



**ROBERT W. BAIRD & CO. INCORPORATED  
CASH SWEEP PROGRAM  
DISCLOSURE  
(Updated October 2023)**

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Robert W. Baird & Co. Incorporated (“Baird” or “we” or “us”) maintains a Cash Sweep Program (“CSP”) that provides its clients (“client” or “you”) the opportunity to earn income on available cash balances held in your Baird accounts (each, an “Account”). Baird’s CSP consists of two features whereby, with some exceptions, a client’s available cash in his or her Baird Accounts will be automatically deposited or swept on a daily basis in an account maintained at one or more participating banks (the “Bank Sweep Feature”). By using multiple participating banks, the Bank Sweep Feature seeks to provide aggregate FDIC insurance protection for a client’s cash balances of up to \$2.5 million for most account types (or \$5.0 million for joint accounts with two or more owners), with any cash balances in excess of such levels automatically invested in shares of one or more money market mutual funds Baird makes available (the “Money Market Fund Feature”). A third-party administrator (the “Administrator”), currently IntraFi Network LLC, provides services for the Bank Sweep Feature. Different rules will apply to ERISA plan accounts and clients with aggregate cash balances in their accounts of \$5 million or more. For those exceptions, see “ERISA Accounts Ineligible to Participate in Bank Sweep Feature” and “Money Market Fund Feature” below.

Clients affirmatively consent to participation in Baird’s CSP by signing an account agreement with Baird but may revoke this consent at any time by contacting their Baird Financial Advisor. Participation in the Cash Sweep Program occurs when a client signs an account agreement with Baird and elects to participate; no advice or recommendations are made concerning the client’s decision to participate or to remain in the CSP. Other short-term, cash-equivalent investments are available for purchase to you through Baird. These other short-term, cash-equivalent investments may be more appropriate for clients seeking a cash allocation as part of their investment strategy over longer periods of time. However, these other investments, which may provide for higher rates of return, are not part of Baird’s Cash Sweep Program and will not offer an automatic sweep feature. For more information, please contact your Baird Financial Advisor or visit [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps). Clients may terminate their participation in Baird’s CSP at any time by contacting their Baird Financial Advisor.

*Baird receives compensation in connection with the CSP on both the Bank Sweep Feature and the Money Market Fund Feature. Such compensation, which is generally based on client cash balances in the CSP and represents a significant amount, presents a conflict of interest in that it gives Baird a financial incentive to have clients participate in the CSP and to maintain cash balances in the CSP. Clients with Accounts that are charged an investment advisory fee will pay a fee on all of the assets in those Accounts, including cash balances in the CSP, which means that Baird receives both the asset-based advisory fee on such cash balances and compensation under the CSP on such cash balances. As a result, you may choose to maintain your cash balances in a brokerage account in which there is not an asset-based fee. See “Bank Sweep Feature – Compensation to Administrator and Baird” and “Money Market Fund Feature” below.*

## **BANK SWEEP FEATURE**

Under the Bank Sweep Feature, all clients, other than ERISA plans (see “ERISA Accounts Ineligible to Participate in Bank Sweep Feature” below), will have their uninvested cash balances in their Baird Accounts automatically deposited or “swept” on a daily basis into Federal Deposit Insurance Corporation (“FDIC”) insured, interest-bearing deposit accounts (each, a “Deposit Account”) held at one or more banks (each a “Bank”) available through the Administrator and participating in the CSP. A brief discussion of the Cash Sweep Program, the Bank Sweep Feature and the Money Market Fund Feature follows below.

The FDIC generally insures up to a maximum of \$250,000 (including principal and accrued interest) per depositor, for all deposits held in the same insurable capacity at any one bank. This limit applies to most account types, such as individual accounts and IRAs. For joint accounts, the insurance limit is \$250,000 for each owner of the account, so that a joint account with two owners is insured up to \$500,000. By having a number of FDIC-insured Banks participating in the Bank Sweep Feature, your cash balances can be spread among these Banks, providing the potential for FDIC coverage greater than that which you would have if your cash deposits were held only in a single Bank. The Bank Sweep Feature currently seeks to make available up to \$2,500,000 for most account types (or \$5,000,000 for joint accounts with two or more owners) of aggregate FDIC insurance protection (the “Aggregate Deposit Limit”) for the cash balances of eligible clients participating in the CSP. The number of Banks participating in the Bank Sweep Feature may change from time to time. An increase in the number of participating Banks in the future could increase the potential FDIC coverage available to you; however, there can be no assurance that additional Banks will be added. The participating Banks are part of the deposit network of IntraFi. A list that identifies all of the insured depository institutions in the deposit network of IntraFi appears at <https://www.intrafi.com/network-banks>. The Banks participating in the Bank Sweep Feature are selected from, and represent a subset of, the insured depository institutions in IntraFi’s deposit network, and are organized as described below.

The participating Banks are organized into a number of priority lists (“Priority Lists”), divided by state or geographic region and, in certain cases, account type, in order to manage the distribution of deposit balances among the Banks. The Priority Lists are posted at [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps). The Priority List that applies to you is based on the state shown on the address for your Account that you provide to Baird and, if applicable, your account type. Available cash in each of your participating Baird Accounts will be deposited into a Deposit Account at each of the participating Banks, in the order set forth on the Priority List applicable to your Accounts up to the deposit limit of \$247,500 for most account types (\$495,000 for joint accounts with two or more owners) (the “Individual Bank Deposit Limit”) in order to permit your funds to be eligible for the greatest possible FDIC insurance coverage. Once cash amounts equal to the Individual Bank Deposit Limit have been deposited in a Bank on the Priority List, additional cash up to the Individual Bank Deposit Limit will be deposited into the next Bank on the Priority List, and so on, until your aggregate cash balance in the Deposit Accounts have been deposited into multiple Banks thus reaching the Aggregate Deposit Limit. It is possible that at times one or more Banks on the Priority List may not be able to accept your deposits up to the Individual Bank Deposit Limit, in which case your cash will be deposited into the next Bank on the list, and that for such time the number of Banks on the Priority List accepting deposits may not be sufficient to provide FDIC insurance coverage up to the Aggregate Deposit Limit. See “Bank Priority Lists” below.

Any cash balances in your Account(s) in excess of the Aggregate Deposit Limit will also be automatically deposited temporarily for one business day into one or more “excess” Banks (“Excess Banks”) without regard to the applicable FDIC insurance limit, until those excess balances are automatically invested or swept into a money market mutual fund that Baird makes available, as described below. It is therefore possible that for one business day your cash balance in a Deposit Account at an Excess Bank may exceed the applicable FDIC insurance limit, and an Excess Bank may be one of the Banks on the Priority List applicable to you that has already received up to the Individual Bank Deposit Limit. If a client has multiple Accounts of the same type registered under the same tax identification number, Baird seeks to combine those Accounts for purposes of determining the Individual Bank Deposit Limit and Aggregate Deposit Limit. Baird has the right to change or increase the number of Banks into which clients’ cash may be deposited

(including rearranging and replacing Banks on the Priority Lists), to change the Individual Bank Deposit Limit and to change the Aggregate Deposit Limit upon notice to you.

Any deposits (including certificates of deposit) that you maintain in the same insurable capacity directly with a Bank or indirectly through Baird or another intermediary, regardless of the number of accounts, are aggregated by the FDIC for purposes of the applicable insurance limits. It is, therefore, important for you to monitor the total amount of deposits that you have with each Bank on the Priority List, including an Excess Bank, in order to determine the extent of FDIC insurance coverage available to you. Baird does not take responsibility for knowing your cash balances outside of your Baird Account or where they are deposited. For more information on FDIC insurance, please see “Information About the FDIC and SIPC” below.

Uninvested cash balances in your Account(s) that exceed the Aggregate Deposit Limit are automatically invested or swept into a money market mutual fund that Baird makes available within one business day after those excess cash balances are in Deposit Accounts at Excess Banks, as described above. That money market mutual fund is currently the Dreyfus Government Cash Management Fund. Such fund’s prospectus is available at [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps). See “Money Market Fund Feature” below. **Cash swept into the Money Market Fund Feature is not FDIC insured but is protected by Securities Investor Protection Corporation (SIPC) coverage up to applicable limits. See “Information About the FDIC and SIPC” below.**

In addition, there may be periods when unusually high aggregate client cash balances in Deposit Accounts at the Banks reach capacity on the amount of cash the Banks are willing to accept under the CSP. Any client cash balances that are not placed in Deposit Account at the Banks on the Priority List due to capacity will be placed with an Excess Bank for one day before being automatically invested in the Dreyfus Government Cash Management Fund. See “Bank Priority Lists” below.

Each Deposit Account constitutes a direct obligation of the Bank and is not directly or indirectly an obligation of Baird. Baird does not guarantee in any way the financial condition of the Banks or the accuracy of any publicly available financial information concerning such Banks. Baird is not responsible for any insured or uninsured portion of a Deposit Account.

#### **ERISA Accounts Ineligible to Participate in the Bank Sweep Feature**

The Bank Sweep Feature is available for all accounts (including individual, joint, entity and IRA accounts), except for “ERISA Accounts,” which, for purposes of the CSP, are defined to include employee benefit plans, such as retirement plans (both defined contribution and defined benefit plans), employee health and welfare plans, and SEP and SIMPLE IRAs. Uninvested cash balances in ERISA Accounts at Baird will be automatically invested daily in shares of a money market mutual fund that Baird makes available (currently, that fund is the Dreyfus Government Cash Management Fund). Such fund’s prospectus is available at [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps). See “Money Market Fund Feature” below. **Cash swept into the Money Market Fund Feature is not FDIC insured but is protected by Securities Investor Protection Corporation (SIPC) coverage up to applicable limits. See “Information About the FDIC and SIPC” below.**

#### **Bank Priority Lists**

The Priority List of Banks into which your cash balances may be deposited under the Bank Sweep Feature is available on Baird’s website, [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps). The Priority List also identifies Excess Banks that are used to receive and hold temporarily (for one business day) your cash balances, to the extent those balances exceed the Aggregate Deposit Limit. Other clients may be assigned different Priority Lists. You can identify the Priority List applicable to you by your state of residence and/or, in some instances, by the type of account you maintain. For instance, accounts subject to Section 4975 of the Internal Revenue Code (such as traditional, Roth, rollover and inherited IRAs, and Coverdell education savings accounts) have separate Priority Lists, one for brokerage accounts and another for fee-based investment advisory accounts, each of which is then further divided by state/region. The Banks appear on the Priority List in the order in which the Deposit Accounts will be opened for you and your cash will be deposited. You should review the Priority List carefully and periodically. Your cash balances may be deposited into multiple Banks, with each Bank accepting up to the Individual Bank Deposit Limit. This will enable you to have aggregate FDIC insurance for your cash up to the Aggregate Deposit Limit. Additional Banks may be added in the future, resulting in an increase to the Aggregate Deposit Limit.

If Banks on the Priority List have received your cash balances up to the Aggregate Deposit Limit, your next available cash balances (in excess of the Aggregate Deposit Limit) will be swept into a deposit account at one or more Excess Banks for one business day until those excess balances are invested in a money market mutual fund selected by Baird. That money market mutual fund is currently the Dreyfus Government Cash Management Fund. Such fund’s prospectus is available at [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps). **Cash swept into the Money Market Fund Feature is not FDIC insured but is protected by Securities Investor Protection Corporation (SIPC) coverage up to applicable limits. See “Information About the FDIC and SIPC” below.**

You may not change the order of the Banks on the Priority List. However, you may, at any time, designate a Bank as ineligible to receive deposits of your cash. For instance, you may wish to designate a Bank as ineligible if you have other deposits at that Bank outside of the Bank Sweep Feature and do not want additional deposits to be made to that Bank through the Bank Sweep Feature to exceed the applicable FDIC insurance limit. This will result in your cash being deposited into the next Bank on the Priority List. In addition, you may at any time instruct us to remove your cash from a Bank, close your Deposit Accounts with the Bank and designate the Bank as ineligible to receive future deposits. Unless you direct us to place your cash balances in a different investment, your cash balances from a closed Deposit Account will be deposited in a Deposit Account at the first available Bank next set forth on the Priority List. It is possible that if you designate a Bank as ineligible to receive your cash, there may not be a sufficient number of Banks remaining on your Priority List in order to provide FDIC insurance of up to the Aggregate Deposit Limit. Please note that, although you may designate one or more Excess Banks as ineligible to receive deposits of your cash to the extent it exceeds the Aggregate Deposit Limit, you may not designate all of the Excess Banks as ineligible.

If you wish to designate one or more Banks as ineligible to receive your cash, please contact your Baird Financial Advisor.

The Priority Lists will change from time to time. One or more of the Banks included on the Priority List may be replaced with a Bank not previously included on the Priority List, a Bank may be deleted from the Priority List, a Bank may be added to the Priority List, or the order of Banks on the Priority List may change. In general, notification of changes to the Priority List will be provided via our website [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps) prior to the effective

date of those changes. Under certain circumstances, such as if a Bank is no longer able to accept deposits for regulatory or other reasons, Baird may be unable to provide advance notice of changes to the Priority List but will provide notice as soon as practicable. You will have an opportunity to designate a Bank as ineligible to receive your cash balances if you do not wish cash to be deposited into or remain in a new Bank. The then-current Priority List will always be available on our website or from your Financial Advisor.

When changes are made to the order of the Banks on the Priority List, your existing balances in Deposit Accounts at the Banks at such time will generally not be reallocated in accordance with the revised Priority List. However, deposits and withdrawals of your cash balances made after a change to the Priority List will occur in accordance with the new Priority List as described herein and below under “Deposit Procedures” and “Withdrawal Procedures,” respectively.

On any day, a Bank may be closed for business or temporarily unable or unwilling to accept your cash (such as when a limit is reached regarding how much cash the Bank will accept in Deposit Accounts). In such event, your cash balances will be deposited at the next Bank on the Priority List. When the Bank that could not or did not accept your cash balances is again able to accept funds, available cash balances in your Baird Account will be deposited in that Bank pursuant to the Priority List. If multiple (or all) Banks on the Priority List are at the same time no longer accepting deposits of Baird client cash, your cash would only be deposited into each of the remaining Banks (if any) that are accepting deposits up to the Individual Bank Deposit Limit. This means that the aggregate FDIC insurance for all of your cash deposited into the remaining Banks could be less than the Aggregate Deposit Limit, and any of your cash that exceeds the amounts that are deposited into the remaining Banks would be placed for one day in an Excess Bank before it is automatically invested in the Dreyfus Government Cash Management Fund. In such instances, the Administrator and Baird would attempt to attract new Banks to participate in the CSP or persuade existing Banks to increase their aggregate deposit maximums. During periods of extraordinary market volatility or uncertainty, with clients holding high cash positions, it is possible that aggregate client cash in Deposit Accounts at the Banks will reach many if not all of the Banks’ capacity limits on the amount of cash they are willing to accept under the CSP. When that is the case, any additional or future client cash that is not swept into Deposit Accounts at the Banks due to capacity will be automatically deposited into a Deposit Account at an Excess Bank for one day before being invested in the Dreyfus Government Cash Management Fund. However, clients’ existing balances in Bank Deposit Accounts will not be affected.

If a Bank at which you have Deposit Accounts no longer makes the Deposit Accounts available (e.g., the Bank has been removed from the applicable Priority List or from the CSP entirely), your cash balances at that Bank will be transferred to the first available Bank on the Priority List. However, you have the opportunity to establish a direct depository relationship with the Bank and move your cash balances to a direct deposit account, subject to the Bank’s rules with respect to establishing and maintaining such accounts.

In order to avoid having cash deposited at a Bank with which you may have an existing relationship, it is your obligation to review the Priority List often and the Banks, including the Excess Banks, where your funds are deposited through the Bank Sweep Feature. You may designate any Bank on the Priority List as ineligible to receive your cash balances, and your instruction will be promptly applied.

### **Bank Deposit Accounts**

Through the Bank Sweep Feature, you have access to a money market deposit account (“MMDA”) – a type of savings deposit – and a linked transaction account (“TA”) at one or more of the Banks. The MMDAs and TAs are non-transferable.

The TA may be a negotiable order of withdrawal (“NOW”) account or a demand deposit account (“DDA”). Pursuant to Federal law, a business entity is not eligible to own a NOW account. If the TA is a NOW account, Baird will only deposit the funds of individuals, not for profit entities and government entities in that Bank. Ineligible customers will not have Banks offering only NOW accounts on their Priority List. If the TA is a DDA then there are no eligibility restrictions and Banks offering DDAs may appear on any client’s Priority List.

### **Deposit Procedures**

When uninvested cash in your Baird Accounts is first available for deposit, Baird, as your agent, will open a MMDA and a linked TA on your behalf at the first available Bank on the then-current Priority List in the order set forth on the Priority List. Once your cash balances in the Deposit Account at a Bank reach the Individual Bank Deposit Limit, Baird, as your agent, will open a MMDA and a linked TA for you at the next available Bank on the Priority List and place your additional cash in that Bank, until the Aggregate Deposit Limit is reached.

If your cash deposits in the Deposit Accounts at the Banks reach the Aggregate Deposit Limit, excess cash deposits will be swept into a money market mutual fund discussed above. **Amounts swept into a money market mutual fund are not insured by the FDIC but are protected by SIPC coverage.** See “Money Market Fund Feature” and “Information About the FDIC and SIPC” below.

As your agent, Baird will deposit available cash balances from your Baird Account(s) into your MMDA at each Bank as set forth above. As necessary to satisfy withdrawals, cash will be transferred from your MMDA to the related TA at each Bank and withdrawals will be made from the TA. Each Bank and Baird may determine a minimum, or “threshold,” amount to be maintained in your TA to satisfy debits in your Baird Account. Cash balances that are placed in your Baird Account(s) after Baird’s cutoff time (currently 1:15 p.m. Central time on days when banks are open) may not be deposited into Bank Deposit Accounts until the next business day.

### **Withdrawal Procedures**

You cannot make withdrawals from any individual Bank directly because you do not have a direct relationship with the Banks for your Deposit Accounts in the CSP. All withdrawals needed to satisfy debits in your Baird Account will be made by Baird as your agent. If a withdrawal of cash from the Deposit Accounts is necessary to satisfy a debit, such cash will be withdrawn from the TAs at the Banks at which you hold balances in the reverse order in which the Banks appear on the Priority List. In other words, cash will be withdrawn first from the Bank lowest on the Priority List and last from the first Bank on the Priority List. Withdrawals from Bank Deposit Accounts that are requested after Baird’s cutoff time (currently 1:15 p.m. Central time on days when banks are open) may not be processed until the next business day.

Federal banking regulations limit the transfers from an MMDA to a total of six (6) during a monthly statement cycle. At any point during a month in which transfers from an MMDA at a Bank have reached the transfer limit, all cash balances will be transferred from that MMDA to the linked TA at the Bank until the end of the month. Deposits for the remainder of the month into this Bank will be made to the TA. At the beginning of the next month, cash on deposit in the TA will be transferred to the MMDA, minus any threshold amount to be maintained in the TA. The limits on MMDA transfers will not limit the number of withdrawals you can make from funds on deposit at a Bank or the amount of FDIC insurance coverage for which you are eligible. If there are insufficient funds in your Deposit Accounts at the Banks on the Priority List to satisfy a debit in your Baird Account, Baird will withdraw funds from other available sources (including the sale of investments held in your Baird Account) as described in your Account agreement.

Due to federal banking regulations each Bank reserves the right to require seven business days' prior notice before you withdraw cash balances from your MMDA. However, the Banks have informed us that they do not currently intend to exercise this right.

### Interest Rates Paid to Clients on Bank Deposit Account Balances

The rates that clients receive on their cash balances in their Deposit Accounts are tiered, based on the aggregate value of the accounts within the client's household ("HH"). Accounts within a household include all of the client's accounts at Baird (including the client's Deposit Accounts) and any accounts related to the client that share the same address and, at the client's request, are linked for purposes of the Cash Sweep Program. In general, clients in higher tiers (i.e., clients with higher aggregate household account values) will receive a higher interest rate than clients in lower tiers. It is intended that all Baird Accounts within the client's household will receive the same rate of interest on their Deposit Accounts.

The interest rate tiers are as follows:

	Client HH Account Value
Tier 1	Less than \$1,000,000
Tier 2	\$1,000,000 - \$1,999,999
Tier 3	\$2,000,000 - \$4,999,999
Tier 4	\$5,000,000 or greater

The tier applicable to your and other clients' household accounts will be determined by Baird on a monthly basis calculated as of the last business day of the preceding calendar month.

The interest rates that clients receive on their Deposit Accounts at the Banks are determined by a formula that takes into account the amounts the Banks pay in respect of the aggregate balances on deposit, the compensation paid to Baird for certain administrative, accounting, recordkeeping and other services, and the fees paid to the Administrator, each as described below. See "Compensation to Administrator and Baird." The amounts that Banks pay in respect of balances on deposit vary from Bank to Bank and are subject to change based on prevailing economic and business conditions but are generally derived from the Fed Funds Effective or Target Rate, plus a spread, which may be up to 75 basis points, or 0.75%. Some Banks may pay amounts that are based on a fixed interest rate. You do not have any rights to the amounts paid by the Banks on the aggregate balances in the Deposit Accounts, except for interest actually credited to your Account(s) based on your balances in your Deposit Accounts. **Although the amounts that Banks pay on deposits vary from Bank to Bank, you will receive the same interest rates on all of your cash balances in the Deposit Accounts regardless of the Bank in which cash from your account is deposited. All Banks will utilize the same interest rate tiers and will pay clients the same rate of interest on the Deposit Accounts within each tier.**

Interest generally accrues beginning on the day the Bank receives your cash balances. Accrued interest is generally credited to your Account on the last business day of each month. Withdrawals, which must be effected through Baird, are permitted on any business day, without penalty, and interest is accrued and paid through the day prior to the day of withdrawal. The interest rates accruing on your cash may change as frequently as daily with prior notice (notice of rate changes will be posted on our website at [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps)), although interest rate changes will generally be made on a monthly basis and in response to changes in the Federal Funds Target Rate. For the most current rates across the interest rate tiers, please visit our website at [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps) or contact your Baird Financial Advisor.

Past global economic conditions, including negative inflation and currency valuations, caused some foreign central banks to implement a negative interest rate policy in which banks must pay the central bank to hold reserves and depositors must pay their bank to maintain their deposits and those conditions could recur. The U.S. is not currently in a negative interest rate environment, nor is there any indication that the Federal Reserve Board would adopt a policy that results in negative interest rates. However, if such a policy is adopted, Baird, in its sole discretion, may charge your account a fee for maintaining balances in Deposit Accounts at the Banks under the Bank Sweep Feature. The fee would compensate Baird for costs incurred in maintaining your funds in such Deposit Accounts. The fee may be in addition to other compensation that Baird would receive under the Bank Sweep Feature. If a fee is charged, the fee would be determined on the last business day of each month based on your average cash balance in the Deposit Accounts during the preceding month. The fee would appear on your Baird account statement. The fee may be increased or decreased at any time to reflect the costs incurred by Baird related to the negative interest rate. Baird may eliminate the fee at any time. Information regarding the fee, if any, would be available at [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps) or from your Baird Financial Advisor.

### Compensation to Administrator and Baird

*Administrator.* The Administrator provides services under the Bank Sweep Feature. For its services, the Administrator will charge a monthly fee on the average daily cash balances in the Deposit Accounts at the Banks. This fee will be paid from the amounts the Banks pay in respect of the aggregate balances in the Deposit Accounts. For balances in Bank Deposit Accounts attributable to all Baird Accounts (other than Baird Accounts that are both (i) subject to Section 4975 of the Internal Revenue Code, such as traditional, rollover, Roth and inherited IRAs, and Coverdell education savings accounts, and (ii) are managed or advised by Baird in its capacity as an investment adviser pursuant to an advisory agreement with Baird (collectively, "IRA Advisory Accounts")), the Administrator's fee consists of a fee expressed in basis points on the average daily cash balances in the Deposit Accounts at the Banks (the "Administrator Stated Fee"). The Administrator Stated Fee will be subject to adjustment as described below (as so adjusted, the "Administrator Adjusted Fee").



For balances in Deposit Accounts that are attributable to IRA Advisory Accounts, the Administrator’s monthly fee will be the amount that remains after deducting the interest paid to clients on the balances in the Deposit Accounts for IRA Advisory Accounts for the month and the aggregate amount of the Baird Per Account Fee (as defined below) from the amounts paid by the Banks in respect of the aggregate balances in the Deposit Accounts for IRA Advisory Accounts (the “Administrator Actual Fee on IRA Advisory Deposits”). Thus, the Administrator Actual Fee on IRA Advisory Deposits will vary from time to time due to changes in the amount paid by the Banks, the interest paid on the Deposit Accounts for IRA Advisory Accounts, and the aggregate amount of the Baird Per Account Fee.

The Administrator Actual Fee on IRA Advisory Deposits will be compared to or measured against the Administrator’s monthly target fee, which will be an asset-based fee expressed in a fixed number of basis points on the average daily cash balances in the Deposit Accounts for IRA Advisory Accounts (the “Administrator Target Fee on IRA Advisory Deposits”). In addition, the Administrator Adjusted Fee will be compared to or measured against the Administrator Stated Fee (before any adjustment). If, after the end of any month, the cumulative net difference (positive or negative) on a rolling basis between the amount received by the Administrator on Deposit Accounts attributable to all Baird Accounts and the cumulative Administrator Stated Fee (before any adjustment) and Administrator Target Fee on IRA Advisory Deposits (the “Cumulative Administrator Fee Difference”) reaches or exceeds a pre-determined amount, the interest rates to be paid to clients on the Deposit Accounts attributable to all Baird Accounts will be appropriately adjusted, with a corresponding adjustment to the Administrator Stated Fee, so that over a period of time the Cumulative Administrator Fee Difference approaches zero (i.e., the cumulative amount the Administrator receives approaches the cumulative sum of the Administrator Stated Fee and the Administrator Target Fee on IRA Deposits). The adjustment is determined by a formula and is intended to result in the Administrator’s fees on balances in Deposit Accounts attributable to IRA Advisory Accounts to closely approximate or equal the Administrator Target Fee on IRA Advisory Deposits, although it is understood that the Administrator’s actual fees will vary from month to month. The adjustment to the Administrator Stated Fee, if any, will establish the “Administrator Adjusted Fee,” which will then be used to calculate the Administrator’s actual monthly fees on the aggregate balances in the Deposit Accounts attributable to all Baird Accounts other than IRA Advisory Accounts while the Administrator Adjusted Fee is in effect. In addition, prior to the expiration or termination of the Administrator’s agreement to provide services to the Bank Sweep Feature, further adjustments may be made to the client interest rates to address any unresolved and/or anticipated Cumulative Administrator Fee Difference.

The Administrator may also, from time to time, temporarily reduce or collect less than its stated or target fees during certain periods, such as when necessary to help ensure that the amounts paid by the Banks during the period are sufficient to cover the applicable disclosed client rates and the aggregate amount of the Baird Per Account Fee (as defined below) for the period. Under such circumstances, the Administrator will be entitled to increased fees in future periods to recover the difference. You authorize and direct the Administrator to deduct its fees for its services from the amounts paid by the Banks. Based on the calculation method set forth below, the Administrator will calculate the fees due to Baird.

*Baird.* Baird’s compensation for providing administrative, accounting, recordkeeping and other services for the Bank Sweep Feature as applied to all clients, except for IRA Advisory Accounts, is equal to the excess of the amounts the Banks pay in respect of the aggregate balances in the Deposit Accounts at the Banks over the fees actually paid to the Administrator (following any adjustments described above) and the interest paid to clients on their cash balances in the Deposit Accounts. Because the Banks pay different amounts, the compensation paid to Baird will vary from Bank to Bank. Because the interest rates paid to clients are subject to tiers based on the aggregate value of accounts within the client’s household, Baird’s compensation rate is higher on a client’s cash balances in lower interest rate tiers and lower on a client’s cash balances in higher interest rate tiers. The differences in Baird’s compensation from Bank to Bank and adjustments to the Administrator’s fees (as described above) are intended to ensure that all clients receive the same rate of interest on their Deposit Accounts for their respective interest rate tiers, regardless of the Banks at which the Deposit Accounts are held.

Baird’s compensation for the Bank Sweep Feature as applied to all clients, except for IRA Advisory Accounts, will not exceed the following annual percentage for each interest rate tier:

	Client HH Account Value	Maximum Annual Baird Compensation (% of Client Balances in Bank Deposit Accounts)*
Tier 1	Less than \$1,000,000	3.60%
Tier 2	\$1,000,000 - \$1,999,999	2.45%
Tier 3	\$2,000,000 - \$4,999,999	2.00%
Tier 4	\$5,000,000 or greater	1.75%

\* Maximum compensation applies when the Fed Funds Target Rate reaches 6.00%. In a lower interest rate environment Baird’s compensation will be less than the percentages shown.

The actual amount of compensation received by Baird will vary based on prevailing interest rates, the rates paid by the Banks on aggregate balances in their Deposit Accounts, the amount of client balances in Deposit Accounts in aggregate and in each tier. Compensation will be higher in a higher interest rate environment and lower in a lower interest rate environment. For current information about Baird’s compensation for services it provides for the Bank Sweep Feature, please visit [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps). Clients receive more detailed information about Baird’s compensation on their Baird account statements.

The Bank Sweep Feature presents a conflict of interest to Baird and Baird Financial Advisors because the compensation earned by Baird gives Baird an incentive to have clients maintain meaningful cash balances in the Deposit Accounts and to use the Bank Sweep Feature for their cash balances rather than other cash-equivalent investments. Please note that Baird does not share any of the compensation it receives for the Bank Sweep Feature with its Financial Advisors or pay any amounts to its Financial Advisors based on client balances in Deposit Accounts at the Banks under the Bank Sweep Feature, although as shareholders of Baird’s parent company Baird Financial Advisors benefit by the compensation Baird receives. Clients should also be aware that if they have advisory accounts at Baird, they will pay an investment advisory fee based on their account values, which include the values of cash in their accounts (and in Deposit Accounts at the Banks under the Bank Sweep Feature), and that, in addition to the investment advisory fee, Baird will receive compensation on the client cash sweep balances. Clients should contact their Baird Financial Advisor to discuss other cash-equivalent or cash-alternative investment options that may be available outside the Cash Sweep Program.

Notwithstanding the foregoing, for IRA Advisory Accounts, Baird’s compensation for services provided under the Bank Sweep Feature to those accounts will consist entirely of a per account fee each month (“Baird Per Account Fee”) as outlined in the below “Baird Per Account Fee Schedule.” The Baird Per Account Fee under the CSP for IRA Advisory Accounts is the same for all such accounts and is not affected by the actual balances held for IRA Advisory Accounts in the Deposit Accounts at the Banks or by the value of the IRA Advisory Accounts. As set forth below, the Baird Per Account Fee will be indexed to the current Federal Funds Target (FFT) Rate, but the fee will not exceed \$19.00 per month. In a low interest rate environment, the fee will be much lower. Under the Baird Per Account Fee Schedule, increases in the FFT Rate may result in increased compensation for Baird because the Baird Per Account Fee could be higher, up to the maximum amount, and decreases in the FFT Rate may result in decreased compensation for Baird because the Baird Per Account Fee could be lower. Baird can change the applicable fee schedule upon 30 days’ advance notice to you. The aggregate monthly amount of the Baird Per Account Fee is equal to the Baird Per Account Fee multiplied the number of IRA Advisory Accounts. Thus, the aggregate amount of the Baird Per Account Fee will vary from month to month with changes in the applicable Baird Per Account Fee and in the number of IRA Advisory Accounts. It is expected that the Baird Per Account Fee will generally be paid out of the amount paid by the Banks in respect of the aggregated client balances in the Deposit Accounts, rather than out of your IRA Advisory Account; you hereby direct the Administrator to collect such fees from the Banks and remit such amounts over to Baird for this purpose. However, Baird reserves the right to withdraw the Baird Per Account Fee, or a portion thereof, from the IRA Advisory Accounts in the event or to the extent that the amount paid by the Banks in respect of the aggregate balances in the Deposit Accounts attributable to the IRA Advisory Accounts for a particular month is not sufficient to cover the interest owed on the Deposit Accounts in respect of the IRA Advisory Accounts for that month and the aggregate amount of the Baird Per Account Fee for that month.

The FFT Rate used to calculate the Baird Per Account Fee can be expressed as either a single value or a range of values. When the FFT Rate is expressed as a single value, then FFT Rate for purposes of the calculations will equal such value. In time periods where the FFT Rate is represented as a range, then the FFT Rate for purposes of the above calculations will equal the high end of such range rounded to the nearest basis point.

The current FFT Rate can be found here: <http://www.federalreserve.gov/monetarypolicy/openmarket.htm>. If an IRA Advisory Account is opened or closed during a month, the monthly fee will be pro-rated for the portion of the month the account was open. When a FFT Rate change occurs, a change in the Baird Per Account Fee will generally go into effect within two weeks of the FFT Rate change. The table expresses the FFT Rate in basis points (bps). One basis point is equal to 0.01%, and 100 basis points are equal to 1.00%.

<b>Baird Per Account Fee Schedule for IRA Advisory Accounts in CSP</b>	
<b>Fed Funds Target Rate (bps)</b>	<b>Baird Monthly Account Fee</b>
0	\$0.00
25	\$1.75
50	\$3.75
75	\$5.75
100	\$7.50
125	\$9.25
150	\$10.50
175	\$11.75
200	\$12.75
225	\$13.75
250	\$14.50
275	\$15.50
300	\$16.00
325	\$16.75
350	\$17.25
375	\$17.75
400	\$18.00
425	\$18.25
450	\$18.50
475	\$18.50
500	\$18.75
525 and above	\$19.00

The Baird Per Account Fee will be the same amount for each month regardless of the number of days in the month, except that in February the Baird Per Account Fee will be reduced by 10%.

The Baird Per Account Fee will not generally be seen on client statements because, as discussed above, the fee will generally be paid out of the amount the Banks pay in respect of the aggregate balances in the Deposit Accounts for IRA Advisory Accounts.

Baird Financial Advisors do not receive any of the compensation received by Baird from the Banks under the Bank Sweep Feature and thus have no incentive to recommend your participation in the CSP. Baird’s fees with respect to the Bank Sweep Feature are greater than the compensation it receives with respect to the Money Market Fund Feature.



## MONEY MARKET FUND FEATURE

As described in “Bank Sweep Feature” above, most clients participating in the CSP will have the cash balances in their Accounts automatically swept into Deposit Accounts at one or more Banks until their cash balances reach the Aggregate Deposit Limit (\$2,500,000 for individual, entity, IRA and most other accounts, and \$5,000,000 for joint accounts). Any cash balances in excess of the Aggregate Deposit Limit will be automatically invested in a money market mutual fund that Baird makes available to those accounts under the Money Market Fund Feature. That money market mutual fund is currently the Dreyfus Government Cash Management Fund – Wealth Class. Please see [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps) for a copy of such fund’s prospectus.

Clients with \$5,000,000 or more of cash in their accounts in the same household are eligible to have all or any portion of their cash balances automatically swept into an institutional money market mutual fund that Baird makes available. That fund is currently the Dreyfus Government Cash Management Fund – Institutional Class. Please see [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps) for a copy of the fund’s prospectus. Such clients who do not make an election will have all of their cash automatically swept into Deposit Accounts at the Banks until reaching the Aggregate Deposit Limit, with remaining cash automatically swept into the Dreyfus Government Cash Management Fund – Institutional Class. This fund generally offers lower fund expenses and pays a higher yield than other money market mutual funds that are available under the Money Market Fund Feature.

ERISA Accounts are not eligible to participate in the Bank Sweep Feature. Instead, all of their cash is automatically invested in a money market mutual fund that Baird makes available. That money market mutual fund is currently the Dreyfus Government Cash Management Fund – Wealth Class. Please see [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps) for a copy of such fund’s prospectus.

Your investments in the money market mutual funds, if any, will earn dividends based on the interest and income realized by the funds’ underlying investments. The dividends earned on the shares in the money market mutual funds will not be payable in cash but will be reinvested each month in additional shares of the applicable Fund at the then-current net asset value. You should bear in mind that the rates of return you receive on a money market mutual fund will vary from fund to fund, because such rates are based on the investments made by the particular fund net of the fund’s operating expenses. The rates of return on money market mutual funds will differ from, and generally be higher than, the interest rates available in the Bank Sweep Feature.

There is no guarantee that the rate of return or the yields will equal or exceed rates of return or yields available at other financial institutions or invested in other similar products. Yields fluctuate, and past performance is no guarantee of future results. For more information about the current rates of interest or yields you are receiving from the money market fund(s) in which your cash is invested through the Money Market Fund Feature, as well as current interest rates offered under the Bank Sweep Feature, please visit our website at [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps) or contact your Baird Financial Advisor.

To the extent legally permissible, Baird receives compensation from the money market mutual funds or their advisors/distributors that are available through the Money Market Fund Feature, which compensation varies from fund to fund but may be up to 0.50%, annualized, of the value of client assets invested in the funds that are available through the Money Market Fund Feature.

Cash balances placed in Baird Accounts after Baird’s cutoff time (currently 12:30 p.m. Central time on business days) may not be automatically invested in the money market mutual fund(s) Baird makes available until the next business day, and withdrawals of amounts from those money market funds requested after Baird’s cutoff time may not be processed until the next business day.

Although not a part of the CSP or subject to an automatic sweep feature, Baird offers a number of money market mutual funds that can be purchased for client Accounts. Please contact your Baird Financial Advisor for more information. These money market mutual funds may be more appropriate than the CSP for clients who have a cash allocation as part of their investment strategy or otherwise intend to maintain a significant cash balance over longer periods of time.

**An investment in a money market mutual fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency but is protected by SIPC coverage. See “Information About the FDIC and SIPC” below. Although money market mutual funds typically seek to preserve the value of an investment at \$1.00 per share, there can be no assurance that will occur, and it is possible to lose money should the fund value per share fall. Most money market mutual funds are required to maintain a stable \$1.00 net asset value per share, but some are not.**

Baird is not affiliated with any of the money market mutual funds available through the Money Market Fund Feature or otherwise, and does not accept responsibility for the investment and other decisions or actions that those money market mutual funds may make. It is possible that, under distressed conditions, a money market mutual fund may suspend redemptions or impose redemption or liquidity fees to the extent permitted by applicable law, and, if so, there could be delays in receiving redemption proceeds or costs associated with redemptions. In such event, Baird may withdraw funds from your balances (if any) in Deposit Accounts at the Banks under the Bank Sweep Feature to meet your liquidity needs until the money market mutual funds resume meeting redemptions normally.

## INFORMATION ABOUT YOUR RELATIONSHIP WITH BAIRD AND THE BANKS

### Relationship with Baird

Baird will act as your agent for the purpose of administration of the CSP. Depending on the type of Cash Sweep Account Feature, an omnibus account will be established at the Banks and/or the money market funds in the name of “Robert W. Baird & Co. Incorporated, as agent and custodian, for the exclusive benefit of its customers who are acting for themselves and others” (or words to that effect) into which your available cash balances will be deposited. Baird will maintain records identifying you as the owner of your cash balances or Fund in the omnibus account. Your interest in the omnibus account will be in book-entry form, and no passbook or other certificate will be issued to you by the Banks, the funds or Baird. Deposits or withdrawals will be reflected in your Account at Baird and described in your monthly Baird Account statement.

Deposits, withdrawals and other transactions in the Account can be processed only through Baird. The Deposit Accounts held at the Banks are direct obligations of the Banks and not an obligation of Baird. In addition, Baird does not serve as investment adviser, distributor, transfer agent or custodian for any of the money market mutual funds offered in the Money Market Fund Feature. While neither the Banks nor the money market funds are affiliated with Baird, Baird may, from time to time, own securities issued by the Banks or the money market fund sponsors and may have other business relationships with the Banks or money market fund sponsors. For instance, one or more of the Banks may provide loans or other services to Baird and its affiliates and employees, or Baird or its affiliates may provide brokerage or advisory services to one or more of the Banks or the investment advisers to the money market funds.

### **Relationship with the Banks**

As described above, you will not have a direct account relationship with the Banks. However, each Deposit Account constitutes an obligation of a Bank and is not directly or indirectly an obligation of Baird. A current list of the Banks on the Priority Lists is available at [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps). Each Bank is a FDIC-insured depository institution chartered under the laws of the United States or a state thereof. You can obtain publicly available financial information concerning each Bank at <https://www.ffiec.gov/nicpubweb/nicweb/nichome.aspx> or by contacting the FDIC Public Information Center by mail at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Arlington, Virginia 22226 or by phone at 703-562-2200. Baird does not guarantee in any way the financial condition of the Banks or the accuracy of any publicly available financial information concerning such Banks.

Baird does not guarantee in any way the financial condition of the Banks or the accuracy of any publicly available financial information concerning such Banks.

### **CHANGES TO THE CASH SWEEP PROGRAM**

Baird may discontinue or modify the terms and conditions of the CSP and may change or add the Banks or money market mutual funds offered therein in Baird's sole discretion. In addition, Baird may transfer client balances in Deposit Accounts at one or more Banks or in money market mutual funds to other Banks or funds or may transfer balances in Deposit Accounts at the Banks to money market mutual funds, and vice versa. If Baird makes a material change to the Cash Sweep Program, Baird will provide advance notice to you and, if applicable, identify options available to you as a result of the change. Baird may also, in its sole discretion, terminate your use of the Bank Sweep Feature as a sweep option upon advance notice to you, and you may terminate your participation in the CSP or the Bank Sweep Feature at any time by contacting your Baird Financial Advisor. If Baird terminates the CSP or the Bank Sweep Feature or if you terminate your participation in the CSP or the Bank Sweep Feature, you may establish a direct relationship with, and have a deposit account in your name at, a Bank participating in the Bank Sweep Feature (or in any other bank or financial institution), subject to the bank's rules with respect to establishing and maintaining deposit accounts.

All notice of changes to the CSP may be communicated by a posting on Baird's website at [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps), a note on Baird Online, a separate email or written communication, a note on an account statement or trade confirmation or other means.

### **INFORMATION ABOUT THE FDIC AND SIPC**

#### **Deposit Insurance: General**

The Deposit Accounts are insured by the FDIC, an independent agency of the U.S. Government, up to a maximum of \$250,000 (including principal and accrued interest) per depositor, for all deposits held in the same insurable capacity at any one Bank. Your funds become eligible for deposit insurance immediately when a Bank accepts your deposits into Deposit Accounts. Generally, balances in any accounts or deposits that you may maintain in the same insurable capacity directly with a particular Bank, or indirectly through an intermediary (such as Baird in the CSP or another broker-dealer), in the same insurable capacity are aggregated for purposes of the FDIC insurance limit.

**In the event a Bank fails, the Deposit Accounts are insured, up to \$250,000 (or \$500,000 for joint accounts with two or more owners), for principal and interest accrued to the date the Bank is closed. Baird is not responsible for any insured or uninsured portion of the Deposit Accounts or any other deposits. Because the balances in all deposit accounts that you maintain in the same insurable capacity at any one Bank are aggregated by the FDIC for purposes of the applicable insurance limit, it is important that you monitor those balances, particularly the balances you have at the Banks on the Priority List, including any Excess Banks, in order for you to determine the extent of deposit insurance coverage available to you on your deposits, including the Deposit Accounts. You may wish to designate that Bank as ineligible from receiving your cash balances in your Baird Account. Baird does not take responsibility for knowing the cash you may have outside of Baird and where it is deposited.**

As your agent, Baird will sweep cash out of your Baird Account and into a single Bank (the "Intermediary Receiving Bank") and then immediately to the Banks on the applicable Priority List. On any business day when your cash is transferred, all of your cash will be held temporarily at the Intermediary Receiving Bank. As a result, your cash in excess of \$250,000 (or \$500,000 for joint accounts) may be temporarily uninsured at this time. Once distributed to the other Banks on the applicable Priority List, your cash will be insured up to the Aggregate Deposit Limit (\$2,500,000, or \$5,000,000 for joint accounts). The cash is swept into an omnibus account held for the benefit of all Baird clients whose assets are located at a given Bank on the Priority List. The Administrator will instruct Baird to allocate up to \$247,500 (or \$495,000 for joint accounts) in any one Bank. As your agent, Baird will allocate your Account's cash in excess of \$247,500 (or \$495,000 for joint accounts) to omnibus Deposit Accounts at additional Banks so that your excess cash will also be eligible for FDIC insurance.

Under certain circumstances, if you become the owner of deposits at a Bank because another depositor dies, beginning six months after the death of the depositor the FDIC will aggregate those deposits for purposes of the \$250,000 federal deposit insurance limit with any other deposits that you own in the same insurable capacity at the Bank. Examples of accounts that may be subject to this FDIC policy include joint accounts, "payable on death" accounts and certain trust accounts. The FDIC provides a six-month "grace period" to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

In the event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you. . There is no specific time period during which the FDIC must make insurance payments available, and Baird is under no obligation to credit your account with funds in advance of payments received from the FDIC. Thus, you may experience delays in receiving your FDIC-insured balances. Furthermore, you may be required to provide certain documentation to the FDIC and Baird before insurance payments are made. For example, if you hold deposits as trustee for the benefit of trust participants, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

If your Deposit Accounts or other deposits at the Bank are assumed by another depository institution pursuant to a merger or consolidation, such deposits will continue to be separately insured from the deposits that you might have established with the acquiring institution until (i) the maturity date of any time deposits that were assumed, or (ii) with respect to deposits that are not time deposits, the expiration of a six month period from the date of the acquisition. Thereafter, any assumed deposits will be aggregated with your existing deposits with the acquiring institution held in the same capacity for purposes of federal deposit insurance. Any deposit opened at the Bank after the acquisition will be aggregated with deposits established with the acquiring institution for purposes of federal deposit insurance.

The application of the \$250,000 federal deposit insurance limit is illustrated by several common factual situations discussed below.

*Individual Customer Accounts.* Amounts owned by an individual in an account in the name of an agent or nominee of such individual (such as the Deposit Accounts held through Baird) or held by a custodian (for example, under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act) are not treated as owned by the agent, nominee or custodian, but are added to other deposits of such individual held in the same insurable capacity (including funds held in a sole proprietorship) and are insured up to \$250,000 in the aggregate.

*Joint Accounts.* An individual's interest in funds in all accounts held under any form of joint ownership valid under applicable state law may be insured up to \$250,000 in the aggregate, separately and in addition to the \$250,000 allowed on other deposits individually owned by any of the co-owners of such accounts (hereinafter referred to as a "Joint Account"). For example, a Joint Account owned by two persons would be eligible for insurance coverage of up to \$500,000 (\$250,000 for each person), subject to aggregation with each owner's interests in other Joint Accounts at the same Bank. Joint Accounts will be insured separately from individually owned accounts only if each of the co-owners is an individual person and has a right of withdrawal on the same basis as the other co-owners. Baird treats all cash in a Deposit Account at each Bank held for a Joint Account with two or more owners as eligible for up to \$500,000 in FDIC protection at that Bank.

*Custodial Accounts.* Amounts in accounts held by a custodian are not treated as owned by the custodian, but are added to other deposits of the minor or other beneficiary held in the same insurable capacity and are insured up to \$250,000 in the aggregate.

*Revocable Trust Accounts.* Deposits at any one Bank held in a "revocable trust" are generally insured up to \$250,000 per beneficiary if the beneficiary is a natural person, charity or other non-profit organization. There are two types of revocable trusts recognized by the FDIC. Informal revocable trusts include accounts in which the owner evidences intent that at his or her death the funds shall belong to one or more specified beneficiaries. These trusts may be referred to as a "Totten trust" account, "payable upon death" account or "transfer on death" account. Each beneficiary must be included in Baird's account records.

Formal revocable trusts are written trust arrangements in which the owner retains ownership and control of the assets and designation of beneficiaries during his or her lifetime. The trusts may be referred to as "living" or "family" trusts. The beneficiaries of a formal revocable trust do not need to be included in Baird's account records.

Under FDIC rules, FDIC coverage will be up to \$250,000 per beneficiary, multiplied by the number of beneficiaries (not to exceed five), regardless of the proportional interest of each beneficiary in the revocable trust. However, if the trust has more than \$1,250,000 in deposits at any one Bank and more than five beneficiaries, the funds will be insured for the greater of \$1,250,000 or the aggregate amount of all beneficiaries' proportional interest, limited to \$250,000 per beneficiary.

Deposits in all revocable trusts of the same owner – informal and formal – at the same Bank will be aggregated for FDIC insurance purposes. A revocable trust established by two owners where the owners are the sole beneficiaries will be treated as a Joint Account under applicable rules and will be aggregated with other Joint Accounts.

*Irrevocable Trust Accounts.* Deposits of any one Bank held pursuant to one or more irrevocable trust agreements created by the same grantor (as determined under applicable state law) will be insured for up to \$250,000 for the interest of each beneficiary provided that the beneficiary's interest in the account is non-contingent (i.e., capable of determination without evaluation of contingencies).

Beginning in April 2024, FDIC rules for revocable and irrevocable trust accounts will be replaced by a simpler common rule applicable to both types of trusts. Under the new rule, deposits in any one Bank for a trust will be insured in an amount up to \$250,000 for each of the trust's beneficiaries, regardless of whether a trust is revocable or irrevocable and regardless of contingencies or the allocation of funds among the beneficiaries. The new FDIC rule will thus provide for a maximum of coverage of \$1,250,000 per owner, per Bank for trust deposits.

Baird does not maintain beneficiary information for trust accounts and as a result a trust account participating in the Bank Sweep Feature will have its Deposit Accounts insured up to \$250,000 per Bank, or \$2,500,000 in aggregate.

*Business Accounts.* Amounts owned by a business and held in an account in the name of an agent or nominee of such individual (such as the Deposit Accounts held through Baird) are not treated as owned by the agent or nominee, but are added to other deposits of such business held in the same capacity (including funds held in a sole proprietorship) and are insured up to \$250,000 in the aggregate.

*Individual Retirement Accounts (“IRAs”).* IRAs (including Traditional, Roth, SEP and SIMPLE IRAs) are insured up to \$250,000 per depositor per Bank. Multiple IRAs, along with certain other self-directed plan accounts, that are owned by the same depositor at a Bank are aggregated for FDIC insurance purposes.

Retirement accounts that are subject to ERISA are not eligible to participate in the CSP and therefore do not have their cash swept into a Deposit Account at a Bank.

### **Questions About FDIC Deposit Insurance Coverage**

If you have questions about basic FDIC insurance coverage, please contact your Baird Financial Advisor. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one insurable capacity. You may also obtain information by contacting the FDIC, Deposit Insurance Outreach, Division of Depositor and Consumer Protection, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342 or 800-925-4618 (TDD)), by visiting the FDIC website at [www.fdic.gov/deposit/index.html](http://www.fdic.gov/deposit/index.html), or by e-mail using the FDIC’s On-line Customer Assistance Form available on its website.

### **SIPC Coverage**

SIPC is a non-profit membership corporation created by the Securities Investor Protection Act of 1970, funded primarily by its member securities brokerage firms registered with the U.S. Securities and Exchange Commission. SIPC provides protection against custodial risk to clients of securities brokerage firms, such as Baird, in the event such firms become insolvent. Unlike FDIC insurance, SIPC does not insure against the loss of your investment. Nor does SIPC insurance insure the quality of investments or protect against a decline or fluctuations in the value of your investment. SIPC protects each client’s securities and cash held in a client’s brokerage account at an insolvent brokerage firm. SIPC protects against the loss of customer securities and cash up to a total of \$500,000 (of which up to \$250,000 may be cash) per customer in each separate capacity under SIPC rules. Additional amounts may be covered by an excess SIPC insurance policy obtained by Baird. Baird currently maintains an insurance policy purchased through Lloyd’s of London. The Lloyd’s policy has an aggregate coverage limit of \$250 million for all claims of Baird customers eligible for distributions under the Securities Investor Protection Act. The policy has a sublimit of \$1.9 million per customer for cash awaiting reinvestment.

Money market mutual fund shares are considered to be securities for purposes of SIPC coverage. Balances maintained in the Deposit Accounts at each Bank are not protected by SIPC or, if any, excess SIPC coverage purchased by Baird. Deposit Account balances at the Banks are protected by FDIC insurance.

If you have questions about SIPC coverage and Baird’s excess SIPC insurance policy, please contact your Baird Financial Advisor. You may also obtain information about SIPC coverage, including a brochure that describes SIPC and SIPC insurance, by accessing the SIPC website at [www.sipc.org](http://www.sipc.org).

### **TAX INFORMATION**

For most clients, interest earned from the Deposit Accounts will be taxed as ordinary income in the year it is received. A Form 1099 will be sent to you each year showing the amount of interest income you have earned in your Deposit Accounts. You should consult with your tax adviser about how the CSP affects you.

### **ADDITIONAL INFORMATION**

For additional information, visit [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps), or contact your Baird Financial Advisor. You may also contact Baird’s Cash Management group at (414) 765-1434 or [cashmanagement@rwbaird.com](mailto:cashmanagement@rwbaird.com).