



Secular Growth Drives Public Cloud

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William Blair News

William Blair Large Cap Growth Strategy Co-Portfolio Manager Jim Golan, CFA, discussed his team's stock-picking philosophy in interviews with *Business Insider* and *Morning Trade Live* on the TD Ameritrade Network. Two key takeaways are the importance of secular growth and the potential of the public cloud.

Golan says markets have been driven higher recently by Fed easing and an anticipated China trade deal, resulting in shifting market dynamics in the short term, but William Blair's U.S. growth equity team is focused on the long term.

Investors who buy heavy cyclicals in today's low-growth environment, he says, are betting that there will be a reacceleration of global growth, higher inflation, and higher yields. "We're not in that camp," he says, noting that the sustained low-growth environment is likely the result of longer-term trends, such as an aging population in the developed world.

For the William Blair Large Cap Growth team, picking the right stocks begins with picking the right industries—those where profits are growing at least as quickly as the overall the economy. "We want to invest in industries where there is secular growth," he says. One example is in information technology, where the team is

seeing significant growth in digital security and the public cloud.

Golan finds the public cloud particularly compelling, the key selling points being that companies can lower their capex spending by buying less equipment and can better control IT labor costs.

“Today public cloud spending is probably a little bit less than \$200 billion overall, and we think over the next five to six years that could reach over \$500 billion,” Golan says.

Only after looking at industry trends such as these does the team evaluate specific companies. Since the stocks are typically held for three to five years, the team works to identify structurally advantaged companies that are taking share of growing industry profit pools.

[Read the *Business Insider* article](#)

[Watch Jim Golan’s “Morning Trade Live” interview on the TD Ameritrade Network](#)

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Standardized Performance (Period ended 9/30/19)

	QTD	YTD	1 YR	3 YR	5 YR	10 YR
William Blair Large Cap Growth Fund (Class I)	1.14%	25.67%	10.02%	19.54%	15.10%	15.18%
Russell 1000 Growth Index	1.49%	23.30%	3.71%	16.89%	13.39%	14.94%
S&P 500 Index	1.70%	20.55%	4.25%	13.39%	10.84%	13.24%

Performance cited represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the data quoted. Returns shown assume reinvestment of dividends and capital gains. Periods greater than one year are annualized. Investment returns and principal will fluctuate with market and economic conditions and you may have a gain or loss when you sell shares. For the most current month-end performance information, please call +1 800 742 7272, or visit our Web site at www.williamblairfunds.com. Class I shares are available to investors who meet certain eligibility requirements.

Expense ratio (gross/net): 0.80%/0.65%. The Fund's Adviser has contractually agreed to waive fees and/or reimburse expenses to limit fund operating expenses until 4/30/20.

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