

**Template pre-contractual disclosure for the financial products referred to in Article 8,  
paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of  
Regulation (EU) 2020/852**

**Product name: William Blair – U.S. Equity Sustainability Fund (“Fund”)**  
**Legal entity identifier: 549300EDFBS71U7PUY58**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

| Does this financial product have a sustainable investment objective? |   |                                     |   |
|--|---|-------------------------------------|---|
| ●● Yes   |   | ●● ✕ No                             |   |
| <input type="checkbox"/>   | It will make a minimum of <b>sustainable investments with an environmental objective: ____%</b> | <input checked="" type="checkbox"/> | It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments |
| <input type="checkbox"/>   | in economic activities that qualify as environmentally sustainable under the EU Taxonomy        | <input type="checkbox"/>            | with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  |
| <input type="checkbox"/>   | in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input checked="" type="checkbox"/> | with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/>   | It will make a minimum of <b>sustainable investments with a social objective: ____%</b>         | <input checked="" type="checkbox"/> | with a social objective   |
| <input type="checkbox"/>   |   | <input type="checkbox"/>            | It promotes E/S characteristics, but <b>will not make any sustainable investments</b>   |



### What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental and social characteristics by managing the overall sustainability profile of the Fund's investment portfolio.

In particular, the Fund integrates what it deems to be financially material ESG factors (the “**ESG Factors**”) into its investment due diligence and selection process. The result is that 70% or more of the Fund's portfolio will be invested in companies that exhibit above average characteristics in relation to the ESG Factors and/or whose products or services are aligned with positive sustainability outcomes.

See section on *Investment Strategy* below for further detail.

The ESG Factors may include the following characteristics:

#### Environment

- Carbon footprint
- Greenhouse gas emission intensity
- Natural resources stewardship

- Pollution and waste management

#### Social

- Human capital management
- Customer well-being
- Supply chain management
- Community relations

#### Governance

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Board composition (e.g., board gender diversity)
- Minority shareholder treatment
- Management incentives
- Corporate culture.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

William Blair Investment Management, LLC, the investment manager for the Fund (the “**Investment Manager**”), will use internal ESG scores to measure the promotion of the Fund’s ESG Factors with respect to each investment made by the Fund and across the portfolio.

In particular, the Investment Manager will use the ESG scores that it has assigned to the Fund’s underlying investments to calculate the percentage of the Portfolio that is aligned with above-average, industry-relative ESG practices and/or products and services aligned with positive environmental and social outcomes.

See section on *Investment Strategy* below for further detail.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

As explained further below, the Fund will not be targeting EU Taxonomy-aligned sustainable investments.

However, to the extent that the Fund’s investments are in companies with products or services that contribute to positive sustainability outcomes, such investments may contribute towards: climate change adaptation and mitigation (such as decarbonization and energy efficiency) or transition to a circular economy and pollution prevention and control (such as waste reduction).

In addition, the Fund’s sustainable investments may contribute towards social objectives, such as promoting financial inclusion or health and wellness.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Investment Manager’s analysis of sustainable investments seeks to assess both: (i) the positive contribution (if any) that a company may make to the promotion of environmental or social characteristics; as well as (ii) the negative impact (if any) that a company’s activities may have on environmental or social characteristics.

As such, the Investment Manager seeks to identify companies that may significantly harm environmental or social characteristics through proprietary analysis and external data. For example, the risk of significant harm is addressed through the application of screening criteria that seek to assess potential misalignment of investee companies with the United Nations Sustainable Development Goals and global norms-related controversies. When identified, such companies will not count towards the Fund’s minimum proportion of 20% in sustainable investments.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

The mandatory adverse sustainability indicators from Table 1, Annex I of the Regulatory Technical Standards for Regulation (EU) 2019/2088 (the “**SFDR Level 2 Measures**”) are taken into account to the extent that they are relevant to the assessment of an investee company from the Investment Manager’s perspective.

The relevance/materiality of any particular indicator for adverse impacts on sustainability factors may differ from one company to another depending upon multiple factors, including the location of the company, the business conducted by the company and the industry in which the company sits.

The Investment Manager may also use its judgment to determine at what level an adverse sustainability indicator would be considered as excessively harmful for the purposes of identifying its sustainable investments.

See section on *Investment Strategy* below for further detail.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Companies deemed to be in violation of the UN Guiding Principles on Business and Human Rights are excluded from the portfolio (see Investment Strategy section below on page 4).

The Investment Manager also seeks to exclude investments in companies involved in controversies related to the OECD Guidelines for Multinational Enterprises (see list of ESG Factors on page 1 above).

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**



Yes

In determining whether a particular investment contributes to environmental or social characteristics, the Investment Manager will, where relevant to an investment, take into account applicable PAI indicators.

In addition, the Product will consider PAI to inform its investment universe as follows:

- Number 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons prohibited for an investment by the Fund by relevant Conventions Luxembourg and or the European Union are a signatory of) is taken into account through the Investment Manager’s investment exclusion rule.
- Number 10: Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises is implemented through the investment restriction of severe controversies.

See section on “How have the indicators for adverse impacts on sustainability factors been taken into account?” for how principal adverse impacts on sustainability factors are considered.



No



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

### What investment strategy does this financial product follow?

The Fund invests primarily in a diversified portfolio of common equity securities, including common stocks and other forms of equity investments (e.g., securities convertible into common stocks), of U.S. companies of all sizes that are expected to exhibit quality characteristics and positive sustainability attributes, but are undervalued by the marketplace. In pursuing these opportunities, the Investment Manager will seek to avoid companies that do not respect global norms and conventions, and companies that derive a significant portion of their revenues from activities that the Investment Manager deems not to be compliant with sustainable investment principles.

### What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Investment Manager incorporates its exclusion policy, quantitative/qualitative assessment of the ESG Factors and the resulting proprietary ESG scores into its investment decision making process on a consistent and continuous basis as follows:

#### Exclusions

The Investment Manager will incorporate industry accepted screening tools from vendors that it deems to be reliable to adopt the following binding list of exclusions:

- *Controversial Weapons: companies that have any ties to controversial weapons (including but not limited to anti-personnel mines, cluster munitions, chemical weapons and biological weapons) or deriving a significant portion of their revenues from conventional weapons production*
- *Tobacco: companies engaged in tobacco manufacturing or deriving a significant portion of their revenues from tobacco distribution*
- *Alcohol: companies that derive a significant portion of their revenues from business activities involving alcoholic products*
- *Adult Entertainment: companies that derive a significant portion of their revenues from adult entertainment*
- *Gambling: companies that derive a significant portion of their revenues from gambling-related business activities*
- *Palm Oil: companies that derive a significant portion of their revenues from palm oil production*
- *Global norms: companies that violate global norms and conventions*
- *Fossil Fuel Enterprises: companies that derive a significant portion of their revenues from fossil fuels.*

#### Data collection on ESG Factors

Sustainability data for the ESG Factors are sourced from third party data vendors (who themselves use a combination of company reported data as well as estimates based on industry norms) and data obtained directly through the Investment Manager's own review of and engagement with a company.

#### Scores assignment

The assessment of the ESG Factors is guided by a proprietary industry materiality framework that is developed internally by the Investment Manager.

Companies are assessed against the quantitative value of data points for the ESG Factors where available (for example the actual level of carbon emissions) as well as the qualitative impact of these data points for the ESG Factors (for example, a company may have high carbon emissions but has a plan to transition to lower carbon emissions over an identifiable period of time).

The Investment Manager utilizes qualitative ESG scores that reflect the Investment Manager's views on the ESG Factors and how they may affect company performance and /or environmental / social factors more broadly.

At the company level, the Investment Manager's investment team will assign proprietary ESG scores on a scale of 1 to 5 for the three following measures: (1) Environmental factors; (2) Social factors; and (3) Governance factors, with score of 1 being "significantly above average" and 5 being "significantly below average" based on relevant industry peers. In some instances there will be insufficient data to assign scores, in which case the investment will not count towards the 50% or more of the Fund's portfolio that will be invested in companies that exhibit above average characteristics in relation to the ESG Factors.

#### *Consideration of ESG Factors*

The Investment Manager seeks to rely on its proprietary ESG scores to attain exposure of at least 70% of the Fund's portfolio in companies with above average ESG practices. For at least 70% of the Fund's portfolio, an individual investment must score above average in respect of: (1) Environmental factors or (2) Social factors, and such individual investment must not score below average for Environmental, Social or Governance factors, or must have products and services that are deemed to be aligned with positive sustainability outcomes.

This may include, for example, companies whose products or services promote decarbonization, health and wellness, or financial inclusion.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

Governance factors are assessed systematically for every company in which the fund invests based primarily on proprietary research including, but not limited to, interactions with management, as well as externally sourced inputs including third-party governance ratings and data, controversies research and/or proxy voting research as deemed relevant.

Governance considerations may include, but are not limited to, (i) sound management structures (having due regard to the topics of board composition and minority shareholders treatment) (ii) employee relations (taking into account management incentives and the relevant investee companies' corporate culture) as well as to matters of (iii) remuneration of staff and (iv) tax compliance (including penalties, fines or other liability arising from breaches of applicable tax law). Proprietary governance scores are assigned by the Investment Manager's investment team during the due diligence process.

#### **What is the asset allocation planned for this financial product?**

#1 Aligned with E/S characteristics: Minimum proportion of investments used to attain the environmental and social characteristics promoted by the fund is 70% of assets under management.

#1A Sustainable: Minimum proportion of sustainable investments is 20% of total asset under management. This category covers sustainable investments with environmental or social objectives

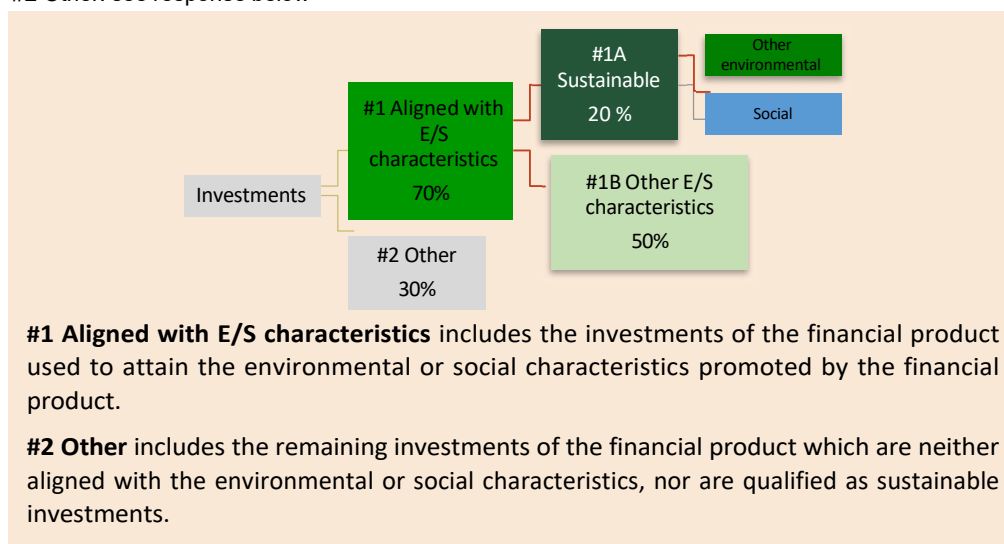
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



**Asset allocation** describes the share of investments in specific assets.

#1B Other E/S characteristics: This category covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments and the minimum proportion of these investments is 50%.

#2 Other: see response below



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

With respect to derivatives used by the Fund no environmental or social safeguards are applied.

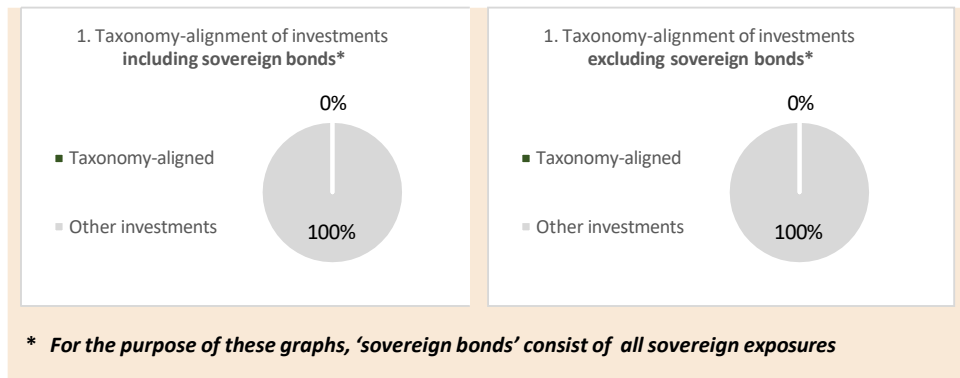


**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

In relation to taxonomy aligned environmentally sustainable investments in accordance with article 2 (17) of SFDR, the Fund does not commit to making a minimum proportion of sustainable investments, and hence such investments may currently not qualify as environmentally sustainable investments within the meaning of article 3 the Taxonomy Regulation. In that sense, no information can be provided on a substantial contribution to an environmental objective set out in Article 9 of the Taxonomy Regulation and in line with article 5 and 6 of the Taxonomy Regulation the extent to what the Investments underlying the Fund are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation is therefore currently zero (0%).

The Investment Manager is keeping this situation under active review and Investments of the Fund will be a minimum proportion of sustainable investments, the investment Manager will provide the descriptions referred to above, in which case this Annex will be updated accordingly.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What is the minimum share of investments in transitional and enabling activities?**

0%

The Fund does not commit to having any investments in “transitional and enabling” activities.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

1% is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. 20% is the expected overall share of sustainable investments related to environmental and social goals of the fund, this is because, it is not possible to set specific shares for environmental and social investments in each case.



**What is the minimum share of socially sustainable investments?**

1% is the minimum share of socially sustainable investments. 20% is the expected overall share of sustainable investments related to environmental and social goals of the fund, this is because, it is not possible to set specific shares for environmental and social investments in each case.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

“Other investments” include companies that do not meet the Investment Manager’s previously described criteria for the promotion of environmental and/or social characteristics, but which have improving ESG practices as determined by the Investment Manager based on its qualitative assessment. “Other” investments may also include companies with quality growth attributes where the materiality of ESG Factors is generally low, from both a risk and opportunity perspective, where



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

the Investment Manager believes the stock presents an attractive risk/reward opportunity. Such investments would still be subject to the exclusion list set out above.

“Other” investments also include cash held by the Fund for liquidity and derivatives used by the Fund. No environmental or social safeguards are applied to these investments

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable

- ***How does the designated index differ from a relevant broad market index?***

Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable



**Where can I find more product specific information online?**

More product-specific information can be found on the website:  
[https://sicav.williamblair.com/investor\\_services/sfdr.fs](https://sicav.williamblair.com/investor_services/sfdr.fs)