales and lending securities for short sales. Clients must authorize NFS to lend securities from their William Blair brokerage account. NFS is paid a securities lending fee by a third-party that borrows the security based on a schedule determined by NFS ("Loan Fee"). The Loan Fee varies by security and is higher for those securities that are harder to locate (not as widely available in the market).

NFS retains a portion of the Loan Fee. NFS pays the remainder of the Loan Fee to the Client and to William Blair. William Blair chooses to retain 30% of the Loan Fee and therefore reduces Clients' compensation for securities lending activities. Financial advisors receive a portion of the Loan Fee paid to William Blair based on the grid rate applicable to them.

### **III. Products Available for Brokerage Accounts**

This section is intended to provide you with a general description of the various products we may recommend for your brokerage accounts. Before making any investment, you should evaluate your ability to take on the associated risks.

While we will take care in developing and making recommendations to you, securities and investment products involve risks, and you may lose money. All investments carry risk. Your investment will fluctuate in value. You can lose some or all of your money. There is no guarantee that you will meet your investment goals, or that our recommended investment strategy or recommended investments will perform as anticipated. Please consult all offering documents for any security we recommend for a discussion of risks associated with the product.

We recommend a wide array of investment products depending on your investment objective including, but not limited to, proprietary products. Below is a summary of the most common products our financial advisors will recommend to you in your brokerage account. Additional products that may be recommended are described in **Appendix A**.

Please note that the product descriptions below describe compensation received by William Blair for each product. Financial advisors receive a portion of the compensation received by William Blair, including commissions, loads, 12b-1 fees, and underwriting concessions, in each case based on the grid rate applicable to them.

***The product descriptions below also detail the fees and costs associated with each product. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investment over time. Please make sure you understand the fees and costs you are paying, including internal fees and expenses for mutual funds, closed-end funds, ETFs, and alternative investments.***

## **Equities/Stocks**

Stocks represent an ownership interest in a company. When you own a company's stock, you have an equity interest in the company. A stockholder can achieve returns through price appreciation/depreciation and dividends. A stock's market value can change at any moment, depending on market conditions, investor perceptions, or a host of other reasons.

Shares in a company can include a publicly-traded company (including those that trade on stock exchanges) as well as private companies (some of which are "closely-held" by founders and family members and others with significant institutional ownership, like venture capital firms). See ***Private Share Trading*** in Appendix A for a more detailed discussion on that topic.

*Transaction Costs.* Clients pay a commission based on the quantity of shares purchased or sold and their corresponding stock prices. Commission rates are negotiable or they can be fixed based on the nature of the transaction. The standard commission schedule is available at <https://www.williamblair.com/Private-Wealth-Management/Form-CRS-Relationship-Summary> Except where prohibited by law, William Blair may act as principal when executing equity trades (buying or selling from its own inventory) and consequently may make a profit or loss on the trade depending on movements in the equity market.

## **Taxable Fixed Income**

We offer a wide range of fixed income securities, such as corporate bonds, government bonds, and treasuries. Bonds are debt securities issued by corporations, governments, or other entities that pay fixed or variable interest rates to investors for a specific period of time. When the bond reaches maturity, the bond issuer generally returns the principal amount of the bond to investors. There are many types of bonds and the features, characteristics, and risks associated with bonds can vary significantly.

For most bonds, a bond's coupon rate is the rate of interest it pays annually and is expressed as a percentage of its face value. Usually, the coupon rate is calculated by dividing the sum of coupon payments by the face value of a bond.

Bonds generally are priced at an initial face value (sometimes called "par" value) of \$1,000 per bond. However, once the bond is traded on secondary markets, the bond's price may be lower than the face value, which is referred to as a "discount," or higher than the face value, which is referred to as a "premium." If the bond is priced at a discount, the investor will receive a higher interest yield (return) as a result of paying less than the face value. On the other hand, if the bond is priced at a premium, the investor will receive a lower interest yield (return) as a result of paying more than the face value. Bond prices typically have an inverse relationship with bond interest yields (e.g., as bond prices decrease, interest yields increase; as bond prices increase, interest yields decrease).

Unlike most equities, where prices are usually evaluated based on reliable and actionable quotes during the trading day and on their daily closing prices, many bonds do not have robust or actionable quotes during the day or a uniform closing price because they are traded in over-the-counter ("OTC") markets or another negotiated market. Bond prices are affected by many different factors compared to equity in publicly-traded companies, including but not limited to,

supply and demand for the bond, the issuer's credit rating, bond size, interest rates, and age-to-maturity. With regard to the age-to-maturity pricing factor, bonds are paid in full (at face value) when they mature, though there are options to call, or redeem, some bonds before they mature (and some bonds permit the issuer to call the bond prior to maturity). Since a bondholder is closer to receiving the full-face value as the maturity date approaches, the bond's price moves toward par as the bond ages. Many bonds are priced by discounting the expected cash flow to the present using a discount rate.

*Transaction Costs.* For taxable fixed income securities purchased or sold in the secondary market, clients pay a markup (in the case of a purchase) or a markdown (in the case of a sale), called a "spread" which varies depending on the bond type and duration. In addition, Clients pay us a commission. Commissions are negotiable. The standard commission schedule is available at <https://www.williamblair.com/Private-Wealth-Management/Form-CRS-Relationship-Summary>

For exchange-traded \$25 par value preferred securities, the maximum charge is 2.00% of the transaction amount for purchases and 1.00% for sales. There is no separate markup or markdown taken by the trading desk.

### **Municipal Securities**

Municipal securities are bonds issued by states, cities, counties, and other governmental entities to raise money, typically for general governmental needs or special projects.

*Transaction Costs.* For new issues, clients pay the initial offering price disclosed in the applicable offering document and not a commission. The offering price includes underwriting discounts paid to underwriters and distributors. William Blair receives an underwriting discount from the issuer that is bringing the security to market or a share of the underwriting discount from a provider, such as another broker-dealer. This fee is built into the initial offering price paid by the client and generally is disclosed in the final offering document.

For municipal securities purchased or sold in the secondary market, brokerage clients pay a markup (in the case of a purchase) or a markdown (in the case of a sale). In addition, Clients pay us a commission. Commissions are negotiable. The standard commission schedule is available at <https://www.williamblair.com/Private-Wealth-Management/Form-CRS-Relationship-Summary>

For more information, please refer to the applicable offering document.

### **Mutual Funds**

A mutual fund is a product that pools assets from many investors and invests the money in stocks, bonds, and other securities or assets in some combination. The holdings of the mutual fund are its "portfolio." Each share of the mutual fund represents an investor's proportionate ownership of the fund's portfolio holdings and the income those holdings may generate.

There is a wide variety of mutual funds, covering a range of strategies and risks, including stock, fixed income, balanced, multi-asset, and index funds. William Blair's affiliate, William Blair Investment Management, LLC ("WBIM"), is the investment adviser to the William Blair mutual funds ("William Blair Funds"). When we recommend that our brokerage clients buy shares of

the William Blair Funds, we earn transaction-based compensation (as described below). In addition, WBIM earns the internal management fee with respect to our brokerage clients' assets invested in the William Blair Funds. WBIM's receipt of this compensation incentivizes William Blair to recommend the William Blair Funds over unaffiliated funds and creates a conflict of interest (as further described in Section IV below).

Before you invest, be sure to read the mutual fund's prospectus to learn about the product you're considering. The prospectus contains important information regarding the product's investment objectives, strategies, risks, charges, expenses and other matters significant to your investment choice. By clearly understanding the investment you're considering, you'll be better prepared to make a sound investment decision.

*Fees and Costs.* You should be aware that all mutual funds have internal costs that lower your investment returns, such as advisory fees, administrative fees, and operating expenses. Many mutual fund families make a variety of share classes available. These share classes pay the same fees described above, but are subject to different fees that support the sale and distribution of such share classes (including 12b-1 fees, front-end sales loads, and deferred sales loads). Different share classes are also subject to different eligibility criteria (such as minimum investment amount or account type).

The following is a summary of share classes and fees associated with mutual fund purchases in a William Blair brokerage account.

- **Class A Shares – Front-End Sales Charge** – Class A Shares generally include a front-end sales charge (or load) that is included in the purchase price of the shares and is determined by the amount you invest. These loads generally range from 0% to 5.75% and are disclosed in the prospectus. The more you invest, the lower your purchase cost as a percentage of your investment. Many mutual fund families offer volume discounts known as “breakpoints,” based on the amount of investment. Information regarding a mutual fund's breakpoints may be found in the prospectus. Class A shares usually have lower 12b-1 fees (annual marketing or distribution fees) than Class C shares offered by the fund and therefore may be the less costly method to purchase mutual funds for long-term investors. In addition, certain investors may be entitled to a sales charge or load waiver based, for example, on the investor's account type.
- **Class C Shares – Contingent Deferred Sales Charge** – Contingent deferred sales charges are sales charges that are applied when mutual fund shares are redeemed (sold) within a specified number of years (varies by prospectus). These charges generally range up to 1% for class C shares. Contingent deferred sales charges can be reduced or eliminated based on how long the shares are held and as described in the prospectus. Class C shares include up to a 1% upfront commission and are subject to higher 12b-1 fees than class A shares. William Blair will exchange class C shares into lower cost class A shares after the class C shares are held for a certain period of time, as permitted by the fund's prospectus.

NFS will charge a processing, handling or surcharge fee on the purchase and sale of certain mutual fund shares in brokerage accounts. No part of this fee is paid to William Blair or financial advisors. Mutual funds may also charge clients a redemption fee, typically between 0.25% - 2%, on shares redeemed shortly after purchase. William Blair and financial advisors do not receive this compensation. Details can be found in the fund prospectus.

William Blair will collect a 12b-1 fee and/or a portion of the front-end or back-end sales charge on mutual funds (including the William Blair Funds) held in our client's brokerage accounts.

A portion of the up-front commission as well as the ongoing 12b-1 fees is paid to your financial advisor.

**Material Limitations.** The mutual funds recommended by William Blair are limited and will change from time to time. William Blair utilizes a multi-factor screening process that has the effect of limiting the number of the mutual funds available for purchase in our brokerage accounts. These factors include but are not limited to: length of manager's track record, amount of assets in the underlying mutual fund, Morningstar ratings, overall fund management fee, and overall fund expenses and fees. Note that the William Blair Funds are not subject to the same screening process as third-party funds.

William Blair generally limits mutual funds (except for money market mutual funds) in brokerage accounts to only those that charge a 12b-1 fee. Mutual funds that charge 12b-1 fees generally have lower yields than those that do not charge a 12b-1 fee.

### **Closed-end Funds**

A closed-end fund ("CEF") is a type of investment company with a fixed number of shares that are traded on an exchange. There is a wide variety of CEFs, covering a range of strategies and risks.

***Fees and Costs.*** For an initial offering of a CEF, William Blair receives a fee/selling concession from the underwriter(s) involved in the offering of the fund, which is built into the offering price paid by the client and will reduce your investment return. The fee/selling concession is determined after negotiation between the issuer and the underwriter(s) and is disclosed in the prospectus.

For secondary market transactions, clients pay a commission based on the quantity of shares purchased or sold and their corresponding fund prices. The price per share is usually different from the underlying NAV per share of the investments held by the CEF. The price is said to trade at a discount when it is below the NAV or at a premium to the NAV when it is above the NAV. You may pay more than the value of the assets of the fund to the extent you purchase shares at a premium, or sell shares at a discount.

CEFs are permitted to, and many CEFs do, employ leverage. To employ leverage, CEFs may borrow from third-party lenders like banks or issue senior securities that have preferential terms. Specifically, CEFs are allowed to issue debt in an amount up to 50% of net assets and preferred shares in an amount up to 100% of net assets.

Most CEFs charge expenses against total assets, including leveraged assets. CEFs typically pay distributions to investors on a monthly or quarterly basis. Depending on a CEF's underlying holdings, its distributions can include interest income, dividends, capital gains or a combination of these types of payments. In some cases, distributions also include a return of principal.

Information about a specific CEF can be found in the CEF's prospectus and statement of additional information. The CEF's prospectus contains important information on its fees, expenses, and investment objectives that should be considered carefully before investing. You

may also find more information about a CEF on the CEF's sponsor's website. Retirement accounts and ERISA plans may not be eligible to purchase CEFs on an initial offering and we will not make recommendations for such accounts to purchase them.

### **Exchange Traded Funds**

We offer a wide range of ETFs. ETFs are investment funds that are listed for trading on a national securities exchange and can be bought and sold by prospectus in the equity trading markets. Shares in the ETF represent an interest in a portfolio of securities. ETFs possess characteristics of both mutual funds and closed-end funds. Similar to mutual funds, an ETF pools assets of multiple investors and invests those pooled assets according to its investment objective and investment strategy. ETFs also continuously offer their shares for sale like mutual funds. In addition, ETFs share certain characteristics with closed-end funds, namely that the fund's shares trade on a secondary market and may trade at prices higher or lower than the fund's NAV.

ETFs do not sell or redeem individual shares. Instead, certain "authorized participants" have contractual arrangements with the ETF to purchase and redeem ETF shares directly from the ETF in blocks called "creation units" and "redemption units," respectively, where each creation or redemption unit typically represents 50,000 shares of the ETF. After purchasing a "creation unit," the authorized participants generally sell the ETF shares in the secondary trading market. This creation and redemption process for ETF shares provides arbitrage opportunities designed to help keep the market price of ETF shares at or close to the NAV per share of the ETF.

*Fees and Costs.* You will pay a commission based on the quantity of shares purchased or sold and their corresponding fund prices. The price per share is usually different from the underlying NAV per share of the investments held by the ETF. The price is said to trade at a discount when it is below the NAV or at a premium to the NAV when it is above the NAV. You may pay more than the value of the assets of the fund to the extent you purchase shares at a premium, or sell shares at a discount.

ETFs also deduct ongoing fees and expenses, such as management fees, from ETF assets. These ongoing fees and expenses are typically used to pay for the ETF's continuing operations, such as paying the ETF's investment manager, accounting and auditing expenses, legal expenses, and recordkeeping expenses. ETFs generally (but not always) have lower expense ratios than mutual funds. These ongoing fees and expenses are typically charged annually as a percentage of your assets. You pay these fees and expenses indirectly because they are deducted from your assets on an ongoing basis.

Before you invest, be sure to read the ETF's prospectus to learn about the product you're considering. The prospectus contains important information regarding the product's investment objectives, strategies, risks, charges, expenses and other matters significant to your investment choice. By clearly understanding the investment you're considering, you'll be better prepared to make a sound investment decision

### **Private Investments**

Private investments, including alternative investment funds and investments offered through our "MB Investments Program" may in limited circumstances be made available to certain clients

through a brokerage account.

Such investments are typically designed for higher net worth investors seeking to diversify a portfolio through exposure to the underlying asset class, such as real estate or other assets less correlated to the equity market. Some private investments are only available for purchase by accredited or qualified investors meeting minimum net worth and income requirements.

*Fees and Costs.* Depending on the type of private investment, you may be charged a placement fee for the sale of such investment in a brokerage account. The placement fees are imposed on top of the amount the client invests, and vary by product type. Generally, the placement fee is 2.00% of the investment. Placement fees are subject to waiver in limited circumstances. Clients can find details about this waiver in the client's subscription document. Other fees and costs may apply, including performance-based fees and certain other fund related fees and expenses. Typically, such investments are purchased in a William Blair advisory account, without the imposition of an upfront fee. However, clients will pay an ongoing advisory fee to William Blair based on the value of the investment, as more fully described in the MB Investments Program documentation. .

. If you purchase interests in the MB Partnership in your brokerage account, you pay [ ].you purchased interests in the MB Partnership in your brokerage account before October 2022, you paid and will continue to pay our affiliate, MB General Partner, .4% of the total investment in an access fee. For MB Partnership interests purchased after October 2022, no access fee is being paid to MB General Partner on interest in the MB Partnership; however, if applicable, you will also pay performance-based fees, and the MB Partnership will be subject to certain other fund related fees and expenses, which are ultimately borne by the investors in the MB Partnership. More information about all fees and expenses related to an investment in an MB Partnership are contained in offering documents.

### **Margin Loans**

Margin loans use securities in client accounts as collateral and may be used to purchase, trade, or carry securities.

Clients repay the principal balance and interest on outstanding balances to our clearing firm, NFS, and have the option to repay the principal at any time without prepayment fees. Clients engaged in short selling a security will generally incur a charge due to certain borrowing costs for that particular security.

When a client has a margin account with William Blair, our clearing firm, NFS, credits us with 100% of the client's margin interest income in excess of an established broker's call rate minus 1% that is kept by NFS ("Margin Loan Excess Interest"). Financial advisors receive a portion of Margin Loan Excess Interest received by William Blair based on the grid rate applicable to them.

For more information, refer to NFS document: "Disclosure of Credit Terms on Transactions," William Blair Margin Disclosure and William Blair Standard Margin documentation. William Blair and its financial advisors have a financial incentive to recommend the use of margin because we receive the Margin Loan Excess Interest and compensation related to the investments purchased with the proceeds of (and used to secure) the loan. There are additional risks associated with the use of margin in your accounts. Please see margin account agreement for more detailed information, including risks associated with use of margin.

## **Options**

*Description.* Options, which include puts and calls, are securities transactions tied to the stocks, currencies, or indexes that give the holder the right to buy or sell the same within a specified timeframe for a defined price.

For more information, please review the booklet entitled “Characteristics and Risks of Standardized Options,” which is available upon request from your financial advisor.

*Transaction Costs.* Brokerage clients pay a commission to buy or sell an option based on the number of contracts and the principal amount of the trade.

### **IV. Conflicts of Interest**

We have identified certain conflicts of interest (conflicts) that relate to the recommendations we and our financial advisors make. A conflict arises when an economic benefit incentivizes either us or a financial advisor to put our interests and/or the interests of the financial advisor ahead of the interests of a retail client. Some of these conflicts exist between retail clients and both our firm and financial advisors, while others exist between retail clients and our firm alone or between retail clients and financial advisors alone.

#### ***A. Conflicts for Both our Firm and Financial Advisors***

Conflicts between retail clients and both our firm and financial advisors may be caused by a variety of arrangements, including the role we play in a transaction, compensation arrangements that benefit William Blair or its affiliate (such as Blair Funds), or trading arrangements. The material facts relating to these conflicts are as follows:

- NFS pays William Blair a fee in connection with moving new client assets to the NFS platform (the “Transition Fees”). The Transition Fees create an incentive for William Blair to recommend that clients transfer assets to William Blair (apart from the benefit of increased transaction-based compensation). It also provides an incentive for William Blair to continue to use NFS as custodian for its clients.

If William Blair terminates its agreements with NFS, William Blair repays NFS a portion of the Transition Fees. This arrangement disincentivizes William Blair from terminating its relationship with NFS.

- We are paid each time you trade in your brokerage account or make a new investment. We also pay our financial advisors a portion of the transaction-based payments that we receive. These transaction-based payments, usually called commissions, incentivize us and your financial advisor to encourage you to trade more and purchase additional investments that result in additional revenue for our firm and your financial advisor. William Blair also receives execution price discounts from NFS, which increase with trade volume, further incentivizing us to recommend additional trading activity in your account.
- The investment products we recommend generate different amounts of revenue for William Blair and your financial advisor. This creates a conflict of interest because we

have an incentive to recommend investment products that generate more revenue for William Blair (and compensation to your financial advisor) over those that pay less.

- For some investments you purchase based on our recommendation, we receive payments from a third-party that are in addition to the transaction-based payments described above. This is typically the case when you purchase mutual funds, including money market mutual funds, and variable products. For example, certain issuers make ongoing payments to us based on invested assets (and not just new investments), such as 12b-1 fees, shareholder servicing fees or other trail compensation. These third-party payments are described in further detail in the prospectus or offering materials for the investment, which will be made available to you in connection with any purchase. All of these third-party payments incentivize us and your financial advisor to recommend that you buy or recommend you hold investments that make these payments over those that do not, or make comparatively lower payments.
- William Blair as a whole generates more revenue when you invest in proprietary products managed by our affiliate, William Blair Investment Management, LLC. This creates an incentive for us to recommend and encourage our financial advisors to recommend proprietary products.
- Some investments, such as mutual funds and variable annuities, offer multiple share classes, and depending on the share class in which you are invested, we may earn higher commissions or ongoing payments. These comparatively higher commissions, ongoing payments and other compensation incentivize us and your financial advisor to recommend that you buy or recommend you hold the share class in a multi-share class structure that results in the most compensation for us and is likely to be more costly for you. Please note, however, that where issuers have multi-share class structures, the lowest-cost share classes may not be available to retail investors due to high minimum investment amounts or account type requirements (e.g., a retirement account or an advisory account).
- We will sell you equities and fixed income products from our inventory (as principal). When we sell a security to you, we will seek to markup (or increase) the price in which we purchased the same security; and when we purchase a security from you, we will seek to markdown (or decrease) the purchase price from the price in which we sell or value the security. This creates a conflict of interest because we are incentivized to maximize our revenue by marking up or marking down a security to the maximum extent possible. Additionally, our financial advisors will increase the amount of compensation they earn on the trade by maximizing the mark-up or mark-down. All mark-ups/mark-downs will be disclosed to you in the trade confirm you receive, and our policies and procedures limit the percentage we can mark-up/down.
- When you engage in a rollover to an IRA, we and your financial advisor will receive compensation in connection with the investments you hold in your IRA account. William Blair and its financial advisors have a conflict of interest when they recommend that a participant roll money out of an employer retirement plan, such as a 401(k), 403(b), 457(b), profit sharing or defined benefit pension plan and into an IRA that will generate fees for William Blair and the financial advisor. Even though William Blair and its employees are NOT compensated for making the

recommendation, we will receive transaction-based fees (commissions) should the retirement investor follow our recommendation to rollover their money into an IRA brokerage account with William Blair. Investing assets in a William Blair IRA most likely will result in higher fees than retaining your investment through an employer's retirement plan.

- William Blair and its financial advisors have a financial incentive to recommend that their clients lend out securities because we receive a percentage of the securities lending fees and compensation related to the securities on loan. The more securities you loan, the more revenue we generate from your lending activities. Moreover, certain securities that are more difficult to borrow will generate higher lending fees, which in turn increases the compensation to William Blair. If you lend your securities, neither you nor William Blair will be able to vote proxies. In addition, we are incentivized to recommend that you purchase and hold these types of securities instead of other securities.
- William Blair has a financial incentive to recommend the use of margin because we receive the margin interest income in excess of an established broker's call rate and compensation related to the investments used to secure the loan.
- William Blair has a financial incentive to recommend the use of securities backed loans to meet cash needs because we receive a referral fee or interest income from non-purpose loans in excess of the broker's call rate. We also benefit if clients draw down on the loan to meet liquidity needs rather than sell securities or other investments, and have a financial incentive to recommend products or manage an account in order to maximize the amount of the loan.
- William Blair, and William Blair employees, have relationships with, or financial interests in, buyers, sellers, or issuers (collectively, "Trade Party") of private company securities with which it facilitates transactions. A Trade Party may be a client of, or provide services to, William Blair or its registered representatives. A William Blair employee (or family member) may be a Trade Party. In each instance, William Blair has an incentive to transact with a Trade Party in order to receive compensation. William Blair's relationship with Trade Parties results in varying financial arrangements with such Trade Parties, which results in certain Trade Parties receiving more favorable arrangements with William Blair than others.

## ***B. Firm-Level Conflicts***

Conflicts between retail clients and our firm may be caused by a variety of arrangements, including the role we play in a transaction, compensation arrangements, trading and clearing arrangements, or client-specific arrangements.

- NFS charges William Blair for products and services, and William Blair sets its own price for such services, including administrative services, and transaction charges. William Blair typically charges clients more for these services than it pays to NFS, and the markups vary by product type. This practice creates a conflict of interest since we have a financial incentive to recommend NFS as William Blair will earn additional compensation for the services it provides. Financial advisors do not benefit directly from this arrangement.

We make available hundreds of different products to our financial advisors and client. Our financial advisors are free to choose what products they recommend to clients from among these many products. Of these product vendors, proprietary products and a select number of providers are given increased access to our financial advisors for the purpose of providing them and us both financial and non-financial support such as marketing, education, and product support. Many issuers or their affiliates also make payments to us to cover the costs associated with certain educational conferences or training seminars we host for our financial advisors. These payments are flat and are not tied to total sales or the amount of client assets invested in such products. These flat payments incentivize us to recommend that you buy or recommend you hold investments issued by issuers that make these flat payments rather than investments of issuers that do not make these payments or make comparatively lower payments.

- William Blair receives technology, conference and other credits from NFS, which creates an additional incentive for us to recommend assets be placed with NFS.
- NFS assesses IRA accounts an annual fee which is shared with William Blair in an increasing proportion as the number of total accounts custodied at NFS increases. This payment arrangement with William Blair serves as an additional incentive to open accounts with NFS. No portion of this fee is shared with our financial advisors.
- In certain instances, William Blair utilizes a platform provider for the purchase and sale of structured notes. Certain partners and employees of William Blair own an interest in the structured note platform provider. In addition, the reference assets for certain structured notes available on this platform are based on William Blair's sell-side equity research. William Blair receives a licensing fee on structured notes utilizing its sell-side equity research. Therefore, William Blair has a conflict of interest in that there is an incentive to purchase structured notes (including those based on William Blair's sell-side equity research) using this platform provider.
- William Blair receives revenue in connection with the cash sweep program described above, and as such William Blair is incented to hold your cash balances in Deposit Accounts.
- William Blair participates in referral programs for fixed annuities, fixed indexed annuities, variable annuities, single premium immediate annuities, disability, life and long-term care insurance and property and casualty and high-limit disability insurance and other insurance products and services. Under these referral programs, a financial advisor refers a client to a third-party general agency or other third-party firm (collectively, "Third-Party Insurance Firm") who sells the insurance or annuity policy directly to the client. The Third-Party Insurance Firm then pays William Blair a portion of the commission it receives from the insurance company that issues the policy or the fee that the Third-Party Insurance Firm receives from the client (the "Referral Fee"). These Referral Fees provide an incentive for William Blair to refer clients to these Third-Party Insurance Firms, which may recommend that they purchase products that generate such Referral Fees.

### ***C. Financial Advisor Conflicts of Interest***

Conflicts between retail clients and our financial advisors may be caused by a variety of arrangements, including compensation arrangements. William Blair compensates its financial advisors for much, but not all, of their activity through the use of a compensation grid. (Your fees do not increase as a result of any changes in compensation resulting from the different levels of the grid.) Since not all activity is applied to the grid, this distinction creates an incentive for the financial advisor to make a recommendation for purchases and sales that are applied to the grid, effectively disincentivizing transactions in securities that are not applied to the grid.

The amount of compensation your financial advisor receives will vary depending on the products or services you receive, and the amount you invest. This creates incentives to recommend some products over others, and generally to recommend that you invest greater amounts of your assets generally. For example, your financial advisor will typically receive a greater commission on the sale of a variable annuity than on the sale of a mutual fund, which creates an incentive for your financial advisor to recommend a variable annuity to you over a mutual fund.

Different types of products may also have different commission schedules, resulting in different commission rates payable to your financial advisor over time. Depending on whether your financial advisor is interested in immediate compensation (a higher initial commission) or a stable long-term compensation (stronger residual compensation), these different payment schedules create a conflict because a financial advisor recommending one product over another could receive higher initial commissions in the current year or higher earnings and trailing commissions in future years.

Other conflicts of interest related to how we compensate our financial advisors include:

- Financial advisors are eligible to receive incentives, including loans, back-end bonuses and/or other compensation, if they reach certain asset levels within a specified period of time. These asset levels can be met by a combination of bringing client assets with them from their prior firm and/or garnering assets from clients new to them and William Blair. The amount paid to financial advisors under these arrangements is largely based on the size of the business serviced by the financial advisor at their prior firm and the financial advisor achieving the target asset levels within a specific time period after joining William Blair. These payments are often substantial and take various forms, including salary guarantees, loans, transition bonus payments and various forms of compensation to encourage financial advisors to join William Blair. Therefore, even if the fees you pay at William Blair remain the same or are less, the transfer of your assets to William Blair contributes to your financial advisor's ability to meet such targets. While William Blair does not claw back these payments, your financial advisor's continued employment is based on meeting these targets.

These practices create an incentive and a conflict of interest for your financial advisor to recommend the transfer of your account assets to William Blair since a significant part of the financial advisor's compensation is often contingent on the financial advisor achieving a pre-determined level of assets at William Blair. You should carefully consider whether your financial advisor's advice is aligned with your investment strategy and goals.

- Some of our financial advisors participate in incentive trips and receive other forms of non-cash compensation such as being taken to lunch or to a sporting event by a wholesaler. Typically, these incentives are based on the amount of their sales and services through William Blair. To the extent your financial advisor participates in an incentive trip or receives other forms of non-cash compensation, a conflict of interest exists in connection with the recommendation of products and services for which they receive these additional economic benefits.

## APPENDIX A: OTHER PRODUCTS AVAILABLE FOR BROKERAGE ACCOUNTS

This appendix provides descriptions of additional products available in brokerage accounts.

While we will take care in developing and making recommendations to you, securities and investment products involve risks, and you may lose money. All investments carry risk. Your investment will fluctuate in value. You can lose some or all of your money. There is no guarantee that you will meet your investment goals, or that our recommended investment strategy or recommended investments will perform as anticipated. Please consult all offering documents for any security we recommend for a discussion of risks associated with the product.

Please note that the product descriptions below describe compensation received by William Blair for each product. Financial advisors receive a portion of the compensation received by William Blair, including commissions, loads, 12b-1 fees, and underwriting concessions, in each case based on the grid rate applicable to them.

***The product descriptions below also detail the fees and costs associated with each product. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investment over time. Please make sure you understand the fees and costs you are paying, including internal fees and expenses.***

### **Variable Insurance and Fixed Annuities**

William Blair offers fixed annuities, fixed indexed annuities, variable annuities, single premium immediate annuities, disability, life and long-term care insurance and property and casualty and high-limit disability insurance and other insurance products and services. There are differences in the features, benefits, fees and costs of insurance products, and in the minimum and maximum premium amounts of the products. Information about the particular features, benefits, fees and costs for a specific product can be found in the prospectus, private placement memorandum or the Contract Summary/Statement of Understanding for that product. You will receive a copy of the prospectus, private placement memorandum or Contract Summary/Statement of Understanding for the product that your financial advisor recommends to you.

When you purchase a variable annuity or variable life insurance product, your insurance premium contributions (net of any fees and charges deducted from premiums) are invested in the underlying investments called sub-accounts the performance of these sub-accounts determines the return within the product. Fixed index annuities are general account obligations of the insurance company and the amount the insurance company credits you is tied to an index or indices that you select. The value of your investment – usually referred to as your cash value – will fluctuate as the values of the underlying sub-accounts increase or decrease. In the case of fixed index annuities, your value will be tied to the index or indices selected subject to caps and participation rates.

Most insurance companies impose a minimum initial premium. In the case of variable life insurance, you will likely be required to make premium payments periodically to keep the policy in force. While you may have some flexibility in the amount or timing of these periodic premium payments, you should consider whether you can afford to continue making premium payments when deciding to purchase a variable life insurance policy. If you fail to make

sufficient payments to keep the policy in force, the policy will lapse (that is, terminate without value) and you will no longer have any death benefit protection. Variable products are not short-term savings vehicles. Withdrawing funds or surrendering a variable product in the short term after purchase will likely trigger surrender fees and charges, and may also trigger tax penalties. In some products, you could lose the money you invest in variable products, including potential loss of your initial investment, due to poor performance of the investment options you select and/or the cumulative impact of fees and charges on your cash value. Read the prospectus, private placement memorandum or Contract Summary/Statement of Understanding to understand if your contract offers any market loss protections.

When you purchase an insurance product, the issuing insurance company will pay a commission to us. While you do not pay this commission directly, the insurer factors this commission into the product's fees and costs in the case of variable products. Fixed index annuities may not have a stated fee but the caps and participation rate in the index you select compensates the insurance company and the agent. In this way, you indirectly pay the commission. We receive this commission for our sales efforts and for assisting you with the insurance application and the underwriting and delivery processes related to the purchase of a variable product.

Insurance commissions we receive vary based on the variable product and insurance company, and we receive higher commissions for some types of variable products than for others, which creates a conflict of interest for us. In addition, in the case of life insurance, the commissions may vary between initial premium payments and subsequent premium payments. William Blair receives from 50%-75% of the premiums paid by the client.

Common fees and expenses relating to variable insurance products include premium payment deductions, surrender and withdrawal charges, ongoing fees and expenses charged by the insurance company, and fees and expenses charged by the underlying investment options (i.e., sub-account level fees). You should carefully review all offering documents relating to a potential variable or fixed insurance products before you invest.

### **Unit Investment Trusts**

In limited circumstances, we offer unit investment trusts ("UITs"). UITs are pooled investment vehicles in which a portfolio of securities is selected by the trust's sponsor and deposited into the trust for a specified period of time. The UITs' portfolio of securities is not actively traded, as the trust generally follows a "buy and hold" investment strategy. The portfolio will generally remain fixed until the termination of the trust. UIT term-lengths vary, but generally speaking, they have a maturity date that is between 15 to 24 months from the initial offering date.

At the UITs maturity, an investor typically has three options. One is to receive the proceeds based on the value of the investment. An investor could also roll over into a newly issued UIT. Another option that may be available to investors in limited circumstances is to receive proportionate shares of the securities held in the portfolio. The UITs' portfolio is generally designed to follow an investment objective over a specified period of time. A UIT is formed by the trust sponsor, who enters into an agreement with the trustee. When the trust is formed, several investment terms and conditions are set forth in the trust agreement, such as the trust objective, what securities will be placed in the trust, when the trust will terminate, and what fees

and expenses will be charged to the trust's assets. These terms and conditions of the trust will be listed in the prospectus.

*Fees and Costs.* You will typically pay a sales charge when you buy units in a UIT's initial offering, or a commission when you buy or sell units in a UIT in a secondary trading market. You will pay this sales charge or commission in addition to the amount of the UIT you choose to buy or sell. In some instances, collection of all or part of a sales charge is deferred over a period subsequent to the settlement date for the purchase of units. Typically, the deferred sales charge is deducted from the unitholder's distributions on the units during the collection period until the total amount of the sales charge is paid. Please read the prospectus carefully to understand how the fees and costs are structured.

Repeatedly selling UITs before their maturity date followed by the purchase of a newly issued UIT will cause you to incur sales charges with greater frequency. UITs also deduct other fees and expenses from trust assets, such as organizational and operating expenses. These fees and expenses include portfolio supervision, recordkeeping, administrative fees, and trustee fees. UITs also charge creation and development fees, which compensate the sponsors for creating and developing the trusts. However, UITs generally do not deduct a separate management fee because the portfolio is not actively managed. If specific sales volumes are met, we will receive a portion of these fees and expenses, generally referred to as third-party payments, or revenue sharing.

### **Structured Products**

*Description.* Structured products are unsecured obligations with a return at maturity that is linked to the performance of an underlying asset. Structured products include debt securities, obligations or certificates of deposit (CDs), with returns linked to underlying assets (or indexes thereon) such as equities, commodities, foreign exchange, interest rates, credit, or hedge funds.

*Fees and Costs.* For new issues, brokerage clients pay the initial offering price, which is set by the issuer. The offering price includes costs and fees associated with purchasing the security and includes selling concessions that vary from 1.5%-3% based on the time to maturity of the structured notes paid to William Blair and structuring and hedging costs of the issuer and its affiliates. Clients are not charged additional sales charges or commissions. The offering price and a description of the costs and fees associated with a security can be found in the offering document. William Blair receives a selling concession directly from the issuer for bringing the security to market, which may be received upfront or on an ongoing basis. The selling concession is stated in the offering document. William Blair also receives compensation from issuing structured products and from trading and hedging activities related to structured products.

For structured products transacted in the secondary market, brokerage clients pay a markup (in the case of a purchase) or a markdown (in the case of a sale), which generally consists of the sales credit (effectively a commission) that varies based on the time to maturity of the note.

## **Banking Products**

### **Credit Lines**

William Blair receives a referral fee for variable or fixed rate credit lines issued by national banks. William Blair also offers its clients non-purpose loans, which are issued by our clearing firm, NFS. These loans may not be used to purchase, trade or carry securities. These loans are secured by securities held in a William Blair brokerage account and pledged by borrowers and/or a third-party.

#### **Fees and charges paid directly by clients:**

- Clients repay the principal balance and interest on outstanding balances to either the issuing bank for credit lines or NFS for a non-purpose loan.
- For variable-rate loans, clients have the option to repay the principal at any time without prepayment fees.
- For fixed-rate loans, clients may be subject to prepayment fees (as described in the loan documents) if the loan is repaid before the end of the fixed-rate contract.
- Interest rates are stated in the Credit Line Agreement with the issuing bank or in NFS Customer Disclosure of Credit Terms on Transactions.

William Blair receives a quarterly referral fee based on the outstanding credit line (for example, a quarterly referral fee equal to 0.25% of the average monthly outstanding credit line loan for referring you to a national bank (“Referral Fee”). With respect to non-purpose loans issued by NFS, William Blair is credited with 100% of the client’s non-purpose loan interest income in excess of the broker’s call rate (“Non-Purpose Loan Excess Interest”).

Financial advisors receive a portion of the Referral Fee and Non-Purpose Loan Excess Interest William Blair receives based on the grid rate applicable to them.

For more information, please refer to the Credit Line Agreement and all other applicable loan documentation with the banking institution, the Disclosure of Referral Fees Paid to Broker-Dealer Form or NFS’ Customer Disclosure of Credit Terms on Transactions. William Blair and its financial advisors have a financial incentive to recommend the use of securities backed loans to meet cash needs because we receive the Referral Fee or Non-Purpose Loan Excess Interest.

### **Equity and Debt Syndicate Offerings**

Equity and debt syndicate offerings generally are offerings of newly issued securities where William Blair’s Investment Banking Department participates in the underwriting group and/or as distributor, which includes initial and secondary offerings of common stock or debt instruments

*Fees and Costs.* Clients pay the initial offering price as disclosed in the prospectus, and not a commission. The offering price includes selling concessions paid to underwriters and

distributors. Equity and debt syndicate offerings are only available for purchase in a brokerage account. William Blair receives a fee/selling concession as a part of the underwriting group involved in the offering, based on sales volume. The fee/selling concession is negotiated between the issuer and the underwriter(s) and is disclosed in the prospectus. Financial advisors receive a portion of the new issue selling concession received by William Blair at the grid rate applicable to them.

For more information, please refer to the applicable offering document.

### **Exchange Traded Notes (“ETNs”)**

ETNs are debt securities that are designed to track the return of a specific benchmark index or asset, minus investor fees.

*Fees and Costs.* Clients typically pay a commission in connection with the purchase or sale of an ETN in the secondary market. You should be aware that ETNs are subject to default risk since the repayment of principal is contingent on the issuer’s financial ability. You may pay more than the value of the assets of the fund to the extent you purchase shares at a premium, or sell shares at a discount. Additionally, tracking errors can occur if the ETN does not track the underlying index closely.

### **Private Share Trading**

As described above, stocks represent an ownership interest in a company. When you own a company’s stock, you have an equity interest in the company. You can own shares in publicly-traded companies and private companies. Shares in private companies may be “closely-held” by founders and family members, while others may have significant institutional ownership, such as venture capital firms (“private company securities”). Private company securities are not registered or listed for trading on public exchanges, and consequently are illiquid and may not be sold as readily as shares in publicly traded companies. Private companies may issue different share classes, including common and preferred stock. Each share class has varying rights, obligations, and preferences, which in turn influences the value of the shares. Private company securities may be sold by the issuer or by another shareholder. Private company securities sold by issuers are primary shares whereas private company securities sold by shareholders are secondary shares.

The price of private company securities is impacted by various factors, including the financial condition of the company, market conditions, and industry-specific risks. The market price for private company securities may not be readily available, as resales of private company securities may be privately negotiated. The resale price of private company securities may be less or greater than the original investment or less or greater than the price in a recent fundraising round. The size and age of a private company may influence the frequency and volume of shares sold as well as its risk profile.

Private company securities are also subject to resale and transfer restrictions. Private company securities are generally only available for purchase by accredited investors meeting minimum net worth and income requirements. There is no guarantee that a market will develop for private company securities, and for this reason, should only be considered for long-term

investments.

William Blair assists eligible clients with the purchase and sale of private company securities. We facilitate these trades as your agent by introducing you, upon your request, to transaction counterparties, obtaining access to due diligence materials, and if desired, making arrangements for transaction execution. William Blair does not solicit such transactions, nor will it make any recommendations to you in connection with such transactions.

The decision whether to buy or sell private company securities is up to you. William Blair and its affiliates or one or more of its clients, prospective clients, outside members, directors, employees, and/or other person or entities with which William Blair and/or its affiliates have a relationship may have a financial interest in certain private companies, the securities of which eligible clients may buy or sell through William Blair. William Blair and its financial advisors also have a financial incentive to facilitate such transactions because they receive compensation in connection therewith. The receipt of this compensation creates a conflict of interest to favor transactions in private company securities over other securities for which William Blair only receives compensation from one party.

Before you invest, you should conduct your own independent due diligence of the private company security, including a careful review of available offering documents.

*Fees and Costs.* You will pay William Blair a commission in connection with the purchase or sale of a private company securities. This fee is imposed in addition to the amount of the private company security that you choose to buy. Issuers also impose additional fees in connection with the purchase or sale of private company securities, which you will pay. These fees are described in the private company's offering documents, and may include, but not be limited to, fees for transfers, legal opinions, and escrow. For more information, please refer to the applicable offering document.