

# Client Relationship Agreement

Each person (individually or collectively defined as “Client”) signing a Robert W. Baird & Co. Incorporated (“Baird”) Client Account Application (the “Application”) or maintaining an account with Baird hereby retains Baird, which is registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and as an investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), to provide the types of brokerage, investment advisory or other services that Client may from time to time select in accordance with, and subject to, the terms of this Client Relationship Agreement (the “Agreement”).

In consideration of the agreements described herein, Client and Baird hereby agree as follows:

## 1. About the Client Relationship Agreement

This Agreement applies to each account that Baird carries or maintains for Client (each, an “Account”), including each securities brokerage account (“Brokerage Account”), each margin account (“Margin Account”), and each account for which Baird acts as investment adviser (“Advisory Account”). This Agreement also applies to each Account that Client may already have with Baird and each Account that Client may open in the future. In addition, this Agreement applies to certain programs and services that Client may select for Client’s Accounts from time to time, which may include: brokerage services (“Brokerage Services”), account management programs and services (“Account Management Programs”), margin credit (“Margin”), a cash sweep program (“Cash Sweep Program”), a dividend reinvestment program (“Dividend Reinvestment Program”) and investment advisory programs (“Advisory Programs”) and services (“Advisory Services” and together with Advisory Programs, “Advisory Programs and Services”).

Client understands and acknowledges that certain programs, services and features available to Client’s Accounts and additional terms and conditions applicable to Client’s Accounts, are contained in the documents entitled *Client Relationship Booklet*, *Important Account Disclosures* and *Robert W. Baird & Co. Incorporated Cash Sweep Program Disclosure* (“Additional Program Documents”), which have been provided to Client.

Client understands and acknowledges that certain program and service elections for an Account are contained in the Application for the Account and that the specific terms and conditions applicable to such program or service elections are contained in the Application.

If Client is establishing an individual retirement account or selects an Account Management Program, Margin, Advisory Program or Advisory Service for an Account, Client understands and acknowledges that a description of the particular account, program or service and the specific terms and conditions applicable to such account, program or service are contained in a corresponding supplement to this Agreement (each, an “Agreement Supplement”).

If Client selects an Advisory Program or Advisory Service for an Account, Client also understands and acknowledges that the particular investment advisory services that Baird provides in connection with the Advisory Program or Advisory Service and the terms and conditions of such Advisory Program or Advisory Service are further described in Baird’s Form ADV Part 2A Brochure for such Advisory Program or

Advisory Service (each, a “Baird Brochure”), and the Advisory Program or Advisory Service selections made by Client for the Advisory Account are set forth in a separate schedule to this Agreement (“Advisory Account Schedule”). Client understands, acknowledges and agrees that by, enrolling an account in an Advisory Program or Advisory Service, Client and the account are subject to the terms and conditions of the Advisory Program or Advisory Service described in the applicable Agreement Supplement and Baird Brochure. Client further understands, acknowledges and agrees that Baird does not act as investment adviser with respect to any Client account unless and until such time that Baird has accepted its appointment as investment adviser to the account and delivered to Client an Advisory Account Schedule or other written confirmation of the account’s enrollment in an Advisory Program or Advisory Service.

Client also understands, acknowledges and agrees that the Additional Program Documents and each Application, Agreement Supplement, Baird Brochure, and Advisory Account Schedule, and each other document, schedule or form reflecting Client’s program or service selections (each, a “Client Form”) provided by Baird to Client now or in the future, is a part of this Agreement and incorporated herein by reference. By participating in a program or service, Client agrees to be bound by all of the applicable terms and conditions contained in those documents.

Client understands and agrees that the terms of this Agreement and the other documents described above apply to all Accounts that Baird currently carries or maintains for Client and any Accounts that Client may open in the future. Client also understands, acknowledges and agrees that by opening or maintaining an Account, Client agrees to be bound by the terms of this Agreement and the other documents described above. Client further understands that:

- some of the information in those documents may not apply to Client now, but may apply in the future if Client opens a new Account or adds or changes a program, service or feature of an Account;
- Baird will generally not provide Client another copy of this Agreement or any other document when Client opens a new Account or adds or changes a program, service or feature of an Account unless Client requests a copy from Client’s Financial Advisor; and
- Client should retain this Agreement and those other documents for future reference as they contain important information if Client opens a new Account or adds or changes a program, service or feature of an Account in the future.

Client understands and acknowledges that this Agreement and the other documents described above contain important information about Baird and the services that Baird provides to Client. Client should review those documents carefully.

Client may work with a Baird Financial Advisor to determine the services that may be appropriate given Client’s goals and circumstances. However, Client understands and agrees that Client ultimately selects the products, services, features and investment strategies, if any, for Client’s Accounts. Client also understands and

agrees that the services and advice provided by Baird and its associates are solely for Client's use.

## 2. Important Disclosures

Client acknowledges that important information about Client's Accounts and certain programs, services and features available to Client's Accounts, including the terms, conditions, fees and costs applicable to those programs, services and features and certain risks and conflicts of interest associated with those programs, services and features, is contained the Additional Program Documents.

Client understands and acknowledges that there are important differences between a Brokerage Account and an Advisory Account and that the Brokerage Services and Advisory Programs and Advisory Services have different structures, administration, types and levels of service, and fees and expenses. Client also understands that Brokerage Services and Advisory Programs and Advisory Services are designed to address different investment needs of clients, and that Brokerage Services and certain Advisory Programs or Advisory Services discussed in this Agreement may not be appropriate for Client. Client further understands that Brokerage Services and Advisory Programs and Advisory Services are governed by different laws and regulations and by different terms and conditions in Client's agreements with Baird. As a result, Client understands that Baird's legal duties and contractual obligations to Client differ depending upon whether Baird is acting as broker-dealer or investment adviser for Client or Client's Account.

Client understands and acknowledges that additional important information about Baird's Brokerage Services and Advisory Programs and Advisory Services and related Accounts, including the terms, conditions, fees and costs applicable to those Accounts and certain risks and conflicts of interest associated with those Accounts, is contained in Baird's Form CRS *Client Relationship Summary* and *Client Relationship Details* documents (which are included in the *Client Relationship Booklet*), as required under SEC Form CRS and Regulation Best Interest. If Client is a natural person, or the legal representative of such natural person, who seeks to receive or receives services primarily for personal, family or household purposes (a "Retail Investor"), by signing this Agreement, such Retail Investor Client acknowledges and agrees that Client received a copy of each of those documents. The *Client Relationship Booklet* also contains an important disclosure document for retirement investors that have retirement accounts, which include employee pension benefit plan accounts that are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and individual retirement accounts ("IRAs") that are subject to the Internal Revenue Code of 1986, as amended ("IRC") (collectively, "Retirement Accounts").

If Client selects an Advisory Program or Advisory Service for an Account, Client understands and acknowledges that important information about the Advisory Program or Advisory Service (including the associated fees and costs and certain risks and conflicts of interest) and about certain persons providing services to Client, is contained in the Form ADV Part 2A Brochure(s), Form ADV Part 2B Brochure Supplement(s) and other supplements or amendments to those documents (collectively, "Brochure Documents") that have been or will be delivered to Client. Client should read those documents carefully.

Client understands and acknowledges that certain investment products or investment strategies may not be appropriate for Client. Baird makes available to certain clients the ability to pursue alternative

investment strategies ("Alternative Strategies") or other non-traditional or complex investment strategies that involve special risks not apparent in more traditional investments like stocks and bonds (collectively, "Complex Strategies"). Similarly, Baird makes available to certain clients the ability to invest in non-traditional or real assets ("Non-Traditional Assets") or the ability to invest in investment products that pursue Alternative Strategies ("Alternative Investment Products") or other Complex Strategies (collectively, "Complex Investment Products"). The use of certain strategies and investment products involves special risks, and a client should not engage in a strategy or purchase an investment product unless the client understands the related risks. Client can obtain more specific information by reviewing the "Important Information about Investment Products and Investment Strategies" Section of the *Important Account Disclosures* document or by contacting Client's Baird Financial Advisor.

Client understands that Baird makes available to Client products and services offered by parties affiliated with or related to Baird. Client can obtain more specific information by reviewing the "Conflicts of Interest" Section of the *Client Relationship Details* document and the "Certain Financial Industry Activities and Affiliations" Section of the *Important Account Disclosures* document or by contacting Client's Baird Financial Advisor.

Client understands and acknowledges that the most up-to-date version of the documents described in this Section are always available on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor). Client also understands and acknowledges that additional important disclosure documents about Baird and certain programs, services, investment products and investment strategies that Baird makes available to Client (including the associated fees and costs and certain risks and conflicts of interest) are available on Baird's website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor). Client can request paper copies of those documents at any time by contacting Client's Baird Financial Advisor or Baird at 1-800-653-2294.

## 3. Client Responsibilities

### (a) Updating Client Information

Client understands and agrees that Client is responsible for providing information to Baird and Client's Baird Financial Advisor reasonably requested by them in order to provide the services selected by Client, and that Baird, Client's Baird Financial Advisor and Client's investment managers, if any, will rely on this information when providing services to Client. Client certifies that all information provided to Baird and Client's Baird Financial Advisor now or in the future, including but not limited to information provided in the process of opening an Account or applying for services offered by or through Baird, is and will be true and correct.

Client understands and agrees that Client is also responsible for promptly informing Client's Baird Financial Advisor of any significant life changes (e.g., change in marital status, significant health issue, or change in employment) or if there is any change to Client's investment objectives, goals, risk tolerance, financial circumstances, investment needs, or other circumstances that may affect the manner in which Client's assets are invested or services are provided to Client. Client agrees that none of Baird, Client's Baird Financial Advisor or any investment manager managing a Client's Account is responsible for any adverse consequence arising out of Client's failure to promptly inform Client's Baird Financial Advisor of any such changes.

Since Client's investment goals and financial circumstances may change over time, Client understands that Client should review Client's Advisory Accounts, if any, with Client's Baird Financial Advisor at least annually.

**(b) Legal and Tax Considerations**

Client understands and agrees that Baird and its associates will not provide legal or tax advice to Client pursuant to this Agreement and that no advice provided by Baird or any of its associates shall be deemed to be legal or tax advice.

Additional laws, regulations and other conditions apply to Retirement Accounts. Each owner, trustee, named fiduciary, responsible plan fiduciary, or other fiduciary acting on behalf of a Retirement Account ("Retirement Account Fiduciary") understands and agrees that Baird and its associates do not provide legal advice regarding Retirement Accounts. A Retirement Account Fiduciary is urged to consult with his or her own legal advisor about the laws and regulations that may apply to Retirement Accounts.

Transactions in Client's Accounts, including liquidations, redemptions, and rebalancing transactions, if any, may cause Client to realize gains or losses for income tax purposes. In addition, Client may elect to invest in investment products classified as partnerships for U.S. federal income tax purposes, which may result in unique tax treatment, including Schedule K-1 reporting. Client understands and agrees that Baird does not provide any tax advice in connection with the programs or services contemplated by this Agreement and that Client should discuss the potential tax implications of Client's investment strategies, investment products, and transactions with Client's tax advisor. If Client requests Baird to assist with implementing a particular investment strategy for tax purposes, Client understands and agrees that Baird will not be responsible for the development, evaluation, or efficacy of any such strategy.

**4. General Account Terms and Conditions**

**(a) USA PATRIOT Act Notice**

To help the government fight the funding of terrorism and money laundering activities, federal law requires financial institutions to obtain, verify and record information that identifies each person who opens an account. Baird will ask Client to provide certain required identification information. If Baird cannot verify Client's identity, or if Baird deems it necessary or advisable to do so to comply with applicable law, Baird may without prior notice to Client refuse to open an Account, restrict or close an Account, refuse to accept instructions from Client, and terminate this Agreement. In the event that Client's Account is restricted or closed, Client shall remain responsible for the liabilities and obligations arising from transactions initiated prior to Baird restricting or closing the Account as further described in Section 18 of this Agreement. Client agrees that Baird shall not be liable for any losses or damages Client may incur, including, without limitation, lost opportunities, in the event Baird restricts or closes an Account.

**(b) Authorization to Review Client Credit Information**

Baird may request financial or credit information about Client from one or more consumer reporting agencies for the purposes of considering Client's request for service, reviewing or collecting any services provided to Client, or for any other legitimate business purpose. Upon Client's request, Baird will inform Client of the name and address of each consumer reporting agency from which Baird obtained

information, if any. Baird may share information obtained about Client for any legitimate business purpose that is consistent with the Robert W. Baird & Co. Incorporated and Baird Trust Company Privacy Notice. Client hereby releases Baird and the furnishing agency from all liability for any damages whatsoever incurred in furnishing such information. By maintaining an Account with Baird, Client authorizes Baird to review Client's credit history at any time for any reason without notification to Client prior to approving and establishing an Account and for so long as Client maintains an Account at Baird.

**(c) Security Interest**

As security for the full and complete payment when due of any debts or other obligations that Client owes to Baird under this Agreement or any other agreement that Client may have with Baird or its affiliates, Client hereby grants to Baird a first priority continuing security interest in, a lien on, and a right of setoff with respect to, all property that is now or in the future held, carried or maintained for any purpose in or through each Client Account, whether owned individually, jointly or in the name of another person or entity. All property in each Client Account shall be subject to such security interest, lien and right of setoff without regard to whether Baird made loans with respect to such property.

In addition, Client authorizes Baird to grant a general lien and security interest in any mutual fund shares or other securities that Baird instructs a clearing broker to execute and clear for Client, together with any payments, dividends or distributions on the unpaid shares, to secure any amounts that Baird owes to such clearing broker in payment for such mutual fund shares purchased by Baird for Client.

Notwithstanding anything in this Agreement to the contrary, Retirement Accounts and any other Accounts containing property that are governed by laws that prohibit cross collateralization are not subject to a security interest in, a lien on, or a right of setoff for debts owed to Baird by virtue of Client's other Accounts. However, such Accounts remain subject to legal remedies for debts and obligations owed to Baird in relation to such Accounts themselves.

For purposes of this Agreement, the term "property" means securities, including without limitation, stocks, options, bonds, and notes, securities entitlements, investment property, financial assets, including without limitation, money, futures contracts, commodities, commercial paper, certificates of deposit and other obligations, contracts, and all other assets that can be recorded in any of Client's Accounts now or hereafter opened, as well as the Accounts themselves, and shall include such instruments currently or hereafter held, carried or maintained by Baird or by any of Baird's affiliates, in Baird's possession or control, or in the possession or control of any such affiliate, for any purpose, in and for any of Client's Accounts.

**(d) Liquidation of Collateral or Account**

Client understands, acknowledges and agrees that: (i) Baird may elect, at any time without notice, to make any debit balance or other obligation related to an Account immediately due and payable; (ii) Baird may, in its sole discretion, hold such property until Client's debts and other obligations to Baird are fully satisfied; (iii) subject to applicable law or regulation, Baird may, in its sole discretion, liquidate property held in Client's Accounts without notice to Client and apply such property and the proceeds of its liquidation toward the satisfaction of Client's debts and other obligations to Baird; (iv) subject to applicable law or regulation, Baird may determine, in Baird's sole discretion, the property to be sold from the Account and the amount,

order and manner in which such property will be sold; (v) Client will remain liable to Baird for payment of debts and other obligations owed to Baird to the extent that the application of such property and the proceeds of its liquidation is insufficient to fully satisfy Client's debts or other obligations owed to Baird, plus, in Baird's sole discretion, accrued interest on the deficiency at Baird's then customary rate or at the maximum rate permitted by applicable law; (vi) Baird will not be liable in any way for any losses or adverse tax consequences resulting from a liquidation of Client's property; and (vii) to the extent permissible by applicable law, Client waives diligence, presentment, protest, demand for payment and notice of nonpayment and further waives all other notices and formalities to which Client may be entitled, and such waiver will not be invalidated by any demands or notices made by Baird. Client further understands and agrees that Baird's rights under this paragraph are in addition to any other rights that Baird may have under other agreements with Client or that Baird may have under applicable law. Client understands that, as a secured party, Baird may have interests that are adverse to Client.

**(e) Securities Based Lending and Using Accounts as Collateral**

Client represents, warrants and agrees all of the property in each Client Account is free and clear from any lien, charge or other encumbrance (other than a lien, charge or other encumbrance in favor of Baird) and will remain so until the Account is closed, unless Baird otherwise specifically agrees in writing.

If Client wishes to obtain loans secured by assets in the Client's Account (commonly referred to as "securities based lending"), Client agrees that Client will not do so unless Baird agrees in writing to the arrangement. By establishing such an arrangement, Client certifies that Client understands that the lender may exercise certain rights and powers over the assets in the Account, which may include the disposition and sale of any and all assets pledged as collateral for the loan to meet a collateral call, which may occur without prior notice to Client. A collateral call could have adverse investment and tax consequences. Client should be aware of these and other potential adverse effects of securities based lending and collateralizing Accounts before deciding to do so.

Client understands, acknowledges and agrees that Baird and its associates will not provide advice on or oversee a securities based lending or collateral arrangement. Client agrees to disclose the terms of Client's agreements with Baird to any lender seeking to use an Account or its assets as collateral. In the event of any conflict between the terms of Client's agreements with Baird and Client's securities based lending or collateral arrangements with a lender, the terms of Client's agreements with Baird will prevail. Client agrees to promptly notify Baird of any default or similar event under Client's collateral arrangements.

Client understands that, in some instances, Baird and its Financial Advisors may refer Client to a third party lender under its Securities Based Lending Program that pays Baird and its Financial Advisors a referral fee. Client should refer to the "Conflicts of Interest—Conflicts of Interest Common to All Accounts—Securities Based Lending Program" Section of the *Client Relationship Details document* for more information.

**(f) Client Instructions**

Client hereby authorizes Baird, its associates and their designees to accept any verbal or written instruction provided from time to time by Client or any third party that Client has authorized to act on Client's behalf (an "Agent"). If Client is a corporation, partnership, limited liability company, trust, plan, minor child, conservatee, estate, principal, grantor, or other legal entity or person having similar status (a "Fiduciary Client"), Client authorizes Baird, its associates and their designees to accept verbal or written instructions from any of Client's representatives, such as an officer, partner, trustee, guardian, conservator, custodian, executor, power of attorney, agent, Retirement Account Fiduciary, or other fiduciary (each, an "Authorized Representative"). Client acknowledges and agrees that Baird shall be entitled to rely upon, and will rely upon and assume the accuracy and completeness of, any such instructions without any independent investigation, inquiry or verification. Client understands and agrees that, in the event of a dispute relating to an Account involving Client, Client's Authorized Representatives or Agents, or third parties, Baird may refuse to accept instructions with respect to the Account and freeze the assets therein. Client further understands, acknowledges and agrees that Baird may, in Baird's sole and absolute discretion, refuse to accept or implement instructions with respect to an Account including, but not limited to, in the event Baird: (i) has reason to doubt the authenticity of any instruction, (ii) suspects actual or potential fraud or abuse, or (iii) believes implementation of any instruction presents risk to Baird or would constitute a violation of applicable law, rule or regulation.

E-mail, instant messaging and other electronic communication features may be available to Client as a convenience to enhance Client's communication with Baird. Unless otherwise agreed to by Baird, Client shall not use these features to request, authorize or effect any transaction, to send fund transfer instructions or Account information, or for any other communication that requires non-electronic written authorization. Baird shall not be responsible for any losses or damages that result if any such communication is not accepted or processed. Client agrees that Client shall use e-mail and instant messaging functionality and features in compliance with applicable law, rules and regulations.

Client agrees to indemnify and hold harmless Baird, its affiliates, and each of their respective current and former officers, directors, agents, and employees (each, a "Covered Baird Party") to the fullest extent permitted by applicable law and regulation from and against all losses, liabilities, costs, or expenses, including reasonable attorneys' fees (collectively "Losses"), that a Covered Baird Party may incur directly or indirectly arising out of or relating to Baird's implementation of any instruction given by Client or Client's Authorized Representative or Agent.

**(g) Account Deposits, Withdrawals and Fund Transfers**

**(i) Account Deposits**

Client may fund an Account with cash and with securities that Baird deems to be acceptable in its sole discretion. Deposits into Client's Account made by check will be subject to a minimum hold period of seven business days before being available for withdrawal.

**(ii) Municipal Bond Proceeds in Account Prohibited**

Client understands that Baird and Client's Financial Advisor do not intend to act, and do not agree to act, as a "municipal advisor" with



respect to Client's Account. Therefore, in order for Baird to accept Client's Account and to provide services for the Account, Client represents and agrees that none of the funds invested in or through the Account constitute or will constitute "proceeds of municipal securities" or "municipal escrow investments" (each as defined below). The term "proceeds of municipal securities" means monies derived by a municipal entity from the primary offering of municipal securities, investment income derived from the investment or reinvestment of such monies, and any monies of a municipal entity or obligated person held in funds under legal documents for the municipal securities that are reasonably expected to be used as security or a source of payment for the payment of the debt service on the municipal securities, including reserves, sinking funds, and pledged funds created for such purpose, and the investment income derived from the investment or reinvestment of monies in such funds. The term "municipal escrow investments" means proceeds of municipal securities and any other funds of a municipal entity or obligated person that are deposited in an escrow account to pay the principal of, premium, if any, and interest on one or more issues of municipal securities.

### *(iii) Transfers and Withdrawals*

Baird may prohibit the transfer into an Account securities subject to the Depository Trust Company's "Global Lock" or "Deposit Chill" restrictions due to concerns that the securities are not freely transferable. Baird may also prevent the sale of low-priced, non-exchange traded securities for up to 30 days from the date of transfer to allow for a review of the security. In addition, Baird may impose other withdrawal or transfer restrictions on an Account to the extent Baird in its sole discretion believes it is necessary for its own protection or to comply with applicable law.

Unless otherwise expressly instructed by Client, Baird will honor instructions by Client or Client's Authorized Representative or Agent to transfer or withdraw money from an Account by check, wire transfer or otherwise, as and when good funds are available in the Account in amounts sufficient to satisfy such payments. Client understands and agrees that Baird shall have no obligation to verify the authenticity, legitimacy, validity or collectability of any checks or wire transfers deposited into Client's Accounts. Client assumes the risk that any checks (including cashier's checks) deposited into, or wire transfers made to, Client's Accounts may be fraudulent, dishonored, returned for insufficient funds or otherwise invalid or fail to clear. Thus, Client is advised to wait until checks or wire transfers clear before instructing Baird to honor any withdrawals or to transfer any funds out of Client's Accounts.

If Client believes Client's Baird Account statement or electronic funds transfer ("EFT") terminal receipt is incorrect, or if Client needs more information about a transaction listed on a Baird Account statement or EFT terminal receipt, Client should telephone Baird at 800-792-7526, option 0, between the hours of 8:30 a.m. and 5:00 p.m. Central time during any business day in which Baird is open for business, or write Baird at: Robert W. Baird & Co. Incorporated, Client Services Department, P.O. Box 139, Milwaukee, WI 53201-0139. Client can also contact Client's Baird Financial Advisor. Client must provide notice to Baird no later than 60 calendar days after the date that Baird delivered the Baird Account statement on which the problem or error first appeared. Please provide Baird with the following information:

- Client name, address, phone number and Baird Account number;

- a description of the error or the EFT transfer in question, and why Client believes there is an error or more information is needed; and
- the dollar amount of the suspected error.

If Client notifies Baird orally, Baird may require that Client send Baird a complaint or question in writing within 10 business days. In addition, Baird may require additional documentation from Client or action by Client in order to investigate or resolve the complaint or question.

Please note that Baird is not responsible for any transfers of money out of Client's Baird Account that are made in accordance with instructions given by Client or Client's Authorized Representative or Agent. Client needs to be confident in the accuracy of Client's instructions before any requesting of transfers.

Baird will endeavor to determine whether an error occurred within 10 business days after Baird receives notice from Client and will correct any error for which Baird is responsible promptly. Notwithstanding the foregoing, Baird may take up to 45 calendar days for ATM transactions (and 90 calendar days for point-of-sale transactions or transactions effected outside of the United States) to investigate a complaint or question. Baird in its sole discretion may decide to credit Client's Baird Account for the amount Client thinks is in error, so that Client will have the use of the money during the time it takes Baird to complete Baird's investigation. However, if Baird asks Client to put a complaint or question in writing and Baird does not receive it within 10 business days, Baird may not credit Client's Baird Account.

Baird will inform Client of the results within three business days after completing its investigation. If Baird decides that there was no error, Baird will send Client a written explanation.

Client may ask for copies of the documents that Baird used in its investigation.

Client may not place a stop payment on electronic funds or point-of-sale transactions. Therefore, Client should not employ electronic access for purchases or services unless Client is satisfied that Client will not need to stop payment.

### ***(h) Additional Terms and Conditions Applicable to Joint Accounts***

Baird may allow Client to establish an Account jointly owned ("Joint Account") with one or more other persons ("Joint Clients"). When opening a Joint Account, Joint Clients must designate a form of joint ownership for the Account. Unless Joint Clients have specifically instructed Baird to establish another form of joint ownership for a Joint Account, Baird will designate each Joint Account opened by them to be a "Joint Tenancy with Rights of Survivorship" Account. If co-owners of the Joint Account are husband and wife residing in a community property or marital property state that allows community property or marital property to be held with rights of survivorship, then it will be assumed that the intention of the co-owners is to treat the Joint Account as community property with rights of survivorship or marital property with rights of survivorship in accordance with the law of the co-owners' domicile at the time the Joint Account is opened.

Joint Clients understand and agree that there are different forms of joint ownership, that the different forms of joint ownership may have different consequences to them, and that it is their sole responsibility to select the form of joint ownership. Joint Clients also understand and agree that the laws governing joint or community property vary from

state to state and that it is their sole responsibility to ensure that the form of joint ownership selected by them is valid under applicable state law. Opening a Joint Account may result in certain legal and tax consequences. Joint Clients should consult legal and tax advisors prior to opening a Joint Account.

When opening a Joint Account, Joint Clients must designate one Joint Client as the primary account holder (“Primary Client”). All other Joint Clients will be designated as “Additional Clients” with respect to the Joint Account. Each Joint Client understands and agrees that, unless Baird has been instructed to provide Additional Clients with duplicate copies of Client Communications (as defined in Section 13 of this Agreement), Baird will deliver all Client Communications relating to a Joint Account solely to the Primary Client of the Joint Account, and each Additional Client acknowledges and agrees that Baird shall be deemed to have delivered a Client Communication to such Additional Client by delivering such Client Communication to the Primary Client. Joint Clients understand that, if they elect householding (described in Section 13(f) below) and also elect delivery of duplicate Client Communications, the householding election will control, which means that if an Additional Client resides in the same household as the Primary Client, Baird will deliver only one copy of a document to the household.

Each Joint Client also understands and agrees that the social security number or tax identification number of the Primary Client shall be used for tax reporting with respect to the Joint Account.

Each Joint Client authorizes Baird and its associates and designees to follow the instructions of all or any Joint Client concerning the Joint Account, including but not limited to instructions to buy, sell (including short sales), and trade in securities or other property, on margin or otherwise, to act on behalf of the Joint Account in Baird Online including, without limitation, making an affirmative election to receive confirmations, statements and other Client Communications electronically, and to make deliveries of any or all securities in the Joint Account and payments of any or all monies in the Joint Account as all or any Joint Client may order or direct for the Joint Account. Each Joint Client hereby authorizes and ratifies all actions taken and instructions given, including those in the future, by each other Joint Client and agrees to be responsible therefor. Each Joint Client agrees to indemnify and hold harmless each Covered Baird Party to the fullest extent permitted by applicable law and regulation from and against all Losses that the Covered Baird Party may incur for following the instructions of all or any Joint Client regarding the Joint Account. Notwithstanding the foregoing Baird may at any time in Baird’s sole discretion (i) require all Joint Clients to consent in writing to any instruction given to Baird, or (ii) take other appropriate legal action, including requiring a Joint Client to obtain a court order, at Joint Client’s expense, determining what action Baird should take.

By being a party to a Joint Account, each Joint Client agrees to be jointly and severally liable for all activity in the Joint Account and any debit balance or losses in the Joint Account.

In the event of the death of any Joint Client to a Joint Account designated as Joint Tenancy with Rights of Survivorship, the entire interest in the Joint Account shall be vested in the survivor(s). In the event of the death of any Joint Client to a Joint Account designated as a tenancy in common or otherwise without rights of survivorship (“Joint Tenants in Common Account”), the surviving Joint Client(s) shall immediately give Baird written notice of the death. Each Joint Client

understands and agrees that Baird may, before or after receiving such notice, take such action as Baird may, in its sole discretion, deem necessary or advisable to protect Baird against any tax liability, penalty or loss under any laws. Such action may include but is not limited to restricting transactions in the Account, retaining a portion of the Account and requiring such legal documents and inheritance or estate tax waivers from the decedent’s estate as Baird deems necessary in Baird’s sole discretion. Joint Clients understand and agree that the deceased estate and each surviving Joint Client shall continue to be liable, jointly and severally, to Baird for any net debit balance or loss in a Joint Tenants in Common Account that results in any way from the completion of transactions initiated prior to receipt by Baird of written notice of the death of a Joint Client, or for any net debit balance or loss incurred in the liquidation of the Account or adjustment of the interests of the parties following the death of a Joint Client.

**(i) Additional Terms and Conditions Applicable to Trust, Estate, Custodial, UTMA and UGMA Accounts**

Each Authorized Representative acting as (i) the trustee of a revocable or irrevocable trust, (ii) a personal representative of an estate, (iii) a guardian, conservator or committee for a person under a disability, or (iv) a custodian under the Uniform Transfers to Minors Act (“UTMA”) or Uniform Gifts to Minors Act (“UGMA”), understands that he or she is a fiduciary and acknowledges a duty to use the services selected by him or her for the benefit of the beneficiaries of the Account and represents and agrees that any assets contained in the Account or transferred from the Account shall be used solely for the benefit of the applicable beneficiaries. Each foregoing Authorized Representative hereby represents that he or she has made an independent determination that the services provided by Baird, and the fees and expenses related to those services, are appropriate, and each such person understands and agrees that such determination is not the responsibility of Baird or its associates.

Each Authorized Representative acting for an UTMA or UGMA Account acknowledges and agrees that the Authorized Representative is responsible for determining the proper age for terminating the custodianship under applicable law and that Baird is not responsible for doing so. The Authorized Representative should consult his or her legal advisor for more information. Notwithstanding the foregoing, upon the termination of the custodianship as proscribed by applicable law, each Authorized Representative agrees Baird may, in Baird’s sole discretion, without notice to or instruction from the each Authorized Representative: (i) restrict the Authorized Representative’s access to the Account; and (ii) register the Account in the beneficiary’s name. Each Authorized Representative agrees to provide Baird with the beneficiary’s address or other contact information upon Baird’s request.

**(j) Additional Terms and Conditions Applicable to Retirement Accounts**

When providing Advisory Services to a Retirement Account under this Agreement, Baird will act as a “fiduciary” with respect to the Account as that term is defined by Section 3(21) ERISA or Section 4975 of the IRC, as applicable. If an Advisory Account of an employee pension benefit plan subject to ERISA participates in a discretionary Advisory Program or Advisory Service, Baird will act as an “investment manager” with respect to the Advisory Account as that term is defined by Section 3(38) of ERISA.

If Client is a “covered plan” as that term is defined by regulations under Section 408(b)(2) of ERISA, Client and each responsible plan fiduciary for Client understand and agree that: (i) when providing non-Advisory Services under this Agreement, Baird will not be acting as an investment adviser under the Advisers Act, or under any state law; and (ii) when providing Advisory Services under this Agreement, Baird will act as an investment adviser registered under the Advisers Act and a “fiduciary” of Client as that term is defined by Section 3(21) of ERISA. In addition, if Client has directed Baird to appoint a third party investment manager as sub-advisor to a Client Account, Client and each responsible plan fiduciary for Client also understand and agree that: (i) when providing non-advisory services under this Agreement, the investment manager will not be acting as an investment adviser under the Advisers Act, or under any state law; and (ii) when providing advisory services under this Agreement, the investment manager will act as an investment adviser registered under the Advisers Act or under applicable state law, as the case may be, and a “fiduciary” of Client as that term is defined by Section 3(21) of ERISA. If Client engages a third party investment manager directly, such as under a “dual contract” arrangement, Client and each responsible plan fiduciary for Client understand that they should contact that investment manager directly for information about the investment manager’s status when providing services to Client.

Client and each Retirement Account Fiduciary of Client understand, acknowledge and agree that: (i) if Client has selected an Advisory Program or Advisory Service for a Retirement Account, Baird and its associates do not provide investment advice for a fee with respect to the Account, nor do they, with respect to a discretionary Advisory Program or Advisory Service, exercise any discretionary authority over the Account, until such time that the Account has been accepted by Baird in accordance with the terms of Section 18 of this Agreement; (ii) Baird does not act as an “investment manager” or “trustee”, as those terms are defined by ERISA or the IRC, as applicable, with respect to any Client or Account unless Baird has expressly agreed to do so in writing; (iii) Baird does not act as, nor has Baird agreed to assume the duties of, an “administrator”, as that term is defined by Section 3(16) of ERISA, for any Client or Account; and (iv) Baird has no discretion or responsibility to interpret documents or instruments governing a Retirement Account, to determine eligibility or participation under such documents or instruments, or to take any other action with respect to the management, administration or any other aspect of a Retirement Account.

Each Retirement Account Fiduciary of Client understands that ERISA and the IRC require a fiduciary to discharge the fiduciary’s duties solely in the interest of the Retirement Account’s participants and beneficiaries and in a prudent fashion. Accordingly, each Retirement Account Fiduciary acting on behalf of Client hereby represents that each of them is: (i) acting on Client’s behalf as a fiduciary thereto; (ii) has acted prudently in entering into this Agreement on behalf of the Client; and (iii) will act prudently when selecting of programs and services for the Account.

Each Retirement Account Fiduciary acting on behalf of Client represents that he or she is (i) independent of Baird and its affiliates, (ii) capable of making an independent decision regarding the investment of Retirement Account assets, (iii) knowledgeable with respect to the administration and funding matters related to the relevant employee pension benefit plan, if any, and (iv) able to make

an informed decision concerning Client’s participation in this Agreement.

Each Retirement Account Fiduciary of Client, understands that he or she has a fiduciary responsibility to each Retirement Account to use the Account assets exclusively in the interest of participants and beneficiaries, in their capacity as participants and beneficiaries, and not personally. Each Retirement Account Fiduciary acting on behalf of Client hereby represents that he or she has made the independent determination that the selections made pursuant to this Agreement are suitable and appropriate and that the fees and expenses are reasonable in comparison to the services provided. Each Retirement Account Fiduciary hereby acknowledges that this determination is solely the responsibility of such Retirement Account Fiduciary.

Client agrees to provide Baird with a list of any persons or entities that Client considers to be a “disqualified person”, as that term is defined in Section 4975 of the IRC, or a “party in interest”, as that term is defined in Section 3(14) of ERISA. Client agrees to provide Baird an updated list promptly whenever a new person or entity becomes a “disqualified person” or “party in interest” of Client.

#### **(k) Additional Terms Applicable to Canada Residents**

Baird is not registered as a dealer or investment adviser under Canadian Securities law and relies on certain exemptions from registration to do business with eligible clients resident in Canada. If Client is resident in Canada, Client hereby represents, warrants, certifies and agrees that Client or Client’s Account meets an exemption from Canadian securities regulations because (i) Client is an individual ordinarily resident in the U.S. who is “temporarily” resident in Canada within the meaning of National Instrument 35-101 and who had a relationship with Baird before the individual became temporarily resident in Canada, or (ii) Client’s Account is a U.S. tax-advantaged retirement savings plan or account and Client was previously resident in the United States, or (iii) Client is a “Canadian permitted client” within the meaning of National Instrument 31-103, or (iv) Client or Client’s Account is otherwise exempt from Canadian securities regulation under applicable Canadian law, rule or regulation. Clients resident in Canada should review the “Notice to Canada Residents” Section of *Important Account Disclosures* for additional important information and considerations.

## **5. Brokerage Services**

The Brokerage Services that Baird offers to its clients include taking a client’s trade orders, executing the client’s trade orders, providing investment advice “incidental to” the Brokerage Services, settlement, custody, and other customary brokerage services. Client understands and agrees that Baird only provides those Brokerage Services to Client and Client’s Accounts to the extent from time to time requested by Client and agreed to by Baird.

#### **(a) Account Transactions**

##### **(i) Trade Orders by Client**

Client agrees that Baird may rely and act upon written and verbal trade orders and other instructions provided by Client or Client’s Authorized Representatives or Agents.

Except as otherwise provided herein, all orders for the purchase or sale of securities and other property will be authorized by Client and executed with the understanding that an actual purchase or sale is intended and that it is Client’s intention and obligation in every case to

deliver securities or other property to cover any and all sales or to pay for any purchases upon Baird's demand. Baird may, in Baird's sole discretion, refuse any order placed by Client for any reason, including but not limited to orders placed by e-mail, instant messaging or other electronic communication, voice-mail message or facsimile.

Unless otherwise specifically indicated by Client, all sell orders will be considered to be "long" (that is, the securities are owned by Client at the time of order). By placing a long sell order, Client affirms that Client owns the securities at the time of the order and Client agrees to deliver the securities in negotiable form on or before the settlement date set forth in the trade confirmation sent to Client by Baird (the "Settlement Date"). Client understands and agrees that any order to sell "short" (that is, the securities are not owned by Client at the time of order) must be designated as such by Client.

Subject to applicable law, Baird may in its sole discretion, without prior notice to Client, cancel any outstanding orders or any other commitment made on behalf of Client, in whole or in part, should Baird for any reason whatsoever deem it necessary for Baird's protection. If Client is an individual, all outstanding orders for Client's Account will be cancelled promptly following Baird's receipt of actual notice and documented proof of Client's death.

#### **(ii) Baird's Capacity When Executing Orders**

Client understands and agrees that Baird may execute Client's trade orders for Client's Brokerage Accounts either on a principal or agency basis without prior notice to Client. When Baird acts on a principal basis, it will sell securities that it owns to Client to complete Client's order to buy the securities or it will buy the securities from the Client to complete Client's order to sell the securities. Client also understands, acknowledges and agrees that: (A) associates of Baird may own the same securities as Client, (B) transactions by Baird associates in the same securities may occur simultaneously with Client's transactions, and (C) a Baird associate may be the buyer when Client is the seller or a Baird associate may be the seller when Client is the buyer. Client should refer to Baird's *Client Relationship Details* and *Important Account Disclosures* documents for more information.

#### **(iii) Trade Execution**

Client understands and agrees that Baird may trade securities in more than one marketplace. Unless Client has requested that an order be executed in a specified marketplace (and Baird has agreed to such request), Client understands and agrees that Baird will, in its sole discretion, and subject to applicable regulatory requirements, execute Client's order on any exchange, including a foreign exchange where such security is traded, on the over-the-counter market in any location, or through any electronic communication network, alternative trading system, or similar execution system or trading venue that Baird may select. In addition, Client understands and agrees that Baird may, to the extent necessary to provide services to Client hereunder, employ one or more securities intermediaries, including those located outside the United States.

Client acknowledges and agrees that Baird is Client's agent to complete all transactions and Client hereby authorizes Baird to act on Client's behalf in all matters necessary or incidental to the handling of Client's Account, including, without limitation, making advances and expend monies as required to effect such transactions on Client's behalf.

In connection with transactions effected for Client's Accounts, Client authorizes Baird and any investment manager managing Client's

Accounts to establish and trade in Baird's, the investment manager's or Client's name with members of national or regional securities exchanges and the Financial Industry Regulatory Authority ("FINRA"), including "omnibus" accounts established for the purpose of combining orders for more than one client.

#### **(iv) Currency and Securities Conversions**

Except when specifically indicated, all transactions are in U.S. dollars and Client agrees that any risk or cost resulting from conversion of U.S. dollars and securities for the purpose of trading on foreign exchanges or for the transmission from Client to foreign exchanges or to Client from outside the United States shall be borne solely by Client.

#### **(v) Failure to Pay or Deliver by Settlement**

If for any reason Client does not pay in full for any security other property purchased for Client's Account or deliver any security or other property sold for Client's Account on or before the Settlement Date, or if Baird has effected a short sale of any securities or other property for Client, Client understands, acknowledges and agrees that Baird may, in its sole discretion and without notice to Client, to the fullest extent permitted by applicable law, rule or regulation: (A) cancel any or all outstanding orders or commitments for Client's Account; (B) purchase ("buy in") or borrow the securities or other property necessary to enable Baird to make delivery (with Client responsible for any losses or costs incurred by Baird in connection therewith); (C) pledge, re-pledge, hypothecate or re-hypothecate until payment or delivery is made in full, any or all securities or other property that Baird may hold for Client (either individually or jointly with others), separately or in common with other securities or other property, for the sum then due or for a greater or lesser sum and without retaining in Baird's possession and control for delivery, a like amount of similar securities or other property; (D) take any other action described in Section 4(d) or Section 11 of this Agreement, which may include selling any or all securities or other property that Baird may hold for Client (either individually or jointly with others).

If Client does not pay in full for any security other property purchased for Client's Account or deliver any security or other property sold for Client's Account on or before the Settlement Date, Client understands, acknowledges and agrees that Baird may, in its sole discretion, charge interest to the Account. Interest charges will accrue from Settlement Date for the transaction until full and final payment or delivery is made and will be charged at Baird's then-current margin rate. Current margin rates and information about how interest is calculated can be found at [www.rwbaird.com/loanrates](http://www.rwbaird.com/loanrates). The margin rate is subject to change without notice. Interest charges will be assessed to the Account on a monthly basis and will be reflected on Client's statement. Client also understands, acknowledges and agrees that Baird may, in its sole discretion, charge interest to the Account in the event of a prepayment to Client (payment prior to Settlement Date) of the proceeds of sales or payments made on "non-deliverable" securities prior to clearance in which case there shall be an interest charge for the number of days of early payment. Any Account for which Client has authorized the use of Margin will be charged interest on Margin Account debit balances in accordance with the terms of the Client's Margin agreement with Baird.

Client agrees that Client is responsible and will reimburse Baird for any and all costs, expenses, losses or liabilities that Baird may incur as a result of: (A) a buy-in or borrowing, including, without limitation, the cost of obtaining the securities or other property, and all premiums,



interest or other costs that may result from the buy-in or borrowing; or (B) Baird's inability to buy-in or borrow securities or other property on a timely basis.

**(vi) Extended Hours Trading**

Client may direct Baird to engage in trading outside of regular trading hours. Baird may, in Baird's sole discretion, accommodate such a request by Client for extended hours trading. Client understands and acknowledges that trades placed after market hours carry with them the following risks: (A) risk of lower liquidity, (B) risk of higher volatility, (C) risk of changing prices, (D) risk of unlinked markets, (E) risk of news announcements, and (F) risk of wider spreads. Client should refer to the "Extended Hours Trading" Section of *Important Account Disclosures* for more information.

**(vii) Large Orders and Institutional Accounts**

Pursuant to FINRA Rule 5320, Baird may trade in a proprietary capacity at prices that would satisfy a Client order for orders of 10,000 shares or more, unless such orders are less than \$100,000 in value. Client may opt into the protections offered under Rule 5320 for all or any portion of such an order by notifying Baird. Any notices regarding FINRA Rule 5320 should be sent to Robert W. Baird & Co. Incorporated, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202, Attention: Compliance Department – Sales Practice Unit.

**(viii) Applicable Laws, Rules and Regulations**

All Client transactions are subject to the constitution, rules, regulations, customs and usages of the exchange or market and the clearing house, if any, where the transactions are executed by Baird or its agents, including subsidiaries and affiliates. Client acknowledges and agrees that the language of the foregoing sentence shall not be interpreted as providing Client a cause of action under this Agreement arising from a failure to follow any such constitution, rule, regulation, custom or usage. Where applicable, all transactions in Client's Account shall also be subject to the provisions of the Exchange Act and the rules and regulations of the SEC and the Board of Governors of the Federal Reserve System.

**(b) Custody and Related Matters**

**(i) Custody Services**

If Baird is the custodian of Client's assets, Baird will provide certain custody services, including holding Client's Account assets, crediting contributions and interest and dividends received on securities held in Client's Account, and debiting distributions from the Account. Client understands and agrees that Baird may, to the extent necessary to provide services to Client hereunder, employ one or more sub-custodial banks or securities intermediaries, including those located outside the United States, with respect to any property that Baird holds for Client.

**(ii) Securities Held in "Street" Name**

As custodian, Baird may hold a client's Account assets in nominee or "street" name, a practice that refers to securities and assets being registered in Baird's name or in a name that Baird designates, rather than in a client's name directly. Baird will be the holder of record in those instances. Client hereby authorizes Baird to re-register, if possible, all assets under Baird's control, including any assets that may be held directly in Client's name with a mutual fund, so that they may be held in street name.

**(iii) Corporate Actions and Physical Certificates**

Baird will process corporate actions involving physical certificates on a best efforts basis. The processing of such actions may be subject to a processing fee for which Client will be responsible. Client agrees that Baird will not be liable for any damage, loss, cost or expense, including lost profits, that Client may incur arising directly or indirectly from circumstances beyond Baird's reasonable control including, without limitation, the action or inaction by any third party unaffiliated with Baird.

**(iv) Proxy Voting and Legal Notices**

Unless Client has delegated proxy voting authority over Client's Advisory Accounts to Baird or a third party, Client will be responsible for voting proxies with respect to the securities held in Client's Accounts. If Client retains voting authority over securities (or delegates such authority to party other than Baird) for which Baird is the holder of record, and a proxy is solicited with respect to any such securities, Client (or other authorized party) will need to provide voting instructions to Baird. To the extent Client (or other authorized party) does not provide timely voting instructions, Client understands and agrees that Baird may vote such securities to the extent permitted by applicable law, rules and regulations relating to such matters.

If Client elects to vote Client's proxies, or in the event that Client elects to have another investment manager or other third party vote the proxies, Baird will only be responsible for forwarding those proxies it actually receives.

Client understands and agrees that neither Baird nor any investment manager managing Client's Accounts is obligated pursuant to the terms of this Agreement to render advice or take action on Client's behalf with respect to securities that are or were held in Client's Account, or the issuers thereof, which go into default or become the subject of legal proceedings such as class action claims, defaults or bankruptcies.

If Client is a Fiduciary Client and Client retains proxy voting authority, each Authorized Representative of Client hereby represents that neither Baird nor any other third party is appointed to vote proxies for the assets in Client's Accounts. Each Authorized Representative of Client also represents that the articles or certificates of organization, bylaws, operating agreement, partnership agreement, plan, trust, and any other governing document or instrument (collectively, "Governing Instruments") applicable to Client reserve proxy voting authority to the Authorized Representatives. If Client is a Fiduciary Client and Client delegates proxy voting authority to Baird or another third party, each Authorized Representative of Client hereby represents that the Governing Instruments applicable to Client allow the Authorized Representative to delegate proxy voting authority to Baird or the third party.

**(v) Cost Basis Accounting Methods and Standing Sale Order Instructions**

Pursuant to federal law, Baird is required to report annually to the Internal Revenue Service ("IRS") on Form 1099-B Client's adjusted cost basis in certain securities sold or transferred by Client after January 1, 2011, and whether the holding period for such securities was short-term or long-term. Client understands and acknowledges that the selection of a cost basis accounting method (such as first-in-first-out ("FIFO"), highest-in-first-out ("HIFO") or specific tax lot selection) may have a significant impact on Client's potential tax liability as reported by Baird to the IRS with respect to partial sales or transfers of a

particular security. Client hereby directs Baird, on a standing order basis, to use the FIFO cost basis accounting method for each partial sale transaction made in Client's Account. However, in the event of a non-trade transaction (e.g., a partial tender or call of a particular security or a transfer or gift of a partial position in a particular security), Client hereby directs Baird, on a standing order basis, to use the FIFO cost basis accounting method. Accordingly, Baird will rely on these directions when reporting Client's transactions to the IRS.

Notwithstanding Client's standing order directions described above, Client may change these directions, whether on a per-transaction or standing order basis, at any time by contacting Client's Baird Financial Advisor. Please note that such a change will not be effective for a particular transaction unless made prior to completion of the transaction.

If Client is a corporation, Client acknowledges that Baird's cost basis reporting obligations to the IRS vary based on Client's corporate structure. Therefore, Client agrees to promptly notify Baird of any material change in Client's corporate form or tax election.

In some circumstances, Baird may obtain cost basis information from third party sources, such as Client's prior custodian or broker-dealer. Client understands and acknowledges that Baird does not independently verify or guarantee the accuracy of any cost basis information obtained from third party sources.

**(vi) De Minimis Error Safe Harbor for Client Tax Reporting**

The IRC provides for a safe harbor related to the obligation to issue corrected tax reporting documentation if such documents contain an error related to an incorrect dollar amount that is no greater than \$100 (\$25 for withholdings) ("De Minimis Errors"). Client acknowledges, in accordance with this safe harbor, Baird will not issue Client corrected tax reporting documents if such documents contain De Minimis Errors. Client may opt out of this safe harbor by contacting Client's Baird Financial Advisor.

**(vii) Third Party Custody Arrangements**

The programs and services offered by Baird generally require Client to custody Client's assets at Baird. However, Baird in its sole discretion may accept an Account with assets held by another custodian (a "third party custodian"). Client may be required to complete additional paperwork if Baird agrees to such an arrangement. If Client uses a third party custodian, Client does so at Client's risk. Client understands and acknowledges that Baird does not monitor, evaluate or review any third party custodian. If Client uses a third party custodian, Client understands and agrees that: (A) Client will pay a custody fee in addition to the fees and other charges imposed by Baird; (B) Client may not receive performance review or reporting from Baird; (C) Client should establish appropriate cash sweep arrangements with the third party custodian because Client is not eligible for cash sweep services offered by Baird; and (D) Client should carefully review account statements provided by such custodian and compare them with any statements provided by Baird.

**(c) Other Terms and Conditions of Brokerage Services**

Client understands that a Brokerage Account is not an Advisory Account and that Baird will act solely in its capacity as a broker-dealer (and not as an investment adviser) and Client's Baird Financial Advisor will act solely as an associated person or registered representative of a broker-dealer (and not as an investment adviser representative), in discharging their duties with respect to Client's Brokerage Accounts.

Client understands and agrees that any investment advice provided by Baird or a Baird Financial Advisor with respect to a Brokerage Account is solely incidental to the Brokerage Services provided to Client and such investment advice is not rendered on a regular basis. Client represents and warrants that any such incidental advice does not form the primary basis for Client's investment decisions.

Client acknowledges and agrees that Baird's interests in serving Client as a broker-dealer may conflict with Client's interests and that in addition to being paid by Client, Baird and its Financial Advisors may also, in certain instances, be compensated by someone other than Client based upon Client's purchases or sales of investment products. As a result, Baird and its Financial Advisors may have a financial incentive to recommend certain investment products based upon the compensation received.

Client understands, acknowledges and agrees that additional important information about Baird's Brokerage Services and Brokerage Accounts, including the terms, conditions, fees and costs applicable to those Accounts and certain risks and conflicts of interest associated with those Accounts, is contained in Baird's *Client Relationship Details* and *Important Account Disclosures* documents.

## 6. Account Management Programs

The Account Management Programs that Baird offers to its clients are set forth below.

### (a) Cash Management

Baird's Cash Management Program is an Account service that consolidates investment, checking and saving needs. Cash Management is structured with unique service levels and related fees based on a Client's assets. A description of the Cash Management Program and the specific terms and conditions applicable thereto is contained in the Cash Management Program Supplement to this Agreement.

### (b) eBill Management

Baird's eBill Management Program is a web-based bill management service available to certain Baird clients enrolled in the Cash Management Program via Baird Online, the client exclusive area of Baird's website. Baird's eBill Management Program allows a client to receive, review, pay and organize bills online. A description of the eBill Management Program and the specific terms and conditions applicable thereto is contained in the eBill Management Program Supplement to this Agreement.

## 7. Margin

Baird may agree to extend credit to certain clients using securities or other assets held in a Margin Account as collateral. This transaction is commonly known as "margin" or "margin lending" ("Margin").

If Client requests Margin, and Baird agrees to extend credit to Client, Client will open a Margin Account with Baird. By opening a Margin Account, Client agrees to be bound by all of the terms and conditions contained in the Baird Margin Agreement Supplement to this Agreement (the "Margin Agreement") and the document entitled *Margin Risks Disclosure Statement*, both of which accompany this Agreement. Client understands, acknowledges, and agrees that Baird reserves the right, in Baird's sole discretion, to refuse to extend credit to Client or to permit Client to open or maintain a Margin Account. Client understands that the use of Margin involves special risks and that

information about Margin and the related risks is contained in the Margin Agreement and *Margin Risks Disclosure Statement*. Client also understands that Client is strongly urged to review carefully the Margin Agreement and the *Margin Risks Disclosure Statement* and to discuss the use of Margin with Client's Baird Financial Advisor.

## 8. Cash Sweep Program

The Baird Cash Sweep Program is an Account service whereby Baird will deposit or invest (that is, "sweep") uninvested cash balances ("free credit balances") in Client's Accounts in accordance with the terms of the Cash Sweep Program. A description of the Cash Sweep Program and the specific terms and conditions applicable thereto is contained in the document titled *Robert W. Baird & Co. Incorporated Cash Sweep Program Disclosure* which accompanies this Agreement. This document, as well as additional information regarding the Cash Sweep Program is also available at [www.rwbaird.com/cashsweeps](http://www.rwbaird.com/cashsweeps) or by contacting Client's Baird Financial Advisor. By participating in the Cash Sweep Program, Client agrees to the terms and conditions applicable to the Program. Client understands and agrees that Baird may, in its sole discretion at any time, modify the Cash Sweep Program or the terms and conditions applicable thereto.

**By signing the Application or maintaining an Account at Baird, Client instructs Baird to enroll all of Client's Accounts in Baird's Cash Sweep Program and agrees such instruction shall apply to each Account established by Client in the future, unless Client specifically instructs Baird to the contrary. Client may revoke this instruction at any time by contacting Client's Baird Financial Advisor.**

**Client understands Baird receives compensation in connection with the Cash Sweep Program, which is generally based on client cash balances and represents a significant amount. This presents a conflict of interest in that it gives Baird a financial incentive to have clients participate in the Cash Sweep Program and to maintain balances in the Cash Sweep Program.**

## 9. Dividend Reinvestment Program

Baird offers a Dividend Reinvestment Program under which dividends received on eligible securities are automatically reinvested in additional shares of such securities on a commission-free basis. A description of the Dividend Reinvestment Program and the specific terms and conditions applicable thereto is contained in the "Dividend Reinvestment Program and Liquidation of Client Fractional Positions" Section of *Important Account Disclosures*. By participating in the Dividend Reinvestment Program, Client agrees to the terms and conditions applicable to the Program. If Client is interested in participating in the Dividend Reinvestment Program, Client should contact Client's Baird Financial Advisor. Client understands and agrees that Baird may, in its sole discretion at any time without notice to Client, discontinue or suspend the Dividend Reinvestment Program in whole or in part, or modify its terms.

## 10. Advisory Programs and Services

A description of the Advisory Programs and Services made available to Client's Accounts, and the specific terms and conditions applicable thereto, are contained in the applicable Advisory Program Supplement or Advisory Service Supplement to this Agreement. By participating in an Advisory Program or Advisory Service, Client agrees to the terms and conditions contained in the applicable Advisory Program Supplement or Advisory Service Supplement.

## 11. Fees and Charges

Client hereby agrees to pay to Baird on demand all fees and charges relating to Client's Accounts for any services that Client receives from Baird, which for the avoidance of doubt includes the fees or charges of a third party that Baird incurs in the course of providing services to Client. Such fees and charges may include annual account fees and other fees for specific services that Client requests.

Unless Baird and Client otherwise mutually agree, Client will also pay fees and charges relating to transactions effected for Client's Accounts, generally consisting of commissions for transactions effected by Baird on an agency basis and markups or markdowns on transactions effected by Baird on a principal basis.

Baird's fees and charges are subject to change at any time in Baird's sole discretion and without notice to Client. Client should refer to the "Fees, Charges and Other Compensation" Section of *Important Account Disclosures* for more information about Baird's fees and charges.

Client authorizes Baird to automatically debit fees and charges from Client's Accounts, and to the extent permitted by applicable law, transfer excess funds between Accounts for purposes of paying such fees and charges. Client understands and agrees that fees and charges may be satisfied, along with any other amounts Client owes Baird, from: (a) from available free credit balances, if any, held in Client's Accounts; (b) from the proceeds of withdrawals or redemptions from the available value of bank deposits or money market investments in Client's Accounts, including those made in connection with the Cash Sweep Program; and (c) if Client is approved for Margin, from loans to Client within the available loan value of the eligible securities and other property in Client's Accounts. Should the foregoing sources prove insufficient, Client understands and agrees that Baird may sell assets in Client's Accounts to satisfy debit balances for any amounts due, including those resulting from unpaid fees and charges, as further described in Section 4(d) of this Agreement. Client agrees to reimburse Baird, and indemnify and hold Baird harmless from and against, any and all Losses or liabilities incurred by Baird in connection with obtaining unpaid amounts owed by Client to Baird under this Agreement, including reasonable costs and expenses of collection.

Unless Client provides contrary written instructions, Client consents to Baird effecting transactions in securities on a national exchange and receiving and retaining compensation for such services, subject to the limitations and restrictions made applicable to such transactions by Section 11(a) of the Exchange Act and Rule 11a2-2(T) thereunder. Subject to restrictions imposed by applicable law, Baird may benefit from free credit balances in Client's Accounts until such balances are invested or swept pursuant to the Cash Sweep Program. Client agrees that any such compensation or benefit is part of Baird's compensation for services rendered with respect to Client's Accounts, separate from and in addition to any fees or charges that Client pays to Baird. Client further agrees that such compensation or benefit, together with all other fees and charges paid by Client, is reasonable.

## 12. Opening New Accounts or Adding or Changing Programs, Services or Features

After entering into this Agreement, Client generally will be able to open new Accounts, or add or change programs, services or features for Client's existing Accounts, simply by providing instructions verbally or in writing (including e-mail) to Client's Baird Financial Advisor without

having to sign new paperwork. Client hereby authorizes Baird, its associates and their designees to accept any verbal or written instruction that Client or Client's Agent may from time to time provide to Baird. If Client is a Fiduciary Client, Client authorizes Baird, its associates and their designees to accept verbal or written instructions from any of Client's Authorized Representatives. Notwithstanding the foregoing, Client understands, acknowledges and agrees that Baird may require Client to sign additional paperwork if Baird deems it necessary or appropriate to do so.

If Client opens a new Account or adds or changes a program, service or feature of an Account, Client understands and acknowledges that Baird may send Client a new or amended Agreement, Agreement Supplement, Brochure Document, Advisory Account Schedule, Client Form, or other agreement or documentation related to the requested changes. Client agrees that each such document provided by Baird to Client in the future is a part of this Agreement, and by participating in a program or service, Client agrees to be bound by all of the applicable terms and conditions contained in those documents. Client should carefully review such documentation upon receipt.

Client acknowledges and agrees that, as described in Section 18 of this Agreement, changes requested by Client may not become effective immediately.

### 13. Client Communications

From time to time, Baird will deliver to Client certain Account-related communications, which may include Account statements, trade confirmations, performance reports, periodic issuer reports, proxy statements, prospectuses, Brochure Documents, privacy notices, IRA disclosure statements and other regulatory communications, tax documentation, agreements and amendments thereto, newsletters, and certain other information regarding Client's Accounts that Baird may deliver from time to time (collectively, "Client Communications"). This Section contains the terms and conditions applicable to Client Communications.

#### (a) Trade Confirmations and Account Statements

Baird will send Client a trade confirmation following the execution of Client's trade order to the extent required by applicable law unless Client provides other instructions or Client suppresses trade confirmations. If Baird provides Brokerage Services to Client, Baird will generally provide Client with a monthly Account statement when activity occurs during that month, or a quarterly statement if there has not been any intervening monthly transaction activity. Client should refer to the "Client Communications—Trade Confirmations and Account Statements" Section of *Important Account Disclosures* for more information.

#### (b) Performance Reporting

Depending upon the program and services selected, Client may or may not receive performance reports. Performance reporting may not be available for Account assets that are not custodied at Baird. Baird may change or discontinue performance reporting to Client at any time for any reason upon notice to Client. Baird is not obligated to provide performance reports for any Client Account following the closure of the Account or termination of this Agreement. Client understands and agrees that past performance does not indicate or guarantee future results, and that none of Baird, its associates or investment managers managing Client's Account promise or guarantee any level of investment returns or that Client's investment objective will be

achieved. Client should refer to the "Client Communications—Performance Reporting" Section of *Important Account Disclosures* for more information.

#### (c) Prompt Review of Client Communications

Client hereby agrees to promptly review all confirmations, Account statements, and other Client Communications and agrees to notify the Client's Financial Advisor in writing within 10 calendar days of receipt if Client wishes to object to the information provided in those documents.

*Client agrees that transaction information shown on Client's confirmations and statements, and all other information shown in the Client Communications provided to Client, shall conclusively be deemed accurate and binding on Client unless Client notifies the Client's Financial Advisor in writing within 10 calendar days of delivery of the applicable confirmation, statement or other Client Communication. Client agrees to waive any claims Client may have if Client fails to object in writing within the time period set forth above. For the avoidance of any doubt, nothing contained in this paragraph shall constitute a waiver or limitation of any rights that Client may have under applicable law, including securities laws, ERISA or the IRC (if applicable), or rules or regulations of self-regulatory organizations of which Baird is a member.*

#### (d) Consent to Electronic Delivery

As a convenience for clients, Baird offers clients the ability to receive documents electronically. If Client consents to electronic delivery, Baird may deliver Client Communications to Client in any of the following ways:

- Baird may deliver an e-mail to Client using Client's e-mail address on file with Baird. The e-mail will contain an active link to the documents or the documents will be attached to the e-mail in portable document format (.pdf) or other readable format.
- Baird may deliver removable media, such as a CD-ROM or DVD, to Client's mailing address on file with Baird. The removable media will contain the documents in portable document format (.pdf) or other readable format.
- Baird may post the documents on Baird Online, at [www.rwbaird.com](http://www.rwbaird.com) or another website designated by Baird. Baird will notify Client via e-mail or mail when Client should visit the website to obtain and view the documents.

Client should refer to the "Client Communications—Electronic Delivery of Documents" Section of *Important Account Disclosures* for more information about Baird's electronic delivery of documents.

***Unless Client has provided specific instructions to Baird to the contrary, Client hereby affirmatively consents to the electronic delivery of Client Communications.*** Client acknowledges and agrees that Client has received adequate information about Baird's electronic delivery of documents and that such consent was made on an informed basis. Client further understands and agrees that the term of this consent to electronic delivery is indefinite and may be revoked at any time by Client by notifying Client's Baird Financial Advisor. Client acknowledges that Baird is dependent on Client's prompt communication of any change in e-mail or mail address or disruption in Client's e-mail or mail service. Until Baird has received notice in writing of a different Client e-mail or mail address of record, Client Communications sent to Client's then-current e-mail or mail address reflected on Baird's records shall be deemed to have been personally



delivered to and received by Client, whether or not Client actually received such communications. Client has the right to request paper delivery of any Client Communication that Baird may be required by applicable law to deliver to Client in paper form. Client understands that if Client revokes or restricts consent to electronic delivery of Client Communications or requests paper delivery, Baird may, in Baird's sole discretion, charge Client a service fee for the delivery of paper documents. None of Client's revocation or restriction of consent, Client's request for paper delivery, or Baird's delivery of paper copies of Client Communications affects the legal effectiveness or validity of any electronic communication provided while Client's consent is in effect.

#### **(e) Paper Delivery of Documents**

To the extent paper copies of Client Communications are delivered to Client, Client acknowledges and agrees that Baird may deliver such paper copies to Client's address of record or at such other address as Client may provide to Baird in writing. Client acknowledges that Baird is dependent on Client's prompt communication of any change in address or disruption in Client's mail service. Until Baird has received notice in writing of a different Client address of record, Client Communications sent to Client's then-current address reflected on Baird's records shall be deemed to have been personally delivered to and received by Client, whether or not Client actually received such communications. If Client's statement indicates that securities were delivered and Client has not received them, Client agrees to immediately notify Baird in writing.

Client has the ability to direct Baird to make Client's primary mailing address a Post Office Box ("P.O. Box"). However, Baird reserves the right to send any or all Client Communications to Client's legal street address and to discontinue mailing to a P.O. Box address at any time in Baird's sole discretion. Client agrees to indemnify and hold harmless each Covered Baird Party to the fullest extent permitted by applicable law and regulation from and against all Losses that the Covered Baird Party may incur for following Client's direction to deliver documents to Client's P.O. Box. Client agrees Baird is not responsible for any fees or charges associated with opening or maintaining P.O. Box or the consequences to Client of a failure to pay such fees or charges.

#### **(f) Householding of Client Communications**

As a convenience for clients, Baird may consolidate communications to clients sharing the same address. This practice is frequently referred to as "householding". Client should refer to the "Client Communications—Householding of Client Communications" Section of *Important Account Disclosures* for more information.

Unless Client has provided instructions to Baird to the contrary, Client hereby authorizes and directs Baird to deliver all Client Communications on a consolidated basis to Client's "Statement Household". As used herein, "Statement Household" means all Client Accounts that share the same name, address and social security or tax identification number and, subject to Baird's agreement, any other accounts identified by Client sharing the same address, such as accounts for Client's spouse or children or accounts for which Client serves as an Authorized Representative; provided that, all affected clients have directed Baird to add such accounts to the Statement Household. In the event that Client desires to change a Statement Household or terminate the delivery of documents on a household basis, Client can do so by contacting Client's Financial Advisor.

By instructing Baird to make a combined mailing of Client Communications, Client understands and acknowledges that all members of Client's Statement Household will have access to Client's personal and financial information. Client assumes all risk for providing any such instruction and agrees to indemnify and hold harmless each Covered Baird Party to the fullest extent permitted by applicable law and regulation from and against all Losses that the Covered Baird Party may incur directly or indirectly arising out of or relating to the Covered Baird Party's implementation of such instruction.

#### **(g) Good and Effective Delivery**

Client acknowledges and agrees that all Client Communications provided to Client by Baird or Baird's agent by any of the methods discussed in this Agreement are good and effective delivery to Client when delivered to Client in paper form or, if Client has consented to electronic delivery, when delivered electronically, regardless of whether Client timely receives or accesses the Client Communication. Client agrees that Client Communications sent by Baird or its agents including but not limited to communications sent by mail, e-mail, facsimile, courier service, messenger or otherwise will be considered to have been delivered to Client personally upon being sent, whether or not Client actually received or accessed the document. If Client has instructed Baird to deliver Client Communications to a third party as described in Section 14(c) of this Agreement, Client agrees that Client Communications sent by Baird or its agents will be considered to have been delivered to Client personally upon being sent to such third party.

#### **(h) Telephone Call Monitoring and Recording**

To ensure Baird's commitment to client service, Client acknowledges and agrees that Client's telephone calls to Baird may be monitored and recorded for training and quality control purposes.

### **14. Client Information Matters**

#### **(a) Privacy of Client Information**

It is Baird's policy to protect the privacy of clients that share personal and financial information with Baird in the course of receiving financial services from Baird. Baird treats Client information as confidential and recognizes the importance of protecting access to it. Client should refer to the Robert W. Baird & Co. Incorporated and Baird Trust Company Privacy Notice and the Baird Funds, Inc. Privacy Notice for more information. By signing the Application, Client acknowledges receipt of the Robert W. Baird & Co. Incorporated and Baird Trust Company Privacy Notice and the Baird Funds, Inc. Privacy Notice.

#### **(b) Disclosure of Shareholder Information**

Pursuant to Rule 14b-1 under the Exchange Act, Baird must disclose to an issuer Client's name, address, and Client's position in the issuer's securities, unless Client objects to such disclosure. Client should understand that if Baird does not disclose this information, Client's ownership rights with respect to certain foreign securities and American Depositary Receipts ("ADRs") may be restricted under the laws of certain jurisdictions. For example, pursuant to certain foreign laws, Client's proxy votes with respect to certain foreign securities will not be accepted unless Client's information is disclosed.

If Client objects to the disclosure of Client's information, Client should indicate Client's objection on the Application or inform Client's Financial Advisor. If Client does not so object, Baird will furnish such information to requesting issuers. The authority conferred by this

Agreement shall remain in effect until notice of revocation is provided by Client.

Client understands that certain foreign securities may be subject to taxation by foreign countries. Baird may be required to provide Client information in order to comply with applicable foreign laws or achieve reduced tax withholding for Client. Client understands that Baird may provide such information whenever applicable, notwithstanding any objection by Client to the disclosure of Client's information to issuers of securities, and Client consents to such provision of information if, and to the extent, required by applicable law.

**(c) Instruction to Share Client Information**

In certain instances, Baird may accept a Client's instruction to deliver Client Communications to, or otherwise share Client's information with, third parties (which includes consolidating Client's Account information with those of other Baird clients within or outside of Client's Statement Household for performance reporting or other purposes). Client assumes all risk for providing any such instruction and agrees to indemnify and hold harmless each Covered Baird Party to the fullest extent permitted by applicable law and regulation from and against all Losses that the Covered Baird Party may incur directly or indirectly arising out of or relating to the Covered Baird Party's implementation of such instruction.

**15. Client Representations and Warranties**

By signing this Agreement, Client hereby represents, warrants, certifies and agrees as follows:

- If Client is an individual, Client is at least 18 years old or has reached the age of majority according to the laws of the state in which Client resides and the laws of the State of Wisconsin.
- None of Client, Client's spouse, if any, or any beneficial owner of an Account are employed by any member firm of FINRA or other securities or commodities exchange, except as Client has otherwise disclosed to Baird in writing.
- All of the assets in Client's Accounts are free and clear from any security interest, lien, charge or other encumbrance (other than a security interest, lien, charge or other encumbrance in favor of Baird) and will remain so for the duration of Client's relationship with Baird, unless Baird otherwise agrees in writing.

If Client is a Fiduciary Client, then each Authorized Representative of Client, individually and on behalf of Client, represents, warrants, certifies and agrees as follows:

- Client validly exists under all applicable laws, and the Governing Instruments applicable to Client are in full force and effect and have not been revoked, modified or amended in any manner that would cause the statements contained in any Application or other forms, certificates, instruments, documents or paperwork submitted to Baird (collectively, the "Client Paperwork") to be incorrect.
- The pages of Client's Governing Instruments submitted to Baird, if any, are true and complete copies of the original documents.
- The Authorized Representative has supplied all information requested by the Application and any other Client Paperwork, the information pertaining to the Authorized Representative and Client contained in those documents is true, accurate and

complete, and any information pertaining to the Authorized Representative and Client contained in any Application or Client Paperwork in the future will be true, accurate and complete.

- The Authorized Representative is a duly appointed representative of Client and, except to the extent the Authorized Representative has otherwise indicated to Baird in writing, the Authorized Representative is duly authorized under the Governing Instruments applicable to Client to act in all matters relating to Client and Client's Accounts and submit instructions to Baird, which includes, without limitation, the power and authority to: (i) open and close Client's Accounts and select and change programs, services and features for Client's Accounts; (ii) on behalf of Client, enter into and amend this Agreement and the other agreement(s) applicable to Client's Accounts and make the representations, warranties, certifications, and agreements contained in this Agreement, other agreements or any other Client Paperwork; (iii) make investment decisions and submit trade orders for Client's Accounts in the Authorized Representative's sole discretion and at Client's risk; (iv) delegate to third parties the discretionary authority to make investment decisions and trade for Client's Accounts; (v) select investment advisory programs or services, investment strategies, and investment managers for Client's Accounts; and (vi) make distributions and transfers from Client's Accounts, which for the avoidance of doubt includes the power and authority to transfer any or all assets held in an Account to any third party that the Authorized Representative may identify in instructions provided to Baird.
- The Authorized Representative has the full power and authority and may lawfully provide authorization to Baird to effect transactions in Client's Accounts through Baird, as broker-dealer.
- Except to the extent otherwise indicated to Baird in writing, the Authorized Representative has the power and authority to act independently on behalf of Client without the consent, concurrence or agreement of, and without providing notice to, any other Authorized Representative or person. If Client has multiple Authorized Representatives, Baird may, in Baird's sole discretion, require the approval of all Authorized Representatives before acting upon any instruction from an Authorized Representative, and Baird shall not be liable for refusing to act on the instruction of less than all Authorized Representatives, regardless of an Authorized Representative's authority to act independently.
- The execution and delivery of the Application, this Agreement and any other Client Paperwork submitted to Baird by the Authorized Representative or Client has been duly authorized by appropriate entity action, and the terms of the Application, this Agreement and any other Client Paperwork do not violate any law, regulation or Governing Instrument(s) applicable to Client.
- The programs, services, features, investments, investment strategies, advisory programs or services, and investment managers, if any, selected for Client's Accounts are permitted by the laws, regulations, and Governing Instruments applicable to Client and do not violate any such law, regulation or Governing Instrument.
- Each instruction provided by the Authorized Representative to Baird is, and each instruction provided to Baird in the future will

be, in full compliance with all laws, regulations and Governing Instruments applicable to Client.

- Each time the Authorized Representative acts with respect to Client or an Account or provides instructions to Baird, the Authorized Representative, individually and on behalf of Client, shall be deemed to affirm the representations, warranties, certifications and agreements contained in the Application, this Agreement and any other Client Paperwork.
- The Authorized Representative acknowledges that Baird will rely on the representations, warranties, certifications and agreements contained in the Application, this Agreement and the other Client Paperwork, and the Authorized Representative agrees to notify Baird promptly in writing if any representation or warranty contained therein ceases to be true, accurate or complete.

## 16. Limitation of Liability and Indemnification

Client understands that investing for Client's Accounts involves risks that are borne solely by Client. Client acknowledges and agrees that Baird does not in any way guarantee Client's Accounts against any loss or decline in value, nor does Baird make any representation or commitment whatsoever as to the performance, yield or return of Client's Accounts. Client understands that investment products or investment managers recommended to Client or selected for Client's Accounts, including investment products or investment managers included on a Baird recommended list, are those investments which, in Baird's professional judgment, may be appropriate to help Client pursue Client's financial goals. Client understands and agrees that Baird's selection or recommendation of an investment product or investment manager does not constitute a representation or guarantee that the investment product or investment manager is or will be the best investment product or investment manager available.

CLIENT AND EACH AUTHORIZED REPRESENTATIVE OF CLIENT, IF ANY, AGREE THAT NO COVERED BAIRD PARTY SHALL BE LIABLE TO CLIENT, THE AUTHORIZED REPRESENTATIVE OR ANY OTHER PERSON FOR: (I) ANY ACT OR FAILURE TO ACT, OR FOR ANY ERRORS OF JUDGMENT, BY A COVERED BAIRD PARTY, EXCEPT TO THE EXTENT A COURT OR ARBITRATOR OF COMPETENT JURISDICTION HAS DETERMINED SUCH COVERED BAIRD PARTY TO HAVE BEEN NEGLIGENT, BREACHED A DUTY TO CLIENT, OR VIOLATED APPLICABLE LAW; (II) ANY ACT OR FAILURE TO ACT BY CLIENT OR AN AUTHORIZED REPRESENTATIVE OR AGENT OF CLIENT; (III) ANY MISSTATEMENTS IN, OR OMISSIONS FROM, DOCUMENTS PROVIDED TO CLIENT THAT WERE NOT PREPARED OR APPROVED BY BAIRD; (IV) ANY ACT OR FAILURE TO ACT BY A COVERED BAIRD PARTY IN RELIANCE UPON INSTRUCTIONS REASONABLY BELIEVED BY A BAIRD COVERED PARTY TO HAVE BEEN PROVIDED BY CLIENT OR AN AUTHORIZED REPRESENTATIVE OR AGENT OF CLIENT; (V) INVESTMENT POLICIES OR GUIDELINES ESTABLISHED BY CLIENT, AN AUTHORIZED REPRESENTATIVE OR OTHER THIRD PARTY; (VI) CONSEQUENTIAL DAMAGES ARISING OUT OF THIS AGREEMENT OR ANY SERVICE A COVERED BAIRD PARTY PROVIDES TO CLIENT; OR (VII) ANY LOSSES CAUSED DIRECTLY OR INDIRECTLY BY GOVERNMENT RESTRICTIONS, EXCHANGE OR MARKET RULINGS, SUSPENSIONS OF TRADING, ACTS OF WAR, TERRORISM, STRIKES, POWER OUTAGES, OR OTHER EVENTS OR CONDITIONS BEYOND A COVERED BAIRD PARTY'S REASONABLE CONTROL.

Client hereby agrees to indemnify, defend and hold harmless each Covered Baird Party to the fullest extent permitted by applicable law

and regulation from and against all Losses that a Covered Baird Party may incur directly or indirectly arising out of or relating to:

- any untrue representation, misrepresentation, failure to state a material fact, or breach of warranty of Client or an Authorized Representative contained in the Application, the Agreement or in any other Client Paperwork;
- Client's failure to perform when due Client's obligations under the Application, the Agreement or in any other Client Paperwork;
- any act or failure to act by a Covered Baird Party in reliance upon instructions reasonably believed by the Baird Covered Party to have been provided by Client or an Authorized Representative or Agent of Client;
- investment policies or guidelines established by Client, an Authorized Representative or other third party;
- an actual or alleged violation by Client or an Authorized Representative or Agent of Client of an applicable law or regulation; or
- an actual or alleged breach by Client or an Authorized Representative or Agent of Client of a fiduciary duty or other duty or obligation, whether arising under a law, regulation or Governing Instrument applicable to Client or otherwise.

To the extent the foregoing indemnification obligation of Client is prohibited under applicable law or regulation and to the extent that a Covered Baird Party has not breached any duty owed to Client, if any, and has not acted negligently, Client hereby agrees to reimburse such Covered Baird Party for all Losses that such Covered Baird Party may incur in connection with defending any actual or threatened claim made against such Covered Baird Party.

Each Authorized Representative of Client, if any, jointly and severally with all other Authorized Representatives of Client, if any, hereby agrees to indemnify, defend and hold harmless each Covered Baird Party to the fullest extent permitted by applicable law from and against all Losses that a Covered Baird Party may incur directly or indirectly arising out of or relating to:

- any untrue representation, misrepresentation, or breach of warranty of an Authorized Representative contained in the Application, this Agreement or in any other Client Paperwork;
- any act or failure to act by a Covered Baird Party in reliance upon instructions reasonably believed by the Baird Covered Party to have been provided by an Authorized Representative;
- investment policies or guidelines established by Client, an Authorized Representative or other third party;
- an actual or alleged violation by an Authorized Representative or Agent of Client of a law or regulation applicable to Client; or
- an actual or alleged breach by an Authorized Representative of a fiduciary duty or other duty or obligation, whether arising under a law, regulation or Governing Instrument applicable to Client or otherwise.

Nothing in this Agreement shall constitute a waiver or limitation of any rights that the parties may have under applicable law, including securities laws, ERISA or the IRC (if applicable), or rules or regulations of self-regulatory organizations of which Baird is a member.

The indemnification obligations of Client and Authorized Representatives contained in the Application, this Agreement or in any other Client Paperwork shall survive Client's death, if Client is an individual, and shall survive Client's dissolution, if Client is an entity, and shall survive termination or revocation of an Account, this Agreement, or an Authorized Representative's appointment as a representative of Client, regardless of the reason for termination or revocation.

## 17. Arbitration Agreement

This Agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement, the parties agree as follows:

- ALL PARTIES TO THIS AGREEMENT ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY, EXCEPT AS PROVIDED BY THE RULES OF THE ARBITRATION FORUM IN WHICH A CLAIM IS FILED.
- ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.
- THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS.
- THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR AWARD UNLESS, IN AN ELIGIBLE CASE, A JOINT REQUEST FOR AN EXPLAINED DECISION HAS BEEN SUBMITTED BY ALL PARTIES TO THE PANEL AT LEAST 20 DAYS PRIOR TO THE FIRST SCHEDULED HEARING DATE.
- THE PANEL OF ARBITRATORS MAY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.
- THE RULES OF SOME ARBITRATION FORUMS MAY IMPOSE TIME LIMITS FOR BRINGING A CLAIM IN ARBITRATION. IN SOME CASES, A CLAIM THAT IS INELIGIBLE FOR ARBITRATION MAY BE BROUGHT IN COURT.
- THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED IN THIS AGREEMENT.

The parties agree that any claim or controversy between Client or Authorized Representatives, Agents or employees of Client on the one hand, and a Covered Baird Party on the other hand, shall be settled by arbitration.

This Arbitration Agreement shall apply to any claim, controversy or issue arising from events that occurred prior to, on, or subsequent to the execution of this Arbitration Agreement concerning or relating to: (i) any Account; (ii) any transaction between the parties described herein whether or not such transaction occurred in an Account; (iii) the construction, performance or breach of this Agreement or any other agreement between Client and Baird; or (iv) the services provided, or any duty or obligation owed to Client, by a Covered Baird Party, Client's present or former investment managers, or any of their respective present or former officers, directors, agents or employees.

This Arbitration Agreement shall be interpreted according to the laws of the State of Wisconsin. Any arbitration under this Arbitration Agreement shall be before the Financial Industry Regulatory Authority ("FINRA"), and shall be conducted in accordance with the rules of such

organization. The award of the arbitrators, or of the majority of them, shall be final, and judgment upon the award rendered may be entered into any court, state or federal, having jurisdiction.

No person shall bring a putative or certified class action to arbitration, or seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action or is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action, until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the Client is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Arbitration Agreement except to the extent stated herein.

The Arbitration Agreement contained in this Section shall survive Client's death, if Client is an individual, and shall survive Client's dissolution, if Client is an entity, and shall survive termination or revocation of an Account, this Agreement, or an Authorized Representative's appointment as a representative of Client, regardless of the reason for termination or revocation.

## 18. Term and Termination

If Client has one or more existing Accounts with Baird, this Agreement shall become effective upon the delivery of this Agreement to Client.

If Client does not have any existing Accounts with Baird, this Agreement shall become effective as follows. After Client has signed and delivered the Application and any other required Client Paperwork to Baird, those documents are subject to review and acceptance by Client's Financial Advisor, his or her Branch Office Manager, and Baird's Home Office. **This Agreement will become effective with respect to Client's non-Advisory Accounts when the Application and all other required Client Paperwork are accepted by Baird's Home Office. If Client is opening one or more Advisory Accounts, this Agreement and Baird's advisory relationship with Client will become effective with respect to such Advisory Accounts when the Application and all other required Client Paperwork are accepted by Baird's Home Office and following such acceptance Baird has delivered to Client written confirmation of the account's enrollment in the applicable Advisory Program or Advisory Service, which may include delivery of applicable Advisory Account Schedules, Client Forms, Brochure Documents or other agreements or documents. Client understands and agrees that this Agreement will not become effective, and Baird will not provide any services to Client, until such time that Baird has accepted this Agreement.** Baird may delay acceptance of this Agreement and the provision of services to Client Accounts for various reasons, including deficiencies in the Client Paperwork. Once it has become effective, this Agreement shall continue until it is terminated in accordance with the terms described below.

**Likewise, Client's verbal or written instruction to open a new Account or make changes to an Account pursuant to Section 12 will become effective when such instruction has been accepted by Baird's Home Office and, if Client is opening or making changes to an Advisory Account, when following such acceptance Baird has delivered to Client written confirmation of the changes and the account's enrollment in the applicable Advisory Program or Advisory Service, which may include delivery of applicable Advisory Account Schedules, Client Forms, Brochure Documents or other agreements or documents. Client specifically understands, acknowledges and agrees that, if Client requests an account be enrolled in an Advisory**



**Program or Advisory Service, the account will not become an Advisory Account and Baird will not act as investment adviser for, or provide Advisory Services to, the account until such time that Baird's Home Office has accepted the request and has delivered to Client written confirmation of the account's enrollment in the Advisory Program or Advisory Service.**

This Agreement shall survive Client's death, disability, or incompetence, if Client is an individual, and shall survive Client's dissolution, if Client is an entity. However, upon Baird's receipt of actual notice and documented proof of Client's death, if Client is an individual, or Client's dissolution, if Client is an entity, Baird will automatically cease acting as investment adviser for Client's Advisory Accounts and such Accounts shall become Brokerage Accounts. Client understands and agrees that any instruction deemed given by Client will be binding upon Client and Client's Authorized Representatives and Agents until Baird receives actual notice of Client's death, disability, or incompetence, if Client is an individual, or Client's dissolution, if Client is an entity. Any such notice will not affect Baird's right to take any action that Baird could have otherwise taken. Client understands and agrees that Baird may, before or after receiving such notice, take whatever actions Baird deems necessary or advisable to protect Baird, including retaining a portion of the Accounts and restricting the Accounts. The Accounts, and Client's estate if Client is an individual, shall be jointly liable for all costs and expenses, including reasonable attorney's fees, that Baird may incur in connection with Baird's handling of the Accounts in such event.

This Agreement shall also survive any event that causes Client's Financial Advisor to be unable to provide services to Client (either on a temporary or permanent basis), including if Client's Financial Advisor ceases to be employed by Baird. In any such event, Baird will continue to provide services to Client and will as promptly as practicable assign another Financial Advisor to Client's Accounts (either on a temporary or permanent basis) and Client will be notified of any such change. Similarly, if Client's Financial Advisor ceases to participate in an Advisory Program or be employed by Baird, Baird may assign the client's Advisory Account to another Financial Advisor or, if Baird determines that it is unable to continue to provide Advisory Services to Client, Baird may remove the applicable Advisory Account from the Advisory Program and convert the Account to a Brokerage Account upon notice to Client.

Client or Baird may terminate an Account's enrollment in a program or service upon 30 days prior written notice to the other party; provided, however, that if Client has granted discretionary authority over an Advisory Account to Baird or another investment manager, Client may terminate such discretionary authority at any time by contacting Client's Baird Financial Advisor or by sending a notice of such termination to Robert W. Baird & Co. Incorporated, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202, Attention: Fee Based Account Administration Department.

Baird may remove an Account from a program or service and immediately close an Account upon written notice to Client if Client fails to abide by the terms of the program or service. Baird may also remove an Advisory Account from an Advisory Program or Advisory Service at any time upon written notice to Client if Client fails to maintain the required minimum asset levels in such Advisory Account.

Upon the termination of an Account's enrollment in an Advisory Program or Advisory Service, Baird and, if relevant, any other

investment manager managing such Account, shall have no obligation to act as investment adviser to such Account. If such Account is custodied at Baird, the Account shall be converted to and designated as a Brokerage Account. Baird, and, if relevant, any other investment manager managing such Account, shall be under no obligation to recommend any action with regard to, or to liquidate the securities or other investments in, such Account. Client understands and agrees that, after an Account is removed from an Advisory Program or Advisory Service, it is Client's exclusive responsibility to issue instructions, in writing, regarding the management of any assets in such Account.

Client or Baird may terminate this Agreement or close an Account upon 30 days prior written notice to the other party; provided, however, that Baird may close or restrict an Account immediately upon notice to Client if Baird in its sole discretion believes it is necessary for its own protection or to comply with applicable law.

Notwithstanding anything herein to the contrary, Client understands and agrees that an Account may not be closed without Baird first receiving all assets for which the Account is deficient and all funds necessary to pay in full for all assets purchased in the Account. Client further agrees that until an Account is closed, the Account will be subject to all applicable fees and charges.

In the event of the termination of this Agreement or closure of an Account, Client will continue to be responsible for any obligations or indebtedness incurred by Client prior to termination or closure. Termination of the Agreement or closure of an Account shall not affect the liabilities or obligations of the parties under this Agreement arising from transactions initiated prior to the termination or closure, including, without limitation, the validity of any action previously taken by Baird or an investment manager regarding Client's Accounts or Client's obligation to complete any transactions that Baird or an investment manager initiated on Client's behalf prior to the effectiveness of the termination or closure. Following termination of this Agreement with respect to an Account, Baird retains the right to complete any transactions open as of the termination date and it may retain such amounts in Client's Accounts that it deems to be necessary to effect completion of such transactions.

Following a notice of termination of this Agreement or an Account closure, Baird may, in its sole discretion, require that Client transfer the affected Account assets to another custodian within a period of time set by Baird in Baird's sole discretion. In the event Client fails to so transfer, Baird may, in its discretion, without further notice to Client, deliver the affected Account assets to Client or liquidate the assets in Account(s), cause to be paid all outstanding indebtedness owed to Baird by Client, if any, and forward any net balance to Client. Client understands and agrees that Client shall be liable for, and agrees to pay on demand, any debit balance or deficiency remaining, if any, after Account assets are liquidated.

If Client directs Baird to liquidate assets in connection with a closure of an Account (including an Advisory Account), Client understands and agrees that Client will be charged commissions, sales charges, sales "loads", or other applicable transaction-based fees in accordance with the applicable Baird fee schedule or other third-party transaction-based fee schedule for the particular investment then in effect, and if the Account is an Advisory Account, Baird acts as broker-dealer, and not investment adviser, when processing such a liquidation request.

Client understands and agrees that Client may incur significant expenses and liabilities, including tax-related liabilities for which Client will be solely liable, if Client closes an Account, terminates this Agreement, or transfers assets out of Baird's custody. Client further agrees that Baird will not be liable to Client in any way with respect to the termination, closure, transfer or liquidation of Client's Accounts.

Client further understands and agrees that some of the investments offered in connection with Baird's programs and services contain restrictions that limit their use, and such investments may be unavailable for purchase or holding outside of a Baird Account. For example, certain mutual funds, exchange traded funds ("ETFs"), closed-end funds, unit investment trusts ("UITs"), Complex Investment Products, and other similar investment pools (collectively, "Investment Funds") held in an Account may only be available to Client through a Baird program or service or may not be held at another firm. If such restrictions apply and Client terminates a service or closes an Account, Client will be required to sell or redeem such Investment Funds or exchange them for other Investment Funds that may be more costly to Client or have poorer performance. Client should consider restrictions applicable to investments carefully before participating in Baird programs or services. Client should contact Client's Financial Advisor for specific information as to how Account closure, termination of this Agreement, or asset transfers might impact the assets in Client's Accounts.

## 19. Amendment

Except to the extent prohibited by applicable law, Client understands, acknowledges and agrees that Baird may from time to time in its sole discretion update, change, or amend: (a) the terms or conditions applicable to a program, service, or Account; (b) any Baird Brochure or other disclosure document provided to Client; and (c) this Agreement, including without limitation, any Agreement Supplement, Advisory Account Schedule, Client Form or any other document provided to Client (each such update, change or amendment, an "Amendment"). Each such Amendment shall become effective immediately upon delivery to Client of a notice of such Amendment or at such later date specified in the notice. Client hereby consents to the delivery of any such notice by United States Mail, courier, or, if Client has consented to electronic delivery, any method of electronic delivery described in Section 13(d) of this Agreement. Client understands, acknowledges and agrees that Client's continued participation in a program or service or Client's continued maintenance of an Account following any such notice constitutes Client's consent, acceptance and agreement to the applicable Amendment. If Client does not wish to agree to an Amendment, Client may change programs or services, cancel a program, service or feature of an Account, or close the Account. Except as specifically permitted in this Agreement, no provision of this Agreement can be, nor deemed to be, waived, altered, modified or amended unless agreed to in writing and signed by Baird.

## 20. Assignment and Successors

This Agreement may not be assigned (within the meaning of the Advisers Act) by Baird with respect to any Advisory Account without the prior consent of Client. Baird may, at any time, assign this Agreement with respect to any non-Advisory Account, including Baird's rights, interests and obligations hereunder, in whole or in part, or delegate its responsibilities to any person or entity. Client hereby agrees that this Agreement and all the terms thereof shall be binding upon Client's heirs, executors, administrators, personal

representatives, successors and assigns. This Agreement shall inure to the benefit of Baird and any successor organization.

## 21. Governing Law

This Agreement shall be deemed to have been made in the State of Wisconsin and shall be construed, and the rights and obligations of the parties shall be determined, in accordance with the laws of the State of Wisconsin without regard to conflicts of laws principles; provided that nothing herein shall be construed in any manner inconsistent with the Advisers Act, ERISA or IRC (if applicable) or any rule or regulation of the SEC or a self-regulatory organization of which Baird is a member. This Section shall survive termination of this Agreement regardless of the reason for termination.

## 22. Entire Agreement and Counterparts

This Agreement, together with the Agreement Supplements, Advisory Account Schedules, Client Forms, and any other documents or Amendments delivered to Client from time to time, represent the entire agreement between the parties with regard to the matters described herein and therein. The Application and this Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

## 23. Severability and Headings

If any provision of this Agreement shall be held or made invalid, void or unenforceable by reason of any law, statute, rule, regulation, court or arbitration decision, administrative order, or otherwise, the remainder of this Agreement shall not be affected thereby and, to such extent, the provisions of this Agreement shall be deemed to be severable. The heading of each Section of this Agreement is for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such Section.

## 24. Questions, Inquiries, and Complaints

Client may obtain information about Baird, including its programs and services, history, management, various business groups and departments, and financial condition, from Client's Baird Financial Advisor or on Baird's website at [www.rwbaird.com](http://www.rwbaird.com). Client should direct all complaints to the Baird branch office listed on Client's Account statement. For questions and inquiries about Client's Accounts or Baird's services, Client may contact Client's Baird Financial Advisor or Baird's Client Services Department by telephone at (414)-765-3500 or 1-800-RW-BAIRD, or in writing at 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202, Attention: Client Services Department.

# Cash Management Program Supplement

This Cash Management Program Supplement (“Supplement”) supplements and is part of Client’s Client Relationship Agreement (the “Agreement”) with Robert W. Baird & Co. Incorporated (“Baird”). Capitalized terms used but not defined herein shall have their respective meanings ascribed to them in the Agreement.

Baird provides its Clients with the ability to enroll in Baird Cash Management or Simply Checking subject to the terms and conditions set forth in this Supplement. By electing Cash Management services, Client agrees to comply with the following terms and conditions as well as any additional terms and conditions communicated to Client by Baird from time to time:

## 1. Baird Cash Management Program

Baird Cash Management is an account service that consolidates investment, checking and saving into a single cash account at Baird. Cash Management consists of Cash Management Standard, Cash Management Select and Cash Management Premier, each offering distinct services subject to eligibility based on account balance minimums. All levels of the Cash Management service offer electronic funds transfer capabilities, checking, a debit card and awards points (subject to client eligibility). Client should discuss with Client’s Baird Financial Advisor or review the Schedule of Fees and Service Charges available on Baird’s website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor) for more information.

Baird’s approval of client’s application for Cash Management services may be conditioned upon Client carrying certain minimum account balances. Upon approval by Baird, Client will receive checks and, if applicable, a debit card.

## 2. Electronic Funds Transfers

Clients may request automated clearing house (“ACH”) or other electronic fund transfers (collectively, “EFTs”), to or from Client’s Baird Accounts, as permitted, through Client’s Baird representative, via Baird Online or other electronic means acceptable to Baird in Baird’s sole discretion. Client understands, acknowledges and agrees with respect to EFTs: (i) minimum transfer amounts may apply, (ii) all funds transferred to a Baird Account will not be available for withdrawal until Baird is assured that they have cleared, (iii) unless otherwise designated by Client in writing and agreed to by Baird, any funds electronically transferred into Client’s Baird IRA will be designated as a then-current year regular contribution, and (iv) if Client establishes a recurring EFT transfer, the recurring transfer will continue indefinitely unless Baird receives valid instructions in writing from Client to change or stop such recurring transfer.

## 3. Baird Simply Checking

Simply Checking allows Clients having specific account types, such as IRAs, UTMA or UGMA, or check writing privileges at no cost. Additional terms and conditions may apply and are subject to change by Baird upon notice to Client. Client should contact Client’s Baird Financial Advisor for more information.

Client acknowledges and agrees that checks, automatic transfers, or any other withdrawals from an IRA or other Retirement Account will be

considered distributions and reported as such to the IRS. In addition, Client understands that Baird cannot effect federal or state tax withholding on any such withdrawal from an IRA via check. As used herein, “checks” means checks or drafts issued to Client for use with the either Simply Checking or Cash Management. Client acknowledges and agrees Baird is not responsible for any taxes, penalties, or other consequences of any withdrawal or distribution made in any retirement account by any means through the use of the Simply Checking or Cash Management. For IRA Accounts, Client must be 59½ prior to the use of Simply Checking and include a Self Directed IRA Withdrawal Statement. In the case of a Roth IRA account, the Roth IRA must have been funded for at least five years.

## 4. Client Authorization

Client authorizes Baird to pay for checks written, debit card transactions, and securities transactions upon settlement date in accordance with the terms described in Section 11 of the Agreement. Baird will receive daily notification of any charges resulting from the checks or debit card issued in conjunction with Client’s Cash Management. Baird will make payment on Client’s behalf on the day Baird receives notice of the debit.

## 5. Checks/Debit Cards and Purchasing Power

Checks and debit cards permit access to Client’s Account and money market investments. Checks will be issued to both Simply Checking and Cash Management participants. Debit cards will be issued only to Cash Management participants. Automated teller machine (“ATM”) deposits cannot be made with the debit card.

Client acknowledges that Client’s purchasing power is dependent upon the value of Client’s investments as well as changes in the debit balance in the Account and check/debit card usage. As such, Client’s purchasing power may fluctuate from day to day. Client’s purchasing power is reduced at the time the issuer of the card (the “Card Issuer”) is notified of use of the card and not at the time the applicable sales draft or cash advance is paid. Client acknowledges and agrees that Client’s purchasing power may not be increased to reflect the proceeds of any checks credited to Client account for up to 15 calendar days following their receipt and, except as otherwise required by applicable law, for up to six calendar days following the receipt of funds credited electronically to Client’s account.

Subject to applicable minimum amounts, as determined by Baird in Baird’s sole discretion, and to available funds, checks may be written in any amount. Checks may be written for any purpose except that Client may not use Cash Management checks to purchase securities through Baird, to purchase money market investments through Baird, or to make payments on outstanding borrowings in the margin account through Baird. Checks will not be returned to Client. The Card Issuer reserves the right to pay post-dated checks, although it is not obligated to do so. The Card Issuer further reserves the right not to pay checks that it determines, in its sole discretion, are incomplete or improperly completed. Any check that would cause Client to exceed purchasing power as described above may not be honored.

## 6. Stop Payments

Client may request that the payment of checks be stopped. In order to stop payment, Client must call Client's Baird Financial Advisor or the Cash Management Client Services Information Line at 1-888-792-7526 for a Cash Management Client Service Representative. Client must provide the exact amount of the check, the number, date, and payee of the check and the Account number. If that information is incorrect, untimely, or Client does not promptly comply with a request for other reasonable information about the check, neither Baird nor the Card Issuer will be responsible if the check cannot be stopped. Upon receiving notice from Client, Baird will make every reasonable attempt to stop payment; however, in the event Baird fails for any reason to stop payment on a check, Baird may, without liability, delay re-crediting Client's account while Baird determines the rights of the parties involved, including the Card Issuer. Client agrees that Baird has no responsibility to ensure success of any stop payment request and shall not be liable if any request to stop payment is not successful. In addition, neither Baird nor the Card Issuer will be liable if, through inadvertent payment contrary to a request to stop payment, other items drawn on Client's account are returned unpaid.

## 7. Foreign Currency

When the debit card is used to make a purchase or obtain a cash advance in a foreign currency, the amount charged to Client's Account depends in part on the conversion rate used by Card Issuer's system in effect on the day the transaction is processed. The conversion rate also depends on the foreign currency involved and will be either a government-mandated rate or a wholesale rate determined by Card Issuer. Card Issuer may also add a fee based upon the amount of the transaction charged to Client's account. This method of currency conversion is subject to change by Card Issuer without notice. The applicable conversion rate may vary from that in effect when the transaction is executed.

## 8. Transactions Exceeding Purchasing Power

Client will be considered to be in default if Client incurs charges (e.g., checks, point-of-sale transactions, ATM withdrawals, etc.) in Cash Management or Simply Checking that exceed Client's purchasing power. Default may result in, among other things, termination of Cash Management by Baird in Baird's sole discretion. Any check that would cause Client to exceed purchasing power as described previously may not be honored.

## 9. Termination of Services

Client may terminate Simply Checking or Cash Management, including the use of Client checks or debit cards, if applicable, by contacting Client's Baird Financial Advisor. Baird may terminate Simply Checking or Cash Management, including the use of Client checks or debit cards, if applicable, at any time with or without notice to Client. Client shall remain responsible for any and all authorized charges that arise before or after such termination. Upon any termination, Client may redeem or withdraw all Client money market investments and Client shall promptly return all unused checks and any debit cards to Baird or the Card Issuer. Failure to do so may result in a delay in Baird's execution of Client's instructions regarding the disposition of securities and other property to Client.

The Agreement, this Supplement and other terms and conditions communicated by Baird to Client from time to time shall cover,

individually and collectively, all Simply Checking and all Cash Management levels of service, which Client may open or reopen with Baird (or which Client may guarantee), and shall inure to the benefit of Baird's successors and assigns, and shall be binding upon Client's personal representatives, successors, and assigns. For the avoidance of doubt, this Agreement shall continue in force even if Client's Accounts are closed and subsequently reopened.

## 10. Fees

Baird may charge an annual fee for the provision of any of the services described herein. Additional fees, such as fees imposed for the printing of non-standard checks and for stop payment orders on checks and preauthorized debits, may be charged by Baird. Client acknowledges that client may incur ATM charges for ATM withdrawals, depending upon the ATM vendor. Such ATM charges will be directly debited from Client's Baird account with Cash Management. Baird may impose a fee for each attempted transfer if such transfer is rejected by Baird or other institutions due to insufficient or uncollected funds in an account. Baird and any other service providers or banks that support services included with Cash Management reserve the right to change current or to implement additional fees or charges at any time without notice to Client. Additional fee information is available on Baird's website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

## 11. Liability

Client agrees to be liable for all transactions arising through the use of the checks and debit card(s) or other applicable services in connection with Cash Management or Simply Checking. Client is responsible, on a continuing basis, for the safekeeping of checks and debit card(s) and shall not permit unauthorized persons to have access to checks or debit card(s). Client is also responsible for promptly reviewing Client's Baird Client Statement in order to discover and report to Baird the possible unauthorized use of checks and debit card(s) or other applicable services in connection with Cash Management or Simply Checking. Client agrees to notify Baird immediately if Client believes or has reason to believe that Baird checks or debit card(s) have been or may be used by an unauthorized person. Except as provided by applicable law, Client shall be responsible for any and all losses and damages that arise from Client's failure to adequately safeguard checks and debit cards.

## 12. Agreement Not to Dispose of Account Assets

Client agrees that Client will not dispose of or otherwise encumber the securities or other assets in Client's Account or any other securities account Client has with Baird, if such disposal or encumbrance will adversely affect Client's ability to pay for check or debit card transactions. However, Client may continue to trade securities in the Account.

## 13. Account Inquiries

Client should contact Client's Baird Financial Advisor for all inquiries regarding Cash Management or Simply Checking. Client may also discuss potential errors with Client's Baird Financial Advisor or call 1-888-792-7526.

## 14. Direct Deposit Services

Clients with a Baird Account that has Cash Management may elect to enroll in Direct Deposit services. The Direct Deposit services, available free of charge, allows Client to have any payroll, pension, social





security, or other recurring payments deposited directly into Client's Account with Cash Management. For information regarding this service, Clients should contact their Baird Financial Advisor or call 1-888-792-7526.

## eBill Management Program Supplement

This eBill Management Program Supplement (“Supplement”) supplements and is part of Client’s Client Relationship Agreement (the “Agreement”) with Robert W. Baird & Co. Incorporated (“Baird”). Capitalized terms used but not defined herein shall have their respective meanings ascribed to them in the Agreement.

Baird provides those Clients enrolled in Baird Cash Management the ability to enroll in eBill Management via Baird Online. By electing eBill Management, Client agrees to comply with the following terms and conditions as well as any additional terms and conditions communicated to Client by Baird from time to time:

### 1. eBill Management

By electing eBill Management, Client will be provided access to the eBill Management online bill delivery, payment, and management services and the data available therein (the “Data”). Client will be issued a password for eBill Management. This password is separate and distinct from Client’s Baird Online User ID and password. Client will use Client’s Baird Online User ID and Baird Online password, as well as Client’s eBill Management password to access eBill Management through Baird Online or via a mobile application. Client acknowledges that the eBill Management services will be provided by Baird or a third-party provider (“Provider”), selected by Baird. For questions about eBill Management, Client should call 1-888-792-7526 option 5.

### 2. Account Funds, Returned Payments and Late Fees

Client acknowledges and agrees that Client may direct that particular payments from Client’s Baird Account via eBill Management. Client acknowledges and agrees Client is solely responsible for maintaining sufficient funds in Client’s Account to cover any and all transactions effected through eBill Management. A payment may be sent to any Client-designated payee, even if sending such payment results in Client’s Account being overdrawn. Client acknowledges and agrees that failure by Client to maintain sufficient funds in Client’s Account for eBill Management transaction payments will result in payment collections by Provider and may result in the termination of Client’s access to eBill Management. Baird shall not be liable for any overdraft or for any insufficient funds related charge (including but not limited to, finance charges or late fees) caused by Client’s failure to maintain sufficient funds in Client’s Account or resulting from a failure by Provider or any other party to take any action.

### 3. Authority to Debit Client Account(s)

Client agrees to permit Provider, which Baird has contracted for this service, to debit Client’s Account in order to pay for Client’s directed payments. Such debit may take the form of a demand draft written against Client’s Account, an Automated Clearing House (ACH) entry, or another electronic transfer, as determined in Provider’s sole discretion. Client understands may incur service fees as a result of such debit transactions.

### 4. Prohibited Payments

Client agrees that Client shall not use eBill Management to make payments to any payee outside the United States or any payment prohibited by applicable law. In addition, Client acknowledges that the following types of payment will be made at Client’s sole risk and are

strongly discouraged: (1) tax payments to the IRS, the state, or any governmental agency; (2) court-ordered payments, including but not limited to, child support and alimony payments; and (3) any payment to an insurance company. Client acknowledges that Baird shall be under no obligation to notify Client if Client attempts to make a payment that is prohibited or discouraged under this paragraph. Further, Client agrees that Baird shall not be liable to Client or any third party if such a payment is not made as directed by Client.

### 5. Cancelling eBill Management

Client can either contact payees directly to facilitate changing billing addresses or allow eBill Management to contact Client’s payees and request a change of billing address. If Client uses eBill Management to change billing addresses, eBill Management shall assess Client a fee for each change of address.

### 6. Term and Termination

To remove eBill Management from an Account, Client should call 1-888-792-7526 and speak to an eBill Management representative. Client acknowledges that termination of eBill Management shall result in the immediate cancellation on Client’s behalf of all pending payments and electronic bills as of the day of receipt by Baird of Client’s direction to terminate. Client shall not receive a refund of any service fee assessed for the period prior to the date of termination. Client acknowledges that Baird, Provider or applicable third parties may cancel or suspend eBill Management, in whole or in part, at any time and without prior notice to Client. Cancellation or suspension shall not affect Client’s outstanding liabilities or obligations hereunder.

### 7. Damages

Baird shall not be liable, in any event, for any loss, injury, or damages, whether direct, indirect, special, incidental, exemplary, or consequential, including lost profits, caused by Provider, eBill Management or Client’s use thereof, or arising in any way out of the installation, use, or maintenance of client’s personal computer hardware, software, equipment, or internet access service.

### 8. Warranties

The eBill Management service is offered to Client by a third-party. The data is provided by Client or applicable third parties. Unless the disclaimer of such warranties is prohibited by applicable law, Client expressly agrees that use of eBill Management and the data contained therein by any means is at Client’s sole risk, and that eBill Management and the data contained therein are provided “as is,” and Baird makes no warranties, including without limitation, warranties, either express or implied, with respect to eBill Management, including, without limitation, the warranties of merchantability and fitness for a particular purpose.

## Client Margin Agreement Supplement

This Client Margin Agreement Supplement (“Margin Agreement”) supplements and is part of Client’s Client Relationship Agreement (“Client Relationship Agreement” or “Agreement”) with Robert W. Baird & Co. Incorporated (“Baird”). Capitalized terms used but not defined herein shall have their respective meanings ascribed to them in the Client Relationship Agreement.

In consideration of Baird opening or maintaining a Margin Account for Client, Client agrees to comply with the following terms and conditions as well as any additional terms and conditions communicated to Client by Baird from time to time:

### 1. Client Acknowledgement

Client acknowledges by applying for a Margin Account, that Client has carefully considered all of the factors set forth in this Margin Agreement, the *Margin Risks Disclosure Statement*, which is attached hereto, and the Client Relationship Agreement and agrees that the use of margin borrowing is suitable for Client given Client’s financial condition, tolerance for risk and investment objectives. Client acknowledges that borrowing on margin involves a high degree of risk. Client should discuss the use of margin with Client’s Baird Financial Advisor before engaging in margin transactions.

### 2. Other Agreements

In addition to the terms and conditions stated in this Margin Agreement, Client acknowledges and agrees that Client’s Margin Account will be subject to the terms and conditions of all other agreements entered into between Baird and Client relating to the purchase and sale of securities including but not limited to the Client Relationship Agreement or any successor agreement, except to the extent that such other agreements are contrary to or inconsistent with this Margin Agreement. Those agreements are incorporated herein by reference as a part of this Margin Agreement.

Client hereby represents, warrants and agrees Client has received and read a copy of the Client Relationship Agreement, this Margin Agreement and the Margin Disclosure Statement and shall abide by the terms of each as currently in effect or as they may be amended from time to time. For the avoidance of doubt, all provisions of the Agreement not in conflict with the provisions contained herein shall apply to Client’s Margin Account. Client specifically acknowledges and agrees that the provisions of the Agreement related to securities transactions and settlement, payment of indebtedness, limitation of Baird’s liability to Client, provisions applicable to joint accounts, sales by Client, the delivery of securities, cancellation of orders, confirmations and statements, and information regarding Securities Investor Protection Corporation or “SIPC” protection shall apply to Client’s Margin Account.

### 3. Margin Transactions

Margin transactions involve the extension of credit by Baird to Client. Upon Client’s request and subject to the terms and conditions stated herein, Baird may agree to lend funds to Client. The assets held in Client’s Margin Account constitute collateral for the loan to Client. Baird may borrow money to lend Client and pledge securities as collateral for such loans and may receive compensation in connection

with such loans. In consideration of the foregoing, Client acknowledges and agrees as follows:

#### (a) Loan or Pledge of Securities and Other Property

Client hereby authorizes Baird (without notice to Client) to lend either to itself or to others any securities or other property held by Baird in Client’s Margin Account and to carry such property in its general loans. Such securities or other property may be pledged, repledged, hypothecated, or rehypothecated either separately or together with securities or other property of other Baird Clients for any amounts due to Baird thereon or for a greater sum. Client agrees that Baird shall have no obligation to retain a like amount of similar property in Baird’s possession or control.

#### (b) Interest

As further described herein, Baird will charge interest on outstanding loan amounts and other debit balances in Client’s Margin Account. Interest will be charged in accordance with Baird’s established custom, as disclosed to Client pursuant to the provisions of Rule 10b-16 of the Exchange Act.

#### (c) Liquidation and Covering Positions

Client understands that Baird shall endeavor, but shall not be obligated to, provide Client with notice of a margin deficiency. As such, Baird may, but shall not be obligated to request additional collateral from Client if Client’s Margin Account falls below minimum maintenance requirements. Baird may liquidate securities or other property in Client’s Margin Account without notice to Client to ensure that minimum maintenance requirements are satisfied.

Client acknowledges and agrees that Baird may in Baird’s sole discretion whenever Baird considers it necessary for Baird’s protection, require Client to post additional collateral to the Margin Account or effect the liquidation of any securities and other property in the Margin Account. Situations in which Baird may exercise this right include but shall not be limited to: (i) the failure of Client to promptly meet any call for additional collateral; (ii) the filing of a petition in bankruptcy by or against Client; (iii) the appointment of a receiver is filed by or against Client; (iv) an attachment is levied against any account or Margin Account of Client or any Baird account in which Client has an interest; or (v) upon Client’s death. Baird is authorized to sell any and all securities and other property in any Client account, whether carried individually or jointly with others, to buy all securities or other property that may be short in such account(s), to cancel any open orders and to close any or all outstanding contracts, all without demand for margin or additional margin, other notice of sale or purchase, or other notice or advertisement, each of which is expressly waived by Client. Any such sales or purchases may be made in Baird’s sole discretion, on any exchange or in any market where such business is usually transacted, or at public auction or private sale. In such an event, Baird may be the purchaser for Baird’s own accounts. A prior demand, or call, or prior notice, of the time and place of such sale or purchase, shall not be considered a waiver of Baird’s right to sell or buy without demand or notice as herein provided.

#### 4. Margin and Maintenance Calls

Client agrees to maintain adequate positions and margins, as required by all applicable statutes, rules, regulations, procedures and customs, or as Baird deems necessary or advisable in all Client's Margin Accounts. Client agrees to promptly satisfy all margin and maintenance calls.

#### 5. Margin Interest

##### (a) General Information Regarding Interest Charges

Clients carrying a Margin Account with Baird will be charged interest on credit extended by Baird for the purpose of making transactions in securities or for any other purpose. Information concerning interest computations and charges will be disclosed to clients in their account statements. The annual rate of interest charged on outstanding debit balances, including loans extended by Baird to Client, is equal to the "Base Rate" (as defined below) plus or minus a "Specified Percentage" (as defined below). The "Base Rate" will be determined by Baird by reference to a number of factors, which may include commercially recognized interest rates (such as the broker call rate, the prime rate, the Federal funds or any successor rates), Baird's cost of capital, industry conditions relating to extension of margin credit, and general market and competitive considerations. Baird may change the Base Rate at any time without prior notice to Client in the event of a change in any of the foregoing factors. The current Base Rate is posted on Baird's website at [www.rwbaird.com/loanrates](http://www.rwbaird.com/loanrates). A change in the Base Rate will generally be reflected in the daily interest that is charged to Client's Margin Account beginning on the first business day following the change and will be disclosed on Client's account statement. The "Specified Percentage" applied to adjust the Base Rate to determine the annual rate of interest on the outstanding debit balance in each of Client's Margin Accounts is set by Baird each month based on both the highest debit balance in any of the Margin Accounts among Client's Baird Household Accounts (as defined below) and the aggregate net value of Client's Baird Household Accounts (after subtracting the aggregate outstanding debit balances across those accounts) as of the end of the previous month. As used herein, the term "Household Accounts" means Client's individual and joint accounts and accounts related to Client that share the same address and, at Client's request, are consolidated for statement mailing purposes.

##### (b) Specified Percentages

The following table shows the Specified Percentages based on various ranges of debit balances and Household Account values. The applicable interest rate charged on Client's outstanding debit balance in each of Client's Margin Accounts is calculated by adding the Specified Percentage to the Base Rate (please note that when the Specified Percentage is negative, the applicable interest rate will be less than the Base Rate).

HIGHEST DEBIT BALANCE	HOUSEHOLD ACCOUNT VALUE (AFTER NETTING AGGREGATE DEBIT BALANCES)			
	\$0 TO \$249,999	\$250,000 TO \$999,999	\$1,000,000 TO \$1,999,999	\$2,000,000 AND ABOVE
\$0 TO \$19,999	2.750%	2.125%	1.375%	0.750%

HIGHEST DEBIT BALANCE	HOUSEHOLD ACCOUNT VALUE (AFTER NETTING AGGREGATE DEBIT BALANCES)			
	\$0 TO \$249,999	\$250,000 TO \$999,999	\$1,000,000 TO \$1,999,999	\$2,000,000 AND ABOVE
\$20,000 TO \$49,999	2.250%	1.625%	1.000%	0.625%
\$50,000 TO \$99,999	1.625%	1.125%	0.625%	0.250%
\$100,000 TO \$249,999	1.000%	0.625%	0.250%	0.125%
\$250,000 TO \$499,999	N/A	0.375%	0.125%	-0.125%
\$500,000 TO 999,999	N/A	0.125%	-0.125%	-0.375%
\$1,000,000 TO \$1,999,999	N/A	N/A	-0.375%	-0.625%
\$2,000,000 AND ABOVE	N/A	N/A	N/A	-0.750%

As an example, if Client has four Baird Household Accounts with values of \$800,000, \$500,000, \$100,000 and \$25,000 (for a total of \$1,425,000), and two of those accounts are Margin Accounts with outstanding debit balances of \$400,000 and \$150,000 (for a total of \$550,000), the net Household Account Value after subtracting the aggregate outstanding debit balances is \$875,000, and the highest debit balance is \$400,000. Thus, applying the table above, the Specified Percentage for the two Margin Accounts would be 0.375%.

##### (c) Changes to Base Rate

Baird may change the Base Rate at any time without having to provide written notice to the Client. However, when Baird changes the Specified Percentage table, Client will be given prior written notice; provided, however, that if a change in terms or conditions results in a lower rate of interest to Client, written notice may be given within a reasonable time after the effective date of the change. No notice is given for changes to the Base Rate or to the interest rate charged to Client due to fluctuations in the aggregate debit balance or value of Client's Household Accounts. Client may obtain current interest rate information is available on [www.rwbaird.com/loanrates](http://www.rwbaird.com/loanrates) or by contacting Client's Baird Financial Advisor.

##### (d) Method of Computing Interest

Interest will be computed and charged separately for each Margin Account maintained at Baird, as described below. Interest is charged on a daily basis for those days on which a Margin Account carries a net debit balance. The daily interest charge is equal to the net debit balance on that day multiplied by the applicable interest rate and divided by 360. Daily interest charges are accumulated into a monthly total, and the monthly total is charged to the Margin Account on the third to last business day of each calendar month. Baird's margin interest period runs from the second to last business day of the prior month's statement period through the third to last business day of the current month's statement period. The daily net debit balance includes



any credit and debit balances in Client's cash and Margin Accounts during the period. The total interest for a Margin Account during a particular interest period is computed by totaling the daily interest charges for that period. Client's account statements will show the average daily net debit balances, the number of days in which those balances were outstanding, the interest rates charged during the period and the amount of interest charged.

**(e) Short Sales and "Marking to the Market"**

When Client sells a security short, the interest charged to Client will be computed daily based upon the market value of the securities sold short by Client and adjusted or "marked to market" daily by Baird. For example, when a security sold short by Client increases in market value, the interest that may be charged to Client will increase. Conversely, when a security sold short by Client declines in market value, the interest that may be charged to Client will decrease. Calculations for marking to the market will be made each business day.

**(f) Additional Collateral**

Baird may require Client to deposit additional collateral in the form of cash or securities in accordance with rules and regulations promulgated by the SEC, the Board of Governors of the Federal Reserve System, the New York Stock Exchange, or any other regulatory agency, to whose jurisdiction Baird may be subject. In addition, Baird may, in Baird's sole discretion, require Client to deposit additional collateral in the form of cash or securities when it determines that such additional collateral is needed as security for Client's obligations to Baird.

**6. Credit Investigation**

In consideration of Baird's agreement to open Client's Margin Account, Client authorizes Baird to inquire from any source, including a consumer reporting agency, as to Client's creditworthiness and ongoing eligibility for the Margin Account including, without limitation, Client's business conduct, at any time, throughout the life of the Margin Account, and thereafter for debt collection or investigative purposes. If such an investigation is conducted, Client understands Client has the right to make a written request, within a reasonable period of time, for a complete and accurate disclosure of the nature and scope of such investigation.

**7. Conflicts of Interest and Client Use of Margin**

Client understands, acknowledges and agrees that: (a) because Client will pay interest to Baird on the outstanding balance of Client's margin loan, Baird has an incentive to recommend that Client use Margin; (b) Baird and Baird Financial Advisors also have an incentive to recommend that Client use Margin to buy securities, because a margin loan allows Client to make larger securities purchases and retain assets in Client's Accounts instead of liquidating securities to fund a cash need, which increases the potential transaction-based fees, asset-based fees, and trail fees Baird earns on Client's Accounts; and (c) because the interest Baird receives and any asset-based fees Baird earns on Client's Margin Account increases as the amount of Client's margin loan increases, Baird and Client's Baird Financial Advisor also have an incentive to recommend that Client continue to maintain Client's margin loan balance with Baird at high levels.

**8. Successors**

Client hereby agrees that this Agreement and all the terms thereof shall be binding upon Client's heirs, executors, administrators, personal representatives and assigns. This Agreement shall inure to the benefit of Baird's present organization and any successor organization, irrespective of any change or changes at any time in the personnel thereof, for any cause whatsoever.

**9. Governing Law**

This Agreement shall be deemed to have been made in the State of Wisconsin and shall be construed, and the rights and obligations of the parties shall be determined, in accordance with the laws of the State of Wisconsin without regard to conflicts of laws principles; provided that nothing herein shall be construed in any manner inconsistent with ERISA (if applicable) or any rule or regulation of the SEC or a self-regulatory organization of which Baird is a member.

**10. Severability**

If any provision of the Agreement is held to be invalid, void or unenforceable by reason of any law, rule, administrative order or judicial decision, that determination shall not affect the validity of the remaining provisions of the Agreement.

**11. Amendment**

Except to the extent prohibited by applicable law, Client understands, acknowledges and agrees that Baird may from time to time update, change, or amend, in its sole discretion, this Margin Agreement (each such update, change or amendment, an "Amendment"). Each such Amendment shall become effective immediately upon delivery to Client of a notice of such Amendment or at such later date specified in the notice. Client hereby consents to the delivery of any such notice by United States Mail, courier, or any method of electronic delivery described in this Margin Agreement or the Client Relationship Agreement. Client understands, acknowledges and agrees that Client's continued use of Baird's services under this Margin Agreement following any such notice constitutes Client's consent, acceptance and agreement to the applicable Amendment, and that if Client does not wish to agree to an Amendment, Client may close the Margin Account. Except as specifically permitted in this Margin Agreement, no provision herein can be, nor deemed to be, waived, altered, modified or amended unless agreed to in writing and signed by Baird. Except as specifically permitted in this Agreement, no provision of this Agreement can be, nor shall be deemed to be, waived, altered, modified or amended unless such is agreed to in writing signed by Baird.

**12. Headings**

The headings of each provision of this Agreement is for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such provision.

## Margin Risks Disclosure Statement

Before trading stocks in a margin account you should carefully review the margin agreement which you signed when you established the margin account. Please consult your Baird Financial Advisor regarding any questions or concerns you may have with your margin accounts.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from Baird. If you choose to borrow funds from Baird, you will open a margin account. The securities in the margin account are Baird's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan. And, as a result, Baird can take action, such as issue a margin call and sell securities in your account in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

***You can lose more funds than you deposit in your margin account.***

A decline in the value of securities that are purchased on margin may require you to provide additional funds to Baird to avoid the forced sale of those securities or other securities in your account.

***Baird can force the sale of securities in your account.***

If the equity in your account falls below the maintenance margin requirements under the law, or Baird's higher "house" requirements, Baird can sell the securities in your account to cover the margin deficiency. You will be responsible for any shortfall in the account after such a sale.

***Baird can sell your securities without contacting you.***

Some investors mistakenly believe that Baird must contact them for a margin call to be valid, and that Baird cannot liquidate securities in their accounts to meet the call unless Baird has contacted them first. This is not the case. Baird will attempt to notify their customers of margin calls, but is not required to do so. However, even if Baird has contacted you and provided a specific date by which you can meet a margin call, Baird can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to you.

***You are not entitled to choose which security in your margin account is liquidated or sold to meet a margin call.***

Because the securities are collateral for the margin loan, Baird has the right to decide which security to sell in order to protect its interests.

***Baird can increase its "house" maintenance margin requirements at any time and is not required to provide you with advance written notice.***

These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause Baird to liquidate or sell securities in your account. In addition, Baird may refuse to accept certain securities as collateral in a margin account and may increase margin requirements on certain volatile, illiquid or highly concentrated securities.

***You are not entitled to an extension of time on a margin call.***

While an extension of time to meet margin requirements may be available to clients under certain conditions, you do not have a right to the extension.

***You may lose shareholder proxy voting rights if your shares are lent out by Baird during a voting period.***

When you maintain a margin account debit balance at Baird, the securities used as collateral for the margin loan may be lent by Baird to other brokerage firms or institutions for various reasons. If your shares are lent out, the right for you to vote on the shares is granted to the borrower of the shares. As a result, you may not be able to vote on shares held as collateral in your margin account.

***You may receive payments-in-lieu of dividends (potentially taxed at a higher rate) where your shares are lent out over the dividend record date.***

Substitute payments in lieu of dividends may be generated where a security has been used as collateral in your margin account over a dividend record date. If you maintain a margin account debit balance, securities in the account are often eligible to be lent to another brokerage firm or institution. In the event your margined shares are lent over a record date, you may receive a substitute payment equivalent to the amount of the dividend but taxable at ordinary income tax rates, which may be much higher than the tax rate on qualified dividends. In the event fewer shares are lent out from margin accounts than are eligible to be lent by Baird, a random selection process is used to determine which accounts will receive the substitute payments instead of the dividend. You should review the taxability of payments-in-lieu of dividends with your tax advisor.

## IRA Custodial Supplement

This IRA Custodial Supplement (“Supplement”) supplements and is part of Client’s Client Relationship Agreement (the “Agreement”) with Robert W. Baird & Co. Incorporated. Capitalized terms used but not defined herein shall have their respective meanings ascribed to them in the Agreement.

By opening an IRA through Baird, Client hereby engages Baird Trust Company, a full-service trust company and affiliate of Robert W. Baird & Co. Incorporated (“Baird Trust” or “trustee”), to serve as trustee of Client’s IRA. In consideration of Baird Trust, in its capacity as trustee (Baird Trust in such capacity, together with its duly authorized agents including Robert W. Baird & Co. Incorporated, hereinafter, “Baird”), establishing and maintaining an IRA on behalf of Client, Client, in Client’s capacity as grantor or participant (hereinafter, “Client”, “grantor” or “participant,” as appropriate), and Baird, in respect of such IRA, agree as follows:

### 1. Trustee and IRA Administration

Baird Trust Company will serve as trustee of Client’s Baird IRA. Baird Trust’s principal place of business is located at:

Baird Trust Company  
500 W Jefferson St Suite 2600  
Louisville, KY 40202

Client understands, acknowledges and agrees that Baird Trust delegates certain services to third parties, including affiliates, from time to time and that Robert W. Baird & Co. Incorporated provides custody of Client’s Baird IRA and other administrative services to Baird Trust with respect to the administration of Client’s Baird IRA subject to and in accordance with the terms of the Agreement and this Supplement.

### 2. Scope and Purpose

Subject to the terms and conditions set forth in each Individual Retirement Account Agreement (each an “IRA Agreement”) attached as Appendices 1-3 to this Supplement, and the terms and conditions of this Supplement and the Agreement, Client may establish one or more of the following types of IRA plans (each an “IRA Plan”): (i) Traditional IRA, (ii) Roth IRA and (iii) SIMPLE IRA. Each of the IRA Agreements is a model agreement that has been pre-approved by the Internal Revenue Service (“IRS”) meeting the requirements set forth by applicable regulation. However, neither the Agreement nor this Supplement have been reviewed by or pre-approved by the IRS. In addition, please note that while Appendices 1-3 contain instruction and information verbatim from the official corresponding IRS form, the IRS has not revised or otherwise updated those forms since April 2017, so neither the Appendices nor the IRS forms reflect certain changes in the law, such as increased contribution limits and new rules for how required minimum distributions now operate. To the extent applicable, this Supplement and the following IRA Disclosure Statement provide additional guidance regarding such changes, but you should also consult with your own tax advisor regarding taxes and financial information that may be applicable to your situation.

An IRA Plan is established after the Individual Retirement Account Application (the “Application”) is executed by Client and accepted by

Baird. Each IRA Plan, and any Account established under an IRA Plan is established for the exclusive benefit of Client and his or her beneficiaries. The Agreement, this Supplement and the administration of Client’s IRA Plan shall at all times be subject to the Internal Revenue Code of 1986, as amended (the “Code” or “IRC”) and other applicable law (in addition, references to “applicable law” used throughout this Supplement and any of its subparts or appendices shall be deemed to also include any corresponding or applicable regulation or ruling).

### 3. Additional IRA Plan Accounts

After establishing one or more IRA Plans, Client generally will be able to open new Accounts under such IRA Plan simply by providing instructions verbally or in writing (including by e-mail) to Client’s Baird Financial Advisor without having to sign new paperwork. For example, if Client has established a Traditional IRA and wishes to establish additional Traditional IRA Accounts at Baird, Client may do so without signing additional paperwork. If, however, Client wishes to establish a new IRA Plan (such as, for instance, a Roth IRA in addition to Client’s Traditional IRA), additional paperwork and a new signature will be required to establish the new IRA Plan. Client hereby authorizes Baird, its associates and their designees to accept any verbal or written instruction that Client or Client’s Agent may from time to time provide to Baird. Notwithstanding the foregoing, Client understands, acknowledges and agrees that Baird may require Client to sign additional paperwork if Baird deems it necessary or appropriate to do so.

Client understands and agrees, should Baird allow Client to establish one or more additional Accounts under an existing IRA Plan, any new Account established without separate signed paperwork will be established to mirror the characteristics of the most recently-established Account under such IRA Plan, including without limitation any on-demand distribution or withholding instructions and beneficiary designations then-existing on such Account. **Client acknowledges and agrees that, following the creation of such an additional Account, Baird may, in Baird’s sole discretion, require new paperwork to change or modify the characteristics of the additional Account, including Client’s named beneficiaries or on-demand distribution and withholding instructions.**

Any time Client opens a new Account, Client understands and acknowledges that Baird may send Client a new or amended Agreement, Agreement Supplement or other agreement or documentation related to Client’s new or existing Accounts at Baird. Client agrees that each such document provided by Baird to Client in the future is a part of this Supplement and Client agrees to be bound by all of the applicable terms and conditions contained in those documents. Client should carefully review such documentation upon receipt.

Client acknowledges and agrees that, as described in Section 18 of the Agreement, changes requested by Client may not become effective immediately.

## 4. Distributions

### **(a) Generally**

Client may instruct Baird to make a distribution of all or part of Client's IRA at any time. In Baird's sole discretion, Baird may require any such distribution instruction be in writing. Client agrees: (i) Client is solely responsible for determining whether Client's election to withdraw all or a portion of Client's IRA will result in the imposition of withdrawal penalties or taxes, or in any other liabilities, and (ii) Client is solely responsible for any penalties, taxes, liabilities or losses caused by or related to a distribution from Client's IRA, including Client's request to take a distribution or Client's failure to take a required distribution.

### **(b) Traditional and SIMPLE IRA Plans**

Client acknowledges Client must begin taking required minimum distributions as further described herein. If Client fails to request Client's required minimum distribution by Client's required beginning date, Baird may, in Baird's sole and complete discretion, take any of the following actions: (i) make no distribution until Baird has received a valid withdrawal request, (ii) distribute Client's entire IRA to Client in a single payment, (iii) determine Client's required minimum distribution based on Client's life expectancy, calculated using the uniform lifetime table in Regulations Section 1.401(a)(9)-9, and pay those distributions to Client until Client instructs Baird otherwise. Baird will not be liable for any penalties, taxes, liabilities or losses related to Client's failure to take, or instruct Baird to distribute, a required minimum distribution.

### **(c) Roth IRA Plans**

Client will not be obligated to take required distributions from Client's Roth IRA, regardless of Client's age. Upon Client's death, however, Client's named beneficiaries must begin taking distributions in accordance with Article V of Appendix 2 or as otherwise required by law. Baird will not be liable for any penalties, taxes, liabilities, or losses related to any beneficiary's failure to take, or instruct Baird to distribute a minimum required distribution.

## 5. Client Representations and Agreement

Client represents and warrants to Baird and agrees as follows: (i) any information or instruction provided to Baird with respect to Client's IRA Accounts and this Supplement is complete and accurate, (ii) Baird may rely upon, and shall not have any liability for, such information or any instruction by Client, (iii) Baird shall not be responsible for any penalties, taxes, judgments, liabilities, losses or expenses Client incurs in connection with an IRA, including any distribution from Client's IRA (iv) if Client resides in or has established Client's IRA in a state with marital or community property statutes (or that has similar rules and regulations) and does not designate Client's spouse as the sole primary beneficiary of Client's IRA, Client represents and warrants Client's spouse has consented to such designation, (v) Baird has no duty to determine whether the contributions or distributions comply with the Code, applicable regulations or rulings or this Supplement, and (vi) Baird shall not be required to investigate or inquire about any statement contained in any document presented and may accept any such documents as true and accurate.

## 6. Beneficiaries

### **(a) Designation of Beneficiaries**

Client may designate one or more persons or entities as beneficiary of Client's IRA Accounts. Initial designation or future modification of Client's beneficiaries may only be made in a format provided by or acceptable to Baird in Baird's sole discretion. Client's designation of beneficiaries will be in effect until changed or cancelled by Client or as Baird otherwise determines is required by law.

### **(b) Revocation of Prior Beneficiary Designations**

Unless Baird otherwise determines is required by law, each beneficiary designation Client provides to Baird will cancel all prior beneficiary designations for the Account(s) specified. No consent of any named beneficiary shall be required to revoke Client's beneficiary designation.

### **(c) Administration of IRA Upon Client's Death**

#### **(i) Generally**

If Client dies before receiving all amounts in Client's IRA, payments from Client's IRA will be made to Client's beneficiaries. Baird has no obligation to make payment to Client's beneficiaries unless and until Baird is notified of Client's death and is in receipt of a valid death certificate or such other documentation or confirmation deemed acceptable to Baird in Baird's sole discretion. Any distribution to Client's named beneficiary(ies) shall be made in accordance with applicable law.

Client may indicate per stirpes distribution for one or more named beneficiaries. If Client indicates a per stirpes distribution for a named beneficiary and such beneficiary predeceases Client, Baird will distribute such beneficiary's portion to his or her living children (natural or legally adopted, not including step-children), if any, in equal shares. If Client's named beneficiary predeceases Client and has no living children or Client has not indicated per stirpes distribution with respect to such a beneficiary, his or her portion will be distributed to the other named beneficiaries (primary or contingent (if no primary beneficiaries survive Client), as appropriate), if any, in equal shares. Client understands Baird's distribution of per stirpes as described herein may differ from the definition of per stirpes under state law, Client's will or trust.

If Client does not designate a beneficiary or if all Client's primary and contingent beneficiaries predecease Client, Client's estate will be the beneficiary of Client's IRA.

If Baird determines, in Baird's sole discretion, that any beneficiary designation referenced hereunder is not clear in any way, including with respect to the amount of the distribution, the date on which the distribution is to be made, or the identity of the party or parties who will receive the distribution, Baird shall have the right to consult counsel and/or institute legal proceedings to determine the proper distribution of the IRA, all at the expense of the IRA, before distributing or transferring the IRA.

#### **(ii) Disclaimed Distributions**

If any named beneficiary disclaims all or a portion of a distribution payable to such beneficiary, Baird shall administer any such disclaimed portion in accordance with this Supplement as if such beneficiary predeceased Client.



*(iii) Client Divorce*

If Client's spouse is a named beneficiary and Client subsequently becomes divorced, Client's ex-spouse will be treated as if he or she predeceased Client; provided, however, if Client specifically designates or re-affirms Client's ex-spouse as a beneficiary in writing following the effective date of Client's divorce, Client's ex-spouse will remain as a beneficiary for Client's IRA (provided that the ex-spouse survives Client). Baird shall be released and held harmless in the event that Baird does not receive actual written notice of such divorce prior to making payment to, and therefore pays, Client's ex-spouse.

*(iv) Decedent IRA*

If permitted under applicable law, Baird may allow an original beneficiary (i.e., a beneficiary who is entitled to receive distributions from an inherited IRA at the time of Client's death) to name successor beneficiaries for the inherited IRA. This designation can only be made in a form acceptable to Baird during such original beneficiary's lifetime. Each such beneficiary designation will cancel all previous designations and the consent of any successor beneficiary will not be required for the original IRA beneficiary to revoke a successor beneficiary designation. If the original IRA beneficiary does not designate a successor beneficiary, his or her estate will be the successor beneficiary. Unless Baird determines the law allows otherwise, in no event will the successor beneficiary be able to extend the distribution period beyond that required for the original IRA beneficiary.

Notwithstanding anything to the contrary, Baird may, in Baird's sole discretion, require that a beneficiary of an IRA take a total distribution of IRA assets by December 31 of the year following the year of Client's death.

**7. Client Directed Investments*****(a) Client's Investment Powers and Duties***

Client's IRA is a "self-directed" IRA. This means Client has exclusive responsibility for and control over the investment of the assets in Client's IRA. Client shall direct all investment transactions, including the selection of investments; provided, however, the selection of investments shall generally be limited to the investment options made available by Baird. These options generally include publicly traded securities, options, mutual funds, bank deposit accounts or money market mutual funds and other permitted investments that Baird may hold in the ordinary course of its business. However, certain investments, such as real estate, collectibles and securities of privately-held businesses are not permitted.

Client may designate someone else to direct the investment of assets in Client's IRA by executing a valid third party trading authorization or power of attorney on a form acceptable to Baird, in Baird's sole discretion. Baird shall not have any duty to question Client's instructions (or the instructions of Client's duly authorized representative) in the investment of the IRA or to provide advice regarding the purchase, retention or sale of assets held or credited to the IRA.

Client understands and agrees that Client shall not direct Baird to engage in any transaction prohibited under Section 4975 of the Code. Baird may, in Baird's sole discretion, prohibit the purchase of any investment if Baird believes such purchase may be prohibited under Section 4975. If legal advice is required in connection with any

proposed purchase, Client is solely responsible for obtaining such advice from Client's legal advisors at Client's sole expense. Baird shall not be liable for any tax, loss, liability or penalty, which results, directly or indirectly from Client's (or Client's duly authorized representative's) exercise of control over the IRA, whether a result of action or inaction.

Baird shall not have any duty to question and shall not be liable for any loss which results, directly or indirectly, from following any instruction received by Client or any duly authorized representative in connection with such party's exercise of control over an IRA.

**By signing the Application or maintaining an IRA at Baird, Client instructs Baird to enroll all of Client's IRA in Baird's Cash Sweep Program and agrees such instruction shall apply to each IRA established by Client in the future, unless Client specifically instructs Baird to the contrary. Client may revoke this instruction at any time by contacting Client's Baird Financial Advisor.**

***(b) Baird's Investment Powers and Duties***

Unless Client and Baird have entered into a written agreement providing for the delegation of investment discretion to Baird, Baird shall have neither investment discretion nor control to direct any investment in Client's IRA.

**8. Unrelated Business Income Tax**

Client acknowledges that holding certain investments, such as limited partnerships and other entities with pass-through taxation characteristics, in Client's IRA may result in Client's IRA generating unrelated business income ("UBI"), which is reportable and taxable under certain circumstances. The amount of such tax owed related to UBI is commonly referred to as unrelated business income tax ("UBIT"). If Client's IRA generates more than \$1,000 of UBI, Client understands and agrees, unless Baird has provided Client written notice to the contrary, that Baird, in its capacity as non-discretionary trustee of Client's IRA, will cause the IRA to file appropriate tax returns with the IRS. However, Client will remain at all times responsible for payment of any UBIT generated in Client's IRA.

Client acknowledges that UBI may be generated in many ways, including the yearly activities of the applicable investment or on any gain realized upon the sale of such investment. Client further understands and agrees that the impact of UBI in any given year can vary substantially from a previous year and the impact of UBI in a particular year may not be determinable until the underlying investment issues year-end tax documentation.

Client acknowledges and agrees Baird may engage such professional advisors as Baird deems necessary at the IRA's cost. Client shall cooperate with Baird and such professional advisors in connection with any such engagement.

Client agrees to maintain adequate funds in the IRA to pay any UBIT amounts owed to the IRS and costs of professional advisors engaged on Client's IRA's behalf. Client authorizes and directs Baird to effect payment of such amounts at the time any such amounts are payable. Client further agrees that to the extent liquid funds are not available in the IRA, Baird may, in its sole discretion, liquidate property held in Client's IRA without notice to Client and apply such property and the proceeds of its liquidation toward the satisfaction of Client's tax obligations and the cost of the IRA's professional advisors. Subject to

applicable law, Baird may determine, in Baird's sole discretion, the property to be sold from the Account and the amount, order and manner in which such property will be sold. For more information about UBI and UBIT, Client should contact Client's Baird Financial Advisor.

## 9. Payment of Fees and Expenses.

Baird charges annual service fees and may charge other designated fees (such as, for example, transfer, rollover, or termination fees) for maintaining Client's IRA ("IRA Service Fees"), which are in addition to brokerage commissions or investment advisory or other fees charged by Baird. A full listing of the current IRA Service Fees can be found in Baird's IRA Disclosure Statement delivered with this Supplement. In addition to IRA Service Fees, Client agrees to reimburse Baird for all reasonable expenses, including the fees and expenses of legal counsel, incurred by Baird in connection with the administration of Client's IRA. For more information regarding the fees and expenses Baird may charge from time to time related to the administration of Client's IRA, Client should visit and review the information available in the Costs & Fees section of [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor) or contact Client's Baird Financial Advisor for more information. Baird's fees and charges are subject to change at any time in Baird's sole discretion and without notice to Client; however, Baird shall provide Client 30 days' prior notice before increasing or instituting a new IRA Service Fee.

## 10. Resignation or Removal of Baird Trust as Trustee

### (a) Resignation

Baird Trust may resign as trustee at any time effective upon 60 days' prior written notice to Client.

### (b) Removal of Baird as Trustee

In the event the IRS notifies Baird Trust of its failure to: (i) maintain records, make returns or issue statements as required of Baird Trust as trustee, or (ii) comply with other requirements under applicable law, the IRS may require Baird Trust to substitute another trustee or custodian.

### (c) Successor Custodian or Trustee

Upon the resignation or removal of Baird Trust as trustee, Client must make arrangements to transfer Client's IRA to another financial institution. In such an event, Baird Trust will distribute the balance of Client's IRA to the successor custodian or trustee to whom Client designates as soon as administratively feasible. If no successor custodian or trustee has been designated by Client within 30 days following resignation or removal of Baird Trust as trustee, Baird Trust shall have the option to (i) transfer Client's IRA to a successor custodian or trustee selected by Baird Trust, in Baird Trust's sole discretion, or (ii) liquidate any assets held in the IRA and distribute the IRA balance in cash directly to Client in a single payment. Baird will not be liable for any actions or failures to act on the part of Client or any successor trustee or custodian, nor will Baird be liable for any losses or tax consequences incurred by Client that result from the transfer or distribution of assets pursuant to this Section.

## 11. Transfers

Client may transfer funds to Client's IRA from the trustee or custodian of another IRA or from employer-sponsored retirement plans as

permitted by the Code. However, Baird reserves the right not to accept any transfer.

If Client rolls over assets from Client's employer's employer-sponsored plan to a Baird IRA now or in the future, Client understands and acknowledges that Client has different options and that Client is responsible for reviewing the options available and evaluating the investment and non-investment considerations applicable to Client's situation. For more information, Client should refer to the "Important Information about IRA Rollovers: Education of the Potential Benefits and Disadvantages of an IRA Rollover" Section of the *Client Relationship Details* document or by contacting Client's Baird Financial Advisor.

## 12. Amendment

Except to the extent prohibited by applicable law, Client understands, acknowledges and agrees that Baird may from time to time in its sole discretion update, change, or amend the terms of the Agreement, including this Supplement, upon 30 days' written notice to Client (unless provided otherwise in the Agreement or this Supplement) and, unless Baird has received written notice of Client's objection, Client shall be deemed to have consented to such update, change or amendment; provided, however, Baird may, without obtaining the consent of Client, Client's spouse or any named beneficiary of Client's IRA, make any necessary amendments retroactive to the later of the effective date of this Supplement or the effective date of any future legal requirements if Baird must amend any IRA Plan to conform to current or future requirements of: (i) the Code, (ii) the Employee Retirement Income Security Act of 1974, or (iii) other applicable law.

## 13. Provisions Applicable to SIMPLE IRAs Only

Notwithstanding Article V of Appendix 3, Baird will be deemed to have satisfied Baird's summary description reporting requirements under Code Section 408(l)(2) if either: (i) Baird provides a summary description directly to Client, or (ii) Baird provides Baird's name, address and withdrawal procedures to Client, and Client's employer provides Client with all other required information.

## 14. Prohibition on Liens and Other Restrictions

Neither Client nor any named beneficiary may sell, transfer or pledge any interest in Client's IRA in any manner whatsoever, except as provided by law or this Supplement, nor engage in any transaction prohibited under Section 4975 of the Code. Assets held in Client's IRA shall not be responsible for the debts, contracts or torts of any person entitled to distributions under this Supplement.

## 15. Applicable Law

This Supplement shall be governed by and interpreted in accordance with all applicable Federal laws and regulations and, to the extent applicable, the laws of the State of Wisconsin.

**Appendix 1 – Form 5305 (Rev. April 2017)**  
**Baird Traditional IRA Account Agreement**  
**Established Under Section 408(a) of the Code**

The following applies to establishing and the administration of a Traditional IRA.

The grantor is establishing a Traditional individual retirement account under section 408(a) to provide for his or her retirement and for the support of his or her beneficiaries after death. The trustee named on the application has given the grantor the disclosure statement required by Regulations section 1.408-6. The grantor and the trustee make the following agreement.

**Article I**

Except in the case of a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a simplified employee pension plan as described in section 408(k) or a recharacterized contribution described in section 408A(d)(6), the trustee will accept only cash contributions up to \$5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$6,500 per year for 2013 through 2017. For years after 2017, these limits will be increased to reflect a cost-of-living adjustment, if any.

**Article II**

The grantor's interest in the balance in the trust account is nonforfeitable.

**Article III**

1. No part of the trust account funds may be invested in life insurance contracts, nor may the assets of the trust account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).

2. No part of the trust account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

**Article IV**

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the grantor's interest in the trust account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.

2. The grantor's entire interest in the trust account must be, or begin to be, distributed not later than the grantor's required beginning date, April 1 following the calendar year in which the grantor reaches age 70½. By that date, the grantor may elect, in a manner acceptable to the trustee, to have the balance in the trust account distributed in:

(a) A single sum, or

(b) Payments over a period not longer than the life of the grantor or the joint lives of the grantor and his or her designated beneficiary.

3. If the grantor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:

(a) If the grantor dies on or after the required beginning date and:

(i) the designated beneficiary is the grantor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.

(ii) the designated beneficiary is not the grantor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the grantor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.

(iii) there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the grantor as determined in the year of the grantor's death and reduced by 1 for each subsequent year.

(b) If the grantor dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below.

(i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the grantor's death. If, however, the designated beneficiary is the grantor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the grantor would have reached age 70½. But, in such case, if the grantor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (ii) below if there is no such designated beneficiary.

(ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the grantor's death.

4. If the grantor dies before his or her entire interest has been distributed and if the designated beneficiary is not the grantor's surviving spouse, no additional contributions may be accepted in the account.

5. The minimum amount that must be distributed each year, beginning with the year containing the grantor's required beginning date, is

known as the “required minimum distribution” and is determined as follows.

(a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the grantor reaches age 70½, is the grantor’s account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the grantor’s designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the grantor’s account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the grantor’s (or, if applicable, the grantor and spouse’s) attained age (or ages) in the year.

(b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the grantor’s death (or the year the grantor would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).

(c) The required minimum distribution for the year the grantor reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

6. The owner of two or more Traditional IRAs may satisfy the minimum distribution requirements described above by taking from one Traditional IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

## Article V

1. The grantor agrees to provide the trustee with all information necessary to prepare any reports required by section 408(i) and Regulations sections 1.408-5 and 1.408-6.

2. The trustee agrees to submit to the Internal Revenue Service (IRS) and grantor the reports prescribed by the IRS.

## Article VI

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles inconsistent with section 408(a) and the related regulations will be invalid.

## Article VII

This agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the persons whose signatures appear on the application.

## Article VIII

This Traditional IRA Account Agreement incorporates by reference and shall be deemed to include the terms and conditions of Client’s Client Relationship Agreement and/or other account agreements with Baird relating to an account, including for the avoidance of doubt, the terms of the Supplement to which this Traditional IRA Account Agreement is attached.



## Appendix 2 – Form 5305-R (Rev. April 2017) Baird Roth IRA Agreement Established Under Section 408A of the Code

The following applies to establishing and the administration of a Roth IRA.

The grantor is establishing a Roth individual retirement account under section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death. The trustee named on the application has given the grantor the disclosure statement required by Regulations section 1.408-6. The grantor and the trustee make the following agreement.

### Article I

Except in the case of a qualified rollover contribution described in section 408A(e) or a recharacterized contribution described in section 408A(d)(6), the trustee will accept only cash contributions up to \$5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$6,500 per year for 2013 through 2017. For years after 2017, these limits will be increased to reflect a cost-of-living adjustment, if any.

### Article II

1. The annual contribution limit described in Article I is gradually reduced to \$0 for higher income levels. For a grantor who is single or treated as single, the annual contribution is phased out between adjusted gross income (AGI) of \$118,000 and \$133,000; for a married grantor filing jointly, between AGI of \$186,000 and \$196,000; and for a married grantor filing separately, between AGI of \$0 and \$10,000. These phase-out ranges are for 2017. For years after 2017, the phase-out ranges, except for the \$0 to \$10,000 range, will be increased to reflect a cost-of-living adjustment, if any. Adjusted gross income is defined in section 408A(c)(3).

2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the grantor and his or her spouse.

### Article III

The grantor's interest in the balance in the trust account is nonforfeitable.

### Article IV

1. No part of the trust account funds may be invested in life insurance contracts, nor may the assets of the trust account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).

2. No part of the trust account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

### Article V

1. If the grantor dies before his or her entire interest is distributed to him or her and the grantor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with paragraph (a) below or, if elected or there is no designated beneficiary, in accordance with paragraph (b) below.

(a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the grantor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the grantor.

(b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the grantor's death.

2. The minimum amount that must be distributed each year under paragraph 1(a) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the designated beneficiary using the attained age of the beneficiary in the year following the year of the grantor's death and subtracting 1 from the divisor for each subsequent year.

3. If the grantor's surviving spouse is the designated beneficiary, such spouse will then be treated as the grantor.

### Article VI

1. The grantor agrees to provide the trustee with all information necessary to prepare any reports required by sections 408(i) and 408A(d)(3)(E), Regulations sections 1.408-5 and 1.408-6, or other guidance published by the Internal Revenue Service (IRS).

2. The trustee agrees to submit to the IRS and grantor the reports prescribed by the IRS.

### Article VII

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through IV and this sentence will be controlling. Any additional articles inconsistent with section 408A, the related regulations, and other published guidance will be invalid.

### Article VIII

This agreement will be amended as necessary to comply with the provisions of the Code, the related regulations, and other published guidance. Other amendments may be made with the consent of the persons whose signatures appear on the application.

### Article IX

This Roth IRA Account Agreement incorporates by reference and shall be deemed to include the terms and conditions of Client's Client Relationship Agreement and/or other account agreements with Baird relating to an account, including for the avoidance of doubt, the terms of the Supplement to which this Roth IRA Account Agreement is attached.

**Appendix 3 – Form 5305-S (Revised April 2017)**  
**Baird SIMPLE IRA Agreement**  
**Established Under Section 408(p) of the Code**

The following applies to establishing and the administration of a SIMPLE IRA.

The participant is establishing a savings incentive match plan for employees of small employers individual retirement account (SIMPLE IRA) under sections 408(a) and 408(p) to provide for his or her retirement and for the support of his or her beneficiaries after death. The trustee has given the participant the disclosure statement required by Regulations section 1.408-6. The grantor and the trustee make the following agreement.

**Article I**

The trustee will accept cash contributions made on behalf of the participant by the participant's employer under the terms of a SIMPLE IRA plan described in section 408(p). In addition, the trustee will accept transfers or rollovers from other SIMPLE IRAs of the participant and, after the 2-year period of participation defined in section 72(t)(6), transfers or rollovers from any eligible retirement plan (as defined in section 402(c)(8)(B)) other than a Roth IRA or a designated Roth account. No other contributions will be accepted by the trustee.

**Article II**

The participant's interest in the balance in the trust account is nonforfeitable.

**Article III**

1. No part of the trust account funds may be invested in life insurance contracts, nor may the assets of the trust account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).

2. No part of the trust account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

**Article IV**

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the participant's interest in the trust account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.

2. The participant's entire interest in the trust account must be, or begin to be, distributed not later than the participant's required beginning date, April 1 following the calendar year in which the participant reaches age 70 1/2. By that date, the participant may elect, in a manner acceptable to the trustee, to have the balance in the trust account distributed in:

(a) A single sum or

(b) Payments over a period not longer than the life of the participant or the joint lives of the participant and his or her designated beneficiary.

3. If the participant dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows.

(a) If the participant dies on or after the required beginning date and:

(i) The designated beneficiary is the participant's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.

(ii) The designated beneficiary is not the participant's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the participant and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.

(iii) There is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the participant as determined in the year of the participant's death and reduced by 1 for each subsequent year.

(b) If the participant dies before the required beginning date, the remaining interest will be distributed in accordance with paragraph (i) below or, if elected or there is no designated beneficiary, in accordance with paragraph (ii) below.

(i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the participant's death. If, however, the designated beneficiary is the participant's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the participant would have reached age 70 1/2. But, in such case, if the participant's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with paragraph (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with paragraph (ii) below if there is no such designated beneficiary.

(ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the participant's death.

4. If the participant dies before his or her entire interest has been distributed and if the designated beneficiary is not the participant's surviving spouse, no additional contributions may be accepted in the account.

5. The minimum amount that must be distributed each year, beginning with the year containing the participant's required beginning date, is known as the "required minimum distribution" and is determined as follows.

(a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the participant reaches age 70 1/2, is the participant's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the participant's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the participant's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the participant's (or, if applicable, the participant and spouse's) attained age (or ages) in the year.

(b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the participant's death (or the year the participant would have reached age 70 1/2, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).

(c) The required minimum distribution for the year the participant reaches age 70 1/2 can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

6. The owner of two or more IRAs (other than Roth IRAs) may satisfy the minimum distribution requirements described above by taking from one IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

#### **Article V**

1. The participant agrees to provide the trustee with all information necessary to prepare any reports required by sections 408(i) and 408(l)(2) and Regulations sections 1.408-5 and 1.408-6.

2. The trustee agrees to submit to the Internal Revenue Service (IRS) and participant the reports prescribed by the IRS.

3. The trustee also agrees to provide the participant's employer the summary description described in section 408(l)(2) unless this SIMPLE IRA is a transfer SIMPLE IRA.

#### **Article VI**

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles inconsistent with sections 408(a) and 408(p) and the related regulations will be invalid.

#### **Article VII**

This agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the persons whose signatures appear on the application.

#### **Article VIII**

This SIMPLE IRA Account Agreement incorporates by reference and shall be deemed to include the terms and conditions of Client's Client Relationship Agreement and/or other account agreements with Baird relating to an account, including for the avoidance of doubt, the terms of the Supplement to which this SIMPLE IRA Account Agreement is attached.

## Baird IRA Disclosure Statement

*The information in this document is provided by Baird Trust Company and Robert W. Baird & Co. Incorporated (together, "Baird") for your general information and discusses the general rules governing the Baird IRA Plans that may be available to you. This document does not contain an exhaustive discussion of the federal tax rules affecting IRAs, does not discuss applicable state laws and is not intended to apply to any particular person or situation. Please consult your tax advisor for additional information.*

*Unless indicated otherwise below, the term "IRA" refers to each of a Traditional IRA, Roth IRA and SIMPLE IRA, as applicable.*

### 1. Right to Revoke Your IRA

You have the right to revoke your IRA within seven (7) days of the receipt of this Disclosure Statement. You may revoke your IRA by mailing or delivering a written notice to Baird at Attn: IRA Operations Department, 777 East Wisconsin Avenue, Milwaukee, WI 53202. If you send your notice by first class mail, your revocation will be deemed mailed as of the postmark date (or if sent by certified or registered mail, the date of certification or registration). You may reach the IRA Operations Department by calling (414) 765-3500.

If revoked, you are entitled to a full return of the contribution you made to your IRA. The amount returned to you would not include an adjustment for such items as sales commissions, administrative expenses, or fluctuation in market value.

### 2. IRA Requirements

#### (a) Contributions

##### (i) Cash Contributions

All contributions to your IRA must be in cash, unless a contribution is a rollover contribution.

##### (ii) Contribution Eligibility

#### Traditional and Roth IRAs

Subject to the limitations described below, you are eligible to make a regular contribution to your IRA, regardless of your age, if you have compensation.

#### SIMPLE IRAs

The only contributions that may be made to your SIMPLE IRA are employee elective deferrals under a qualified salary reduction agreement, employer contributions, and other contributions allowed by the Internal Revenue Code (the "Code" or "IRC") or related regulations, that are made under a SIMPLE IRA plan maintained by your employer. For taxable years beginning after December 31, 2022, Roth deferrals may also be made to your SIMPLE IRA under a qualified salary reduction agreement.

##### (iii) Contribution Limits

#### Traditional and Roth IRAs

For 2024, the total amount you may contribute to all of your Traditional and Roth IRAs for any taxable year cannot exceed the lesser of: (i) 100%

of your compensation, or (ii) \$7,000, with possible cost-of-living adjustments made by the IRS each year thereafter.

#### Additional Limitations on Contributions to Roth IRAs

The ability to make contributions to a Roth IRA is phased out for individuals who have income within certain specified levels. The allowable contribution is reduced proportionately (rounded to \$10 increments) for taxpayers with modified adjusted gross income ("MAGI") within a phase-out range. The phase-out range is as follows, with subsequent annual adjustments by the IRS:

Tax Year	MAGI (Single)	MAGI (Married Filing Jointly)
2024	\$146,000 – \$161,000	\$230,000 - \$240,000

Married individuals filing a separate income tax return with MAGI equaling or exceeding \$10,000 may not fund a Roth IRA.

A special tax rule provides that if your MAGI is within the phase-out range, your Roth IRA contribution limit is never less than \$200. Thus, if your contribution as reduced is between \$0 and \$200, you may contribute up to \$200.

#### SIMPLE IRAs

In 2024, employee elective deferrals may not exceed the lesser of 100% of your compensation for the calendar year or \$16,000, with possible cost-of-living adjustments each year thereafter.

Your employer may make additional contributions to your SIMPLE IRA within the limits prescribed in IRC Section 408(p). Your employer is required to provide you with information that describes the terms of its SIMPLE IRA plan.

##### (iv) "Catch Up" Contributions

Subject to the limitations described above, if you are age 50 or older by the close of the taxable year, you may make an additional "catch up" contribution of up to \$1,000 to your Traditional or Roth IRAs and up to \$3,500 to your SIMPLE IRA. These amounts may be adjusted by the IRS for cost-of-living increases.

##### (b) Eligible Trustees

The trustee of your IRA must be a bank, savings and loan association, credit union or a person or entity, such as Baird, approved by the Secretary of the Treasury.

##### (c) Life Insurance

No portion of your IRA may be invested in life insurance contracts.

##### (d) Nonforfeiture

Your interest in your IRA is non-forfeitable.

##### (e) Commingling of Assets

Assets held in your IRA cannot be commingled with other property except in a common trust fund or common investment fund.



**(f) Collectibles**

No part of your IRA may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion. A “collectible” is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins, and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum, or palladium bullion (as described in IRC Sec. 408(m)(3)) are also permitted as IRA investments.

**(g) Required Minimum Distributions (“RMDs”)**

You cannot keep retirement funds in your IRA indefinitely and generally must begin taking withdrawals from your IRA once you reach a specified distribution age (your “Required Beginning Date”). For example, individuals turning age 72 in the year 2023 must generally begin taking RMDs from their Traditional IRAs by April 1, 2025, and individuals turning age 73 in the year 2033 must begin taking such RMDs by April 1, 2035. As discussed below, Roth IRAs do not generally require RMDs until after your death. The foregoing and following is only a summary of the general rules applicable to required distributions from your IRA. Please refer to IRS Publication 590-B, Distributions from Individual Retirement Accounts (IRAs), and consult your tax advisor for additional information.

**(i) Determining RMDs; Failure to Take RMDs**

In general, beginning on April 1 of the year following the calendar year you have reached your Required Beginning Date, an RMD amount must be distributed from your IRA. For each subsequent year after your Required Beginning Date, you must withdraw your RMD by December 31. In general, this means that your first RMD must be made by April 1 of the year following the year you reach your specified distribution age and another RMD must be taken by December 31 of that same year (and each subsequent year thereafter).

If you do not take an RMD, or if the distributions are not large enough, you generally will be subject to an excise tax of 25% on the difference between the amount that should have been distributed as an RMD for any given year and the amount actually distributed for a given year. If, however, the foregoing failure is corrected in a timely manner, the excise tax may be reduced to 10% on this difference.

**RMDs During Your Lifetime**

During your lifetime and if a RMD is required, the amount of the RMD is generally calculated by dividing the prior year-end balance of your IRAs divided by the applicable life expectancy factor for the IRA owner determined using the Uniform Lifetime Table provided by the IRS. However, if your spouse is your sole designated beneficiary for the entire calendar year, and is 10 or more years younger than you, the required minimum distribution is generally determined each year using the actual joint life expectancy of you and your spouse obtained from the Joint Life Expectancy Table provided by the IRS.

When calculating your RMD, you may generally reduce the prior year end account value by the value of a qualifying longevity annuity contract (“QLAC”). The IRS requires that the premiums paid to QLACs from your IRA and any other eligible retirement accounts must not

exceed certain dollar limitations, which are \$200,000 overall for 2024, subject to potential cost-of-living increases for subsequent years. For more information on QLACs, you may wish to refer to the IRS website at [www.irs.gov](http://www.irs.gov).

**RMDs in the Event of Your Death**

Upon your death, the remainder of your IRA must generally be distributed to any designated beneficiaries by December 31<sup>st</sup> of the 10<sup>th</sup> year following your death (for non-designated beneficiaries, the remainder of your IRA must be distributed by December 31<sup>st</sup> of the 5<sup>th</sup> year following your death). Exceptions to this general rule are available for certain eligible designated beneficiaries, including your surviving spouse, your minor children, disabled or chronically ill beneficiaries and any beneficiary who is not more than 10 years younger than you (“Eligible Designated Beneficiaries”).

Your Eligible Designated Beneficiaries may elect to distribute their inherited interest in your IRA over their single life expectancy or a period not extending beyond their single life expectancy, provided such distributions begin no later than one year after the date of your death. If your Eligible Designated Beneficiary dies before your IRA account is fully distributed, the remainder of your IRA account must be distributed in full to your Eligible Designated Beneficiary’s beneficiary(ies) within 10 years after the death of your Eligible Designated Beneficiary.

**Spousal Option**

If your sole designated beneficiary is your spouse, your spouse may: (A) delay taking RMDs from the inherited IRA until December 31 of the year you would have reached your Required Beginning Date, and (B) treat your IRA as his or her own, irrespective of whether you died prior to or after your Required Beginning Date.

**Minor Children as Eligible Designated Beneficiaries**

Once a minor child reaches the age of majority, they are no longer considered an Eligible Designated Beneficiary and must take their remaining inherited interest in your IRA within 10 years of reaching the age of majority.

**(ii) RMDs and Roth IRAs**

If you have a Roth IRA, you are not required to take RMDs during your lifetime, even after you reach your Required Beginning Date. However, your beneficiaries generally are required to take distributions from your Roth IRA after your death. RMD rules for Roth IRAs follow the RMD rules for Traditional IRAs, as described above.

**(iii) Baird’s Rights Regarding Required Distributions**

If Baird so chooses, for any reason, Baird may require that a beneficiary of a deceased IRA owner take total distribution of all IRA assets by December 31 of the year following the year of your death.

**3. Income Tax Consequences of Establishing an IRA****(a) Deductibility of IRA Contributions****(i) Deductible Traditional IRA Contributions**

The amount contributed by an individual to a Traditional IRA may be deductible from gross income in that tax year for federal income tax purposes. If both you and your spouse (as applicable) are not an active

participant in certain employer-sponsored plans (such as, a qualified pension, profit sharing, 401(k) or stock bonus plan, a SEP plan, a SIMPLE IRA plan or other similar plans established by the federal government, a state, or a political subdivision), your entire IRA contribution may be deductible. However, the deductibility of contributions is phased out for individuals who are active participants in certain employer-sponsored retirement plans who have a MAGI above specified levels. The allowable deduction is reduced proportionately (rounded to \$10 increments) for taxpayers with MAGI within a phase-out range. The phase-out range is as follows, with subsequent annual adjustments by the IRS:

Tax Year	MAGI (Single)	MAGI (Married Filing Jointly)
2024	\$77,000 – \$87,000	\$123,000 - \$143,000

The MAGI phase-out range for an individual that is not an active participant, but is married to an active participant, is \$230,000–\$240,000 for 2024 and may be subject to cost-of-living increases for subsequent tax years.

A special tax rule provides that if your MAGI is within the phase-out range, your Traditional IRA deduction limit is never less than \$200. Thus, if your resulting deduction is between \$0 and \$200, you may round up to \$200.

If you are an active participant, are married and you file a separate income tax return, your MAGI phase-out range is generally \$0–\$10,000. However, if you lived apart for the entire tax year, you are treated as a single filer. If you do not know whether your employer maintains one of these plans or whether you are an active participant in a plan, check with your employer or your tax advisor. Also, the IRS Form W-2, *Wage and Tax Statement* that you receive at the end of the year from your employer should indicate whether you are an active participant.

**(ii) Nondeductible Traditional IRA Contributions**

Even though your contributions may not be deductible, you may nonetheless make nondeductible contributions to your Traditional IRA to the extent that deductible contributions are not allowed. The sum of your deductible and nondeductible IRA contributions cannot exceed the contribution limit set forth in section 2(a) above. You may elect to treat deductible IRA contributions as nondeductible contributions.

If you make nondeductible contributions for a particular tax year, you must report the amount of the nondeductible contribution along with your income tax return using IRS Form 8606. Failure to file IRS Form 8606 may result in an IRS penalty for each failure. If you overstate the amount of designated nondeductible contributions for any taxable year, you are subject to IRS penalty unless reasonable cause for the overstatement can be shown.

**(iii) Roth IRA Contributions**

Contributions to a Roth IRA are never tax deductible.

**(iv) SIMPLE IRA Contributions**

You may not take a deduction for the amounts contributed to your SIMPLE IRA as either employee elective deferrals or Roth deferrals or as employer contributions. However, the rules for your SIMPLE IRA

generally provide that employee elective deferrals will reduce your taxable income, employer contributions, including earnings, will not be taxable to you until you take a distribution and Roth contributions, including earnings, will not be taxable upon distribution.

Participation in your employer’s SIMPLE IRA plan renders you an active participant for purposes of determining whether or not you can deduct contributions to a Traditional IRA.

**(b) Contribution Deadline**

**(i) Traditional and Roth IRA Contributions**

Contributions for a given year must be made by the deadline for filing your federal income tax return for that year (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to Baird. For example, if you are a calendar-year taxpayer and you make your IRA contribution on or before your tax filing deadline, your contribution is considered to have been made for the previous tax year if you designate it as such.

If you are a member of the Armed Forces serving in a combat zone, hazardous duty area, or contingency operation, you may have an extended contribution deadline of 180 days after the last day served in the area. In addition, your contribution deadline for a particular tax year is also extended by the number of days that remained to file that year’s tax return as of the date you entered the combat zone. This additional extension to make your IRA contribution cannot exceed the number of days between January 1 and your tax filing deadline, not including extensions.

**(ii) SIMPLE IRA Contributions**

SIMPLE IRA deferral contributions, elective or Roth, must be deposited into the SIMPLE IRA as soon as administratively possible, but in no event later than 30 days following the month in which you would have otherwise received the money. Employer matching or non-elective contributions must be deposited no later than the due date for filing the employer’s tax return (including extensions).

**(c) Tax Credits**

You may be eligible to receive a tax credit for your IRA contributions. This credit will be allowed in addition to any tax deduction that may apply, and may not exceed \$1,000 in a given year (\$2,000 if filing jointly). You may be eligible for this tax credit if you are (i) age 18 or older as of the close of the taxable year, (ii) not a dependent of another taxpayer, (iii) not a full-time student, and (iv) your Adjusted Gross Income does not exceed the limits set forth below. The credit is based upon your income, and will range from 0 to 50% of eligible contributions. In order to determine the amount of your contributions, add all of the contributions made to your IRA and reduce these contributions by any distributions that you have taken during the testing period. The testing period begins two years prior to the year for which the credit is sought and ends on the tax return due date (including extensions) for the year for which the credit is sought. In order to determine your tax credit, please consult IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs) and Form 8880.

2023 Adjusted Gross Income Limit		
Joint Return	Head of a Household	All Other Cases
\$76,500	\$57,375	\$38,250

As shown above Adjusted gross income (“AGI”) includes foreign earned income and income from Guam, American Samoa, North Mariana Islands, and Puerto Rico. AGI limits are subject to cost-of-living adjustments each year.

#### **(d) Excess Contributions**

An excess contribution is any amount that is contributed to your IRA that exceeds the amount that you are eligible to contribute. If the excess is not corrected timely, an additional penalty tax of 6% will be imposed upon the excess amount. The procedure for correcting an excess is determined by the timeliness of the correction as identified below.

##### **(i) Removal Before Tax Filing Deadline**

An excess contribution may be corrected by withdrawing the excess amount, along with the earnings attributable to the excess, before your tax filing deadline, including extensions, for the year for which the excess contribution was made. An excess withdrawn under this method is not taxable to you, but you must include the earnings attributable to the excess in your taxable income in the year in which the contribution was made. The 6% excess contribution penalty tax will be avoided.

##### **(ii) Removal After Tax Filing Deadline**

If you are correcting an excess contribution after your tax filing deadline, including extensions, remove only the amount of the excess contribution. The 6% excess contribution penalty tax will be imposed on the excess contribution for each year it remains in the IRA. An excess withdrawal under this method will only be taxable to you if the total contributions made in the year of the excess exceed the annual applicable contribution limit.

##### **(iii) Carry Forward to a Subsequent Year**

If you do not withdraw the excess contribution, you may carry forward the contribution for a subsequent tax year. To do so, you under-contribute for that tax year and carry the excess contribution amount forward to that year on your tax return. The 6% excess contribution penalty tax will be imposed on the excess amount for each year that it remains as an excess contribution at the end of the year.

You must file IRS Form 5329 along with your income tax return to report and remit any additional taxes to the IRS.

#### **(e) Tax-Deferred Earnings**

The investment earnings of your IRA are not subject to federal income tax as they accumulate in your IRA until distributions are made (or, in certain instances, when distributions are deemed to be made). In addition, distributions of such earnings from your Roth IRA will be free from federal income tax if you take a qualified distribution, as described in greater detail below.

#### **(f) Taxation of Distributions**

##### **(i) Distributions from Traditional IRAs**

Distributions of deductible contributions to a Traditional IRA and earnings on all such contributions are included in gross income for federal income tax purposes and taxed as ordinary income.

If you have ever made nondeductible contributions to your Traditional IRA, the amount of any distribution excluded from income shall be as

directed by IRS Form 8606. As such, to determine the percentage of an IRA distribution withdrawal amount excluded from income shall be determined by dividing aggregate nondeductible contributions by the aggregate IRA balance.

For example if the aggregate amount of your nondeductible contributions is \$1,000 and the aggregate balance of your Traditional IRA is \$10,000, 10% of the amount of your distribution would be excluded from income. Aggregate nondeductible contributions include all nondeductible contributions made by you through the end of the year of the distribution that have not previously been withdrawn and excluded from income. Also note that the aggregate IRA balance includes the total balance of all of your Traditional and SIMPLE IRAs as of the end of the year of distribution and any distributions occurring during the year.

##### **(ii) Distributions from Roth IRAs**

Distributions of Roth IRA contributions are always tax-free. In order for earnings to be free from federal income tax upon distribution, the IRA must have been held for at least 5 taxable years beginning with the first contribution (or conversion into) the Roth IRA and until you reach age 59½; distributed earnings may also be free from federal income tax if you die, become disabled or use the withdrawal for first-time homebuyer expenses (up to a \$10,000 lifetime limit) (“Qualified Distributions”), or as otherwise provided below. Distributions that are not Qualified Distributions of Roth IRA earnings are subject to ordinary income taxes and the 10% early withdrawal penalty, subject to the exceptions described in the section titled “Early Withdrawal Penalty Tax”, below.

##### **(iii) Distributions from SIMPLE IRAs**

Distributions from a SIMPLE IRA are subject to IRA rules and generally are included as gross income for federal income tax purposes and taxed as ordinary income if they correspond to contributions made on a pre-tax basis; distributions that relate to contributions made on a Roth basis will generally not be included as gross income for federal income tax purposes. Please refer to IRS Publication 560, Retirement Plans for Small Business (SEP, SIMPLE and Qualified Plans) and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, and consult your tax advisor for additional information.

##### **(g) Income Tax Withholding**

Any withdrawal from your IRA is subject to federal income tax withholding. You may, however, elect not to have withholding apply to your IRA withdrawal. If withholding is applied to your withdrawal, not less than 10% of the amount withdrawn must be withheld.

##### **(h) Early Withdrawal Penalty Tax**

If you receive an IRA distribution before you attain age 59½, an additional early withdrawal penalty tax of 10% will apply to the taxable amount of the distribution unless one of the following exceptions apply. This amount is increased to 25% if such a withdrawal is made from your SIMPLE IRA and less than two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. You must file IRS Form 5329 along with your income tax return to the IRS to report and remit any additional taxes or to claim a penalty tax exception.

**(i) Death**

After your death, payments made to your beneficiary are not subject to the 10% early withdrawal penalty tax.

**(ii) Disability**

If you are disabled at the time of distribution, you are not subject to the additional 10% early withdrawal penalty tax. In order to be disabled, a physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration.

**(iii) Substantially Equal Periodic Payments**

You are not subject to the additional 10% early withdrawal penalty tax if you are taking a series of substantially equal periodic payments (at least annual payments) over your life expectancy or the joint life expectancy of you and your beneficiary. You must continue these payments for the longer of five years or until you reach age 59½.

**(iv) Unreimbursed Medical Expenses**

If you take payments to pay for unreimbursed medical expenses exceeding 7.5% of your adjusted gross income, you will not be subject to the 10% early withdrawal penalty tax. The medical expenses may be for you, your spouse, or any dependent listed on your tax return.

**(v) Health Insurance Premiums**

If you are unemployed and have received unemployment compensation for 12 consecutive weeks under a federal or state program, you may take payments from your IRA to pay for health insurance premiums without incurring the 10% early withdrawal penalty tax.

**(vi) Higher Education Expenses**

Payments taken for certain qualified higher education expenses for you, your spouse, or the children or grandchildren of you or your spouse, will not be subject to the 10% early withdrawal penalty tax.

**(vii) First Time Homebuyer**

You may take payments from your IRA to use toward qualified acquisition costs of buying or building a principal residence. The amount you may take for this reason may not exceed a lifetime maximum of \$10,000. The payment must be used for qualified acquisition costs within 120 days of receiving the distribution.

**(viii) IRS Levy**

Payments from your IRA made to the U.S. government in response to a federal tax levy are not subject to the 10% early withdrawal penalty tax.

**(ix) Qualified Reservist Distributions**

If you are a qualified reservist member called to active duty for more than 179 days or an indefinite period, the payments you take from your IRA during the active duty period are not subject to the 10% early withdrawal penalty tax.

**(i) Rollovers and Conversions**

Provided the applicable rules are followed, your IRA may be rolled over to Traditional or Roth IRA, SIMPLE IRA, or an eligible employer-sponsored retirement plan of yours, may receive rollover

contributions, or may be converted to a Roth IRA, as applicable. The general rollover and conversion rules are summarized below. These transactions are often complex. If you have any questions regarding a contemplated rollover or conversion, please consult a competent tax advisor.

**(i) Designations in Writing**

At the time you make a rollover or conversion to an IRA, you must designate in writing to Baird your election to treat that contribution as a rollover or conversion. Once made, the election is irrevocable.

**(ii) IRA Rollovers****Generally**

A rollover is a tax-free transfer of cash or other assets from one employer-sponsored retirement plan or IRA to another.

**60-Day Rollover**

You have 60 days from the date you receive an IRA or retirement plan distribution to roll it over to another plan or IRA. The IRS may waive the 60-day rollover requirement in certain situations if you missed the deadline because of circumstances beyond your control.

**One-Per-Year IRA Rollover Limit**

You generally cannot make more than one rollover from the same IRA within a 1-year period. You also cannot make a rollover during this 1-year period from the IRA to which the distribution was rolled into. This one-per year limit does not apply to: (i) rollovers from Traditional IRAs to Roth IRAs (conversions), (ii) trustee-to-trustee transfers to another IRA, (iii) IRA-to-plan rollovers, (iv) plan-to-IRA rollovers, and (v) plan-to-plan rollovers. You must include in gross income any previously untaxed amounts distributed from an IRA in violation of this limit and you may be subject to the 10% early withdrawal tax on the amount you include in gross income. For more information on rollover limitations, you may wish to obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

**Rollovers From IRAs to Like-Kind IRAs**

Assets distributed from your IRA may be rolled over to the same IRA or another IRA plan of yours that is of the same IRA plan type (for example, a rollover from a Traditional IRA to another Traditional IRA of yours or a SIMPLE IRA to another SIMPLE IRA of yours), provided in each case the requirements of Section 408(d)(3) of the Code are met. Please note the one-per-year IRA rollover limit will apply to this type of rollover.

**SIMPLE IRA-to-Traditional and Traditional IRA-to- SIMPLE IRA Rollovers**

Assets distributed from your SIMPLE IRA may be rolled over to your Traditional IRA, and assets distributed from your Traditional IRA may be rolled over to your SIMPLE IRA, in either case without IRS penalty tax provided the requirements of Section 408(d)(3) of the Code are met and two years have passed since you first participated in the SIMPLE IRA plan sponsored by your employer.

**Rollovers From a Roth IRA**



In general, Roth IRA assets may not be rolled over to other types of IRAs (e.g., Traditional IRA, SIMPLE IRA), or employer-sponsored retirement plans.

### **Rollovers of Retirement Plan Assets to IRAs**

You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan to your Traditional IRA, Roth or SIMPLE IRA (provided two years has passed since you first participated in the SIMPLE IRA plan sponsored by your employer).

An “eligible” rollover distribution is defined generally as any distribution from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan unless it is a required minimum distribution, hardship distribution, part of a certain series of substantially equal periodic payments, corrective distributions of excess contributions, excess deferrals, excess annual additions and any income allocable to the excess, deemed loan distribution, dividends on employer securities, the cost of life insurance coverage, or a distribution of Roth deferrals from a 401(k), 403(b), governmental 457(b), or federal Thrift Savings Plan.

If you elect to receive your rollover distribution prior to placing it in an IRA, thereby conducting an “indirect” rollover, your plan administrator generally will be required to withhold 20% of your distribution as a payment of income taxes. When completing the rollover, you may make up, out-of-pocket, the amount withheld, and roll over the full amount distributed from your employer-sponsored retirement plan.

As an alternative to the indirect rollover, your employer generally must give you the option to directly roll over your employer-sponsored retirement plan balance to an IRA. If you elect the direct rollover option, your eligible rollover distribution will be paid directly to the IRA (or other eligible employer-sponsored retirement plan) that you designate. Neither the 20% withholding requirements nor the one-per-year IRA rollover limit apply to direct rollovers.

If you wish to move non-Roth assets from an employer-sponsored retirement plan to a Roth IRA, such rollovers are generally subject to the rules for conversion from a Traditional IRA to a Roth IRA discussed below.

### **Rollovers of IRA Assets to Retirement Plans**

Retirement Plans generally may receive rollover contributions under most circumstances. However, your retirement plan is not required to accept rollovers. You should validate with the plan administrator to determine if a contemplated rollover contribution is allowed by the plan and, if so, what type of contributions are accepted.

#### ***(iii) Conversions***

Conversion is a term used to describe a rollover of all or a portion of another type of IRA to a Roth IRA. A conversion is generally a taxable event. If you convert to a Roth IRA, the amount of the conversion from your IRA to your Roth IRA will be treated as a distribution for income tax purposes, and is includible in your gross income (except for any nondeductible contributions). Although the conversion amount generally is included in income, the 10% early withdrawal penalty tax will not apply to conversions from a Traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10%

penalty tax. In general, if you have reached your Required Beginning Date, you must remove your required minimum distribution before converting your Traditional IRA. To be eligible to convert all or any portion of your existing SIMPLE IRA to your Roth IRA, two years must have passed since you first participated in the SIMPLE IRA plan sponsored by your employer.

#### ***(iv) Qualified HSA Funding Distributions***

If you are eligible to contribute to a health savings account (HSA), you may be eligible to take a one-time tax-free qualified HSA funding distribution from your IRA and directly deposit it to your HSA. The amount of the qualified HSA funding distribution may not exceed the maximum HSA contribution limit in effect for the type of high deductible health plan coverage (i.e., single or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution limit for that year. For further detailed information, you may wish to obtain IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*. This distribution cannot be made from an ongoing SEP or SIMPLE IRA.

#### ***(j) Recharacterizations***

You may be able to treat a contribution made to one type of IRA as having been made to a different type of IRA. This is called “recharacterizing” the contribution. Individuals who convert to a Roth IRA may not recharacterize the converted amount. A current year contribution may still be recharacterized.

## **4. Limitations and Restrictions**

### ***(a) SEP Plans***

Under a simplified employee pension (SEP) plan that meets the requirements of IRC Sec. 408(k), your employer may make contributions to your IRA. Your employer is required to provide you with information that describes the terms of your employer’s SEP plan.

### ***(b) Spousal IRAs***

If you are married and have compensation, you may contribute to an IRA established for the benefit of your spouse, regardless of whether or not your spouse has compensation. You must file a joint income tax return for the year for which the contribution is made. The amount of your combined contributions cannot exceed the taxable compensation reported on your joint return. For more information, please see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

### ***(c) Deduction of Rollovers and Transfers***

A deduction is not allowed for rollover or transfer contributions.

### ***(d) Gift Tax***

Transfers of your IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under Section 2501 of the Code.

### ***(e) Special Tax Treatment***

Capital gains treatment and 10-year income averaging authorized by Section 402 of the Code do not apply to IRA distributions.

**(f) Prohibited Transactions**

If you or your beneficiary engage in a prohibited transaction with your Roth IRA, as described in Section 4975 of the Code, your IRA will lose its tax-deferred or tax-exempt status, and you generally must include the fair market value of the account in your gross income for that taxable year. The determination as to whether a particular transaction may be prohibited can be complex. However, the following transactions are examples of prohibited transactions with your IRA: (1) Taking a loan from your IRA, (2) Buying property for personal use (present or future) with IRA assets, and (3) Receiving certain bonuses or premiums because of your IRA. You should consult competent legal and/or tax counsel if you have questions regarding a potential transaction.

**(g) Pledging**

If you pledge any portion of your IRA as collateral for a loan, the amount so pledged will be treated as a distribution and may be included in your gross income for that year.

**5. Other****(a) IRS Plan Approval**

As described previously, the agreement used to establish your IRA is a model agreement that has been pre-approved by the IRS. The IRS approval is a determination only as to form (and subject to the caveats noted under "Scope and Purpose" of "IRA Custodial Supplement"). It is not an endorsement of the plan in operation or of the investments offered.

**(b) Obligation to File Forms and Returns**

If and as applicable, it is your obligation to file any required tax forms and returns with the IRS for each taxable year during which your IRA is maintained.

**(c) Additional Information**

For further information on IRAs, you may wish to obtain IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, calling 1-800-TAX-FORM, visiting [www.irs.gov](http://www.irs.gov), calling any district office of the IRS, or consulting your tax advisor.

**(d) Qualified Reservist Distributions**

If you are an eligible qualified reservist who has taken penalty-free qualified reservist distributions from your IRA or retirement plan, you may recontribute those amounts to a IRA generally within a two-year period from your date of return.

**(e) Transfer Due to Divorce**

If all or any part of your IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse's IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another IRA of your spouse), and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one IRA to another.

**(f) Disaster Related Relief**

If you qualify (for example, you sustained an economic loss due to, or are otherwise considered affected by, certain IRS designated disasters), you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your IRA. Qualified disaster relief may include penalty-tax free early distributions made during specified timeframes for each disaster, the ability to include distributions in your gross income ratably over multiple years, the ability to roll over distributions to an eligible retirement plan without regard to the 60-day rollover rule, and more. For additional information on specific disasters, including a complete listing of disaster areas, qualification requirements for relief, and allowable disaster-related Roth IRA transactions, you may wish to obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

**6. IRA Fees and Expenses**

In addition to Baird's customary fees and expenses charged for provision of its various available products and services, Baird may charge custodial, annual service or other designated fees (for example, a transfer, rollover or termination fee) for maintaining your IRA. Baird may also charge you separately for any taxes, plus interest and penalties, assessed against the IRA. The fees applicable to maintenance of your IRA account are as follows.

Fee	Amount
Annual Service Fee - First IRA Account per household*	\$60
Annual Service Fee - Each additional IRA Account per household*	\$50
One-Time Account Closing Fee**	\$150
Client Relationship Team Administrative Fee***	\$125

\*Fee waived for accounts in households with greater than \$100,000 in total assets or if certain other requirements are met as set forth at <https://www.rwbaird.com/help/schedule-fees-and-service-charges/>.

\*\*IRA Account Closing Fees will be waived for conversions from a Baird Traditional IRA to a Baird Roth IRA.

\*\*\*Fee charged to Accounts of Baird's Client Relationship Team. Fee waived for Clients of Baird's Client Relationship Team electing electronic delivery of all client communications.

Baird reserves the right to charge any additional fee or modify any applicable fees at any time upon 30 days' notice to you. An updated listing of all account and service fees, including updated IRA service fees can be found at <https://www.rwbaird.com/help/schedule-fees-and-service-charges/>.

You must pay on demand any debit balance or other obligation owed to Baird. Unless you enter into an alternative arrangement reasonably acceptable to Baird, if a fee or expense is due and there is insufficient cash or cash equivalents in your IRA, Baird reserves the right to liquidate assets in the IRA to cover fees, purchase and other administrative expenses.

Any fees payable in connection with the provision of other services (such as brokerage commissions or fees attributable to the provision of



investment advisory or other services to your IRA) will be charged to the IRA.

## **7. Financial Disclosure**

IRS regulations require Baird to provide you with a financial projected growth of your IRA account based upon certain assumptions. Because the amount and type of contributions to your IRA are made at your discretion and the assets held in your IRA are invested at your direction and will be subject to market fluctuation, growth in the value of your IRA is neither guaranteed nor projected. However, you will be provided with periodic statements of your IRA, including the fair market values of investments.

## Advisory Program Supplement

This Advisory Program Supplement (“Supplement”) supplements and is part of Client’s Client Relationship Agreement (the “Agreement”) with Robert W. Baird & Co. Incorporated (“Baird”). Client has retained the Private Wealth Management department of Baird (“PWM”) to provide the types of investment advisory services that Client may from time to time select in accordance with and subject to the terms of the Agreement and this Supplement. Capitalized terms used but not defined herein shall have their respective meanings ascribed to them in the Agreement.

### 1. Summary of Advisory Programs and Services

This Supplement applies to certain Advisory Programs and Advisory Services that Baird PWM provides to Client (collectively, the “Advisory Programs”) and each Client Advisory Account enrolled in an Advisory Program (an “Account”). The Advisory Programs that Baird PWM offers to Client through this Supplement include the following:

- discretionary programs, whereby Client gives Baird (including Baird PWM’s home office investment professionals or Client’s Baird Financial Advisor) full discretionary authority to manage Client’s Account (“Discretionary Programs”);
- non-discretionary programs, whereby Baird provides investment advice and recommendations but Client retains full authority with respect to the management of Client’s Account (“Non-Discretionary Programs”);
- separately managed account (“SMA”) programs and services, whereby investment managers, which may include third party investment managers unrelated or related to Baird (“Other Managers”) or Baird, manage Client’s Account according to a strategy (each, an “SMA Strategy”) with full discretionary authority, and Baird provides additional consulting services to Client (collectively “SMA Programs”); and
- unified managed account (“UMA”) Programs, whereby Client gives Baird and an overlay management firm, Evestnet Asset Management, Inc. (the “Overlay Manager”), selected by Baird authority to manage Client’s Account according to a strategy (each, a “UMA Strategy”) selected by Client (“UMA Programs”).

Depending on Client’s particular needs or objectives, Client may use one or more of these Programs.

The Discretionary Programs include: ALIGN Strategic Portfolios; BairdNext Portfolios; Private Investment Management (“PIM”); and Russell Model Strategies. The Non-Discretionary Programs include: Baird Advisory Choice. The SMA Programs include: Baird Affiliated Managers (“BAM”); Baird Recommended Managers; Baird SMA Network (“BSN”); and Dual Contract (“DC”). The UMA Programs include: ALIGN UMA Select Portfolios and Unified Advisory Select (“UAS”) Portfolios.

The SMA Programs are generally offered under a “single contract” arrangement. Under a single contract arrangement, Client enters into an advisory agreement with Baird and Baird, in turn, enters into a subadvisory or similar agreement with the investment manager on Client’s behalf. This type of arrangement is frequently referred to as a

single contract arrangement because there is only one contract between Client and Baird; Client does not have an agreement directly with Client’s investment manager. Under the Dual Contract Program, Client has a “dual contract” arrangement, meaning Client has two contracts; one contract with Baird and another contract with Client’s investment manager.

The UMA Programs allow Client to invest in a combination of mutual funds, exchange traded products (“ETPs”), primarily exchange traded funds (“ETFs”) and exchange traded notes (“ETNs”), SMA Strategies, and groups of mutual funds and ETFs (referred to as “sleeves”) and other model portfolios of securities managed by Baird PWM (such sleeves and model portfolios collectively, “PWM-Managed Portfolios”) using a single Account.

Baird has engaged the Overlay Manager to provide certain subadvisory services in connection with certain SMA Programs and the UMA Programs. The SMA and UMA Programs make available two types of SMA Strategies: (1) manager-traded strategies, whereby the manager itself manages Client’s Account and conducts the trading to implement the SMA Strategy selected by Client (a “Manager-Traded Strategy”); and (2) model-traded strategies, whereby the manager does not manage Client’s Account (a “Model Provider”) but instead provides a model portfolio (“Model Portfolio”) to an overlay management firm, which may include the Overlay Manager, Baird or other third party firm (each, an “Implementation Manager”), that in turn manages Client’s Account and conducts the trading to implement the SMA Strategy selected by Client (a “Model-Traded Strategy”). If Client selects a Model-Traded Strategy, the Model Provider will provide the Model Portfolio and updates to the Implementation Manager, and the Implementation Manager will manage Client’s Account with full discretionary authority according to the strategy selected by Client. Otherwise, if Client selects a Manager-Traded Strategy, the investment manager will directly manage Client’s Account with full discretionary authority as more fully described below.

Baird generally provides the Advisory Programs described in this Supplement under a “wrap fee” arrangement. This means that in addition to the investment advisory services that Baird provides in connection with each Advisory Program, Baird, in its capacity as broker-dealer, also provides Client with trade execution, custody and other standard brokerage services for a single fee (“Advisory Program Fee”). By opening an Advisory Account, Client authorizes and directs Baird to execute trades for, and perform other Brokerage Services to, Client’s Advisory Accounts. *Client should note that Client may incur costs in addition to the Advisory Program Fee. See Section 16(b) of this Supplement for more information.*

Certain Advisory Programs make available asset allocation investment strategies. Asset allocation strategies involve investing in one or more categories of assets, such as equity securities, fixed income securities, Non-Traditional Assets, Alternative Investment Products and cash, and one or more subcategories of assets, called asset classes. Asset allocation strategies have varying investment objectives and investment strategies. Asset allocation strategies may be implemented using a variety of investment types, such as individual securities, mutual funds and ETPs, including ETFs and ETNs. The amount allocated to an asset class or investment type varies by strategy, and some



strategies may have little or no allocation to one or more asset classes or types of investments described above.

The Advisory Programs make available investment products and services offered by parties that are not related to Baird. Some Advisory Programs make available investment products and services offered by parties related to Baird, including: Baird Advisors and Baird Equity Asset Management, investment management departments of Baird; Chautauqua Capital Management (“CCM”), a division of Baird Equity Asset Management; GAMMA Investing, LLC (“GAMMA”), Greenhouse Funds LLLP (“Greenhouse”), LoCorr Fund Management, LLC (“LoCorr”), Riverfront Investment Group, LLC (“Riverfront”), and Strategas Asset Management, LLC (“Strategas”), investment managers that are affiliated with Baird; Baird Trust Company (“Baird Trust”), a trust company that is affiliated with Baird; mutual funds offered by Baird Funds, Inc. (the “Baird Funds”), which is affiliated with Baird; and mutual funds offered by LoCorr Investment Trust (the “LoCorr Funds”), which is related to Baird. Those affiliated investment products and services generally consist of mutual funds, ETPs or other funds offered by Baird or parties related to Baird (“Affiliated Funds”) and SMA Strategies offered by Baird or parties related to Baird (“Affiliated SMA Strategies”). For more information about these and other related parties, see the *Client Relationship Booklet* and *Important Account Disclosures* document.

Client understands and acknowledges that Baird generally does not permit Client to include assets in Client’s Advisory Account that are held by a third party custodian or that are otherwise held outside of a Baird account (“Held-Away Assets”).

## 2. Discretionary Programs

### (a) ALIGN Strategic Portfolios Program

If Client participates in the ALIGN Strategic Portfolios Program, Client authorizes Baird to manage Client’s Account with full discretionary authority according to the proprietary model strategic asset allocation strategy developed by Baird (each such model an “ALIGN Strategic Portfolio”) that is selected by Client. The ALIGN Strategic Portfolios Program offers model asset allocation portfolios that have different investment objectives and use different strategic investment strategies. Each ALIGN Strategic Portfolio provides for specific levels of investment across different asset classes, such as equity securities, fixed income securities, Non-Traditional Assets, Alternative Investment Products and cash. Each Portfolio generally uses mutual funds and ETPs, primarily ETFs, in order to implement the model asset allocation strategy. The amount allocated to an asset class or type of investment varies by Portfolio, and some Portfolios may have little or no allocation to one or more asset classes or types of investments described above.

Client understands and agrees that: Baird constructs each ALIGN Strategic Portfolio and adjusts the asset allocation of each ALIGN Strategic Portfolio from time to time; Baird also determines the mutual funds and ETPs that are available in the ALIGN Strategic Portfolios Program, including the percentage each mutual fund or ETP comprises in each asset class within an ALIGN Strategic Portfolio; and Baird may make changes to an ALIGN Strategic Portfolio from time to time as it deems appropriate and without providing prior notice to, or obtaining the consent of, Client.

The ALIGN Strategic Portfolios include certain element portfolios (“ALIGN Elements Portfolios”). Client understands that the ALIGN Elements Portfolios are designed for clients with smaller accounts and

as such do not invest in as many mutual funds or ETFs compared to other ALIGN Strategic Portfolios and that if Client is able to satisfy applicable account minimums for other ALIGN Strategic Portfolios, Client is encouraged to discuss with Client’s Financial Advisor whether another portfolio may be a more appropriate choice for Client.

Client further understands and agrees that Baird may replace investments in Client’s Account, rebalance Client’s Account assets to be consistent with Client’s chosen ALIGN Strategic Portfolio strategy, change Client’s asset allocation, or engage in tax management strategies in certain circumstances. See Sections 11 and 13 of this Supplement for more information.

The Baird Brochure contains additional important information about the ALIGN Strategic Portfolios, including the Portfolios’ investment objectives and investment strategies and the risks associated with investing in those Portfolios. Client understands and acknowledges that Client should review the Baird Brochure before investing in an ALIGN Strategic Portfolio.

Important Information about Affiliated Funds. *Some of the mutual funds offered by Baird Funds, which is affiliated with Baird, have been selected by Baird for inclusion in certain ALIGN Strategic Portfolios. This presents a conflict of interest. For more information, see the Client Relationship Booklet and Important Account Disclosures document. By participating in the ALIGN Strategic Portfolios Program, Client understands and agrees that: (a) Baird offers other investment advisory programs that do not involve managers, funds or products affiliated with Baird, and Client may obtain additional information about them by contacting Client’s Baird Financial Advisor; and (b) Client is free at any time to choose another investment option or participate in another investment advisory program offered by Baird that does not use investment managers, funds or products affiliated with Baird.*

### (b) BairdNext Portfolios Program

If Client participates in the BairdNext Portfolios Program, Client authorizes Baird to manage Client’s Account with full discretionary authority according to the proprietary model asset allocation strategy developed by Baird (each such model, a “BairdNext Portfolio”) that is selected by Client. The BairdNext Portfolios Program offers model asset allocation portfolios that have different investment objectives and use different strategic investment strategies. Each BairdNext Portfolio provides for specific levels of investment across different asset classes, such as equity securities, fixed income securities, Non-Traditional Assets, Alternative Investment Products and cash. Each Portfolio generally uses mutual funds and ETPs, primarily ETFs, in order to implement the model asset allocation strategy. The amount allocated to an asset class or type of investment varies by Portfolio, and some Portfolios may have little or no allocation to one or more asset classes or types of investments described above.

Client understands and agrees that: Baird constructs each BairdNext Portfolio and adjusts the asset allocation of each BairdNext Portfolio from time to time; Baird also determines the mutual funds and ETPs that are available in the BairdNext Portfolios Program, including the percentage each mutual fund or ETP comprises in each asset class within a BairdNext Portfolio; and Baird may make changes to a BairdNext Portfolio from time to time as it deems appropriate and without providing prior notice to, or obtaining the consent of, Client.

Client understands that the BairdNext Portfolios Program is designed for clients with smaller accounts and as such does not invest in as many

mutual funds or ETFs compared to other Advisory Programs and that if Client is able to satisfy applicable account minimums for other Advisory Programs, Client is encouraged to discuss with Client's Financial Advisor whether another Advisory Program may be a more appropriate choice for Client.

Client further understands and agrees that Baird may replace investments in Client's Account, rebalance Client's Account assets to be consistent with Client's chosen BairdNext Portfolio strategy, change Client's asset allocation, or engage in tax management strategies in certain circumstances. See Sections 11 and 13 of this Supplement for more information.

The Baird Brochure contains additional important information about the BairdNext Portfolios, including the Portfolios' investment objectives and investment strategies and the risks associated with investing in those Portfolios. Client understands and acknowledges that Client should review the Baird Brochure before investing in a BairdNext Portfolio.

Important Information about Affiliated Funds. *Some of the mutual funds offered by the Baird Funds, which is affiliated with Baird, have been selected by Baird for inclusion in certain BairdNext Portfolios. This presents a conflict of interest. For more information, see the Client Relationship Booklet and Important Account Disclosures document. By participating in the BairdNext Portfolios Program, Client understands and agrees that: (a) Baird offers other investment advisory programs that do not involve managers, funds or products affiliated with Baird, and Client may obtain additional information about them by contacting Client's Baird Financial Advisor; and (b) Client is free at any time to choose another investment option or participate in another investment advisory program offered by Baird that does not use investment managers, funds or products affiliated with Baird.*

#### **(c) Private Investment Management ("PIM") Program**

If Client participates in the PIM Program, Client grants full discretionary authority and management of Client's Account to Baird and Client's Baird Financial Advisor who has been approved by Baird to manage client accounts in the PIM Program (a "PIM Manager").

In the PIM Program, Client's PIM Manager seeks to meet Client's particular investment needs by identifying or developing an investment strategy based upon guidelines that are jointly established by Client and Client's PIM Manager. At the commencement of services, Client's PIM Manager reviews Client's investment objectives and risk tolerance. Based upon that review and other information provided by Client, the PIM Manager makes a subsequent recommendation to Client as to which investment strategy the PIM Manager believes is best suited for Client. Some PIM Managers use model portfolios, which may include proprietary model asset allocation portfolio strategies developed by Baird, or other investment strategies. Some PIM Managers take a "counseled" or more customized approach to management of client accounts. Client understands and agrees that Client makes the final decision as to which investment strategy is chosen for Client's Account.

A PIM Manager may make investments in various types of securities, including, but not limited to, equity securities, fixed income securities, Non-Traditional Assets, certain Alternative Investment Products and mutual funds and ETPs that in turn invest in those investments. All or a portion of the assets in Client's Account may be held in cash or cash equivalents, including securities issued by money market mutual funds or may be deposited in interest-bearing bank accounts.

Additional information about how the PIM Manager will manage Client's PIM Account and the types of investments the PIM Manager may use for Client's PIM Account is contained in the Brochure Documents that have been or will be delivered to Client.

Client understands and agrees that Baird may remove any PIM Manager or strategy from the PIM Program at any time and transfer day-to-day management responsibility of Client's Account to another PIM Manager or Baird Financial Advisor at any time without providing prior notice to, or obtaining the consent of, Client.

Important Information about PIM Accounts. *Client should note that PIM Managers may engage in strategies that involve: concentrated and less diversified portfolios of securities; leverage; and frequent trading for client accounts. In addition, PIM Managers may invest Client's Accounts in illiquid securities, community bank stocks and Complex Investment Products. These types of strategies and investments involve special, sometimes significant, risks and are not appropriate for all clients. Client should understand those risks before engaging in those strategies or investing in those products.*

*Mutual funds, ETFs and other investment products affiliated with Baird are available to clients under the PIM Program. This presents a conflict of interest. For more information, see the Client Relationship Booklet and Important Account Disclosures document.*

#### **(d) Russell Model Strategies Program**

If Client participates in the Russell Model Strategies Program (the "Russell Program"), Client authorizes Baird to manage Client's Account with full discretionary authority according to a model mutual fund asset allocation strategy (a "Russell Strategy") developed by Russell Investment Management, LLC ("Russell") that is selected by Client. The Russell Program offers model asset allocation portfolios that have different investment objectives and use different strategic and tactical investment strategies. Each Russell Strategy provides for specific levels of investment across different asset classes, such as equity securities, fixed income securities, Non-Traditional Assets, Alternative Investment Products and cash. Each Strategy generally uses mutual funds and ETFs in order to implement the model asset allocation strategy. The amount allocated to an asset class or type of investment varies by Strategy, and some Strategies may have little or no allocation to one or more asset classes or types of investments described above. Each Russell Strategy will typically invest exclusively or significantly in mutual funds offered by Russell Investment Company (the "Russell Funds"), although some non-Russell Funds may be used.

Client understands and agrees that: Russell constructs each Russell Strategy and adjusts the asset allocation of each Strategy from time to time; Russell also determines mutual funds and ETFs, including the Russell Funds, that are available in each Russell Strategy, including the percentage each mutual fund and ETF comprises in each Strategy; and from time to time, Russell may remove mutual funds and ETFs and replace them with other mutual funds and ETFs.

Baird anticipates that it generally will implement a Russell Strategy as proposed by Russell. However, Client understands and agrees that Baird has sole discretionary authority over Client's Account invested in a Russell Strategy, and Baird may implement a Russell Strategy differently than proposed by Russell or may sell Client's investments if Baird determines such action to be necessary and in Client's best interest.

Client further understands and agrees that Baird may rebalance Client's Account assets to be consistent with Client's chosen asset allocation strategy change Client's asset allocation or engage in tax management strategies in certain circumstances. See Sections 11 and 13 of this Supplement for more information.

The Baird Brochure contains additional important information about the Russell Strategies, including the Strategies' investment objectives and investment strategies and the risks associated with investing in those Strategies. Client understands and acknowledges that Client should review the Baird Brochure before investing in a Russell Strategy.

### 3. Non-Discretionary Programs

#### (a) Baird Advisory Choice Program

If Client participates in the Baird Advisory Choice Program, Baird provides advice to Client in connection with Client's own management of Client's Account.

Some of the services provided under this Program may be provided to Client by a Baird Financial Advisor assigned to Client's Account.

Client's Baird Financial Advisor may recommend that Client implement a model portfolio in Client's Advisory Choice Account. If Client implements a model portfolio in Client's Advisory Choice Account, Client may have the option to have Baird and Client's Financial Advisor automatically rebalance Client's Advisory Choice Account to the target asset allocations specified by the model portfolio at predetermined intervals.

Client understands and agrees that Baird does not have discretionary authority over the assets in Client's Baird Advisory Choice Account, and Baird and Client's Baird Financial Advisor cannot purchase or sell any securities or other investments in Client's Baird Advisory Choice Account, including purchases and sales to rebalance the Account, without Client's authorization. Client further understands and agrees that Client makes the final decision as to selection of investments for Client's Baird Advisory Choice Account. Furthermore, if Client selects a model portfolio for Client's Baird Advisory Choice Account, Client understands and agrees that Client is ultimately responsible for: the selection of the model portfolio, the model portfolio's implementation, and the selection of an automatic rebalance option, if any.

Client understands, acknowledges and agrees that Baird only provides Client with certain consulting services and, for eligible Accounts, automatic Account rebalancing services under the Baird Advisory Choice Program. The consulting services that may be available in the Program from Client's Financial Advisor include research, analysis, advice and recommendations regarding: financial and investment goals and needs; asset allocation strategies, investment strategies and investment restrictions; methods for implementing investment strategies; trends and expectations regarding securities and other investments, securities markets, and economic sectors and industries; and the purchase, holding and sale of securities and other investments. The specific consulting services to be provided to Client will be determined by mutual agreement between Client and Client's Financial Advisor. Client further understands and agrees that Baird does not undertake to provide any other consulting or investment advisory services under this Program unless Baird agrees to do so in writing.

Baird or Client's Financial Advisor will provide investment recommendations for Client's Account and may recommend the amount, type and timing with respect to buying, holding, exchanging,

converting and selling securities and other assets for Client's Account. Baird or Client's Financial Advisor may recommend investments in various types of securities, including, but not limited to, equity securities, fixed income securities, Non-Traditional Assets, certain Alternative Investment Products and mutual funds and ETPs that in turn invest in those investments. All or a portion of the assets in Client's Account may be held in cash or cash equivalents, including securities issued by money market mutual funds or may be deposited in interest-bearing bank accounts.

Important Information about Baird Advisory Choice Accounts. *Client understands that a Baird Advisory Choice Account provides a fee-based alternative to a traditional, commission-based brokerage account and that unlike a traditional brokerage account where a client is paying for traditional brokerage services, an Advisory Choice client is also paying for investment advice and other investment advisory services above and beyond those available in a traditional brokerage account. Client also understands that Client alone is responsible for determining whether a Baird Advisory Choice Account is appropriate. In making this determination, Client agrees that Client has carefully considered all relevant factors, including Client's investment objectives, risk tolerance, past and anticipated trading practices, current assets, current investments, the value and type of Permitted Investments to be held in the Account, anticipated use of other Baird products and services, and the costs and benefits of the Account. Client understands and agrees that: the costs of a Baird Advisory Choice Account may be more than in an account where Client is charged on a per-transaction basis; and a Baird Advisory Choice Account may not be appropriate if Client anticipates little or no trading activity, if Client prefers to direct Client's own investment strategies and security selection independent of the advice of Baird or Client's Financial Advisor, or if Client does not receive or request investment advisory or other non-trading services from Baird. Client further understands that a Baird Advisory Choice Account is not for day trading or other extreme trading activity, including excessive options trading or trading in mutual funds based on market timing. If Client's Baird Advisory Choice Account engages in "excessive trading activity" (herein defined as activity that would be considered "excessive" by industry professionals in a non-discretionary, fee-based program, as determined by Baird in its sole discretion), Baird may, to the extent permitted by applicable law, immediately, upon sending notice to Client, restrict the activity occurring in Client's Account, terminate the Account, convert the Account to a commission-based account, or charge a higher fee at such rate as Baird, in its sole discretion, may elect. Client acknowledges that Client is responsible for monitoring Client's Account and determining the desirability of maintaining the Account as opposed to maintaining a traditional, commission-based brokerage account. Client understands that in addition to Baird Advisory Choice Accounts and traditional, commission-based brokerage accounts, Baird offers various other advisory programs in which it has investment discretion. Client agrees that Client will periodically reevaluate whether the ongoing use of this Non-Discretionary Advisory Program is desired and Client understands that Client may request a Baird Financial Advisor to explain the benefits and disadvantages of maintaining a Baird Advisory Choice Account and the availability of alternative arrangements.*

*Client understands that additional information regarding the differences between brokerage and advisory relationships can be found in the "Understanding Brokerage and Investment Advisory Relationships" document that is available on Baird's website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).*

Client may terminate a Baird Advisory Choice Account and convert it into a traditional, commission-based brokerage account at any time by contacting Client's Baird Financial Advisor. Baird also has the right, at any time upon notice to Client, to terminate Client's Baird Advisory Choice Account and convert it into commission-based brokerage account.

Client should note that Client's Baird Advisory Choice Account may be engaged in strategies that involve concentrated and less diversified portfolios of securities, leverage or margin, options, and frequent trading. In addition, Client's Baird Advisory Choice Account may be invested in illiquid securities and Complex Investment Products. These types of strategies and investments involve special, sometimes significant, risks and are not appropriate for all clients. Client should understand those risks before engaging in those strategies or investing in those products.

Mutual funds, ETFs and other investment products affiliated with Baird are available to clients under the Advisory Choice Program. This presents a conflict of interest. For more information, see the Client Relationship Booklet and Important Account Disclosures document.

#### 4. SMA Programs

##### (a) Baird Affiliated Managers Program

If Client participates in the BAM Program, Client authorizes Baird or an investment manager related to Baird selected by Client to manage Client's Account with full discretionary authority according to a strategy selected by Client. Client understands that the BAM Program is designed to accommodate a client who wishes to select Baird or an investment manager related to Baird to manage the assets in Client's Account instead of an unaffiliated manager made available in other SMA Programs.

Client understands and agrees that: Baird determines the investment managers ("BAM Managers") and their strategies ("BAM Strategies") eligible to participate in the Program; the BAM Strategies and BAM Managers are not subject to the same evaluation process or eligibility standards imposed upon on other SMA Strategies and SMA Managers offered through other SMA Programs; and Client should only participate in the BAM Program if Client wishes to select Baird or a manager related to Baird to manage Client's Account and Client understands the potential conflicts of interest presented by the arrangement and the risks of doing so.

BAM Managers have varying investment objectives, styles and strategies, and they may invest a client's Account in various types of securities, which will be chosen by the BAM Manager and which may include mutual funds, ETFs or other investment products affiliated with the manager or Baird.

Currently, certain PWM-Managed Portfolios and SMA Strategies offered by Baird Equity Asset Management, Baird Trust, CCM, GAMMA, Riverfront and Strategas are offered through the BAM Program.

##### (i) PWM-Managed Portfolios

Under the BAM Program, Baird makes available to clients the following PWM-Managed Portfolios managed by Baird PWM's Research team: the Baird Recommended Portfolio, the Baird Rising Dividend Portfolio, and the AQA Portfolios, which are further described in the Baird Brochure.

##### (ii) BAM SMA Strategies

###### 1. Baird Equity Asset Management

Under the BAM Program, Baird makes available to clients certain SMA Strategies offered by Baird Equity Asset Management, including: growth investment strategies (the "Baird Equity Asset Management Growth Strategies"); and Specialized Asset Management ("SAM") portfolio strategies (the "SAM Strategies"), consisting of SAM Strategic Portfolio strategies and SAM Custom Portfolio strategies.

Baird Equity Asset Management also manages client portfolios according to other strategies selected by clients ("Other Baird Equity Asset Management Strategies", and with the Baird Equity Asset Management Growth Strategies and the SAM Strategies, the "Baird Equity Asset Management Strategies").

The SAM Strategic Strategies are model asset allocation portfolios that have different investment objectives and strategies. Each SAM Strategy provides for specific levels of investment across different asset classes, such as equity securities, fixed income securities, Non-Traditional Assets, Alternative Investment Products and cash. Each Strategy generally uses individual securities, mutual funds and ETFs in order to implement the model asset allocation strategy. The amount allocated to an asset class or type of investment varies by Strategy, and some Strategies may have little or no allocation to one or more asset classes or types of investments described above.

A SAM Custom Portfolio provides Client with a customized level of investment across one or more of the asset classes described above. The custom model asset allocation strategy is determined by Client with the assistance of Baird Equity Asset Management.

Baird Equity Asset Management may invest Client's Baird Equity Asset Management Strategies Account in various types of securities, which will be chosen by Baird Equity Asset Management and which may include mutual funds or other investment products affiliated with Baird.

###### 2. Baird Trust

Under the BAM Program, Baird makes available to clients five (5) portfolio strategies developed and maintained by Baird Trust ("Baird Trust Strategies") further described in the Baird Brochure. The Baird Trust Strategies invest in a mix of equity securities and ETFs.

In addition, Baird makes available to clients Baird Trust Custom Portfolio Management<sup>SM</sup>, which offers clients a customized approach to investing and the ability to work directly with an in-house Baird Trust Portfolio Manager. Client's Baird Trust Portfolio Manager and Financial Advisor will work closely with Client to develop a diversified, customized investment portfolio, managed to fit Client's specific needs. The Baird Trust Portfolio Manager will determine the investments for Client's Account based on a comprehensive assessment process that includes the client's investment objective, time horizon, financial situation, and special circumstances. Once the assessment is complete, Client's portfolio construction begins. Baird Trust Custom Portfolio Management accounts typically invest in a mix of equity securities, fixed income securities, mutual funds and ETFs, depending upon the needs of a particular client.

###### 3. CCM

Under the BAM Program, Baird makes available to clients certain International Growth and Global Growth SMA Strategies offered by CCM ("CCM Portfolios"). The CCM Portfolios invest in equity securities



of companies located in different regions around the world, primarily in developed markets but also in emerging and less developed markets. Each Portfolio generally uses common or ordinary shares, depositary receipts representing an ownership interest in ordinary shares, preferred stocks, in order to implement the strategy. The CCM Portfolios generally invest in a limited number of securities, but seek to be diversified in terms of currencies, regions and economic sectors.

#### 4. GAMMA

Under the BAM Program, Baird makes available to clients certain SMA Strategies offered by GAMMA (“GAMMA Portfolios”). GAMMA offers Custom Indexing strategies providing for specific levels of investment across different asset classes, such as equity securities, fixed income securities, and cash. Each Portfolio generally uses stocks, bonds, mutual funds and ETPs, primarily ETFs and ETNs, in order to implement the target strategy. The amount allocated to an asset class or type of investment varies by Portfolio, and some Portfolios may have little or no allocation to one or more asset classes or types of investments described above.

The GAMMA Custom Indexing strategies that GAMMA offers under the Baird Affiliated Managers Program include managed portfolios of individual securities that seek to deliver similar return and risk characteristics as an index strategy (“target strategy”) selected by the client. Custom Indexing strategies can be benchmarked to any standard or customized index, or combination of standard or customized benchmarks. Custom Indexing strategies typically invest directly in a subset of the securities which make up the target strategy. The investment objective of each Custom Indexing strategy is to provide exposure to a client selected market segment or combination of market segments into an overall asset allocation while maximizing after-tax returns.

#### 5. Riverfront

Under the BAM Program, Baird makes available to clients certain SMA Strategies offered by Riverfront (“Riverfront Portfolios”). The Riverfront Portfolio strategies are model asset allocation portfolios that have different investment objectives and use different strategic and tactical investment strategies. Each Riverfront Portfolio provides for specific levels of investment across different asset classes, such as equity securities, fixed income securities, Non-Traditional Assets, Alternative Investment Products and cash. Each Portfolio generally uses mutual funds and ETPs, primarily ETFs and ETNs, in order to implement the model asset allocation strategy. The amount allocated to an asset class or type of investment varies by Portfolio, and some Portfolios may have little or no allocation to one or more asset classes or types of investments described above.

The Riverfront Portfolio strategies that Riverfront offers under the Baird Affiliated Managers Program include Riverfront Asset Allocation Portfolios (also known as “Advantage Portfolios”); Riverfront ETF Portfolios (also known as “ETF Advantage Portfolios”); Riverfront Income ETF Portfolios (also known as “Income ETF Advantage Portfolios”); and RiverShares Model Portfolios.

#### 6. Strategas

Under the BAM Program, Baird makes available to clients certain SMA Strategies offered by Strategas (“Strategas Portfolios”), including thematic strategies (“Strategas Thematic Portfolios”), asset allocation strategies (“Strategas Asset Allocation Portfolios”) and fixed income strategies (“Strategas Fixed Income Portfolios”). The Strategas

Thematic Strategies invest principally in equity securities using certain proprietary investment themes, ideas or trends. The Strategas Asset Allocation Portfolios invest primarily in equity and fixed income securities in a manner that aligns with client goals and risk preferences over a medium-term to long-term time horizon. Each Portfolio combines Strategas’s strategic asset allocation outlook with tactical tilts towards those sectors and investments that it believes are most favorable for investment. The Strategas Fixed Income Strategies are actively managed, multisector, enhanced total return bond strategies, that seek to maximize return, while seeking to minimize total return volatility. The Strategas Fixed Income Strategies primarily invest in sector-focused ETFs.

#### (iii) Additional Information about the BAM Program

Client understands that Client is urged to review the BAM Manager’s Form ADV Part 2A Brochure, which contains additional important information about the BAM Manager, including information about the BAM Strategies, the types of investments BAM Manager may use for Client’s Account, and the risks associated with investing in those Strategies. A BAM Manager’s Form ADV Part 2A Brochure is available upon request.

If Client participates in the BAM Program, Client authorizes and directs Baird to appoint the BAM Manager selected by Client to serve as sub-adviser to Client’s Account. Client further authorizes and directs the BAM Manager to manage Client’s Account with full discretionary authority in accordance with the BAM Strategy selected by Client.

Certain BAM Strategies are only made available through the Overlay Manager. The BAM Strategies offered through the Overlay Manager consist of Manager-Traded Strategies and Model-Traded Strategies. If Client selects a BAM Strategy offered through the Overlay Manager for Client’s Account, Client authorizes and directs Baird to appoint the Overlay Manager to serve as sub-adviser to Client’s Account. If Client selects a Model-Traded Strategy offered through the Overlay Manager for Client’s Account, Client authorizes and directs the Overlay Manager to manage Client’s Account with full discretionary authority in accordance with the BAM Strategy selected by Client. If Client selects a Manager-Traded Strategy offered through the Overlay Manager for Client’s Account, Client authorizes and directs the Overlay Manager to appoint the applicable BAM Manager as sub-adviser, and Client also authorizes and directs such BAM Manager to manage Client’s Account with full discretionary authority in accordance with the BAM Strategy selected by Client.

If Client selects a Model-Traded Strategy offered through the Overlay Manager for Client’s Account, the Overlay Manager will typically implement the Model Portfolio as proposed by the Model Provider. However, Client understands and agrees the Overlay Manager has discretionary authority over Client’s Account and that the Overlay Manager may implement the Model Portfolio differently than proposed by the Model Provider if the Overlay Manager determines such action to be necessary and in Client’s best interest. Client further understands that Baird does not monitor or ascertain whether the Overlay Manager is fully and faithfully implementing the Model Portfolio on a continuous basis and that Client should periodically discuss the Account’s performance with Client’s Financial Advisor.

Client understands that certain managers of Model-Traded Strategies offered through the Overlay Manager have adopted trade rotation policies that allow them to send Model Portfolio updates to the Overlay Manager after they have implemented the Model Portfolio updates for

client accounts managed by them or after they have otherwise completed trading for those accounts and that, as a result, the performance of Client's Account pursuing a Model Portfolio strategy offered by those Model Providers will differ, perhaps in a materially negative manner, from the performance of other client accounts managed by those Model Providers. For more information, see Section 7(c) of this Supplement.

If Client's Account is managed by an Other Manager under the BAM Program, Client understands, acknowledges and agrees that, notwithstanding the discretionary authority granted to Baird under the BAM Program: Baird does not manage the Account and does not otherwise have any influence over the Other Manager's investment decisions or securities selections, and therefore, Baird is not responsible for the decisions made by the Other Manager; Baird does not provide any recommendation or investment advice regarding the purchase or sale of investment products made for Client's Account; and Baird and Client's Baird Financial Advisor only provide Client with certain consulting services, which may include Client's Financial Advisor's assistance with determining the client's financial needs, investment goals and investment restrictions and periodically reviewing the manager's performance. Client understands and agrees Baird does not undertake to provide any other consulting or investment advisory services under the BAM Program unless Baird agrees to do so in writing.

If Client participates in the BAM Program, Client is strongly encouraged to contact Client's Baird Financial Advisor or BAM Manager on a periodic basis to discuss: Client's Account and its investment performance; the BAM Manager's investment philosophy and style (to determine if the BAM Strategy remains appropriate for the client); any potential conflicts of interest; and any investment restrictions Client may wish to impose or change. Client should also periodically check the registration status, disciplinary events and other information regarding the BAM Manager, described on the manager's Form ADV, which is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Client understands and agrees that: the BAM Strategies and BAM Managers made available under the BAM Program are subject to change or removal at any time in Baird's sole discretion; Client's appointment and continued retention of a BAM Manager to manage Client's Account are based upon Client's review of the BAM Manager and its services; in selecting the BAM Strategy, Client ultimately determines that the strategy to be used in managing Client's Account is consistent with Client's stated investment objectives and financial needs and risk tolerance; and once retained by Client, a BAM Manager will only be removed from managing Client's Account upon the BAM Manager's removal from the Program by Baird, the BAM Manager's withdrawal or Client's direction to do so. Under the terms of the BAM Program, Baird cannot appoint a replacement manager without client consent. Client understands and agrees that, given the terms of the BAM Program, upon the withdrawal or removal of an investment manager from the BAM Program, Client's BAM Program Account will be automatically removed from the BAM Program and the Account will become an unmanaged brokerage account, unless Client provides contrary instructions to Baird.

Important Information about Affiliated Managers. *All of the BAM Strategies made available under the BAM Program are offered by Baird or a manager affiliated with Baird. PWM-Managed Portfolios are Managed by Baird PWM. Baird Equity Asset Management and CCM are investment management departments of Baird. Baird Trust, GAMMA,*

*Riverfront and Strategas are affiliated with Baird. Baird has a potential conflict of interest to the extent Baird would advise Client to participate in the BAM Program.*

*Client's appointment and continued retention of a BAM Manager to manage Client's Account are based upon Client's review of the BAM Manager and its services. In selecting the BAM Strategy, Client ultimately determines that the strategy to be used in managing Client's Account is consistent with Client's stated investment objectives and financial needs and risk tolerance. Once retained by Client, a BAM Manager will only be removed from managing Client's Account upon the BAM Manager's removal from the Program by Baird, the BAM Manager's withdrawal or Client's direction to do so.*

#### **(b) Baird Recommended Managers Program**

If Client participates in the Baird Recommended Managers Program, Client provides Baird and Client's Financial Advisor with discretionary authority to appoint investment managers to manage Client's Account and to terminate or replace investment managers for Client's Account. Client also authorizes such investment managers to manage such Account with full discretionary authority. Client understands that the Baird Recommended Managers Program is designed for a client who wishes to have the client's account managed by investment managers that are monitored by Baird on an ongoing basis.

Under the Baird Recommended Managers Program, Baird determines the investment managers ("Recommended Managers") and their strategies ("BRM Strategies") eligible to participate in the Program through an initial and ongoing evaluation process further described in the Baird Brochure.

Recommended Managers have varying investment objectives, styles and strategies, and they may invest Client's Account in various types of securities, which will be chosen by the Recommended Manager and which may include mutual funds, ETFs or other investment products affiliated with the manager or Baird.

Client understands that Client is urged to review the Recommended Manager's Form ADV Part 2A Brochure, which should contain additional important information about the Recommended Manager, including information about the Recommended Manager's strategies, the types of investments the Recommended Manager may use for Client's Account, and the risks associated with investing in a BRM Strategy. Such brochures are available upon request.

Some of the services provided under the Baird Recommended Managers Program will be provided to Client by a Baird Financial Advisor assigned to Client's Account. Client initially selects the Recommended Manager and BRM Strategy for Client's Account. Thereafter, whenever Baird or Client's Financial Advisor deems it necessary, Baird or Client's Financial Advisor will replace a Recommended Manager or BRM Strategy with another Recommended Manager or BRM Strategy for Client's Account based upon the list of Recommended Managers and BRM Strategies that Baird makes available for the Baird Recommended Managers Program.

If Client participates in the Baird Recommended Managers Program, Client authorizes and directs Baird to appoint Recommended Managers to serve as sub-advisor to Client's Account and to otherwise manage Client's Account in accordance with the terms of the Baird Recommended Managers Program. Client also authorizes and directs

the Recommended Managers to manage Client's Account with full discretionary authority in accordance with the BRM Strategy selected.

Certain BRM Strategies are only made available through Implementation Managers. The BRM Strategies offered through Implementation Managers consist of Manager-Traded Strategies and Model-Traded Strategies. If a BRM Strategy offered through an Implementation Manager is selected for Client's Account, Client authorizes and directs Baird to appoint the Implementation Manager to serve as sub-adviser to Client's Account. If a Model-Traded Strategy offered through an Implementation Manager is selected for Client's Account, Client authorizes and directs the Implementation Manager to manage Client's Account with full discretionary authority in accordance with the selected BRM Strategy. If a Manager-Traded Strategy offered through an Implementation Manager is selected for Client's Account, Client authorizes and directs the Implementation Manager to appoint the applicable Recommended Manager as sub-adviser, and Client also authorizes and directs such Recommended Manager to manage Client's Account with full discretionary authority in accordance with the selected BRM Strategy.

If a Model-Traded Strategy offered through an Implementation Manager is selected for Client's Account, the Implementation Manager will typically implement the Model Portfolio as proposed by the Model Provider. However, Client understands and agrees that the Implementation Manager has discretionary authority over Client's Account and that the Implementation Manager may implement the Model Portfolio differently than proposed by the Model Provider if the Implementation Manager determines such action to be necessary and in Client's best interest. Client further understands that Baird does not monitor or ascertain whether a third party Implementation Manager is fully and faithfully implementing the Model Portfolio on a continuous basis and that Client should periodically discuss the Account's performance with Client's Financial Advisor.

Client understands that certain managers of Model-Traded Strategies offered through the Overlay Manager have adopted trade rotation policies that allow them to send Model Portfolio updates to the Overlay Manager after they have implemented the Model Portfolio updates for client accounts managed by them or after they have otherwise completed trading for those accounts and that, as a result, the performance of Client's Account pursuing a Model Portfolio strategy offered by those Model Providers will differ, perhaps in a materially negative manner, from the performance of other client accounts managed by those Model Providers. For more information, see Section 7(c) of this Supplement.

If Client's Account is managed by an Other Manager under the Baird Recommended Managers Program, Client understands, acknowledges and agrees that, notwithstanding the discretionary authority granted to Baird and Client's Financial Advisor under the Program: Baird and Client's Financial Advisor do not manage the Account and do not otherwise have any influence over the Other Manager's investment decisions or securities selections, and therefore, Baird and Client's Financial Advisor are not responsible for the decisions made by the Other Manager; and Baird and Client's Financial Advisor do not provide any recommendation or investment advice regarding the purchase or sale of investment products made for Client's Account.

Client further understands and agrees that, from time to time, Baird may remove investment managers from the Baird Recommended Managers Program, and Baird may select a replacement manager to

manage Client's Account. In such event, Client understands and agrees that Baird, at the direction of Client's replacement manager, or Client's replacement manager may sell all or a portion of the securities or other investments in the Account that were managed by the prior manager and the replacement manager may reinvest the cash proceeds of those sales. Client understands that sales of securities or other investments could result in adverse tax consequences for Client.

If Baird terminates an investment manager from the Baird Recommended Managers Program, Client authorizes Baird to invest, with full discretionary authority, the assets in Client's Account previously managed by the terminated investment manager in other securities, including, but not limited to, mutual funds and ETPs. Baird's discretionary authority to make such other investments will continue until a replacement investment manager is selected or alternative arrangements are made for the management of Client's assets.

If Client prefers to continue using an investment manager that has been removed from the Baird Recommended Managers Program, or directs or otherwise requests that a particular investment manager not recommended by Baird be selected to manage Client's Account, Client will need to move to another Advisory Program, such as the BSN Program. Client understands that if Client elects to do so, Client will no longer receive the same level of rigorous ongoing monitoring, evaluation, or review of that investment manager from Baird.

#### **(i) ALIGN 55ip Tax Managed Solutions**

The Baird Recommended Managers Program makes available ALIGN 55ip Tax Managed Solutions that are designed for a client that desires to have the strategy for the client's Account transitioned to an ALIGN Strategic Portfolio strategy selected by the client (the "Target ALIGN Strategy") using tax management strategies that are intended to reduce the negative impact of U.S. federal income taxes on an Account resulting from the transition. Baird has engaged 55i, LLC (d/b/a 55ip, "55ip") to provide tax management services on a subadvisory basis to clients that select ALIGN 55ip Tax Managed Solutions.

If Client selects an ALIGN 55ip Tax Managed Solution for Client's Account, Client authorizes and directs Baird to appoint 55ip to serve as sub-adviser to Client's Account. Client also authorizes and directs 55ip to manage Client's Account with full discretionary authority to transition the Account holdings to reflect the target portfolio holdings of the Target ALIGN Strategy selected by Client using its tax management strategies.

Client understands that: like all investment strategies, there is no guarantee that 55ip's implementation of tax management strategies will be successful, and when such strategies are used, Client's Account may not be successful in pursuing its primary investment strategies, objectives or goals.

Client understands that Client is urged to review 55ip's Form ADV Part 2A Brochure, which should contain additional important information about 55ip, including information about 55ip's strategies, the types of investments 55ip may use for Client's Account, and the risks associated with 55ip's strategies. Such brochure is available upon request.

Unless Client otherwise provides direction to Client's Baird Financial Advisor, Client's Account will pursue an ALIGN 55ip Tax Managed Solution until such time that Baird in its discretion determines that the Account's transition to the Target ALIGN Portfolio has been completed, at which time the Account will be automatically enrolled in the ALIGN

Strategic Portfolios Program and 55ip's tax management services will cease.

Important Information about Affiliated Managers. *The Baird Recommended Managers Program makes available to Client investment services that are offered by Baird Equity Asset Management, an investment management department of Baird. Baird has a potential conflict of interest to the extent Baird would advise Client to select investment products offered by Baird Equity Asset Management. By participating in the Baird Recommended Managers Program and selecting Baird Equity Asset Management to manage Client's assets, Client understands and agrees that: (a) Baird may receive higher net fees and compensation as a result of Client's selection of Baird Equity Asset Management than if Client selected an investment manager not affiliated with Baird because Baird would not be required to pay a portion of the fees it receives from Client to compensate an unaffiliated manager; (b) Baird offers other investment managers within the Baird Recommended Managers Program that are not affiliated with Baird as well as other investment advisory programs that do not involve managers, funds or products affiliated with Baird, and Client may obtain additional information about them by contacting Client's Baird Financial Advisor; and (c) Client is free at any time to choose another investment manager or participate in another investment advisory program offered by Baird that does not use investment managers, funds or products affiliated with Baird. Client also understands and agrees that, Baird receives a portion of the Portfolio Fee paid by Client Accounts pursuing ALIGN 55ip Tax Managed Solutions for portfolio management services that Baird provides in connection with those Solution and that such compensation provides Baird a financial incentive to recommend those Solutions.*

**(c) Baird SMA Network Program**

If Client participates in the BSN Program, Client independently selects an investment manager to manage Client's Account with full discretionary authority according to a strategy selected by Client. Client understands that the BSN Program is designed to accommodate a client who wishes to independently select an investment manager not available in the Baird Recommended Managers Program to manage the assets in the client's account.

Under the BSN Program, Baird determines the investment managers (each, a "BSN Manager") and their strategies ("BSN Strategies") eligible to participate in the Program through a significantly less rigorous evaluation process compared to the Baird Recommended Managers Program further described in the Baird Brochure. However, Client understands, acknowledges and agrees that Baird does not make any recommendation to Client regarding any BSN Strategy or any representations regarding a BSN Manager's qualifications as an investment adviser or abilities to manage Client's assets.

Client understands, acknowledges and agrees that by participating in the BSN Program, Client wishes to take more responsibility for monitoring Client's Account, the Baird Recommended Managers Program does not contain an SMA Strategy that meets Client's particular needs, and Client understands the risks of participating in the BSN Program.

BSN Managers have varying investment objectives, styles and strategies, and they may invest Client's Account in various types of securities, which will be chosen by the BSN Manager and which may include mutual funds, ETFs or other investment products affiliated with

the manager or Baird. Certain managers offer strategies that exclusively invest in Investment Funds ("Fund Strategist Portfolios").

Client understands that Client is urged to review the BSN Manager's Form ADV Part 2A Brochure, which should contain additional important information about the BSN Manager, including information about the BSN Manager's strategies, the types of investments the BSN Manager may use for Client's Account, and the risks associated with investing in a BSN Strategy. Such brochures are available upon request.

If Client participates in the BSN Program, Client authorizes and directs Baird to appoint the BSN Manager selected by Client to serve as sub-adviser to Client's Account. Client also authorizes and directs the BSN Manager to manage Client's Account with full discretionary authority in accordance with the BSN Strategy selected by Client.

Certain BSN Strategies are only made available through the Overlay Manager. The BSN Strategies offered through the Overlay Manager consist of Manager-Traded Strategies and Model-Traded Strategies. If Client selects a BSN Strategy offered through the Overlay Manager for Client's Account, Client authorizes and directs Baird to appoint the Overlay Manager to serve as sub-adviser to Client's Account. If Client selects a Model-Traded Strategy offered through the Overlay Manager for Client's Account, Client authorizes and directs the Overlay Manager to manage Client's Account with full discretionary authority in accordance with the BSN Strategy selected by Client. If Client selects a Manager-Traded Strategy offered through the Overlay Manager for Client's Account, Client authorizes and directs the Overlay Manager to appoint the applicable BSN Manager as sub-adviser, and Client also authorizes and directs such BSN Manager to manage Client's Account with full discretionary authority in accordance with the BSN Strategy selected by Client.

If Client selects a Model-Traded Strategy offered through the Overlay Manager for Client's Account, the Overlay Manager will typically implement the Model Portfolio as proposed by the Model Provider. However, Client understands and agrees that the Overlay Manager has discretionary authority over Client's Account and that the Overlay Manager may implement the Model Portfolio differently than proposed by the Model Provider if the Overlay Manager determines such action to be necessary and in Client's best interest. Client further understands that Baird does not monitor or ascertain whether the Overlay Manager is fully and faithfully implementing the Model Portfolio on a continuous basis and that Client should periodically discuss the Account's performance with Client's Financial Advisor.

Client understands that certain managers of Model-Traded Strategies offered through the Overlay Manager have adopted trade rotation policies that allow them to send Model Portfolio updates to the Overlay Manager after they have implemented the Model Portfolio updates for client accounts managed by them or after they have otherwise completed trading for those accounts and that, as a result, the performance of Client's Account pursuing a Model Portfolio strategy offered by those Model Providers will differ, perhaps in a materially negative manner, from the performance of other client accounts managed by those Model Providers. For more information, see Section 7(c) of this Supplement.

If Client's Account is managed by an Other Manager under the BSN Program, Client understands, acknowledges and agrees that: Baird does not manage the Account and does not otherwise have any influence over the Other Manager's investment decisions or securities selections, and therefore, Baird is not responsible for the decisions



made by the Other Manager; Baird does not provide any recommendation or investment advice regarding the purchase or sale of investment products made for Client's Account; and Baird and Client's Financial Advisor only provide Client with certain consulting services, which may include Client's Financial Advisor's assistance with determining Client's financial needs, investment goals and investment restrictions and periodically reviewing the manager's performance. Client further understands and agrees that Baird does not undertake to provide any other consulting or investment advisory services under the BSN Program unless Baird agrees to do so in writing.

If Client participates in the BSN Program, Client is strongly encouraged to contact Client's Financial Advisor or BSN Manager on a periodic basis to discuss: the Account and its investment performance; the BSN Manager's investment philosophy and style (to determine if the BSN Strategy remains appropriate for Client); any potential conflicts of interest; and any investment restrictions Client may wish to impose or change. Client should also periodically check the registration status, disciplinary events and other information regarding the BSN Manager, described on the manager's Form ADV, which is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The BSN Strategies and BSN Managers made available under the BSN Program are subject to change or removal at any time in Baird's sole discretion. Under the terms of the BSN Program, Baird cannot appoint a replacement manager or otherwise manage Client's Account assets. Client understands and agrees that, given the terms of the BSN Program, upon the withdrawal or removal of an investment manager from the BSN Program, Client's BSN Program Account will be automatically removed from the BSN Program and the Account will become an unmanaged brokerage account, unless Client provides contrary instructions to Baird.

Important Information about the BSN Program. *Portfolios managed by 55i, LLC (d/b/a 55ip, "55ip") are made available under the BSN Program. 55ip uses research and other services from Riverfront, an affiliate of Baird, in the development of certain of those portfolios, and Riverfront receives compensation from 55ip with respect to those portfolios. This presents a conflict of interest. For more information, see the Client Relationship Booklet and Important Account Disclosures document.*

*The BSN Program is designed to accommodate a client who wishes to independently select an investment manager that is not available in the Baird Recommended Managers Program to manage the client's account. Client understands, acknowledges and agrees that: Client assumes ultimate responsibility for monitoring Client's BSN Program Account and the BSN Manager's performance; Client's appointment and continued retention of a BSN Manager to manage Client's Account are based ultimately upon Client's independent review of the BSN Manager and the BSN Manager's services; Client ultimately determines that the BSN Strategy to be used in managing Client's BSN Program Account is consistent with Client's stated investment objectives and financial needs and risk tolerance; and once retained by Client, a BSN Manager will only be removed from managing Client's BSN Program Account upon the manager's withdrawal, removal from the BSN Program, or Client's direction to do so. Client should carefully consider the foregoing when deciding to participate in the BSN Program and also consider whether another Advisory Program, such as the Baird Recommended Managers Program, may be more appropriate for Client.*

#### **(d) Dual Contract Program**

If Client participates in the DC Program, Client independently selects an investment manager to manage Client's Account with full discretionary authority according to a strategy selected by Client. Client understands that the DC Program is designed to accommodate a client who wishes to independently select an investment manager not available in the Baird Recommended Managers Program or BSN Program to manage the assets in the client's account.

Under the DC Program, Baird determines the investment managers (each, a "DC Manager") and their strategies ("DC Strategies") eligible to participate in the Program through a significantly less rigorous evaluation process compared to the Baird Recommended Managers Program further described in the Baird Brochure. However, Client understands, acknowledges and agrees that Baird does not make any recommendation to Client regarding any DC Strategy or any representations regarding a DC Manager's qualifications as an investment adviser or abilities to manage Client's assets.

Client understands, acknowledges and agrees that by participating in the DC Program, Client wishes to take more responsibility for monitoring Client's Account, the Baird Recommended Managers Program does not contain an SMA Strategy that meets Client's particular needs, and Client understands the risks of participating in the DC Program.

DC Managers have varying investment objectives, styles and strategies, and they may invest Client's Account in various types of securities, which will be chosen by the DC Manager and which may include mutual funds, ETFs or other investment products affiliated with the manager or Baird.

Client understands that Client is urged to review the DC Manager's Form ADV Part 2A Brochure, which should contain additional important information about the DC Manager, including information about the DC Manager's strategies, the types of investments the DC Manager may use for Client's Account, and the risks associated with investing in a DC Strategy. Such brochures are available upon request.

Under the DC Program, DC Managers are offered to Client through a dual contract arrangement, and Client will need to enter into a separate agreement with the DC Manager in addition to the advisory agreement that Client enters into with Baird. Client understands and agrees that, by participating in the DC Program, Client is solely responsible for negotiating Client's agreement with Client's DC Manager, and neither Baird nor its Financial Advisors will participate or advise Client regarding the terms of such an agreement, the advisability of entering into such an agreement, or the retention of Client's DC Manager.

If Client's Account is managed by an Other Manager under the DC Program, Client understands, acknowledges and agrees that: Baird does not manage the Account and does not otherwise have any influence over the Other Manager's investment decisions or securities selections, and therefore, Baird is not responsible for the decisions made by the Other Manager; Baird does not provide any recommendation or investment advice regarding the purchase or sale of investment products made for Client's Account; and Baird and Client's Financial Advisor only provide Client with certain consulting services, which may include Client's Financial Advisor's assistance with determining Client's financial needs, investment goals and investment restrictions and periodically reviewing the manager's performance.

Client further understands and agrees that Baird does not undertake to provide any other consulting or investment advisory services under the DC Program unless Baird agrees to do so in writing.

If Client participates in the DC Program, Client is strongly encouraged to contact Client's Financial Advisor or DC Manager on a periodic basis to discuss: the Account and its investment performance; the DC Manager's investment philosophy and style (to determine if the DC Strategy remains appropriate for Client); any potential conflicts of interest; and any investment restrictions Client may wish to impose or change. Client should also periodically check the registration status, disciplinary events and other information regarding the DC Manager, described on the manager's Form ADV, which is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The DC Strategies and DC Managers made available under the DC Program are subject to change or removal at any time in Baird's sole discretion. Under the terms of the DC Program, Baird cannot appoint a replacement manager or otherwise manage Client's Account assets. Client understands and agrees that, given the terms of the DC Program, upon the withdrawal or removal of an investment manager from the DC Program, Client's DC Program Account will be automatically removed from the DC Program and the Account will become an unmanaged brokerage account, unless Client provides contrary instructions to Baird.

Important Information about the DC Program. *Other investment management departments of Baird and managers affiliated with Baird are available to clients under the DC Program. This presents a conflict of interest. For more information, see the Client Relationship Booklet and Important Account Disclosures document.*

*The DC Program is designed to accommodate a client who wishes to independently select an investment manager that is not available in the Baird Recommended Managers Program or BSN Program to manage the client's account. Client understands, acknowledges and agrees that: Client assumes ultimate responsibility for monitoring Client's DC Program Account and the DC Manager's performance; Client's appointment and continued retention of a DC Manager to manage Client's Account are based ultimately upon Client's independent review of the DC Manager and the DC Manager's services; Client ultimately determines that the DC Strategy to be used in managing Client's DC Program Account is consistent with Client's stated investment objectives and financial needs and risk tolerance; and once retained by Client, a DC Manager will only be removed from managing Client's DC Program Account upon the manager's withdrawal, removal from the DC Program, or Client's direction to do so. Client should carefully consider the foregoing when deciding to participate in the DC Program and also consider whether another Advisory Program, such as the Baird Recommended Managers Program, may be more appropriate for Client.*

#### **(e) Other SMA Strategy Information**

Certain SMA Strategies are available through multiple Programs. The overall cost of an SMA Strategy and the types and levels of service provided to a client in connection with an SMA Strategy will vary depending upon the particular Program selected by Client. Client understands and agrees Client is solely responsible for selecting the Program in which Client's Account will participate.

## **5. UMA Programs**

### **(a) ALIGN UMA Select Portfolios Program**

If Client participates in the ALIGN UMA Select Portfolios Program, Client authorizes Baird and the Overlay Manager to manage Client's Account with full discretionary authority according to the proprietary model asset allocation strategy developed by Baird (each such model, an "ALIGN UMA Select Portfolio") that is selected by Client. The ALIGN UMA Select Portfolios Program offers model asset allocation portfolios that have different investment objectives and use different investment strategies. Each ALIGN UMA Select Portfolio provides for specific levels of investment across different asset classes, such as equity securities, fixed income securities, Non-Traditional Assets, Alternative Investment Products and cash. Each Portfolio generally uses mutual funds, ETPs, primarily ETFs, and SMA Strategies in order to implement the model asset allocation strategy. The amount allocated to an asset class or type of investment varies by Portfolio, and some Portfolios may have little or no allocation to one or more asset classes or types of investments described above.

Client understands and agrees that: Baird constructs each ALIGN UMA Select Portfolio and adjusts the asset allocation of each ALIGN UMA Select Portfolio from time to time and that Baird also determines the mutual funds, ETPs, or SMA Strategies that are available in the ALIGN UMA Select Portfolios Program, including the percentage each investment comprises in each asset class within an ALIGN UMA Select Portfolio; Baird may remove mutual funds, ETPs, or SMA Strategies used in the ALIGN UMA Select Portfolios Program from time to time and replace them with other investment options; and Baird may make changes to an ALIGN UMA Select Portfolio from time to time as it deems appropriate and without providing prior notice to, or obtaining the consent of, Client.

The ALIGN UMA Select Portfolios Program makes available: (1) certain mutual funds and ETPs that Baird determines are eligible for the UMA Programs through an initial and ongoing evaluation process ("UMA Recommended Funds"), which may include Affiliated Funds, further described in the Baird Brochure; (2) certain BRM Strategies that Baird determines are eligible for the UMA Programs through an initial and ongoing evaluation process ("UMA Recommended SMA Strategies"), which may include Affiliated SMA Strategies; and (3) PWM-Managed Portfolios, all of which are further described in the Baird Brochure.

Investment managers participating in the ALIGN UMA Select Portfolios Program have varying investment objectives, styles and strategies, and they may invest Client's Account in various types of securities, which will be chosen by the investment manager and which may include mutual funds, ETFs or other investment products affiliated with the manager or Baird.

Client understands that Client is urged to review the investment manager's Form ADV Part 2A Brochure, which should contain additional important information about the investment manager, including information about the investment manager's strategies, the types of investments the investment manager may use for Client's Account, and the risks associated with investing in the investment manager's SMA Strategies. Such brochures are available upon request.

Baird has engaged the Overlay Manager to provide certain subadvisory services in connection with the ALIGN UMA Select Portfolios Program. The ALIGN UMA Select Portfolios Program makes both Manager-Traded Strategies and Model-Traded Strategies available to Client. If

Client selects an ALIGN UMA Select Portfolio, Client authorizes and directs Baird to manage Client's Account with full discretionary authority in accordance with the ALIGN UMA Select Portfolio selected by Client. Client also authorizes and directs Baird to appoint the Overlay Manager to serve as sub-adviser to Client's Account and directs the Overlay Manager to manage Client's Account in accordance with the ALIGN UMA Select Portfolio selected by Client and the terms of the ALIGN UMA Select Program as described in this Supplement and the Baird Brochure. If an ALIGN UMA Select Portfolio contains a Model-Traded Strategy, Client authorizes and directs the Overlay Manager to manage such SMA Strategy within Client's Account with full discretionary authority in accordance with the SMA Strategy. If an ALIGN UMA Select Portfolio contains a Manager-Traded Strategy, Client authorizes and directs the Overlay Manager to appoint the applicable investment manager as sub-adviser, and Client also authorizes and directs such investment manager to manage such SMA Strategy within Client's Account with full discretionary authority in accordance with the SMA Strategy.

If an ALIGN UMA Select Portfolio contains a Model-Traded Strategy, the Overlay Manager will typically implement the Model Portfolio as proposed by the Model Provider. However, Client understands and agrees that the Overlay Manager has discretionary authority over the applicable portion of Client's Account and that the Overlay Manager may implement the Model Portfolio differently than proposed by the Model Provider if the Overlay Manager determines such action to be necessary and in Client's best interest. Client further understands that Baird does not monitor or ascertain whether the Overlay Manager is fully and faithfully implementing the Model Portfolio on a continuous basis and that Client should periodically discuss the Account's performance with Client's Financial Advisor.

Client understands that certain managers of Model-Traded Strategies offered through the Overlay Manager have adopted trade rotation policies that allow them to send Model Portfolio updates to the Overlay Manager after they have implemented the Model Portfolio updates for client accounts managed by them or after they have otherwise completed trading for those accounts and that, as a result, the performance of Client's Account pursuing a Model Portfolio strategy offered by those Model Providers will differ, perhaps in a materially negative manner, from the performance of other client accounts managed by those Model Providers. For more information, see Section 7(c) of this Supplement.

If a portion of client's ALIGN UMA Select Portfolios Account is managed by an Other Manager, Client understands, acknowledges and agrees that: Baird does not manage such portion of the Account and does not otherwise have any influence over the Other Manager's investment decisions or securities selections, and therefore, Baird is not responsible for the decisions made by such Other Manager; and Baird does not provide any recommendation or, investment advice regarding the purchase or sale of investment products made for such portion of Client's Account.

By participating in the ALIGN UMA Select Program, Client gives the Overlay Manager and Baird the authority to replace investments in Client's Account, rebalance Client's Account assets to be consistent with Client's chosen asset allocation strategy, or engage in tax management strategies in certain circumstances. See Sections 11 and 13 of this Supplement for more information.

The Baird Brochure contains additional important information about the ALIGN UMA Select Portfolios, including the Portfolios' investment objectives and investment strategies and the risks associated with investing in those Portfolios. Client understands and acknowledges that Client should review the Baird Brochure before investing in an ALIGN UMA Select Portfolio.

Important Information about Affiliated Products. *Some of the investment services and products offered by Riverfront, and mutual funds offered by the Baird Funds, both of which are affiliated with Baird, have been selected by Baird for inclusion in certain ALIGN UMA Select Portfolios. By participating in the ALIGN UMA Select Portfolios Program, Client understands and agrees that: (a) Baird and its affiliates may receive higher aggregate compensation than if Client selected investment managers, funds or other products not affiliated with Baird and thus Baird may have an incentive to offer such affiliated investment managers, funds or other products; (b) Baird offers other investment advisory programs that do not involve managers, funds or products affiliated with Baird, and Client may obtain additional information about them by contacting Client's Baird Financial Advisor; and (c) Client is free at any time to choose another investment option or participate in another investment advisory program offered by Baird that does not use investment managers, funds or products affiliated with Baird.*

#### **(b) Unified Advisory Select Portfolios Program**

If Client participates in the UAS Portfolios Program, Client authorizes Baird and the Overlay Manager to manage Client's Account on a non-discretionary basis according to the model asset allocation strategy selected by Client (each such model, a "UAS Portfolio"). UAS Portfolios involve the use of various different investment strategies because they are customized for each client. A UAS Portfolio provides Client with a customized level of investment across different asset classes, such as equity securities, fixed income securities, Non-Traditional Assets, Alternative Investment Products and cash. To implement the asset allocation strategy, Client selects the investments for the Account from among those mutual funds, ETPs, SMA Strategies and PWM-Managed Portfolios that Baird has determined are eligible for use in the Program.

The UAS Portfolios Program also makes available a discretionary management option, whereby Client grants discretionary investment authority over Client's UAS Program Account to Baird and a Financial Advisor who has been approved by Baird to manage client accounts in the UAS Portfolios Program (a "UAS Manager"). If Client selects that option, Client grants full discretionary authority and management of Client's Account to Baird and Client's UAS Manager. Client's UAS Manager will manage Client's Account on a discretionary basis according to the UAS Portfolio strategy selected by Client by investing Account assets in various mutual funds, ETPs, SMA Strategies and PWM-Managed Portfolios that Baird has determined are eligible for use in the Program.

The UAS Portfolios Program makes available two categories of mutual funds and ETPs: (1) UMA Recommended Funds, which may include Affiliated Funds, that Baird determines are eligible for the UMA Programs through an initial and ongoing evaluation process further described in the Baird Brochure; and (2) certain other mutual funds and ETPs ("UAS Available Funds") that Baird makes available under the UAS Program through a significantly less rigorous evaluation process compared to the UMA Recommended Funds further described in the Baird Brochure.

Similarly, the UAS Portfolios Program makes available two categories of SMA Strategies: (1) UMA Recommended SMA Strategies, which may include Affiliated SMA Strategies, that Baird determines are eligible for the UMA Programs through an initial and ongoing evaluation process further described in the Baird Brochure; and (2) certain SMA Strategies made available by certain managers (“UAS Available Managers”) through the Overlay Manager that Baird makes available under the UAS Program through a significantly less rigorous evaluation process compared to the UMA Recommended SMA Strategies (“UAS Available SMA Strategies”), which may include Affiliated SMA Strategies, further described in the Baird Brochure.

If Client has not selected the discretionary management option of the UAS Program, Client understands and agrees that: (1) the UAS Available Funds and UAS Available SMA Strategies are made available to accommodate a client who wishes to independently select investments that are not on a Baird recommended list for the client’s account; (2) Baird does not make any recommendation Client regarding any UAS Available Fund or UAS Available SMA Strategy and Baird does not select any investments for Client’s UAS Program Account; and (3) Baird does not make any representation to Client regarding any UAS Available Manager’s qualifications as an investment adviser or abilities to manage Client’s assets. If Client has selected the discretionary option of the UAS Program, Client understands and agrees that Client’s UAS Manager may use UAS Available Funds and UAS Available SMA Strategies for Client’s UAS Program Account if the UAS Manager believes such investments are consistent with Client’s investment objectives, risk tolerance and in Client’s best interest.

If Client retains discretion over Client’s UAS Program Account, Client understands and agrees that Client should only select UAS Available Funds or UAS Available SMA Strategies if Client wishes to take more responsibility for managing and monitoring Client’s UAS Program Account, the UMA Recommended Funds and UMA Recommended SMA Strategies do not meet Client’s particular needs, and Client understands the risks of investing in those investment products.

Investment managers participating in the UAS Portfolios Program have varying investment objectives, styles and strategies, and they may invest Client’s Account in various types of securities, which will be chosen by the investment manager and which may include mutual funds, ETFs or other investment products affiliated with the manager or Baird.

Client understands that Client is urged to review the investment manager’s Form ADV Part 2A Brochure, which should contain additional important information about the investment manager, including information about the investment manager’s strategies, the types of investments the investment manager may use for Client’s Account, and the risks associated with investing in the investment manager’s SMA Strategies. Such brochures are available upon request.

Baird has engaged the Overlay Manager to provide certain subadvisory services in connection with the UAS Select Portfolios Program. The UAS Portfolios Program makes both Manager-Traded Strategies and Model-Traded Strategies available to Client. If Client selects a UAS Portfolio, Client authorizes and directs Baird to manage Client’s Account in accordance with the UAS Portfolio selected by Client and the terms of the UAS Program as described in this Supplement and the Baird Brochure. Client also authorizes and directs Baird to appoint the Overlay Manager to serve as sub-adviser to Client’s Account and directs the Overlay Manager to manage Client’s Account in accordance with

the UAS Portfolio selected by Client and the terms of the UAS Program as described in this Supplement and the Baird Brochure. If a UAS Portfolio contains a Model-Traded Strategy, Client authorizes and directs the Overlay Manager to manage such SMA Strategy within Client’s Account with full discretionary authority in accordance with the SMA Strategy. If a UAS Portfolio contains a Manager-Traded Strategy, Client authorizes and directs the Overlay Manager to appoint the applicable investment manager as sub-adviser, and Client also authorizes and directs such investment manager to manage such SMA Strategy within Client’s Account with full discretionary authority in accordance with the SMA Strategy. If a UAS Portfolio contains a PWM-Managed Portfolio, Client authorizes and directs Baird to manage such PWM-Managed Portfolio within Client’s Account with full discretionary authority in accordance with the PWM-Managed Portfolio.

If a UAS Portfolio contains a Model-Traded Strategy, the Overlay Manager will typically implement the Model Portfolio as proposed by the Model Provider. However, Client understands and agrees that the Overlay Manager has discretionary authority over the applicable portion of Client’s Account and that the Overlay Manager may implement the Model Portfolio differently than proposed by the Model Provider if the Overlay Manager determines such action to be necessary and in Client’s best interest. Client further understands that Baird does not monitor or ascertain whether the Overlay Manager is fully and faithfully implementing the Model Portfolio on a continuous basis and that Client should periodically discuss the Account’s performance with Client’s Financial Advisor.

Client understands that certain managers of Model-Traded Strategies offered through the Overlay Manager have adopted trade rotation policies that allow them to send Model Portfolio updates to the Overlay Manager after they have implemented the Model Portfolio updates for client accounts managed by them or after they have otherwise completed trading for those accounts and that, as a result, the performance of Client’s Account pursuing a Model Portfolio strategy offered by those Model Providers will differ, perhaps in a materially negative manner, from the performance of other client accounts managed by those Model Providers. For more information, see Section 7(c) of this Supplement.

If a portion of client’s UAS Program Account is managed by an Other Manager, Client understands, acknowledges and agrees that: Baird does not manage such portion of the Account and does not otherwise have any influence over the Other Manager’s investment decisions or securities selections, and therefore, Baird is not responsible for the decisions made by the Other Manager; Baird does not provide any recommendation or investment advice regarding the purchase or sale of investment products made for such portion of Client’s Account; and if Client has not selected the discretionary management option of the Program, Baird and Client’s Financial Advisor only provide Client with certain consulting services, which may include Client’s Financial Advisor’s assistance with determining Client’s financial needs, investment goals and investment restrictions and periodically reviewing the manager’s performance. Client further understands and agrees that Baird does not undertake to provide any other consulting or investment advisory services under this Program unless Baird agrees to do so in writing.

If Client selects a UAS Available SMA Strategy, Client is strongly encouraged to contact Client’s Financial Advisor or investment manager on a periodic basis to discuss: the Account and its investment performance; the investment manager’s investment philosophy and



style (to determine if the UAS Available SMA Strategy remains appropriate for Client); any potential conflicts of interest; and any investment restrictions Client may wish to impose or change. Client should also periodically check the registration status, disciplinary events and other information regarding the investment manager, described on the manager's Form ADV, which is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Client understands and agrees that: Baird constructs each PWM-Managed Portfolio and may make changes to a PWM-Managed Portfolio from time to time as it deems appropriate and without providing prior notice to, or obtaining the consent of, Client.

By participating in the UAS Portfolios Program, Client gives the Overlay Manager and Baird the authority to replace investments in Client's Account, rebalance Client's Account assets to be consistent with Client's chosen asset allocation strategy, or engage in tax management strategies in certain circumstances. See Sections 11 and 13 of this Supplement for more information.

The Baird Brochure contains additional important information about the UAS Portfolios, including information about the investment objectives of certain investment options available in the UAS Portfolios Program and the risks associated with investing in UAS Portfolios. Client understands and acknowledges that Client should review the Baird Brochure before investing in a UAS Portfolio.

*Client understands, acknowledges and agrees that if Client has not selected the discretionary management option of the Program, Client retains discretionary authority over the selection of mutual funds, ETFs, SMA Strategies and PWM -Managed Portfolios for the Account. However, by selecting an SMA Strategy or PWM-Managed Portfolio, Client authorizes and directs Baird, the Overlay Manager and Client's investment manager, as applicable, to manage each SMA Strategy or PWM -Managed Portfolio portion of the Account with full discretionary authority in accordance with the SMA Strategy or PWM -Managed Portfolio selected by Client.*

If Client has selected the discretionary management option of the UAS Portfolios Program, Client understands and agrees that Baird may remove any UAS Manager or strategy from the UAS Portfolios Program at any time and transfer day-to-day management responsibility of Client's Account to another UAS Manager or Baird Financial Advisor at any time without providing prior notice to, or obtaining the consent of, Client.

Important Information about the UAS Portfolios Program. *Other investment management departments of Baird, and managers, mutual funds and ETFs affiliated with Baird are available to clients under the UAS Portfolios Program. This presents a conflict of interest. For more information, see the Client Relationship Booklet and Important Account Disclosures document.*

*If Client has not selected the discretionary management option of the UAS Program, Client understands, acknowledges and agree that: the UAS Available Funds and UAS Available SMA Strategies are made available to accommodate a client who wishes to independently select investments that are not on a Baird recommended list for the client's account; Client assumes ultimate responsibility for monitoring each UAS Available Fund and UAS Available SMA Strategy and the manager's performance; Client's selection and continued holding of a UAS Available Fund or a UAS Available SMA Strategy are based ultimately upon Client's independent review of such investment; Client ultimately*

*determines that each UAS Available Fund and UAS Available SMA Strategy in Client's Account is consistent with Client's stated investment objectives and financial needs and risk tolerance; and once an investment is made by Client, the investment will only be removed from Client's Account upon the manager's withdrawal, removal of the investment from the Program, or Client's direction to do so. Client should carefully consider the foregoing when deciding to select a UAS Available Fund or UAS Available SMA Strategy or when deciding to participate in the UAS Program and also consider whether another mutual fund, ETF, SMA Strategy or Baird Program may be more appropriate for Client.*

### **(c) Other SMA Strategy Information**

Certain SMA Strategies are available through multiple Programs. The overall cost of an SMA Strategy and the types and levels of service provided to a client in connection with an SMA Strategy will vary depending upon the particular Program selected by Client. Client understands and agrees Client is solely responsible for selecting the Program in which Client's Account will participate.

## **6. Discretionary Authority**

### **(a) Investment Selection and Trading Authorization**

Client retains complete discretion over investment selection and trading decisions with respect to assets in Clients Non-Discretionary Program Accounts, and Baird will only execute transactions for such Accounts pursuant to Client's instruction or authorization.

If Client's Account participates in a Discretionary Program, Client hereby provides Baird and Client's Financial Advisor, as applicable, discretionary authority to manage the assets in Client's Account in accordance with the terms of the Advisory Program selected by Client.

If Client's Account participates in the Baird Recommended Managers Program, Client hereby provides Baird and Client's Financial Advisor discretionary authority to appoint investment managers to manage Client's Account and to terminate or replace investment managers for Client's Account for any reason without prior notice to Client. If Baird terminates an investment manager from management of Client's Baird Recommended Managers Program Account, Client hereby provides Baird discretionary authority to manage the assets in Client's Account until a replacement investment manager is selected or alternative arrangements are made for the management of Client's assets.

If Client's Account participates in an SMA Program, Client hereby provides the investment manager selected to manage Client's Account, which may include an Implementation Manager, discretionary authority to manage the assets in Client's Account in accordance with the terms of the SMA Program selected by Client.

If Client's Account participates in a UMA Program, Client hereby provides Baird, Client's UAS Manager, the Overlay Manager and Client's investment manager, as applicable, discretionary authority to manage the assets in Client's Account in accordance with the terms of the UMA Program selected by Client.

If Client grants discretionary authority over Client's Account to Baird, Client's Financial Advisor or Client's investment manager, Client hereby authorizes Baird, Client's Financial Advisor and Client's investment manager, as applicable, to manage Client's Account and to make investment decisions for Client's Account, with the authority to determine the amount, type and timing for buying, holding, exchanging, converting and selling securities and other assets for

Client's Account, subject to the terms of the Advisory Program selected by Client. Client also hereby grants to Baird, Client's Financial Advisor and Client's investment manager, as applicable, complete and unlimited trading authorization and appoints them as Client's agents and attorneys-in-fact to manage the assets in Client's Account on Client's behalf, subject to the terms of the Advisory Program selected by Client. Pursuant to such authorization and powers of attorney, Baird, Client's Financial Advisor and Client's investment manager may, in their sole discretion and at Client's risk, purchase, sell, exchange, convert and otherwise trade the securities and other assets in Client's Account, as well as arrange for delivery and payment in connection with the above, and act on Client's behalf in all matters necessary or incidental to the handling of Client's Account without prior notice to Client. Such trading authorizations and powers of attorney, whether granted to Baird, Client's Financial Advisor or Client's investment manager, shall remain in full force and effect until terminated by Client, Client's investment manager or Baird. This is a durable power-of-attorney, and if Client is an individual, the authorization granted herein shall not be affected by Client's subsequent disability or incompetence but shall terminate upon Baird's receipt of written notice of Client's death. If Baird or an investment manager act in good faith without actual knowledge of Client's death, any action so taken shall be binding upon Client's heirs, executors, administrators, personal representatives, successors, and assigns.

Client hereby authorizes Baird, as investment adviser and, if applicable, each investment manager of Client's Account to effect transactions in Client's Account through Baird, as broker-dealer, or through a broker-dealer unaffiliated with Baird. Such authorization permits Baird to trade as principal on orders received from Other Managers as described in Section 7(d)(iii) of this Supplement. Client understands that Baird does not have discretionary authority over the assets in Client's SMAs or UMAs that are managed by an Other Manager and cannot purchase or sell such assets without the consent of Client or such Other Manager. The investment manager for Client's SMAs or UMAs may initiate securities transactions through Baird, in its capacity as broker-dealer, as further described in Section 7(c) of this Supplement, subject to the manager's duty to seek to obtain best execution, or unless Client has provided other instructions in writing. Baird, as broker-dealer, will rely upon any such instructions of any investment managers selected to manage Client's Account.

If Client participates in an SMA or UMA Program, Client hereby authorizes Baird to share Client information with the Overlay Manager and any Other Manager or Implementation Manager managing Client's Account. Client also hereby authorizes and directs Baird to transmit to the Overlay Manager and any such Other Manager or Implementation Manager any instructions that Client may provide to Baird to the extent necessary to carry out Client's instructions.

Baird and investment managers managing Client Accounts, if any, are not obligated to effect any transaction for Client that they believe would violate any applicable state or federal law or any regulation of a governmental agency or a self-regulatory body of which they are a member.

Client and each Authorized Representative of Client, if any, represent, warrant, certify and agree that Client and each such Authorized Representative have the full power and authority and may lawfully provide authorization to Baird, as investment adviser, and if applicable, each investment manager of Client's Accounts, to effect transactions

in Client's Accounts through Baird, as broker-dealer, or through a broker-dealer unaffiliated with Baird, as described in this Section.

#### **(b) Client Investment Restrictions**

The Discretionary, SMA and UMA Programs offer Client the ability to impose reasonable investment restrictions on the management of Client's Account, including the designation of particular securities or types of securities that should not be purchased for Client's Account, but Client understands that Client may not require that particular funds or securities (or types) be purchased for Client's Account. Client further understands that reasonable investment restrictions requested by Client will apply only to those assets over which Baird or Client's investment manager has discretion.

Certain Advisory Programs offer Client a socially responsible investing ("SRI") service, which assists Client in restricting investments to those that are consistent with Client's social investment guidelines or objectives. If Client elects the SRI service, Client understands that Client will bear the cost of the SRI service as it is included in the Advisory Program Fee, unless otherwise stated on the applicable schedule to the Agreement.

In the event that Client's Account is restricted from investing in certain securities, Baird or Client's investment manager, as applicable, will select such other replacement securities, if any, as they deem appropriate. Client understands that an Account with investment restrictions may perform differently from accounts without restrictions and performance may be poorer, and, in the event there is a change in the classification or credit rating of a security held in Client's Account, Client's investment restrictions may force Baird or Client's investment manager to sell such security at an inopportune time, possibly negatively impacting Account performance and causing Client's Account to realize taxable gains or losses, which could be significant. Client also understands that, if Client's Account holds any investment vehicle (such as a mutual fund or ETF), any investment restrictions Client places on Client's Account may not flow through to the securities owned by that investment vehicle.

#### **(c) Affiliated Investment Products**

Client understands that Baird and its affiliates may use the discretionary authority granted to them by Client to invest Client's Accounts in investment products affiliated with Baird or that pay fees to Baird or to any of its affiliates for investment advisory or other services they provide ("affiliated investment products"). Baird, its affiliates, or a third party. Baird and its affiliates may receive fees or other compensation related to such investments made by Client.

Client hereby consents to Baird and its affiliates investing all or a portion of Client's Accounts in affiliated investment products. The amount of fees received by Baird and its affiliates is generally described in the prospectus or other offering or disclosure documents for the investment product. Additional information is also available on Baird's website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor). Baird and its affiliates will use their discretionary authority to invest Client's Accounts in affiliated investment products when they determine it to be in Client's best interest to do so. Generally, the criteria used by them in deciding to invest in affiliated investment products are the same as those used in deciding to invest Client assets in investment products unaffiliated with Baird. For more information about the criteria used by Baird, Client should review the applicable Baird Brochure. For more information about the criteria used by Baird's affiliates, Client should review the

affiliate's Form ADV Part 2A Brochure. Client may revoke the foregoing consent at any time by notifying Client's Baird Financial Advisor.

Client understands that Other Managers may use the discretionary authority granted to them by Client to invest Client's Account in investment products affiliated with the Other Manager or that pay fees to the Other Manager or to any of its affiliates for investment advisory or other services they provide.

Client hereby consents to each Other Manager managing Client's Account investing all or a portion of Client's Account in investment products that pay advisory or other fees to the Other Manager or its affiliates. Client understands that each Other Manager is responsible for providing to Client information about the amount of fees received by the Other Manager and its affiliates and the criteria used by the Other Manager in deciding to invest in products affiliated with the Other Manager. Client should contact the Other Manager and review the Other Manager's Form ADV Part 2A Brochure for more information. Client may revoke the foregoing consent at any time by notifying Client's Baird Financial Advisor.

**(d) Investment Policy Statements**

Client understands and agrees that Baird and its associates will not review, monitor, accept or adhere to an investment policy statement or similar document that was not prepared by Baird, unless Baird otherwise specifically agrees to do so in writing. Adherence to any such investment policy statement or similar document is solely Client's responsibility.

**(e) Conversion, Exchange or Sale of Certain Investments**

By participating in an Advisory Program, Client authorizes Baird to convert or exchange any shares of a mutual fund or other Investment Fund held in Client's Account to a class of shares of the same fund, such as advisory class shares, institutional class shares, financial intermediary class shares, or another class of shares primarily designed for use in advisory programs (collectively "Advisory Class Shares"), to the extent made available by the mutual fund or other Investment Fund in accordance with policies established by Baird from time to time, including, without limitation the Mutual Fund Share Class Policy that is described in the Baird Brochure.

Client understands, acknowledges and agrees that Client may not hold Advisory Class Shares in a non-Advisory Account and that Client may not be able to hold certain Advisory Class Shares in an account held at another firm. Upon the termination of an Advisory Program for an Account or the closure of an Account for any reason, Client authorizes Baird to convert or exchange the Advisory Class Shares held in the Account to an appropriate non-Advisory Class Shares issued by the same fund, or, if an appropriate non-Advisory Class Shares is not available, Client authorizes Baird to redeem or sell such Advisory Class Shares.

**7. Trading for Client Accounts**

**(a) Baird's Placement of Client Trade Orders**

Client understands and agrees that Baird will select the broker-dealers that will execute trade orders for Non-Discretionary Accounts and with respect to Accounts that are managed directly by Baird unless Client has provided instructions to Baird to the contrary. As investment adviser, Baird has an obligation to seek "best execution" of client trade orders. "Best execution" means that Baird must place client trade orders with those broker-dealers that Baird believes are capable of

providing the best qualitative execution of client trade orders under the circumstances, taking into account the full range and quality of the services offered by the broker-dealer, including the value of the research provided (if any), the broker-dealer's execution capabilities, the cost of the trade, the broker-dealer's financial responsibility, and its responsiveness to Baird. Client understands and acknowledges that Baird's best execution obligation does not require Baird to solicit competitive bids for each transaction or to seek the lowest available cost of trade orders, so long as Baird reasonably believes that the broker-dealer selected can be reasonably expected to provide Client with the best qualitative execution under the circumstances. Client understands and agrees that any commitment by Baird to provide Client with best execution does not impose any requirements upon Baird in addition to those that are imposed upon Baird under applicable law.

Because Client does not pay commissions to Baird when Baird, acting as broker-dealer, executes Client's trade orders, and because Client may incur commission costs in addition to the Advisory Program Fee if trade orders were to be executed by another broker-dealer firm, Client generally receives a cost advantage whenever Baird executes Client's transactions. For this reason, and given Baird's execution capabilities as broker-dealer, Baird expects that it will generally execute trade orders, as broker-dealer, for Client's Non-Discretionary Accounts and Client's Accounts that are directly managed by Baird.

However, in some instances, circumstances may arise that may require Baird, in compliance with its best execution obligations to Client, to place Client's trade order with a firm other than Baird. Client understands, acknowledges and agrees that if Baird places trade orders for Client's Accounts for execution by a firm other than Baird, and the other firm imposes a commission or equivalent fee on the trade (including a commission imbedded in the price of the investment), Client will incur trading costs in addition to the Advisory Program Fee.

Client understands and agrees that Baird may aggregate contemporaneous buy and sell orders for certain Client Accounts with orders for other client accounts as further described in the applicable Baird Brochure. Client also understands and agrees that because Baird is unable to buy or sell any security for Client's Non-Discretionary Accounts without Client's authorization, Baird generally does not aggregate or bunch trades for those Accounts with the same or similar trades for other client accounts. Client also understands and agrees that similar orders for Client and Baird's other clients will be placed and filled at different times, and that Client may buy or sell securities at prices that are different from the prices obtained by other clients who received the same or similar advice from Baird or Client's Financial Advisor.

**(b) Directed Brokerage Arrangements**

In some cases, Client may direct Baird to use a particular broker-dealer (a "Directed Broker-Dealer") for execution of Client's trade orders (a "directed brokerage arrangement"), and Baird may agree to the arrangement. This may occur when Client's Account is held at another broker-dealer firm and Client directs Baird to execute trades through such firm, or when Client's Retirement Account or other Account is maintained on a platform operated and managed by a third party unaffiliated with Baird and trades must be executed through that platform. Client understands and agrees that such arrangements are directed brokerage arrangements.

If Client instructs Baird to implement a directed brokerage arrangement, Client understands and agrees that Client is authorizing and instructing Baird to direct all trade orders for Client's Accounts to the Directed Broker-Dealer for execution. Client also understands and agrees that Baird shall have no responsibility for negotiating any directed brokerage arrangement, and that Baird is responsible solely for making reasonable efforts to follow Client's instruction to direct Client's trade orders to the Directed Broker-Dealer.

If Client instructs Baird to implement a directed brokerage arrangement, Client further understands and acknowledges that: Baird may be unable to achieve best execution for Client's transactions; any costs related to the directed brokerage arrangement are not included in the Advisory Program Fee and that Client will be solely responsible for monitoring, evaluating and reviewing the arrangement with the Directed Broker-Dealer and paying any commissions or markups or markdowns or other costs imposed by the Directed Broker-Dealer; Baird generally will not aggregate Client's directed brokerage trade orders with orders for other Baird clients, and as a result, Client's transaction costs may be higher because Client will not benefit from any volume discounts or other reduced transaction costs that Baird may obtain for its other clients; Baird generally will not include such Client trade orders in its trade rotation process and that Baird will generally place Client's trade orders with the Directed Broker-Dealer after Baird completes its trading for other Baird client accounts; Client's trade orders will significantly bear the market price impact, if any, of those trades executed earlier in Baird's rotation; and, as a result, Client may receive a less favorable net price for the trade.

Client understands that if Client directs Baird to use a Directed Broker-Dealer, and if the Directed Broker-Dealer referred Client to Baird or if the Directed Broker-Dealer refers other clients to Baird in the future: Baird may benefit from Client's directed brokerage arrangement; because of these potential benefits, Baird may have an economic interest in having Client continue the directed brokerage arrangement; and the benefits Baird receives conflict with Client's interest in having Baird recommend that Client utilize another broker-dealer to execute some or all transactions for Client's Accounts.

In the event that Baird cannot place a trade order with the Directed Broker-Dealer due to circumstances beyond Baird's reasonable control, Baird shall not be responsible for directing such trade order to any other broker or dealer for trade execution under any circumstances, unless Client revokes in writing the directed brokerage arrangement.

A directed brokerage arrangement may be revoked at any time by providing written notice to Baird. Client should send notice of termination of the directed brokerage arrangement to Robert W. Baird & Co. Incorporated, Attention: Advisory Operations Department, 777 East Wisconsin Avenue, Milwaukee, Wisconsin, 53202. After a reasonable time following receipt of Client's written revocation of the directed brokerage arrangement and upon Baird's acknowledgement of such revocation, Baird shall seek to obtain execution for Client's trade orders in the manner described in Section 7(a) of this Supplement and Baird shall no longer direct trade orders for execution to the Directed Broker-Dealer. However, after Baird's acknowledgement of Client's revocation of the direction, Baird may send Client's trade orders to the Directed Broker-Dealer if Baird reasonably determines that the Directed Broker-Dealer is capable of providing best execution for the trade order.

If Client has a directed brokerage arrangement, Client and each Authorized Representative of Client, if any, represent, warrant, certify and agree that (i) Client and each such Authorized Representative have the full power and authority and may lawfully authorize and instruct Baird to direct all trade orders for Client's Accounts to the Directed Broker-Dealer for execution and (ii) the directed brokerage arrangement is in the best interests of Client and any related commission recapture or other benefits from the directed brokerage arrangement will be used solely for the benefit of Client. Client and each Authorized Representative of Client, if any, jointly and severally with all other Authorized Representatives of Client, hereby agree to indemnify, defend and hold harmless each Covered Baird Party to the fullest extent permitted by applicable law and regulation from and against all losses, liabilities, costs, or expenses (including reasonable attorneys' fees) that a Covered Baird Party may incur directly or indirectly arising out of or relating to a Covered Baird Party's compliance with Client's or an Authorized Representative's instruction to direct the transactions for Client's Accounts to a Directed Broker-Dealer.

### **(c) Trading Practices of Investment Managers**

If Client's Account or a portion thereof is managed by an investment manager, Client understands and acknowledges that the investment manager may participate in other wrap fee programs sponsored by firms other than Baird or may manage institutional and other accounts not part of a wrap fee program. Client further understands and acknowledges that the investment manager may decide to aggregate all such client transactions into a block trade that is executed through one broker-dealer and that this practice may result in "trading away" from Baird, which is described below.

Client also understands that the investment manager may utilize a trade rotation process where one group of clients may have a transaction effected before or after another group of the investment manager's clients. Client also understands that an investment manager's trade rotation practices may at times result in a transaction being effected for Client's Account that occurs near or at the end of the investment manager's rotation and, in such event, that Client's trade orders will significantly bear the market price impact, if any, of those trades executed earlier in the investment manager's rotation, and, as a result, Client may receive a less favorable net price for the trade.

Client understands that certain Model Providers have adopted trade rotation policies that allow them to send Model Portfolio updates to the Overlay Manager after they have implemented the Model Portfolio updates for client accounts managed by them or after they have otherwise completed trading for those accounts. *Client further understands, acknowledges and agrees that: a list of Model Providers that have such trade rotation policies is available on Baird's website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor); an Account pursuing a Model Portfolio strategy offered by those Model Providers will have trades executed for Client's Account at the end of the Model Provider's trade rotation on a regular and consistent basis; as a result, trade orders for such an Account will significantly bear the market price impact, if any, of those trades executed earlier in the Model Provider's rotation and the performance of the Account will differ, perhaps in a materially negative manner, from the performance of client accounts managed by the Model Provider; the performance of a Model Portfolio, as reported by the Model Provider, will differ, perhaps in a materially negative manner, from the actual performance realized by Client's Accounts pursuing the Model Portfolio strategy; Baird does not make or control any*



*investment manager's trade rotation policies, and Baird does not monitor, evaluate or review any investment manager's compliance with the manager's trade rotation policies or whether such trade rotation policies result in inequitable performance of Client's Accounts; Client should also monitor the performance of an Account pursuing such a Model Portfolio strategy and compare that performance with the performance reported for the Model Portfolio by the Model Provider; and Client should discuss questions about Account performance or the Model Provider's trade rotation policy with Client's Financial Advisor.*

Because Client does not pay commissions to Baird when Baird, acting as broker-dealer, executes Client's trade orders, and because Client generally would incur trading costs in addition to the Advisory Program Fee if trade orders were to be executed by another broker-dealer firm, Client generally receives a cost advantage whenever Baird executes Client's transactions. For this reason, and given Baird's execution capabilities as broker-dealer, investment managers may determine that placing trade orders for Client's Account with Baird is the most favorable option for Client. However, Client understands, acknowledges and agrees that investment managers may place Client's trade orders with a broker-dealer firm other than Baird if the manager determines that it must do so to comply with its best execution obligations. This practice is frequently referred to as "trading away" and these types of trades are frequently called "step out trades". Client's trade order so executed is then cleared and settled through Baird in what is frequently referred to as a "step in".

*Client understands, acknowledges and agrees that: if Client's investment manager places trade orders for Client's Account with a firm other than Baird, and the other firm imposes a commission or equivalent fee on the trade (including a commission imbedded in the price of the investment), Client will incur trading costs in addition to the Advisory Program Fee; Client's investment manager is solely responsible for ensuring that it complies with its best execution obligations to Client; Client will review the manager's trading for Client's Account; Baird does not monitor, review or evaluate whether the manager is complying with its best execution obligations to Client; and Client will review the manager's Form ADV Part 2A Brochure, inquire about the manager's trading practices, and consider that information carefully, before selecting a manager.*

Client understands that additional information about trading away is available in the applicable Baird Brochure and on Baird's website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor) and that Client should contact Client's Baird Financial Advisor or manager if Client would like to obtain specific information about trade aways and the amount of commissions or other costs, if any, Client incurred in connection with step out trades.

Client understands, acknowledges and agrees that Baird may trade as principal on orders received from Other Managers in accordance with Section 7(d)(iii) of this Supplement.

#### **(d) Trade Execution Services Performed by Baird**

##### **(i) Trade Execution Generally**

If Baird provides trade execution services for Client's Account, Baird will generally act as agent when routing Client trade orders for execution. However, Client understands and agrees that Baird may cross trades between client accounts or may act as principal for its own account in certain circumstances to the extent permitted by applicable law and the Agreement.

For certain Discretionary, SMA and UMA Programs, Client has the option of receiving trade confirmations directly or having Baird send trade confirmations to Client's investment manager. Client may indicate Client's preference by selecting the preferred option in the applicable Advisory Account Schedule.

Client understands that certain securities, such as securities traded over-the-counter and fixed income securities, are primarily traded in dealer markets. When Baird purchases or sells these types of securities for Client's Accounts, it generally does so through broker-dealer firms acting as a dealer or principal. Dealers executing principal trades typically include a markup, markdown or spread in the net price at which transactions are executed. Client understands and agrees that Client bears such costs in addition to the Advisory Program Fee.

##### **(ii) Authorization for Agency Cross Transactions**

In certain circumstances and to the extent permitted by applicable law and regulation, Baird and its Financial Advisors may effect "agency cross" transactions with respect to Client's Accounts. An "agency cross" transaction is a transaction in which Baird or its affiliates act as broker for the party or parties on both sides of the transaction. As compensation for brokerage services, Baird may receive compensation from parties on both sides of an agency cross transaction, the amount of which may vary. Baird Financial Advisors may receive compensation from Baird related to agency cross transactions. Therefore, Baird and its Financial Advisors may have a conflicting division of loyalties and responsibilities. However, in all cases, Baird and its Financial Advisors will seek to obtain the best execution for each respective advisory client and will effect agency cross transactions only in accordance with the requirements of Rule 206(3)-2 under the Advisers Act. Furthermore, Baird will comply with additional regulations applicable to Retirement Accounts.

Client hereby authorizes Baird and its Financial Advisors to effect agency cross transactions through Baird with respect to Client's Accounts, to the extent permitted by applicable law and regulation, and consents to the compensation that Baird and its Financial Advisors may receive from such transactions.

**THIS AUTHORIZATION TO BAIRD AND ITS FINANCIAL ADVISORS TO EFFECT "AGENCY CROSS" TRANSACTIONS IS GIVEN PURSUANT TO RULE 206(3)-2 UNDER THE ADVISERS ACT AND MAY BE REVOKED AT ANY TIME BY CLIENT IN CLIENT'S SOLE DISCRETION BY NOTIFYING CLIENT'S BAIRD FINANCIAL ADVISOR IN WRITING.**

##### **(iii) Authorization for Principal Transactions**

Subject to the requirements of applicable law, Baird and its Financial Advisors may execute transactions for Client's Accounts while acting as principal for Baird's own account. Baird and its Financial Advisors act as principal when they sell a security from Baird's inventory to Client or they purchase a security from Client for Baird's inventory. Baird and its Financial Advisors also act as principal when they sell new issue securities to clients in offerings underwritten by Baird as further described below. Baird also acts as principal in riskless principal transactions. Baird and its Financial Advisors may commonly engage in principal trades with Client if Client participates in the Baird Advisory Choice Program.

Baird may realize profits from principal transactions with Client based on the difference between the price Baird paid for the security and the price at which Baird sold the security, which may include a markup, markdown or spread from the prevailing market price, an underwriting

fee, selling dealer concession, or other incentive to execute the transaction. Baird Financial Advisors may receive compensation from Baird related to principal trades of securities underwritten by Baird. Any compensation received by Baird or a Financial Advisor in a principal transaction is in addition to the Advisory Program Fee paid by Client. Thus, in trading as principal with Client, Baird and its Financial Advisors will have potentially conflicting division of loyalties and responsibilities regarding their own interests and the interests of Client. This potential compensation may give Baird and its Financial Advisors an incentive to recommend a transaction in which Baird and its Financial Advisors act as principal over other transactions. Baird addresses this conflict through disclosure in this Agreement and the applicable Baird Brochure. Furthermore, Baird has adopted internal procedures that require Baird and its Financial Advisors, when acting in a principal capacity, to disclose all material information regarding Baird's interest in the transaction, and obtain Client's approval of the transaction prior to settlement.

To the extent permitted by applicable law and regulation, if Client's Account participates in a Non-Discretionary Program or other non-discretionary service, or if the Account is managed by an Other Manager, Client hereby provides Baird and its Financial Advisors with a blanket authorization to act as principal for Baird's own account in selling any security to, or purchasing any security from, Client's Account. With this authorization, Baird and its Financial Advisors may effect any and all principal transactions with Client's Account without having to provide specific written disclosures or obtain written Client consent prior to completion of each proposed principal trade, subject to the requirements of an exemptive order issued by the SEC to Baird (Rel. No. IA-4596) and other applicable law and regulation. If the blanket authorization for Baird to trade as principal with Client's Account as provided herein is revoked or prohibited by applicable law or regulation, Baird will, prior to completion of each securities transaction in which Baird acts as principal, disclose that it is acting in such capacity and obtain Client's consent to such transaction.

**THIS AUTHORIZATION TO ENABLE BAIRD AND ITS FINANCIAL ADVISORS TO TRADE AS PRINCIPAL WITH CLIENT'S ACCOUNT MAY BE REVOKED AT ANY TIME BY CLIENT IN CLIENT'S SOLE DISCRETION BY NOTIFYING CLIENT'S BAIRD FINANCIAL ADVISOR IN WRITING.**

Baird may also act as principal in selling securities to Client's Accounts during offerings underwritten by Baird. In each such instance, Baird will provide certain disclosures about the transaction and obtain Client's consent to the trade.

Client and each Authorized Representative of Client, if any, represent, warrant, certify and agree that Client and each such Authorized Representative have the full power and authority and may lawfully provide authorization to Baird to effect "agency cross" transactions or principal transactions as described in this Section 7(d).

## 8. Complex Strategies and Complex Investment Products

Some Advisory Programs offer Client the ability to pursue Alternative Strategies or other Complex Strategies that involve special risks not apparent in more traditional investments like stocks and bonds. Complex Strategies may be pursued in multiple ways, including by investing in alternative mutual funds, ETFs, hedge funds, managed futures, private equity funds and SMAs managed by third party managers. Some Complex Strategies invest in Non-Traditional Assets,

such as real estate, commodities (which may include metals, mining, energy and agricultural products), currencies, cryptocurrencies, movements in securities indices, credit spreads and interest rates, and venture capital and buyout investments in private companies. Some Complex Strategies engage in the use of margin or leverage or selling securities short ("short sales"). Some Complex Strategies invest in derivative instruments such as options, convertible securities, futures, swaps, or forward contracts. Complex Investment Products generally engage in one or more Complex Strategies.

Client understands that the use of Complex Strategies or Complex Investment Products is not appropriate for some clients because they involve special risks. Client further understands that Client should not engage in those strategies or invest in those products unless Client is prepared to experience significant losses in Client's Account. This is especially true for short selling, which can result in unlimited losses as there is no limit to the amount borrowed securities can rise in value. Before using those types of strategies or products, Client is strongly urged to discuss the strategy with Client's Financial Advisor and any investment manager managing Client's Account and to carefully review the Agreement and *Important Account Disclosures*, which Client should have received when opening the Account. Additional information about Complex Strategies and Complex Investment Products is also available in the Baird Brochure and on Baird's website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

Client understands, acknowledges and agrees that: Client assumes responsibility for engaging in Complex Strategies and investing in Complex Investment Products; if Client determines that Client no longer wants to engage in those strategies or invest in those products, Client is responsible for notifying Client's Financial Advisor and any investment manager managing Client's Account; and Baird is not responsible for any losses resulting from any Other Manager's failure or delay in implementing any such instructions.

Client understands that the use of Complex Strategies or Complex Investment Products has a unique impact upon the calculation of Client's asset-based Advisory Program Fee. See Section 16 of this Supplement for more information. Client further understands that Baird and Client's Financial Advisor may have a financial incentive to use or recommend Complex Strategies or Complex Investment Products or to increase or recommend the increase of margin loans. See the *Client Relationship Booklet* and *Important Account Disclosures* document for more information.

Client also understands, acknowledges and agrees that: as a creditor, Baird may have interests that are adverse to Client; neither Baird nor its Financial Advisors will act as investment adviser to Client with respect to the liquidation of securities held in an Account to meet a call on a margin loan; and any such sale of assets will be executed in Baird's capacity as broker-dealer and creditor and may, as permitted by law, result in executions on a principal basis.

## 9. Permitted Investments

Client understands and agrees that Client's Accounts participating in a Discretionary, Non-Discretionary or UMA Program may generally only hold investment products that Baird has selected for use in such Advisory Program ("Permitted Investments") and may not hold investments that are not permitted ("Unpermitted Investments"). Permitted Investments vary by Advisory Program. A list of Permitted Investments is available in the Baird Brochure for the applicable

Advisory Program. Although Baird determines the Permitted Investments under those Advisory Programs, Client understands that the level of initial and ongoing evaluation, monitoring and review that Baird and its Financial Advisors perform on Permitted Investments varies and that investment products that Baird merely makes available to Client do not generally receive the same level of initial or ongoing evaluation, monitoring or review as those products that are included on a recommended list.

*Baird may add Permitted Investments or restrict client access to a Permitted Investment at any time in its sole discretion.*

Client understands and acknowledges that some of the Permitted Investments offered in connection with the Advisory Programs contain restrictions that limit their use, and such investments may be unavailable for purchase or holding outside of an Account. See Section 18 of the Agreement and Section 6(e) of this Supplement for more information.

## 10. Unsupervised Assets

Client understands and acknowledges that Baird, in its sole discretion, may accept a Client request to hold an asset in an Account that is not included in the investment advisory services provided by Baird or a Baird Financial Advisor or otherwise monitored, overseen or supervised by them (an “Unsupervised Asset”). For example, if Baird permits Client to hold an Unpermitted Investment in an Account, the asset is typically also considered an Unsupervised Asset. Baird, in its sole discretion, may also designate an asset that is otherwise a Permitted Investment as an Unsupervised Asset under certain circumstances, such as when Client acquires the asset in an unsolicited transaction, transfers the asset from an account held at another firm or Baird brokerage account, or continues to hold the asset against Baird’s or Client’s Financial Advisor’s recommendation. If Client holds an Unsupervised Asset in an Account, Client understands, acknowledges and agrees that: the Unsupervised Asset may not be included in performance reports provided to Client; Baird and Client’s Financial Advisor do not manage, provide investment advice, or otherwise act as an investment adviser with respect to the Unsupervised Asset, even if the Unsupervised Asset is included in account statements or performance reports provided to Client; Baird may impose additional fees upon Accounts holding Unsupervised Assets; and holding an Unsupervised Asset in an Account may increase the risk of trade errors, overinvestment, and negative Account performance.

## 11. Special Considerations for the Programs

### **(a) ALIGN, BairdNext Portfolios, Russell, SMA and UMA Clients**

#### **(i) Selection of Investment Options**

Baird solely determines the investment options made available to Client under the ALIGN, BairdNext Portfolios, Russell and UMA Programs. ALIGN, BairdNext Portfolios, Russell and UMA Program Accounts will generally be invested in mutual funds and ETPs, and, with respect to UMA Portfolios, SMA Strategies and PWM-Managed Portfolios. Client understands and agrees that if Baird has discretion over Client’s Account (or a portion thereof), Baird may invest such Account (or such portion of an Account over which Baird has discretion) in any investment product it deems appropriate for Client’s Accounts participating in those Programs.

#### **(ii) Replacement of Investment Options**

From time to time, Baird may remove mutual funds, ETPs, SMA Strategies and PWM-Managed Portfolios, from the ALIGN, BairdNext Portfolios, Russell or UMA Programs, and Baird may replace them with other mutual funds, ETPs, or SMA Strategies or PWM-Managed Portfolios, as it deems appropriate. If Client’s Account participates in those Programs, Client authorizes Baird to replace any such investments in Client’s Account whenever Baird removes the investment option from those Programs. Baird may make such replacement in Client’s Account without providing prior notice to, or obtaining the consent of, Client.

#### **(iii) Asset Allocation Changes and Rebalancing**

If Client’s Account participates in an ALIGN Program, the BairdNext Portfolios Program, the Russell Program, or a UMA Program, Client authorizes Baird to rebalance Client’s Account assets to be consistent with Client’s chosen target asset allocation strategy at any time without prior notice to Client at such times and under such conditions as Baird, in its discretion, deems appropriate. Client understands and agrees: when Baird rebalances Client’s Account, all or only a portion of, the Account may be traded; the frequency and conditions under which Baird rebalances Client’s Account in a Program may change at any time in Baird’s discretion; and may be different from the frequency and conditions applicable to how Client’s Account is rebalanced in another Program.

If Client’s Account participates in the ALIGN Strategic Portfolios Program, the BairdNext Portfolios Program, the ALIGN UMA Select Portfolios Program, or the Russell Program, or to the extent Client’s UAS Portfolios Program Account includes a PWM-Managed Model, Client authorizes Baird to change the Account’s asset allocation for any reason, which may include, but shall not be limited to: updates made by Baird to the applicable model portfolio’s target asset allocations; or changes in market conditions, Baird’s opinion on the future performance of particular asset classes, or Client’s financial circumstances.

#### **(iv) Overlay Manager**

If Client’s Account participates in an ALIGN or UMA Program, Client understands and agrees that the asset allocation changes, rebalancing, and other changes described above may be performed or implemented by the Overlay Manager.

#### **(b) Third Party Information**

Client understands, acknowledges and agrees that, when providing services to Client, Baird and its Financial Advisors: rely on information provided by third parties and other external sources believed to be reliable, including, but not limited to, information provided by investment managers; they assume that all such information is accurate, complete and current; and they do not conduct an in-depth review of, or verify, such information, and they do not guarantee the accuracy of the information used.

## 12. Goal Management

Baird makes available to Client an optional goal management service (“Goal Management”). Goal Management provides Client the ability to set a single, overall investment objective for all or a portion of assets selected by Client with the flexibility of using multiple, eligible Advisory Accounts that may have different investment strategies or objectives. If Client elects to have Baird implement a plan of Goal Management (a

“Goal Management Plan”) using two or more eligible Advisory Accounts (“Goal Management Accounts”), the Goal Management Accounts, taken together, will be managed or advised by Baird and Client’s Financial Advisor in such a way so as to seek to achieve a single, overall goal or investment objective (“Goal Management Objective”) chosen by Client. Each individual Account included in a Goal Management Plan will also be managed or advised by Baird and Client’s Financial Advisor in accordance with the terms of the applicable Advisory Program and any investment strategy or objective applicable to the Account. Client understands and acknowledges, to the extent consistent with the terms applicable to an Account included in a Goal Management Plan, each individual Account included in the Goal Management Plan may be managed or advised in any manner believed by Baird or Client’s Financial Advisor to be necessary or appropriate for the Goal Management Accounts, taken together, to seek to achieve the Goal Management Objective.

In certain circumstances, Baird may permit clients that are part of the same household to include their eligible Advisory Accounts in the same Goal Management Plan (a “Household Goal Management Plan”). Client understands, acknowledges and agrees that It is Client’s sole responsibility to notify Baird that Client is part of a household so that Baird is aware of Client’s eligibility for a Household Goal Management Plan, that It is also Client’s sole responsibility to notify Baird whenever Client ceases to be part of a household if an Account is part of a Household Goal Management Plan, and that failure to do so could have a materially negative impact on applicable Accounts.

An Account will be removed from a Goal Management Plan: (1) upon request or consent of Client, (2) if the Account ceases to be an eligible Advisory Account, (3) in the event the Account is part of a Household Goal Management Plan, if Client notifies Baird that Client ceases to be a member of the applicable household, or (4) upon written notice from Baird that it is no longer able to manage the Account according to the Goal Management Plan.

Client understands, acknowledges and agrees that: given the nature of Goal Management, each Account enrolled in a Goal Management Plan may not be invested in a manner such that the individual Account alone would be able to achieve the Goal Management Objective; and it is likely that one or more Accounts included in a Goal Management Plan, taken alone, will be managed or advised differently and will be subject to greater or enhanced risks than would be the case if the Account alone had the same objective as the Goal Management Objective.

Client further understands, acknowledges and agrees, particularly if Client elects to include eligible Advisory Accounts in a Household Goal Management Plan, that: if an Account is removed from a Goal Management Plan for any reason, including if Client ceases to be a member of the same household, the Program and strategy for the Account removed from the Goal Management Plan will remain unchanged unless a change is requested by Client; further, the Account removed from the Goal Management Plan will not be allocated assets from other Accounts included in the Goal Management Plan unless Client and all other applicable clients, if any, consent and direct Baird to do so and then only to the extent permitted by applicable law; Baird will have no liability for implementing a Goal Management Plan as requested by Client; and Client will indemnify Baird and hold Baird harmless from and against all claims against Baird relating to Baird’s implementation of a Goal Management Plan as requested by Client.

### 13. Tax Management

Many Programs and managers make available tax management strategies and services that are intended to reduce the negative impact of U.S. federal income taxes on an Account. Certain Programs and managers include tax management services as a default feature of the Program or the manager’s services. Client understands and acknowledges that: Client is encouraged to discuss Client’s tax management needs with Client’s Baird Financial Advisor before enrolling the Account in a Program or selecting a manager; Client should understand the terms of the tax management services that will be implemented, including the associated limitations, risks and additional costs, if any, before enrolling an Account in a Program or selecting a manager for that Account; and if Client wishes to opt an Account out of participation in a tax management service, Client should contact Client’s Baird Financial Advisor.

Client further understands and acknowledges that: the offering and performance of tax management services to Client’s Account does not constitute tax advice; Client is ultimately responsible for all tax-related consequences resulting from Client’s decision to utilize tax management services; tax management services are provided solely based upon the direction and information provided by Client; and before enrolling in a tax management service, Client should consult Client’s tax advisors about the tax consequences of doing so.

#### **(a) Baird Tax Management Strategies**

As a default feature of the ALIGN Strategic Portfolios, the BairdNext Portfolios, the Russell Model Strategies and the UMA Programs, the Baird PWM Home Office implements certain tax management investment strategies described in the Baird Brochure (“Baird TM Strategies”) for each non-Retirement Account enrolled in one of those Programs unless Client opts out by contacting Client’s Baird Financial Advisor.

Certain Baird Financial Advisors also offer tax management investment strategies (“FA TM Strategies”), described in the Baird Brochure, to non-Retirement Accounts enrolled in Baird Financial Advisor-directed Programs, including the Advisory Choice, PIM, and UAS Programs. Client understands, acknowledges and agrees that: Client is encouraged to ask Client’s Baird Financial Advisor if FA TM Strategies will be used if the Account is enrolled in a Program; PIM Managers and UAS Managers who offer FA TM Strategies will generally implement such strategies for Accounts they manage on a discretionary basis unless Client opts out by contacting Client’s Baird Financial Advisor. The Baird PWM Home Office will assist with the implementation of the FA TM Strategies.

***Baird’s tax management strategies are not intended to, and likely will not, eliminate Client’s U.S. federal income tax obligations.*** Client understands that: like all investment strategies, there is no guarantee that the implementation of a tax management strategy will be successful; and Client’s use of a tax management strategy may not actually lower Client’s tax obligations or otherwise achieve Client’s tax goals.

#### **(b) Third Party Tax Management Services**

The Overlay Manager offers an optional tax overlay service and an impact overlay service in connection with the UMA Programs. *Important information about the Overlay Manager’s tax and impact overlay services is contained in the Overlay Manager’s Form ADV Part*



2A Brochure, which is available upon request. The Overlay Manager charges an additional fee for tax and impact overlay services.

**(c) Additional Important Information in the Brochure**

Client understands and acknowledges that additional important information about tax management services that are provided in connection with the Programs, including information about the terms and conditions, risks and additional costs, if any, is contained in the Baird Brochure.

## 14. Custody Services

Each Advisory Program generally requires Client to custody Client's Account assets at Baird. Baird in its sole discretion may accept Held-Away Assets into Client's Account, including assets that are held by another custodian (a "third party custodian"). If Client selects a third party custodian, Client understands and agrees that: Client does do at Client's risk; Client will pay a custody fee to the third party custodian in addition to the Advisory Program Fee; Baird may impose additional fees on Accounts with assets held by a third party custodian due to the increase in resources needed to administer those Accounts; such third party custody arrangements may limit the Advisory Programs and investments made available to Client; and Client may not receive performance review or reporting from Baird. If Client selects a third party custodian, Client authorizes Baird to give instructions to Client's custodian for all actions necessary or incidental to the purchase, sale, exchange, and delivery of securities held in Client's Account. Client should carefully review account statements provided by such custodian and compare them with any statements provided by Baird.

Client understands and agrees that Baird may utilize one or more subcustodians to provide for the custody of Client's assets in certain circumstances, including, without limitation to maintain custody of certain Client securities that are traded on foreign exchanges.

## 15. Certain Account Requirements

**(a) Minimum Account Size**

Each Advisory Program has a minimum account size and may have a minimum Advisory Program Fee, which fee will be set forth in the applicable Advisory Account Schedule to the Agreement. Pursuant to Section 18 of the Agreement, Client understands and agrees that Baird may remove an Account from an Advisory Program and immediately terminate the Agreement and this Supplement with respect to an Advisory Account upon written notice to Client if Client fails to maintain the required minimum asset levels in an Account or if Client fails to otherwise abide by the terms of an Advisory Program as determined by Baird in its sole discretion.

**(b) Account Contributions and Withdrawals**

Client may fund an Account with cash and with securities that Baird and Client's investment manager, if any, deem to be acceptable in their sole discretion. Client understands and acknowledges that funds deposited or transferred to Client's SMAs or UMAs from another Baird account and funds deposited or transferred to Client's SMAs or UMAs from outside of Baird will not be available for investment by Client's investment manager until the next business day and therefore the investment of such funds, at the discretion of the manager, will occur no earlier than the next business day.

When Client funds an Account with securities, including when Client changes Programs for an Account or changes investment managers for

an Account within the same Program, Client understands that Baird's or Client's investment manager's review of securities used to fund the Account may delay investing. In addition, Client understands that Baird or Client's investment manager, if any, may determine that the securities contributed to the Account may not be appropriate for Client's strategy, and Baird or the investment manager, if any, may sell, or recommend the sale of, such securities. Further, Client understands that an investment manager may be removed from the management of Client's Account and a replacement investment manager may be appointed. In such event, Client understands, acknowledges and agrees that Baird, at the direction of Client's replacement manager, or Client's replacement manager may sell all or a portion of the securities or other investments in the Account that were managed by the prior manager and the replacement manager will reinvest the cash proceeds of those sales. Any such sale could result in adverse tax consequences for Client. Client understands and agrees that securities transferred into an Account may be subject to the Advisory Program Fee immediately upon its transfer into the Account, even if Client paid a commission or front-end sales charge on the security prior to its transfer into the Account. In addition, if the securities are subject to deferred sales charges or redemption fees, Client agrees Client will be responsible for paying those charges and fees. Client understands and agrees that, to the extent permitted by applicable law, certain funding transactions may be handled by Baird on a principal basis and such transactions are not considered investment advisory services of Baird or Client's investment manager.

Client understands and agrees that if an asset transferred to an Account is an Unsupervised Asset under the terms of the applicable Advisory Program, Baird, Client's Financial Advisor or Client's investment manager may sell the asset or transfer it into a separate brokerage account. Alternatively, Client understands and agrees that they may designate such asset as an "Unsupervised Asset" as further described in Section 10 of this Supplement.

Client understands, acknowledges and agrees that Client is responsible for notifying Client's Financial Advisor and any investment manager managing Client's Account of any contributions made into the Account and instructing Client's Financial Advisor and any investment manager to liquidate positions in the event Client wishes to withdraw assets from the Account. Client understands and agrees that Baird and its Financial Advisors have no responsibility to invest cash deposits (other than complying with Client's cash sweep instructions) or liquidate positions with respect to an Account managed by an Other Manager, and they are not responsible for any losses that may result from Client's failure to notify Client's Financial Advisor and any investment manager managing Client's Account regarding deposits or withdrawals.

**(c) Liens and Use of Account Assets as Collateral**

Client understands, acknowledges and agrees that, as security for the full and complete payment when due of any debts and other obligations that Client owes to Baird, all assets in Client's Accounts held at Baird are subject to a first priority security interest, lien and right of setoff in favor of Baird to the extent permitted applicable law or regulation. Client further understands, acknowledges and agrees that: Baird may sell assets in an Account to satisfy the lien; as a secured party, Baird may have interests that are adverse to Client; neither Baird nor its Financial Advisors will act as investment adviser to Client with respect to such sale of assets held in an Account; and any such sale of assets will be executed in Baird's capacity as broker-dealer and creditor and may, as permitted by law, result in executions on a principal basis.

Client should refer to Section 4(c) of the Agreement for more information.

If Client wishes to obtain loans secured by assets in Client's Account and Baird agrees to the arrangement, Client understands and agrees that: the lender may exercise certain rights and powers over the assets in the Account, including the disposition and sale of any and all assets pledged as collateral for the loan to meet a collateral call, which may occur without prior notice to Client; and that a collateral call could have adverse tax consequences, disrupt Client's investment strategy, and have an adverse impact on the Account's performance. Client understands, acknowledges and agrees that: Baird and its associates will not provide advice on or oversee a collateral arrangement; they will not act as investment adviser or fiduciary to Client with respect to the liquidation of securities held in Client's Account to meet a collateral call; and any such liquidation will be executed in Baird's capacity as broker-dealer and may, as permitted by law, result in executions on a principal basis.

## 16. Fees and Compensation

### **(a) Calculation and Payment of Advisory Program Fees**

Client agrees to pay all Advisory Program Fees and other charges relating to Client's Accounts for any services that Baird provides to Client, including, without limitation, fees and expenses described in Section 11 of the Agreement and Section 16(b) of this Supplement.

The Advisory Account Schedule or other fee schedule for an Advisory Account sets forth the actual Advisory Program Fee that Client will pay to Baird. In most instances, Client will pay Baird an ongoing Advisory Program Fee based upon the value of assets in Client's Advisory Accounts (an "asset-based fee"). An asset-based fee is calculated by applying the applicable fee rate to the value of all of the assets in the applicable advisory accounts. If Client's Advisory Account is subject to an asset-based Advisory Program Fee, Client understands and agrees that Baird will calculate the Advisory Program Fee by applying the applicable fee rate to the value of all of the assets in Client's Accounts, including cash and its equivalent and including all Held-Away Assets. Liabilities held in Client's Accounts, including the value of margin debit balances, open short sale positions and open options positions with a negative market value will be excluded from the calculation of Client's Advisory Program Fee. Client further understands and agrees the value of cash balances held in Client's Account will be excluded from the calculation of Client's Advisory Program Fees in an amount equal to the value of any open short sale positions and options positions with a negative market value held in Client's Margin Account.

If requested by Client and approved by Baird, an Advisory Program Fee may be determined by also including the aggregate value of assets in certain other Advisory accounts held by Client and certain members of Client's household or family (a "household fee arrangement"). The terms of any such household fee arrangement will be set forth in the Advisory Account Schedules accompanying the Agreement or otherwise transmitted to Client.

Client understands and agrees that: it is Client's sole responsibility to inform Client's Financial Advisor that Client's household or family has two or more Advisory Accounts that are eligible for a household fee arrangement, and Baird and its Financial Advisors do not perform an independent analysis or determination as to whether any Client Accounts are eligible for a household fee arrangement. By agreeing to a household fee arrangement, each Client subject to such household

fee arrangement consents to Baird providing to each other client subject to such household fee arrangement, in Baird's sole discretion, information about the aggregate level, or range, of household assets used for fee calculation purposes. As a result, each such Client understands and acknowledges that the other clients included in the household fee arrangement may be able to ascertain the amount of Client's assets at Baird.

Client understands and agrees that for purposes of calculating Client's asset-based Advisory Program Fee, the value of Client's assets will be determined by Baird. Baird generally relies upon third party sources, such as third party pricing services when valuing Account assets. In some instances, such as when Baird is unable to obtain a price for an asset from a pricing service, Baird may obtain a price from its trading desk or it may elect to not price the asset. Obtaining a price from its trading desk may present a conflict of interest. In some cases, Baird obtains prices from the issuers or sponsors of investment products in Client's Account when prices are not otherwise readily available. This frequently occurs with respect to the valuation of annuities, Complex Investment Products, community bank stocks and private funds. If the assets in Client's Account are held by a custodian other than Baird, Baird may also use valuation information provided by Client's third party custodian in determining the value of the assets in Client's Account.

Client understands, acknowledges and agrees that: Baird does not conduct a review of valuation information provided by third party pricing services, issuers, sponsors, or custodians, and it does not verify or guarantee the accuracy of such information; Baird does not accept responsibility for valuations provided by third parties that are inaccurate unless Baird has a reason to believe that the source of such valuations is unreliable; valuation data for investments, particularly annuities, Complex Investment Products, community bank stocks and private funds, may not be provided to Baird in a timely manner, resulting in valuations that are not current; and the prices obtained by Baird from third party pricing services, issuers, sponsors and custodians may differ from prices that could be obtained from other sources.

Client understands, acknowledges and agrees that: values used for fee-calculation purposes may vary from prices received in actual transactions and are not firm bids, offers or guarantees of any type with respect to the value of assets in an Account; and the Advisory Program Fee for some securities may be calculated based on values that are greater than the amount Client would receive if the securities were actually sold from Client's Account.

If Client maintains a debit balance in Client's Margin Account with Baird, Client understands and agrees that such balance has no bearing on the asset-based Advisory Program Fees charged on Client's Advisory Account. In other words, the margin balance (i.e., the outstanding amounts of the margin loan Client owes to Baird) in Client's Account will not be applied to reduce Client's billable Account value in calculating the Advisory Program Fee.

Client agrees to pay the Advisory Program Fees for an Advisory Account in accordance with the terms indicated on the applicable Advisory Account Schedule or other fee schedule. Unless otherwise stated on the applicable Advisory Account Schedule, Client's Advisory Program Fees shall be payable on a calendar quarterly basis, in advance. The initial billing period shall begin when the Agreement is accepted by Baird with respect to the Advisory Account and the Advisory Account is opened by Baird (the "Opening Date"). The initial Advisory Program Fee

payment shall be adjusted for the number of days remaining in the then current quarter. The initial Advisory Program Fee will be based on the value of assets in Client's Account on the Opening Date. The period which such payment covers shall run from the Opening Date through the last business day of the then current calendar quarterly billing period. Thereafter, the quarterly Advisory Program Fees shall be calculated based upon the Account's asset value on the last business day of the prior calendar quarter and shall become payable on the first business day of the then current calendar quarter.

Client understands and agrees that the Advisory Program Fees and other charges for an Account will be automatically deducted from Client's Account, unless Client requests, and Baird agrees, to an alternate arrangement, such as having Baird issue Client an invoice for the Advisory Program Fees ("direct billing"). Client understands and agrees that Client's Advisory Program Fees and other charges relating to Client's Account may be satisfied from free credit balances and other assets in Client's Account as further described in Section 11 of the Agreement. If free credit balances in Client's Account are insufficient to pay the Advisory Program Fees or other charges when due, Client authorizes Baird and any investment manager managing Client's Account to sell investments from Client's Account to the extent they deem necessary and appropriate, in their sole discretion, to pay Client's Advisory Program Fees and other charges.

If Client's Account is subject to direct billing, Client agrees to pay each bill within 30 days of the date of the invoice. Client agrees that Baird may automatically deduct Client's Advisory Program Fees and other charges from Client's Account as described above in the event that Baird does not receive payment from Client within 30 days of the date of the invoice. Client further agrees that Baird may rescind a direct billing arrangement with Client at any time and understands that direct billing may not be available for Retirement Accounts.

To the extent permitted by applicable law, Client agrees that Baird may modify Client's existing fees and other charges or add additional fees or charges by providing Client with 30 days' prior written notice.

If either Baird or Client terminates the Agreement, this Supplement or Client's participation in an Advisory Program, a pro-rated refund from the date of termination through the end of the applicable billing period will generally be made to Client in Client's affected Accounts. Client understands and agrees that Baird will not implement a decrease in Client's fee rate during a billing period or otherwise reimburse or adjust Advisory Program Fees during any such period for asset value appreciation or depreciation in Client's Account during such period. For example, if Client's Account is subject to a tiered or breakpoint fee schedule and the asset levels of the Account move into a new tier or cross a breakpoint during such period, no rebate or fee adjustment will be made. However, Client understands and agrees that Baird, in its sole discretion, may make fee adjustments in response to asset fluctuations in Client's Account occurring during a billing period that result from contributions to, or withdrawals from, Client's Account.

Client understands that each Advisory Program may have a minimum asset value in order to open an Account, and a minimum fee may be assessed against Client's Account. Client agrees to pay any such minimum fee set forth in the applicable Advisory Account Schedule or other fee schedule accompanying the Agreement or otherwise transmitted to Client. Baird may waive any such minimum fee at its discretion. Client understands and agrees that the minimum fee is subject to change upon notice to Client.

## **(b) Other Fees and Expenses**

### **(i) Cost and Expense Information for Certain Investment Products**

Certain investment products in which Client invests, such as mutual funds and other Investment Funds, annuities and other products, have their own ongoing management and other operating fees and expenses that are deducted from the assets of the product (or income or gains generated by the product on its investments) and thus reduce the value or return of Client's investment in the product. These fees and expenses may include investment management fees, distribution (12b-1) fees, shareholder servicing fees, transfer agency fees, networking fees, accounting fees, marketing support payments, administration fees, custody fees, expense reimbursements, and expenses associated with executing securities transactions for the investment product's portfolio ("ongoing operating expenses"). These ongoing operating expenses are separate from, and in addition to, the Advisory Program Fees. As a result of making investments in these types of products, Client understands that Client is paying multiple layers of fees and expenses on the amount of Client's assets so invested—the ongoing operating expenses and the Advisory Program Fee. Client should review the prospectus or other applicable offering documents for each investment product in which Client invests for further information.

### **(ii) Additional Account Fees and Charges**

Client agrees that Client is also responsible for all applicable Account fees and service charges Baird may impose in connection with the Agreement or Client's other agreements with Baird. A schedule of fees and service charges is available on Baird's website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

### **(iii) Other Fees and Charges**

In addition to the Advisory Program Fee described above, Client will incur other fees and expenses. Client understands and agrees that Client is responsible for bearing or paying, in addition to the Advisory Program Fee, the costs of all:

- markups, markdowns, and spreads charged by Baird in a principal transaction with Client or charged by other broker-dealers that buy securities from, or sell securities to, Client's Account (such costs are inherently reflected in the price Client pays or receives for such securities);
- front-end or deferred sales charges, redemption fees, or other commissions or charges associated with securities transferred into or from an Account;
- redemption fees, surrender charges or similar fees that the investment product, annuity or its sponsor may impose;
- underwriting discounts, dealer concessions or similar fees related to the public offering of investment products;
- extra or special fees or expenses that may result from the execution of odd lot trade orders (i.e., "odd-lot differential");
- electronic fund fees, wire transfer fees, fees for transferring an investment between firms, and similar fees or expenses related to account transfers (including any such fees imposed by Baird);
- currency conversions and transactions;

- securities conversions, including, without limitation, the conversion of ADRs to or from foreign ordinary shares;
- interest, fees and other costs related to margin accounts, short sales and options trades;
- fees related to the establishment, administration or termination of Retirement Accounts, retirement or profit sharing plans, trusts or any other legal entity, including, without limitation, the calculation and payment of unrelated business income tax (“UBIT”);
- fees imposed by the SEC or securities markets, including transaction fees imposed by electronic trading platforms, which fees may be imbedded in the price Client receives for the security; and
- taxes imposed upon or resulting from transactions effected for Client’s Account, such as income, transfer or transaction taxes, foreign stamp duties, or any other costs or fees mandated by law or regulation.

If Client uses a custodian other than, or in addition to, Baird, Client understands that Client will pay the custodian’s fees and expenses in addition to the Advisory Program Fee. In addition, Client understands and agrees that if a third party custodian has custody of Client’s Account assets, the Account is subject to any applicable set-up, maintenance and administrative fees established by Baird. Baird may waive such fees in its discretion.

In addition to the Advisory Program Fee, Client understands that Client will be responsible for paying the fees charged by each DC Manager selected by Client under the Dual Contract Program. If Baird is the custodian of Client’s DC Program Account, Client authorizes and directs Baird, as Client’s custodian, to pay out of such Account the fee invoices sent by Client’s DC Manager. Client understands and agrees that: (i) Client is ultimately responsible for the payment of such fees and for ensuring sufficient funds are in Client’s Account to pay such fees; and (ii) Baird is not responsible for verifying the calculation or accuracy of any such invoice or fee or for paying any such invoice if there are insufficient funds in Client’s Account.

Client understands that Client may also be assessed other trading costs in addition to the Advisory Program Fee if Client’s trades are executed through another firm as described in Section 7 of this Supplement.

If Client holds an Unsupervised Asset in an Advisory Account, Client agrees that Client may be charged a commission, markup or markdown in connection with its purchase or sale. The cash proceeds from the sale of an Unsupervised Asset that remain in the Account are considered Permitted Investments subject to the asset-based Advisory Program Fee. If an asset becomes an Unsupervised Asset during a quarterly billing period, Client acknowledges and agrees that such Unsupervised Asset will be excluded for purposes of determining the asset-based Advisory Program Fee beginning at the start of the next quarterly billing period, and no portion of the asset-based Advisory Program Fee paid by Client in advance for the quarter will be refunded or rebated to Client. Additionally, Client understands and agrees that Unsupervised Assets in an Account are subject to any applicable set-up, maintenance and administrative fees established by Baird. Baird may waive such fees in its discretion.

## 17. Proxy Voting and Other Legal Matters

Client retains the right to vote proxies with respect to the securities held in any Baird Advisory Choice Account and with respect to any other Account over which Client retains discretionary investment authority. Accordingly, Client understands and acknowledges that Client is responsible for voting proxies and otherwise addressing all matters submitted for consideration by security holders, and Baird is under no obligation to take any action or render any advice regarding such matters.

If Client’s Account is enrolled in the ALIGN UMA Select Portfolios Program or UAS Portfolios Program, Client delegates the right to vote proxies to the Overlay Manager unless Client elects otherwise on the applicable Advisory Account Schedule.

If Client’s Account is enrolled in the Baird Affiliated Managers Program, Baird Recommended Managers Program, Baird SMA Network Program or Dual Contract Program, Client delegates the right to vote proxies to the investment manager selected to manage Client’s Account (which may include Baird, the Overlay Manager or an Implementation Manager) unless Client elects otherwise on the applicable Advisory Account Schedule; provided that, if Client has a dual contract arrangement under the Dual Contract Program, Client retains proxy voting authority unless Client’s agreement with the manager managing Client’s Account states otherwise.

Under the ALIGN Strategic Portfolios Program, BairdNext Portfolios Program, PIM Program, and Russell Program, Client delegates the right to vote proxies to Baird unless Client elects otherwise on the applicable Advisory Account Schedule. If Client delegates voting authority to Baird, Baird will vote proxies solicited by, or with respect to, securities held in Client’s Account for the exclusive benefit of Client and in accordance with policies and procedures adopted by Baird. Client has the right at any time upon written notice to Client’s Baird Financial Advisor to revoke the delegation of proxy voting authority to Baird.

Except to the extent Client has delegated proxy voting authority to Baird, Client understands and agrees that Baird has no authority, direct or implicit, and accepts no responsibility for taking any action or rendering any advice with respect to the voting of proxies related to securities held in Client’s Accounts.

If Baird votes Client’s proxies, Baird, at Client’s request, will provide a report to Client, and if applicable, to Client’s Authorized Representatives, detailing how Client’s proxies have been voted.

If Client elects to have Baird vote proxies for Client, Client understands and agrees that Baird is responsible for voting those proxies it receives and shall have no liability for failure to vote a proxy on Client’s behalf in the event that Baird does not timely receive such proxy.

## 18. Additional Terms Applicable to Retirement Accounts

Each Retirement Account Fiduciary of Client understands and acknowledges that ERISA and the IRC and the regulations promulgated thereunder impose specific conditions on the execution of transactions with affiliated persons, principal transactions, or agency cross transactions. These restrictions may affect the Advisory Services and the Brokerage Services provided by Baird to a Retirement Account.

Each Retirement Account Fiduciary of Client understands that Baird may invest for Client, or recommend that Client invest in, affiliated investment products described in Section 6(c) of this Supplement and



that Baird and its affiliates may receive fees or other compensation related to such investments made by Client. Each Retirement Account Fiduciary of Client acknowledges and agrees that when Baird invests with discretion the assets of a Retirement Account in an affiliated investment product that pays investment advisory fees to Baird or any of its affiliates, including in connection with any cash sweep services, Baird and its affiliates may receive such investment advisory fees in accordance with the terms of Department of Labor (“DOL”) Prohibited Transaction Exemption (“PTE”) 77-4, and, as required thereby, Baird will waive its asset-based Advisory Program Fees under this Supplement on that portion of the assets invested in the affiliated investment product for such period of time so invested or Baird will offset the investment advisory fees received by Baird or any of its affiliates from the affiliated investment product against the asset-based Advisory Program Fees that Baird charges to Client under this Supplement. For the purpose of complying with the terms of DOL PTE 77-4, Client and each Retirement Account Fiduciary of Client hereby acknowledge and agree that: (i) the investment in affiliated investment products for the Account is appropriate because of, among other things, the investment goals, redeemability, liquidity, and diversification of those products; (ii) subject to the terms of the applicable Advisory Program, all assets of the Account may be invested in one or more of the affiliated investment products; (iii) Client and such Retirement Account Fiduciary received prospectuses or other offering or disclosure documents for the affiliated investment products that may be used in connection with the Account, each of which include a summary of all fees that may be paid by the affiliated investment products to Baird or its affiliates; and (iv) Client received information concerning the nature and extent of any differential between the rate of such affiliated investment product fees and the Advisory Program Fees payable by Client to Baird hereunder. The differential between the Advisory Program Fees to be charged by Baird for the investment advisory services it provides to Client pursuant to this Supplement and, if applicable, the investment advisory and other similar fees paid by the affiliated investment product to Baird or its affiliates with respect to the services Baird or any of its affiliates provides to the affiliated investment product is the difference between the Advisory Program Fees disclosed on the applicable Advisory Account Schedule or fee schedule and the applicable investment management, investment advisory and other similar fees detailed in the applicable prospectus or other offering or disclosure documents for the affiliated investment product. On the basis of the prospectuses or other offering or disclosure documents provided to Client, and the disclosures contained in this Supplement and the applicable Baird Brochure, Client consents to and directs the investment of the assets of the Account in the affiliated investment products and redemptions therefrom.

If Client’s Account is a Retirement Account and if Baird is directed to implement a directed brokerage arrangement for the Account, each Retirement Account Fiduciary of Client understands that the directed brokerage arrangement must be for the exclusive benefit of participants and beneficiaries of the Retirement Account and acknowledges a duty to adhere to the fiduciary responsibilities discussed in ERISA Technical Bulletin 86-1. Each Retirement Account Fiduciary hereby represents and warrants that the Fiduciary will comply with all fiduciary obligations imposed by applicable law and regulation, including, without limitation, ERISA and the IRC and all guidance issued thereunder. Each Retirement Account Fiduciary also represents and warrants that such Fiduciary will comply with all fiduciary responsibilities discussed in ERISA Technical Bulletin 86-1,

including, without limitation, the duty to make an initial determination that the Directed Broker-Dealer is capable of providing best execution for Client’s brokerage transactions, the duty to monitor the services provided by the Directed Broker-Dealer so as to assure that Client has received best execution of Client’s brokerage transactions, and the duty to determine that the commissions paid by Client and any other fees or costs incurred by Client are reasonable in relation to the value of the brokerage and other services received by Client. Client and each Retirement Account Fiduciary of Client understand, acknowledge and agree that Client and Client’s Retirement Account Fiduciaries are solely responsible for engaging a Directed Broker-Dealer, monitoring its performance and terminating a directed brokerage arrangement, and that Baird is not responsible for determining whether a Directed Broker-Dealer is capable of providing best execution.

*If Client’s Account is a Retirement Account and if Client has selected an investment manager or product related to Baird (such as the use of services or products offered by Baird Advisors, Baird Equity Asset Management, CCM, Baird Trust, GAMMA, Greenhouse, LoCorr, Riverfront, Strategas or any Investment Fund affiliated with any of them), each Retirement Account Fiduciary of Client understands and agrees that in making such selection: (a) Baird and its affiliates may receive higher aggregate compensation than if Client selected investment managers, funds or other products not affiliated with Baird and thus Baird may have an incentive to offer such affiliated investment managers, funds or other products; (b) Baird makes available to Client investment managers, funds and products not affiliated with Baird and Client may obtain additional information about such unaffiliated investment managers, funds or products at any time by contacting Client’s Baird Financial Advisor; and (c) Client is free to choose another investment option or participate in another Baird advisory program that does not use investment managers, funds or products affiliated with Baird at any time by contacting Client’s Baird Financial Advisor.*

# Important Account Disclosures

March 21, 2024

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## Introduction

Established in 1919, Robert W. Baird & Co. Incorporated (“Baird”, “we”, “us” or “our”) is a privately-held, employee-owned global investment and wealth management firm that seeks to provide the best financial advice and service to our clients and be the best place to work for our associates.

This Important Account Disclosures document describes certain services that our Private Wealth Management business (“PWM”) makes available to you (“client”, “you” or “your”) and the terms and conditions that apply to those services and the accounts you open with us.

This document is not intended to be a comprehensive description of the services provided by us or the terms and conditions that apply to those services and accounts you open with us. In addition to the terms and conditions described in this document, your relationship with us is governed by your agreements with us, which typically include our Client Relationship Agreement.

This document references other documents that contain additional important information. Those documents are available on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor). You can obtain a paper copy of this document and any other document available on our website free of charge by contacting your Baird Financial Advisor or calling us toll-free 1-800-653-2294.

*The information contained in this document is current as of the date above and is subject to change in Baird’s discretion. You should review this document carefully and retain it with your records.*

## USA PATRIOT Act Notice

To help the government fight the funding of terrorism and money laundering activities, federal law requires financial institutions to obtain, verify and record information that identifies each person who opens an account. Baird will ask each client to provide certain required information. If a client is an individual, such information may include but is not limited to, the client’s name, date of birth, address, and other information that will allow Baird to identify the client. Baird will use electronic databases to verify a client’s identity and may ask for a copy of a client’s driver’s license or other identifying document. If a client is a corporation, partnership, trust or other legal entity, a client may be required to provide other information, such as its principal place of business, local office, employer identification number, certified articles of incorporation, government-issued business license, a partnership agreement or trust agreement.

If Baird cannot verify a client’s identity, Baird reserves the right to request that the client provide additional information. If Baird still cannot verify the client’s identity, or if Baird deems it necessary or advisable to comply with applicable law, Baird may without prior notice to the client, restrict or close the client’s accounts, refuse to accept instructions from the client, and terminate the client’s agreements. In the event that a client’s account is restricted or closed, the client is responsible for the liabilities and obligations arising from transactions initiated prior to Baird closing the account. A client should understand that Baird is not liable for any losses or damages a client may incur, including, without limitation, lost opportunities, in the event Baird restricts or closes an account.

## Understanding Brokerage and Investment Advisory Relationships

We are registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and as an investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and offer to our clients both brokerage services and investment advisory programs and services. Depending upon your particular needs and goals, you may have or wish to open brokerage accounts, advisory accounts or both. You should understand that brokerage services and investment advisory services are separate and distinct services and that there are important differences between those services and between brokerage accounts and advisory accounts. Our brokerage services and investment advisory services are governed by different laws and regulations and by different terms and conditions in your agreements with us. As a result, our legal duties and contractual obligations to you differ depending upon whether we are acting as broker-dealer or investment adviser for you or your account. Additional important information about our brokerage and investment advisory services and related accounts, including the terms, conditions, fees and costs applicable to those accounts and certain risks and conflicts of interest associated with those accounts, is contained in your agreements with us as well as our Form CRS *Client Relationship Summary* and *Client Relationship Details* documents. Other important information about our advisory services, including the terms, conditions, fees, costs, risks and conflicts of interest associated with those services, is contained in our Form ADV Part 2A Brochure for the applicable advisory service (the “Advisory Services Brochure”). You should review those documents carefully and discuss them with your Baird Financial Advisor if you are considering opening any account (or account type) with us.

*You should note that registration as an investment adviser does not imply a certain level of skill or training.*

## Retirement Accounts

Additional laws, regulations and other conditions apply to retirement accounts, which include employee pension benefit plan accounts that are subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and individual retirement accounts (“IRAs”) that are subject to the Internal Revenue Code of 1986, as amended (“IRC”) (collectively, “Retirement Accounts”). It is important for you to understand that the requirements imposed upon fiduciaries under ERISA or the IRC on the one hand, and the requirements imposed upon broker-dealers under the Exchange Act and upon investment advisers under the Advisers Act on the other hand, are separate and distinct requirements. While there are some similarities between those requirements, there are some important and significant differences. As a result, certain programs, services and investment products offered by us may be made available to your taxable accounts but may not be available to your Retirement Accounts. For more specific information, you should consult with your Baird Financial Advisor and refer to your agreements with Baird and the related disclosure documents.

## Dividend Reinvestment Program and Liquidation of Client Fractional Positions

The Dividend Reinvestment Program offered by Baird provides a convenient, cost-effective way to buy additional shares of eligible securities you already hold in your portfolio. Pursuant to the Dividend



Reinvestment Program, cash dividends you receive from eligible securities will be automatically reinvested, commission-free, allowing you to purchase additional full and/or fractional shares on a regular basis. As with any securities investment, there is no guarantee that you will realize a gain or be protected against a loss. Only cash dividends may be reinvested.

The Baird Dividend Reinvestment Program is an ancillary account service. Baird does not act as an investment advisor or fiduciary to clients in connection with the Dividend Reinvestment Program.

### **Enrollment**

You may enroll in the Dividend Reinvestment Program at any time by contacting your Baird Financial Advisor. Following your enrollment, all cash dividends paid to you with respect to your holdings of eligible securities will be automatically reinvested in additional shares of that security commission-free. However, the program is flexible and you may decide, with the assistance of your Baird Financial Advisor, which of your eligible securities you would like exclude from reinvestment transactions.

To participate in the Dividend Reinvestment Program, you must hold your securities in "street name" with Baird. If you currently hold your securities in customer name, a stock power must be completed for each security to transfer them to street name. Once your eligible securities are held in street name, you will be enrolled in the Dividend Reinvestment Program with respect to those securities.

Please note that, if you are an affiliate or insider of a company, Baird suggests that you consult your attorney or the company's legal counsel before enrolling in the Dividend Reinvestment Program for that company's shares. You may be subject to regulatory limitations concerning your investment activity in the securities issued by the company.

### **How the Dividend Reinvestment Program Works**

#### **Eligible Securities**

The Dividend Reinvestment Program applies to "eligible securities." Baird maintains a list of certain eligible dividend-paying stocks. Eligibility is based on the regularity of dividends paid on the particular security and the trading volume in that security. Baird may add or delete eligible securities at any time in Baird's sole discretion. If you are a participant in the Dividend Reinvestment Program and Baird adds a security you currently hold to its list of eligible securities, any dividends you receive from such securities will be automatically reinvested unless you inform your Baird Financial Advisor otherwise. Additional cash, other distributions or dividends from non-eligible securities may not be used to purchase additional shares under the Dividend Reinvestment Program.

#### **Eligibility Dates**

For dividends to be reinvested pursuant to the Dividend Reinvestment Program, you must beneficially own an eligible security on that security's dividend record date. For more information, please discuss with your Baird Financial Advisor.

#### **Reinvestment of Cash Dividends: Security Purchases**

When cash dividends are reinvested, shares will be purchased commission-free on the date you receive the dividend. Reinvestment will be effected through open market purchases, except that orders for fractional shares will be executed on a principal basis. All orders

under the Program will be consistent with Baird's obligation to obtain best execution of client orders at the time the order is entered.

On the applicable reinvestment date, Baird calculates the aggregate amount of the eligible security Baird must purchase to effect reinvestment on behalf of each participant in the Dividend Reinvestment Program. If the aggregate number of required shares cannot be acquired in a single trade, purchases will be combined and the per-share cost will be calculated on a weighted average basis and allocated across all participating accounts. If Baird makes a market in the eligible security, shares may be purchased directly from Baird's inventory.

#### **No Separate Confirmations for Reinvestment Transactions**

You will not receive a written confirmation of each individual dividend reinvestment transaction; however, your Baird Client Statement will provide details, including the number of shares and the price of each security purchased. At any time after the date you receive a cash dividend on an eligible security, you may obtain current information on a reinvestment transaction by contacting your Baird Financial Advisor.

#### **Changing Instructions**

If you want to change your instructions regarding the Dividend Reinvestment Program, simply contact your Baird Financial Advisor. Please allow at least two business days to process such requests.

#### **Right to Modify Program**

Baird may modify, discontinue or suspend the Dividend Reinvestment Program, in whole or in part, or modify its terms in response to market conditions or other factors in Baird's sole discretion, with or without notice to you.

#### **Tax Consequences**

Cash dividends that are received, whether paid in cash or reinvested in additional shares pursuant to the Dividend Reinvestment Program, are subject to tax and will be reported on IRS Form 1099-DIV.

#### **Liquidation of Fractional Shares**

From time to time, such as when a pending dividend reinvestment occurs after your position in the applicable security is liquidated or as a result of your request to transfer your account holdings from Baird to another custodian, liquidation of your accumulated fractional positions may be required. Under such circumstances, your fractional shares will be sold commission-free.

Liquidation will be effected through a sale transaction executed at the applicable security's price as of close of the previous trading day.

As is the case with purchases of fractional shares, under the Dividend Reinvestment Program, you will not receive a written confirmation of each individual sale transaction applicable to your fractional position and executions will be done on a principal basis; however, your Baird Client Statement will provide details on the liquidation transaction. In addition, you may obtain current information on a fractional liquidation transaction by contacting your Baird Financial Advisor.

#### **Free Credit Balances**

You may elect to hold cash in an eligible Baird Account as a free credit balance, which represents funds held by Baird payable to you on demand. Baird generally uses free credit balances in connection with

its business, subject to applicable law. Further, Baird does not pay interest on these balances. Baird offers several options for clients seeking a level of income on cash balances, including participation in Baird's Cash Sweep Program. You are encouraged to discuss your cash needs, objectives, and goals with a Baird Financial Advisor.

### **Fees, Charges and Other Compensation**

The fees and charges that you may pay to Baird, and the compensation that Baird and its Financial Advisors receive related to your accounts, depend upon the types of accounts that you establish with Baird and the particular programs, services and features that you select for those accounts.

A summary of some of the more common fees and charges that a client may pay to Baird and the compensation that Baird and its Financial Advisors may receive is provided below. *Please note that this is not an all-inclusive list.*

#### **Brokerage Account Material Fees and Costs**

The principal costs of our brokerage services are the fees and costs you pay when we buy or sell investments for your brokerage account ("transaction-based fees"). For certain types of investments, you will also indirectly pay us ongoing or trail commissions or fees ("trail fees"). Transaction-based fees and trail fees vary and depend on the investment you select, the size of the trade, and whether we act as "agent" or "principal" when placing your trade. When we act as agent, we buy and sell investments for you using third-party broker-dealers or an exchange or other marketplace. When we act as principal, we buy investments from you and sell investments to you for our own account. When we act as your agent, you will generally pay us commissions, sales charges or "loads", or similar compensation. For certain types of investments, such as common and preferred stocks, exchange-traded funds ("ETFs"), closed-end funds and options, the transaction-based fees are typically up-front commissions. For certain other investments, such as mutual funds and unit investment trust ("UITs"), you will indirectly pay us upfront or deferred sales charges disclosed in the prospectus or offering document for the investment. When you purchase an annuity, we will receive an upfront commission from the annuity provider. Depending upon the investment, commissions and sales charges may be paid at the time you invest, periodically over a certain period of time, or upon the occurrence of some later event, such as your sale of the investment. You will also indirectly pay us trail fees on certain investments, such as mutual funds, UITs and annuities, which are disclosed in the prospectus or offering document for the investment. Trail fees are generally required to be paid periodically, typically quarterly, for as long as you hold the investment and are based on the value of your investment. When we act as principal, including when we sell (or buy) bonds to (or from) you from (or to) our own account, or when we act as underwriter or dealer in a public offering of stock or bonds, our compensation is embedded in the price of the investment you buy or sell because we mark the price of your investment up ("markup") or down ("markdown") and/or earn embedded commission, underwriting discount or dealer concession. You should discuss with your Baird Financial Advisor the amount of fees and costs you will incur before placing an order for your brokerage account. You should note that you will pay the same transaction-based fees and trail fees on securities trades we execute for your brokerage account, whether the trades are placed in accordance with our recommendations, against our recommendations or at your direction without any

recommendation from us. More specific information about the transaction-based fees and trail fees that apply to investments made in brokerage accounts is provided in our *Client Relationship Details* document and our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

#### **Investment Advisory Account Material Fees and Costs**

The principal cost of our advisory services is an advisory fee. The advisory fee varies and depends upon the advisory service you select.

For our advisory programs, you will typically pay an ongoing fee ("Program Fee") based on a percentage of the value of all of the assets in your program account, including cash and cash equivalents (an "asset-based fee"), although other advisory fee options, such as a flat fee, may be available.

We provide most advisory programs on a "wrap" fee basis. This means that, in addition to advisory services, we also provide you with non-advisory services, such as trade execution, custody of your investments and other account services for a single program or "wrap" fee. However, we offer advisory services to certain clients in limited instances that are not subject to a wrap fee. In those instances, the client will be responsible for paying commissions and fees for transactions effected for the client's account and custody and account fees in addition to the advisory fee.

Most new advisory accounts are subject to a unified advice fee arrangement ("Unified Advice Fee Arrangement"). Under a Unified Advice Fee Arrangement, the asset-based Program Fee is comprised of an advice fee ("Advice Fee") and, for some advisory programs, an additional portfolio fee ("Portfolio Fee"). The Advice Fee covers certain investment advisory services (and brokerage and custody services if the advisory account is subject to a wrap fee) provided by us. If you select an advisory program that involves appointment of a manager to manage your account, including a department or affiliate of ours, you will pay a Portfolio Fee in addition to the Advice Fee. The Portfolio Fee covers portfolio management and other services provided by us and the manager to your advisory account, which may include departments or affiliates of ours. If you have a Unified Advice Fee Arrangement, your Program Fee rate will be equal to the sum of the applicable Advice Fee rate and the applicable Portfolio Fee rate, if any. If you have a Unified Advice Fee Arrangement, you may generally choose a tiered or breakpoint fee schedule for the Advice Fee portion of the Program Fee. Under a tiered fee schedule, the Advice Fee will vary for different segments of your assets, gradually decreasing as the advisory account balance increases. Use of a tiered fee schedule will result in a blended fee rate. Under a breakpoint fee schedule, the Advice Fee is determined by reference to the market value of your advisory account assets, with the fee being equal or lower for accounts with higher levels of assets. The breakpoint fee, once determined, is then applied to all of the assets in your advisory account.

For standalone financial planning services provided separate from our advisory programs, the advisory fee is typically a flat dollar amount. We generally require payment after delivery of the financial plan, unless you have elected to receive ongoing planning services. Fees for ongoing planning services are typically billed and paid quarterly out of an account held by you with us.

You should refer to your agreements with us and our Advisory Services Brochure for important more specific information about

advisory fee rates, how they are calculated and charged and other costs associated with our advisory accounts.

#### **Cost and Expense Information for Certain Investment Products**

You should be aware that certain investment products in which you invest (including both brokerage and investment advisory accounts), such as mutual funds, ETFs, closed-end funds, UITs, annuities and other products, have their own ongoing management and other operating fees and expenses that are deducted from the assets of the product (or income or gains generated by the product on its investments) and thus reduce the value or return of your investment in the product. These operating expenses do not include any sales loads or commissions that may apply when you buy or sell the investment products for your brokerage account or advisory fees you incur on an advisory account. Additional important information about ongoing fees and expenses that apply to those types of investments is provided in our *Client Relationship Details* document and our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor). You can find the actual ongoing fees and expenses of an investment product that you will pay or bear in the product's prospectus or offering document.

#### **Additional Account Fees and Charges**

Clients with brokerage and advisory accounts with us may pay other account fees and other charges, such as annual maintenance fees for certain account types (such as IRAs and retirement plan accounts), ongoing service fees for smaller accounts, IRA termination fees, fees for certain requested services, and other charges, such as processing fees for your brokerage transactions. You may also be subject to wire transfer fees, securities transfer fees, investment conversion fees, and other charges. A schedule of our account fees and other charges is available on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor). If you wish to obtain a paper copy of the schedule of fees and service charges, you can do so by contacting your Baird Financial Advisor or us at 1-800-RW-BAIRD. We will endeavor to provide you reasonable notice of the addition of or a change to the type or amount of our fees and charges, which may include a posting of the new fees or charges to our website. However, we reserve the right to change the fees and charges at any time in our sole discretion without prior notice to you. You may qualify for a fee waiver and should contact your Baird Financial Advisor for details.

#### **Other Fees and Expenses**

In addition to the fees and charges described above, you may incur other fees and expenses charged or imposed by other parties, which may include fees, costs or expenses related to:

- markups, markdowns, and spreads charged by other broker-dealers that buy securities from, or sell securities to, your account (such costs are inherently reflected in the price you pay or receive for such securities);
- front-end or deferred sales charges, redemption fees, or other commissions or charges associated with securities transferred into or from an account;
- redemption fees, surrender charges or similar fees that an investment product or its sponsor may impose;
- underwriting discounts, dealer concessions or similar fees related to the public offering of investment products;
- extra or special fees or expenses that may result from the execution of odd lot trade orders (i.e., "odd-lot differential");
- electronic fund fees, wire transfer fees, fees for transferring an investment between firms, and similar fees or expenses related to account transfers;
- currency conversions and transactions;
- securities conversions, including, without limitation, the conversion of American depositary receipt ("ADRs") to or from foreign ordinary shares;
- interest, fees and other costs related to margin accounts, short sales and options trades;
- fees related to the establishment, administration or termination of Retirement Accounts, retirement or profit sharing plans, trusts or any other legal entity, including, without limitation, the calculation and payment of unrelated business income tax ("UBIT");
- fees imposed by the SEC or securities markets, including transaction fees imposed by electronic trading platforms, which fees may be imbedded in the price you receive for the security; and
- taxes imposed upon or resulting from transactions effected for your account, such as income, transfer or transaction taxes, foreign stamp duties, or any other costs or fees mandated by law or regulation.

If you use a custodian other than, or in addition to, us, you will pay the custodian's fees and expenses in addition to the fees and charges imposed by us. In addition, if a third party custodian has custody of your Account assets, the Account is subject to all set-up, maintenance and administrative fees, if any, established by us. We may waive such fees in our discretion.

If you participate in an advisory program or advisory service, you should review the applicable Advisory Services Brochure for information about additional fees and expenses that may apply.

#### **Other Account Services**

Additional non-securities services available to you include cash management services (such as a debit card, check writing, automatic bill payment, concierge service and awards program), insurance and identity theft protection services. Additional important information about those services, including the fees and expenses that apply, is set forth on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

#### **Cash Sweep Program**

We maintain a Cash Sweep Program that is intended for clients who want to earn interest and receive FDIC insurance protection on their cash over short periods of time while awaiting investment. We receive compensation for the administrative, accounting and other services that we provide under the program. More detailed information about the Cash Sweep Program, the compensation we receive, and the terms and conditions, risks, fees and expenses, and conflicts of interest associated with the program is available on our website at [www.rwbaird.com/cashsweeps](http://www.rwbaird.com/cashsweeps).

### **Trust Services Arrangements**

We maintain an alliance with certain institutions, both non-affiliated and affiliated, including Baird Trust Company, that provide trust administration services, including trust administration, custody, tax reporting and recordkeeping. Baird Financial Advisors at times refer clients seeking trust administration services to institutions that are members of the alliance. They do not act as investment adviser or a fiduciary to the client when making such a referral and they will not provide advice on or oversee any such trust services arrangement.

In addition, outside of the Trust Alliance Program, Baird Financial Advisors may refer a client to Baird Trust to provide investment advisory and trust administration services to the client. If a client enters into such a relationship with Baird Trust, Baird and the client's Baird Financial Advisor typically provide ongoing relationship management services. Baird Trust generally provides compensation to Baird and the client's Baird Financial Advisor for the referral and providing ongoing services, which may be up to 50% of the ongoing fees that a client pays to Baird Trust, and which is credited to the client's Baird Financial Advisor for purposes of determining the Financial Advisor's compensation. The compensation paid to Baird and a client's Baird Financial Advisor does not increase the fees that the client pays to Baird Trust.

Due to Baird's affiliation with Baird Trust and the compensation paid to Baird and Baird Financial Advisors, Baird and Baird Financial Advisors have a financial incentive to favor Baird Trust over other trust companies. More specific information is provided in the Client Relationship Details document on our website at [bairdwealth.com/retailinvestor](https://bairdwealth.com/retailinvestor).

### **Margin Loans**

Margin involves borrowing money from us, including for the purpose of buying securities. If you use margin, you will pay us interest on the amount you borrow. Additional important information about margin, including the terms and conditions, risks, fees and expenses, and conflicts of interest associated with your use of margin, is provided in our *Client Relationship Details* document and on our website at [bairdwealth.com/retailinvestor](https://bairdwealth.com/retailinvestor).

### **Securities-Based Lending Program**

We offer you an opportunity to borrow money from a third party bank under our Securities-Based Lending Program. If you participate in that Program, you will pay interest to the bank on your outstanding loan balances, and we and your Baird Financial Advisor will receive an administrative fee from the bank based on your outstanding loan balances, which administrative fee is paid by the bank out of the interest you pay to the bank. Additional important information about our Securities-Based Lending Program, including the terms and conditions, risks, interest rates, and conflicts of interest associated with your participation in that Program, is provided in our *Client Relationship Details* document and on our website at [bairdwealth.com/retailinvestor](https://bairdwealth.com/retailinvestor).

### **Affiliated or Proprietary Products and Services**

Please note that some of the investment products available to you in brokerage and advisory accounts are managed or sponsored by our affiliates. Proprietary or affiliated investment products include mutual

funds, ETFs, closed-end funds, UITs, private equity funds, hedge funds and other private investment funds for which we and investment advisory firms affiliated with us serve as investment adviser or sub-adviser, general partner, investment manager, portfolio consultant or fund administrator. In addition, the managers available in our advisory programs include us and managers affiliated with us. The availability of affiliated investment products and managers to brokerage and advisory accounts presents a conflict of interest because we and your Baird Financial Advisor have an incentive to recommend, encourage or advise you to select affiliated investment products and managers because such selections are more profitable to us. Additional important information about our affiliates and proprietary products and services and associated conflicts of interest is provided in our *Client Relationship Details* document and on our website at [bairdwealth.com/retailinvestor](https://bairdwealth.com/retailinvestor).

### **Additional Important Information about How We and Your Financial Advisor Are Compensated**

Additional important information about how we and your Baird Financial Advisor are compensated or otherwise benefit from your relationship with us, and the conflicts associated with our receipt of such compensation and benefits, is contained in our *Client Relationship Details* document, our Advisory Services Brochure and on our website at [bairdwealth.com/retailinvestor](https://bairdwealth.com/retailinvestor).

### **Client Communications**

From time to time, Baird will deliver to clients certain account-related communications, which may include account statements, trade confirmations, performance reports, periodic issuer reports, proxy statements, prospectuses, Form ADV Part 2 brochure documents, client relationship summaries and booklets, privacy notices and other regulatory communications, tax documentation, agreements and amendments thereto, newsletters, and certain other information regarding a client's accounts (collectively, "Client Communications").

### **Trade Confirmations and Account Statements**

Baird will send a client a trade confirmation following the execution of a client's trade order to the extent required by applicable law unless the client provides other instructions or elects to suppress delivery of trade confirmations. If Baird provides Brokerage Services to a client, Baird will generally provide the client with a monthly account statement when activity occurs during that month. Otherwise, Baird will generally provide the client with a quarterly statement if there has not been any intervening monthly transaction activity. If a client has assets held by a third party custodian, the prices shown on the client's account statements provided by the custodian may be different from the prices shown on statements and reports provided by Baird.

### **Performance Reporting**

Depending upon the program and services selected, a client may or may not receive performance reports. Performance reporting is generally not available for account assets that are not custodied at Baird. Baird may change or discontinue performance reporting to a client at any time for any reason upon notice.

A client should note that past performance does not indicate or guarantee future results. None of Baird, its associates or investment managers managing a client's account promise or guarantee any level



of investment returns or that the client's investment objective will be achieved.

A client's performance reports may contain a comparison of the client's account performance to a benchmark market index or indices. The benchmark may be a blended benchmark that combines the returns for two or more indices. Benchmarks shown in performance reports are for informational purposes only. Baird's selection and use of a benchmark is not a promise or guarantee that the performance of the client's account will meet or exceed the stated benchmark, or that the benchmark used is relevant or comparable to the client's account. When a client compares account performance to the performance of a market index, the client should recognize that a market index merely reflects the performance of a list of unmanaged securities included in the index and the index performance does not take into account management fees, execution costs, and other expenses related to the operation of a portfolio. The securities included in the client's account generally do not exactly mirror the securities included in the index.

When preparing a client's account statements and performance reports, Baird generally relies upon third party sources, such as third party pricing services. In some instances, such as when Baird is unable to obtain a price for an asset from a pricing service, Baird may obtain a price from its trading desk or it may elect to not price the asset. Obtaining a price from its trading desk may present a conflict of interest. In some cases, Baird obtains prices from the issuers or sponsors of investment products in the client's account when prices are not otherwise readily available. This frequently occurs with respect to the valuation of Complex Investment Products (defined below), as well as community bank stocks and private limited partnerships. If the assets in the client's account are held by a custodian other than Baird, Baird generally relies on valuation information provided by the client's third party custodian.

Baird does not conduct a review of valuation information provided by third party pricing services, issuers, sponsors, or custodians, and it does not verify or guarantee the accuracy of such information. Valuation data for investments, particularly Complex Investment Products, community bank stocks and private limited partnerships, may not be provided to Baird in a timely manner, resulting in valuations that are not current. The prices obtained by Baird from the third party pricing services, issuers, sponsors and custodians may differ from prices that could be obtained from other sources. Values used in account statements and performance reports may vary from prices received in actual transactions and are not firm bids, offers or guarantees of any type with respect to the value of assets in an Account, and the values may be greater than the amount a client would receive if the securities were actually sold from the client's account.

### **Electronic Delivery of Documents**

As a convenience for clients, Baird offers clients the ability to receive Client Communications electronically. If a client consents to electronic delivery, Baird may deliver documents electronically in any of the following ways:

- Baird may deliver an e-mail to a client using the client's email address on file with Baird. The email will contain an active link to the documents or the documents will be attached to the email in portable document format (.pdf) or other readable format.

- Baird may deliver removable media, such as a CD-ROM or DVD, to the client's mailing address on file with Baird. The removable media will contain the documents in portable document format (.pdf) or other readable format.
- Baird may post the documents on Baird Online, at [www.rwbaird.com](http://www.rwbaird.com) or another website designated by Baird. Baird will notify a client via email or mail when the client should visit the website to obtain and view the documents.

A client should understand that the client must have internet access and the computer hardware and software necessary to receive and view electronic documents, including, but not limited to, internet browsing software and document reader software, such as Adobe Acrobat Reader. Baird does not charge clients for electronic delivery. However, a client will generally be subject to fees and charges imposed by the client's internet service provider. Because the internet is not a secure communications network, a client should understand that there are risks associated with the electronic transmission of the client's financial and personal information, such as unauthorized access and systems outages, delays, disruptions in telecommunications services and the internet. Baird or its agents will maintain an archive of documents delivered electronically that will be accessible to a client only for a limited period of time, in some cases for only one (1) year after the original delivery date. If a client wishes to retain documents for a longer period of time, the client is responsible for downloading and retaining a copy of the documents.

If a client has consented to electronic delivery, the client has the right to request paper delivery of any Client Communication that the law requires Baird to deliver to the client in paper form. A client should understand that if Client revokes or restricts his or her consent to electronic delivery of Client Communications or requests paper delivery, Baird may, in Baird's sole discretion, charge the client a service fee for the delivery of paper copies. Please note that certain documents may continue to be delivered in paper form despite a client's consent to electronic delivery.

### **Paper Delivery of Documents**

To the extent paper copies of Client Communications are delivered to a client, Baird may deliver such paper copies to Client's address of record or at such other address as Client may provide to Baird in writing. Baird is dependent on a client's prompt communication of any disruption in the client's mail service.

A client has the ability to direct Baird to make the client's primary mailing address a Post Office Box ("P.O. Box"). When a client instructs Baird to utilize a P.O. Box as the client's primary mailing address, most Client Communications, including but not limited to account statements, confirmations, asset dispersal, confirmation letters and debit cards will be sent to the P.O. Box. Baird is required by regulation to also obtain a client's legal street address and maintain a record of such address. Baird reserves the right to send any or all Client Communications to the client's legal street address or to discontinue mailing to a P.O. Box address at any time in Baird's sole discretion. There are risks in utilizing a P.O. Box and such risks may include, but are not limited to, theft of documents, failure to timely gain physical receipt of documents, and third parties accessing the P.O. Box. Baird advises clients to not give third parties access to their P.O. Box. Baird is not responsible for any fees or charges associated with opening or maintaining P.O. Box or the consequences to a client of a failure to pay such fees or charges.

## Householding of Client Communications

As a convenience for clients, Baird may consolidate communications to clients sharing the same address. This practice is frequently referred to as “householding”.

Unless otherwise directed by a client, Baird will deliver all Client Communications on a consolidated basis to a client’s “Statement Household”. A client’s Statement Household automatically includes all client accounts that share the same name, address and social security or tax identification number. Subject to Baird’s agreement, a client may also add to the client’s Statement Household other accounts that share the same address, such as accounts for the client’s spouse or children or accounts for which the client serves as a trustee, conservator, guardian, or other fiduciary or authorized representative; provided that, all affected clients have directed Baird to add such accounts to the Statement Household.

If a client elects householding, Baird will send all Client Communications to the client and all other members of client’s Statement Household on a consolidated basis. For clients receiving paper copies of documents, this means that Client Communications will be consolidated into a single envelope. For Baird Online clients, this means that any member of the Statement Household who has enrolled in Baird Online will have access to view Client Communications for all accounts in the Statement Household.

A client should note that members of the client’s Statement Household will have access to client’s personal and financial information.

A client should understand that, by electing householding, only a single copy of certain types of Client Communications will be sent to the Statement Household. Such documents may include periodic issuer reports, proxy statements, prospectuses, Form ADV Part 2 brochure documents, privacy notices and other regulatory communications, agreements and amendments thereto, newsletters, and certain other information regarding client accounts that Baird may deliver from time to time.

In the event that a client desires to change a Statement Household or terminate householding, the client can contact the client’s Financial Advisor or the client can contact Baird, in writing, at 777 East Wisconsin Avenue, Milwaukee, Wisconsin, 53202, Attention: Name & Address Department.

## Important Information about Investment Products and Investment Strategies

### Investment Product Information

We make available many different types of investment products to you for purchase in your brokerage and advisory accounts, including equity securities, corporate bonds, municipal bonds, U.S. Government and agency securities, certificates of deposit (“CDs”), mutual funds, money market funds, ETFs, closed-end funds, UITs, annuities, hedge funds, and private equity funds. The particular investment products available to brokerage accounts are described in our *Client Relationship Details* document, and the investment products available to advisory accounts are described in our *Advisory Services Brochure*.

The investment products made available by us have very different features, characteristics, fees, expenses and risks. It is important that you understand that information before investing. We maintain a

series of *Important Information about* documents for our clients that describe the following investment products:

- Annuities
- Bonds
- Business Development Companies (“BDCs”)
- Callable Securities
- Cash and Cash Alternatives
- Certificates of Deposit (“CDs”)
- Closed End Funds (including Interval Funds) and Unit Investment Trusts (“UITs”)
- Exchange-Traded Products (including Exchange-Traded Funds (“ETFs”))
- Fixed Income Securities with Survivor’s Option
- Hedge Funds and Funds of Hedge Funds
- International Securities
- Initial Public Offerings (“IPOs”)
- Leveraged and Inverse Funds
- Managed Futures
- Master Limited Partnerships (“MLPs”)
- Municipal Bonds
- Mutual Funds (including Money Market Funds)
- Non-Exchange Traded Equity Securities
- Non-Rated, Split-Rated or Below Investment Grade Securities, and Securities in Lowest Investment Grade Category
- Private Equity Funds
- Private Credit Funds
- Qualified Opportunity Zone Funds
- Real Estate Investment Trusts (“REITs”)
- Special Purpose Acquisition Companies (“SPACs”)
- Structured Products
- Variable Rate Demand Obligations

You are encouraged to review those documents before investing in a product. Those documents are available on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

### Special Considerations for Complex Strategies and Complex Investment Products

Baird makes available to clients the ability to pursue alternative investment strategies (“Alternative Strategies”) or other non-traditional or complex investment strategies that involve special risks not apparent in more traditional investments like stocks and bonds (collectively, “Complex Strategies”). Similarly, clients have the ability to invest in non-traditional or real assets (“Non-Traditional Assets”). Some Programs also offer the ability to invest in investment products that pursue Alternative Strategies (“Alternative Investment Products”) or other Complex Strategies (collectively, “Complex Investment Products”). Complex Strategies may be pursued in multiple ways, including by investing in alternative mutual funds, ETFs, hedge funds, managed futures, private equity funds and separately managed accounts managed by third party managers. Some Complex Strategies invest in non-traditional assets, such as real estate, commodities (which may include metals, mining, energy and

agricultural products), currencies, cryptocurrencies, movements in securities indices, credit spreads and interest rates, and venture capital and buyout investments in private companies. Some Complex Strategies engage in the use of margin or leverage or selling securities short (“short sales”). Some Complex Strategies invest in derivative instruments such as options, convertible securities, futures, swaps, or forward contracts. Complex Investment Products generally engage in one or more Complex Strategies. Additional information about Complex Strategies and Complex Investment Products is provided below.

### ***Non-Traditional Assets***

Non-Traditional Assets, such as investments in commodities, currencies, cryptocurrencies, securities indices, interest rates, credit spreads, and private companies, may be used for diversification purposes. They may also be used to try to reduce market and inflation risk. The performance of Non-Traditional Assets may not correspond to the performance of the stock markets generally, and investments in Non-Traditional Assets will generally impact an account’s returns differently than more traditional investments like stocks or bonds. Non-Traditional Assets are subject to risks that are different from, and in some instances, greater than, other assets like stocks and bonds. Non-Traditional Assets are generally more difficult to value, less liquid, and subject to greater volatility compared to stocks and bonds.

### ***Margin and Leverage***

#### Margin

If a client wishes to borrow from Baird, a client must open a margin account with Baird, and Baird may provide the client with a margin loan. Securities held in a client’s margin account are used as Baird’s collateral for the margin loan. The value of the collateral in the margin account must be maintained at a certain level relative to the margin loan for the duration of the loan. If the securities in the margin account decline in value, so does the value of the collateral supporting the margin loan, and as a result, Baird may take action, such as issue a margin call and sell securities in the account. Additional important information about the use of margin, including the applicable fees, costs, risks and conflicts of interest, is contained in our *Client Relationship Details* document and on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

#### Leverage

Leverage generally attempts to obtain investment exposure in excess of available assets through the use of borrowings, short sales and other derivative instruments. While leverage can potentially enhance returns, it can also exacerbate losses if changes in the markets, or the values of the investments subject to the leverage, are adverse to the strategy being pursued. The use of leverage may also increase an account’s volatility.

### ***Short Sales***

Short selling attempts to benefit from an anticipated decline in the market value of a security. To effect a short sale, a client sells a security the client does not own. When a client sells a security short, Baird borrows the security from a lender and makes delivery to the buyer on the client’s behalf. Because short sales involve an extension of credit from Baird to the client, a client must use a margin account. A client must also eventually purchase the same shares sold short and return them back to the lender. It is possible that the prices of securities that a client sells short may increase in value, in which case

the client may lose money on the short position. Short selling thus runs the risk of loss if the price of the securities sold short does not decline below the price at which they were originally sold. This risk of loss is theoretically unlimited, as there is no cap on the amount that the price of a security may appreciate.

Clients should note that an investment manager managing a client’s account or investment products in the client’s account may also engage in short sales. Thus, a client’s account will be subject to short sales risks if the investment manager managing the client’s account or an investment product in the client’s account engages in short sales.

### ***Options and Other Derivative Instruments***

#### Derivative Instruments

Derivatives instruments, such as options, convertible securities, futures, swaps, and forward contracts are financial contracts that derive value based upon the value of an underlying asset, such as a security, commodity, currency, or index. Derivative instruments may be used as a substitute for taking a position in the underlying asset. Derivative instruments may also be used to try to hedge or reduce exposure to other risks. They may also be used to make speculative investments on the movement of the value of an underlying asset. The use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Investing in derivatives also generally involves leverage. Derivatives are also generally less liquid, and subject to greater volatility compared to stocks and bonds.

#### Options

Options transactions may involve the buying or writing of puts or calls on securities. In some cases, Baird may require clients to open a margin account to engage in options trading.

With a call option, the purchaser has the right to buy, and the seller (writer) the obligation to sell, the underlying security or index at a predetermined price (that is, the exercise or strike price) prior to expiration of the option. The premium paid to the seller (writer) for the option is in consideration for the underlying obligations imposed on the seller should the option be exercised. With a put option, the purchaser has the right to sell, and the seller has the obligation to buy, the underlying security or index at the exercise price prior to expiration of the option.

In buying a call option, the purchaser expects that the market value of the underlying security or index will appreciate, which would enable the purchaser of a call to buy the underlying security or index at a strike price lower than the prevailing market price. The purchaser of the call option makes a profit if the prevailing market price is greater than the sum of the strike price plus the premium paid for the option. The seller of a call option earns income in the form of the premium received from the purchaser for the option and expects that the market value of the underlying security or index will depreciate such that the option will expire without being exercised. The seller of a call option makes a profit if the prevailing market price of the underlying security or index is less than the sum of the strike price plus the premium received.

In buying a put option, the purchaser expects that the market value of the underlying security or index will depreciate, which would enable the purchaser of a put to sell the underlying security or index

at a strike price higher than the prevailing market price. The purchaser of the put option makes a profit if the prevailing market price is less than the sum of the strike price and the premium paid for the option. The seller of a put option earns income in the form of the premium received from the purchaser for the option and expects that the market value of the underlying security or index will appreciate such that the option will expire without being exercised. The seller of a put option makes a profit if the prevailing market price of the underlying security or index is greater than the difference between the strike price and the premium.

In purchasing a put or call option, the purchaser faces the risk of loss of the premium paid for the option if the market price moves in a direction opposite to what the purchaser had expected. In selling or writing an option, the seller faces significantly more risk. A seller of a call option faces the risk of significant loss if the prevailing market price of the underlying security or index increases above the strike price, and a seller of a put option faces the risk of significant loss if the prevailing market price of the underlying security or index decreased below the strike price.

A client should note that an investment manager managing a client's account or investment products in the client's account may also engage in options transactions. Thus, a client's account will be subject to options risks if the investment manager managing the client's account or an investment product in the client's account engages in options transactions.

Additional important information about the use of options, including the applicable fees, costs and risks, is contained on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

#### **Complex Investment Products**

Complex Investment Products typically invest primarily in non-traditional assets or engage in one or more Complex Strategies. Complex Investment Products include Alternative Investment Products, such as hedge funds, funds of hedge funds, private equity funds, funds of private equity funds and managed futures, but also include other investments pursuing Complex Strategies, including but not limited to, exchange or swap funds, leveraged funds, inverse funds, and other special situation funds, structured certificates of deposit and structured notes, exchange-traded notes, business development companies, real estate investment trusts, and master limited partnerships.

In addition, a client should be aware that more traditional investments, such as mutual funds, ETFs, UITs and variable annuities, may also pursue Complex Strategies. A client should carefully review the prospectus or other offering document for each investment and understand the strategy being pursued before deciding to invest.

Additional information about Complex Investment Products is available on Baird's website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

The use of Complex Strategies or Complex Investment Products is not appropriate for some clients because they involve special risks. A client should not engage in those strategies or invest in those products unless the client is prepared to experience significant losses in the client's account. This is especially true for short selling, which can result in unlimited losses as there is no limit to the amount borrowed securities can rise in value. Before using those types of strategies or products, a client is strongly urged to discuss them with the client's Financial Advisor and any investment manager managing

the client's account. A client should also carefully review the client's agreements with Baird and related disclosure documents. Additional information about Complex Strategies and Complex Investment Products is available on Baird's website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

#### **Investment Risks**

Risk is inherent in any investment product or objective/strategy, and we do not guarantee any level of return on your investments. There is no assurance that your investment objectives will be achieved, and you could lose all or a portion of the amount invested. The management of your accounts and recommendations made to you are based in part upon the use of forward-looking projections, which in turn are based upon certain assumptions about how markets will perform in the future. There can be no guarantee that markets will perform in the manner assumed and the actual performance of markets and your accounts could differ materially from those assumptions. Also, your account value may fluctuate, sometimes dramatically, depending upon the nature of your investments, market conditions and other factors. Your account is subject to certain risks based on the investments in your account and your investment strategies. A description of investment risks that apply to certain types of investments and strategies is available on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor). You should not pursue a strategy or invest in an investment product unless you are prepared to accept the associated risks. You are encouraged to discuss with your Financial Advisor the risks that apply to you. You should also review the prospectus or other disclosure document for any security or other investment product in which you invest, as it will contain important information about the risks associated with investing in such security or other investment product.

#### **Callable Securities**

Baird maintains policies and procedures designed to ensure the fair and impartial allocation of securities among all clients in the event of a partial call or redemption of such securities prior to maturity. A description of these policies and procedures is available at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

#### **Certain Financial Industry Activities and Affiliated and Related Parties**

Baird is registered with the SEC as a broker-dealer under the Exchange Act and as an investment adviser under the Advisers Act. Baird is also related to or affiliated with certain broker-dealers, investment advisors, other financial services firms and investment products that are identified below.

From time to time, Baird and its Financial Advisors may recommend that clients retain the services of financial services firms or invest in investment products that are related to or affiliated with Baird. This presents a conflict of interest because Baird, its Financial Advisors and its related parties or affiliates generally receive higher aggregate compensation if clients retain affiliated firms or invest in related or affiliated investment products instead of retaining unrelated or unaffiliated firms or investing in unrelated or unaffiliated investment products. More information about Baird's affiliates and affiliated products is available on Baird's website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).



### **Broker-Dealer Activities**

Baird is engaged in a broad range of broker-dealer activities, including: individual and institutional brokerage transactions; origination of, and participation in, underwritings of corporate and municipal securities; market making and trading activities in corporate securities and municipal and governmental bonds; distribution of mutual fund shares; option transactions; and research services.

### **Investment Management Activities**

Baird and its Financial Advisors may, from time to time refer clients to Baird Advisors or Baird Equity Asset Management, investment management departments of Baird, or Chautauqua Capital Management (“CCM”), a division of Baird Equity Asset Management. Baird Financial Advisors are eligible for referral compensation to be paid by Baird that is based upon, among other factors, the compensation received by Baird. *Baird and Baird Financial Advisors may have a financial incentive to recommend to clients the services of those Baird investment management departments over the services provided by other investment managers.*

More information about referral fees is available on Baird’s website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

### **Certain Affiliations**

#### **Affiliated Broker-Dealers**

Baird is affiliated, and may be deemed to be under common control, with Strategas Securities, LLC (“Strategas Securities”), which is registered with the SEC as a broker-dealer and investment adviser, by virtue of their common indirect ownership. *Due to its affiliation with that entity, Baird has a financial incentive to favor Strategas Securities’ investment products and services.*

#### **Affiliated and Related Investment Advisors**

Baird is affiliated, and may be deemed to be under common control, with Riverfront Investment Group, LLC (“Riverfront”), Strategas Asset Management, LLC (“Strategas”) and GAMMA Investing, LLC (“GAMMA”), by virtue of their common ownership. By virtue of common indirect minority ownership, Baird is related to Greenhouse Funds LLLP (“Greenhouse”), Greenhouse Fund GP LLC (“Greenhouse GP”) and LoCorr Fund Management, LLC (“LoCorr”).

*Due to its relation to and affiliation with those entities, Baird has a financial incentive to favor their investment products and services.*

#### **Affiliated and Related Mutual Funds, ETFs and Investment Companies**

Baird is the investment adviser and principal underwriter for Baird Funds, Inc. (the “Baird Funds”), an investment company registered under the Investment Company Act of 1940, as amended. Baird Advisors provides investment management, administrative, and other services to certain Baird Funds investing primarily in fixed income securities (the “Baird Bond Funds”). Baird Equity Asset Management and CCM provide investment management and other services to certain Baird Funds investing primarily in equity securities (the “Baird Equity Funds”), and Greenhouse is the investment subadvisor to one of those Funds, the Baird Equity Opportunity Fund. As compensation for its services, Baird receives fees from each Baird Fund, which fees are disclosed in each Fund’s prospectus and statement of additional information available at [bairdassetmanagement.com/baird-funds](http://bairdassetmanagement.com/baird-funds). Certain Baird Funds been

selected by Baird for inclusion on Baird’s Recommended Mutual Fund List, and all Baird Funds are made available to clients through Baird’s programs and services. *Baird has a financial incentive to favor the Baird Funds because Baird receives more compensation if a client invests in the Baird Funds rather than other unaffiliated funds.*

Baird Financial Advisors who refer clients to the Baird Funds are eligible for referral compensation to be paid by Baird that is based upon, among other factors, the compensation received by Baird. The amount of the referral compensation is disclosed in each Fund’s statement of additional information available at [bairdassetmanagement.com/baird-funds](http://bairdassetmanagement.com/baird-funds). *Baird Financial Advisors may have a financial incentive to favor investments in those Funds over investments in other mutual funds and to favor the Baird Equity Funds over the Baird Bond Funds.*

Baird Equity Asset Management serves as investment sub-adviser to a mutual fund series of the Principal Funds, Inc. Baird Equity Asset Management serves as investment adviser to Series Twenty Nine Baird Small/Mid Cap Growth CIT, a series of the Reliance Trust Institutional Retirement Trust. CCM serves as investment sub-adviser to a mutual fund series of the Pace® Select Advisors Trust. Baird receives compensation for the services provided to those investment vehicles. Additional information about those products, including information relating to the fees paid by those funds for investment management services, is available the prospectus, statement of additional information or other offering documents for such investment vehicles. *Baird has a financial incentive to favor those products.*

Baird acts as a portfolio consultant for certain UITs that are part of the FT Series, including the DIT Global Portfolio Series, the Dividend Income Trust Series, the Automated Quantitative Analysis (AQA®) Portfolio Series and the AQA® Large-Cap Portfolio Series. Baird also acts as administrator for certain closed-end funds sponsored by Duff & Phelps Investment Management Co., including DNP Select Income Fund, Inc., Duff & Phelps Utility and Corporate Bond Trust, Inc., and DTF Tax Free Income Fund Inc. Additional information about those investment products, including information relating to the compensation paid to Baird is available in the applicable prospectus and other fund documents. *Due to its affiliation with those investment products, Baird has a financial incentive to favor those investment products.*

Riverfront acts as investment sub-adviser for certain mutual fund series of the Financial Investors Trust and certain ETFs that are part of the ALPS ETF Trust and First Trust Exchange-Traded Fund III. Additional information about those mutual funds and ETFs, including information relating to the compensation paid to Riverfront by those funds for investment management services, is available in each fund’s prospectus and statement of additional information. *Due to its affiliation with Riverfront, Baird has a financial incentive to favor funds managed by Riverfront.*

Strategas acts as investment advisor to the Strategas Global Policy Opportunities ETF and the Strategas Macro Thematic Opportunities ETF and acts as investment sub-adviser for the Destinations Large Cap Equity Fund. Strategas Securities is a sponsor of Strategas Trust, a unit investment trust organized in series, which series currently consists of Strategas Trust, Series 1-1 (Strategas Policy Basket Portfolio). Additional information about those investment products, including information relating to the compensation paid to Strategas and

Strategas Securities, is available in the applicable prospectus. *Due to its affiliation with Strategas and Strategas Securities, Baird has a financial incentive to favor those investment products.*

LoCorr acts as investment advisor to the LoCorr Funds.. *Due to its relation to the LoCorr Funds, Baird has a financial incentive to favor the LoCorr Funds.*

#### **Affiliated Private Funds**

CCM acts as investment manager for, and Baird is the general partner or manager of, the Chautauqua International Growth Equity QP Fund, LP, the Chautauqua Global Growth Equity QP Fund, LP and the Chautauqua New World Growth Equity Series (a series of Chautauqua Series Fund, LLC) (the "Chautauqua Private Funds"). Those funds are private pooled investment vehicles that are not required to be registered with the SEC as investment companies. *Due to its affiliation with the Chautauqua Private Funds, Baird has a financial incentive to favor those funds.*

#### **Affiliated Private Equity Funds**

Baird is also engaged in a private equity business through Baird Capital ("Baird Capital"), Baird's global private equity group. Baird and its Financial Advisors may refer clients to Baird Capital. The private equity funds offered through Baird Capital make venture capital, growth equity and private equity investments primarily in the healthcare, technology and services, and products sectors. The private equity funds offered through Baird Capital and the investment adviser entities that manage them are set forth below.

#### Certain Baird Capital-Related Entities

##### *Investment Advisor*      *Private Equity Fund(s)*

#### *Baird Venture Partners Management Company III, LLC*

Baird Venture Partners III Limited Partnership  
BVP III Affiliates Fund Limited Partnership  
BVP III Special Affiliates Limited Partnership

#### *Baird Venture Partners Management Company IV, LLC*

Baird Venture Partners IV Limited Partnership  
BVP IV Affiliates Fund Limited Partnership  
BVP IV Special Affiliates Limited Partnership

#### *Baird Venture Partners Management Company V, LLC*

Baird Venture Partners V Limited Partnership  
BVP V Affiliates Fund Limited Partnership  
BVP V Special Affiliates Fund Limited Partnership

#### *Baird Capital Partners Management Company V, LLC*

Baird Capital Partners V Limited Partnership  
BCP V Affiliates Fund Limited Partnership  
BCP V Special Affiliates Limited Partnership

#### *Baird Capital Management Company, LLC*

*Baird Venture Partners GP VI, LLC*  
Baird Venture Partners VI LP  
BVP VI Affiliates Fund LP  
BVP VI Special Affiliates Fund LP

#### *Baird Capital Management Company, LLC*

#### *Baird Capital Global Fund Management I LP*

Baird Capital Global Fund I LP

#### Certain Baird Capital-Related Entities

##### *Investment Advisor*      *Private Equity Fund(s)*

Baird Capital Global Fund I-DE LP  
BCGF I Special Affiliates LP  
BCGF I Affiliates Fund LP

#### *Baird Capital Management Company, LLC*

#### *Baird Capital Global Fund Management II LLC*

Baird Capital Global Fund II Limited Partnership  
BCGF II Affiliates Fund Limited Partnership  
BCGF II Special Affiliates Limited Partnership

#### *Baird Capital Partners Europe Limited\**

Baird Capital Partners Europe Fund L.P.  
Baird Capital Partners Europe II LP  
Baird Capital Partners Europe II Special Affiliates LP  
The Growth Fund

\* Baird Capital Partners Europe Limited, an English limited company, is regulated and authorized by the Financial Conduct Authority.

Baird Financial Advisors who assist in obtaining a client's investment in a private equity fund offered through Baird Capital are eligible for referral compensation from the general partner of the private equity fund. The actual amount of compensation may vary based upon the client's investment commitment and will be disclosed to a client in the documentation the client receives in connection with the investment. *Due to Baird's affiliation with those private equity funds and the referral compensation paid to Baird Financial Advisors, Baird and its Financial Advisors have a financial incentive to favor those private equity funds.*

*Baird also has a financial incentive to the extent it would recommend that a client invest in a portfolio company owned by an affiliated private equity fund.* A list of the portfolio investments held by private equity funds affiliated with Baird is located on Baird Capital's website at <https://www.bairdcapital.com/portfolio/baird-capital-portfolio.aspx>.

The Baird Principal Group is a group within Baird that has private equity funds where investors are limited to Baird employees and Baird affiliated entities. These funds generally co-invest with unaffiliated private equity funds and private equity professionals in transactions in the United States and Europe. The private equity funds offered through Baird Principal Group and the investment adviser entities that manage them are set forth below.

#### Certain Baird Principal Group-Related Entities

##### *Investment Advisor*      *Private Equity Fund(s)*

#### *Baird Principal Group Management Company I, LLC*

Baird Principal Group Partners Fund I Limited Partnership

#### *Baird Principal Group Management Company II, LLC*

Baird Principal Group Partners Fund II Limited Partnership

#### **Related Hedge Funds**

Greenhouse acts as investment manager for, and Greenhouse GP is the general partner of, the Greenhouse Master Fund LP and the

Greenhouse Onshore Fund LP. Greenhouse also acts as investment adviser for the Greenhouse Offshore Fund LP. Those funds are hedge funds that are not required to be registered with the SEC as investment companies. *Due to its relation to Greenhouse and Greenhouse GP, Baird has a financial incentive to favor those hedge funds.*

#### **Other Affiliated Financial Services Firms**

Baird is affiliated, and may be deemed to be under common control, with Baird Trust, a Kentucky-chartered trust company, by virtue of their common ownership. Certain Baird Trust investment products and are made available to clients *Due to its affiliation with Baird Trust, Baird has a financial incentive to favor Baird Trust investment products and services.* Baird and Baird Financial Advisors receive compensation from Baird Trust for referring clients and providing ongoing relationship management services to clients engaging Baird Trust for trust administration services. *Baird and Baird Financial Advisors thus have a financial incentive to favor Baird Trust over other trust companies.*

#### **Client Referrals and Solicitation Agreements**

Baird may provide compensation to individuals who refer clients in some instances. When applicable, the compensation paid is a percentage of the client's fee payments or the value of the client's Account. The amount of compensation will vary, with the specific level determined based upon consideration of various factors including, but not limited to, the individual's role in developing the client relationship and the assets under management. Baird may pay these fees to registered representatives of Baird and its affiliates as well as to unaffiliated solicitors that have entered into a written agreement with Baird. The person or firm referring a client to Baird is required to provide more specific information about the referral arrangement at the time the referral is made.

In addition, other firms may pay Baird a referral fee for referring Baird clients to those firms in certain instances. Baird requires that more specific information be provided to a client at the time the referral is made.

#### **Material Conflicts of Interest**

From time to time, we or our associates may engage in certain business practices or may receive compensation or other benefits that create a potential for conflict between your interests and our interests or that of our associates. Those business practices, compensation and other benefits that create material conflicts are described in different documents provided to you, including, without limitation, this *Important Account Disclosures* document, the agreements you enter into with us, such as our Client Relationship Agreement, and other documents provided to you, such our *Client Relationship Details* document and our *Advisory Services Brochure*. You should consult those documents for more information. We address those conflicts by disclosing them to you. We have also adopted certain internal policies and procedures that are reasonably designed to ensure we fulfill our legal obligations to you.

#### **Important Information about Rollover IRAs**

An IRA rollover may be an appropriate solution for clients wanting to transfer assets from one or more tax-qualified retirement plan(s) (such as a 401(k) plan with a former employer) to a newly-established or existing individual retirement account ("IRA") held at Baird.

Because each client's situation is different, Baird has prepared documentation to help you understand your options as well as the benefits and costs associated with a decision to roll over tax-qualified assets.

Every situation is unique and it is important to consider all options carefully prior to making a decision. Although Baird does not provide any advice or recommendations as to whether a rollover is appropriate for any particular client, additional educational material regarding important considerations, potential costs and benefits of a rollover decision is available in our *Client Relationship Details* document and our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor), by consulting your Baird Financial Advisor or by visiting <https://www.finra.org/investors/learn-to-invest/types-investments/retirement/401k-investing/401k-rollovers>.

#### **Business Continuity Plan**

Baird has taken measures to structure a business continuity plan in the event that a significant business disruption occurs. Such steps include, but are not limited to, the establishment of external sites to be used for recovery of various electronic functions, the establishment of specialty task forces assembled to complete timely recovery functions, and the employment of technology to reduce and prevent the loss of data. A more detailed summary of the plan is available to a client upon the client's request. A summary of the plan is also contained in the Annual Disclosure Notice sent to clients, the most recent copy of which is available on Baird's website at [rbaird.com/disclosures](http://rbaird.com/disclosures).

#### **Securities Investor Protection Corporation**

Baird is a member of the Securities Investor Protection Corporation ("SIPC"). Through SIPC, assets of Baird's clients are protected up to \$500,000 (\$250,000 of which may be in cash deposits with Baird). Baird provides additional protection in excess of SIPC limits through a private insurance company for customers eligible for SIPC, subject to policy coverage limits. Neither SIPC nor Baird's policy in excess of SIPC limits protects against potential losses from market fluctuations and neither apply to unregistered investment contracts, interests in commodities, commodity contracts, or commodity options. In addition, neither SIPC nor Baird's policy in excess of SIPC limits covers assets that clients hold in bank deposit accounts, which are covered by FDIC insurance up to applicable limits. A client may obtain additional details regarding SIPC and coverage in excess of SIPC limits from the client's Baird Financial Advisor. A client may also obtain information about SIPC, including its brochure, "How SIPC Protects You," by visiting SIPC's Web site at [www.sipc.org](http://www.sipc.org) or by calling SIPC at 1-202-371-8300.

#### **Notice of Escheatment of Client Property**

Baird may transfer a client's property to certain state authorities pursuant to applicable unclaimed property law for any reason permitted by applicable law, including but not limited to Baird's inability to locate a client's address of record or if no activity occurs in a client's account within a time period set forth by applicable law.

#### **Execution of Client Orders and Payment for Order Flow**

Baird may route certain securities orders to other broker-dealers or securities exchanges for execution. Baird selects execution venues based on the size of the order, trading characteristics of the security,

speed of execution, likelihood of price improvement, availability of efficient automated transaction processing, guaranteed automatic execution levels, and other qualitative factors. Baird receives remuneration in the form of payment or liquidity rebates on certain options or equity securities orders routed to some venues (commonly known as “payment for order flow”). This compensation, although not material to Baird’s trading business, gives Baird an incentive to route client orders for securities transactions to those venues that provide Baird the greatest levels of compensation. At a client’s request, Baird will make available certain information about the routing of such client’s orders routed for execution in the six months prior to request. Such information will include the identity of the venue to which orders were routed, whether such orders were directed or non-directed and the time of the transactions, if any, that resulted from such orders. Baird also prepares a quarterly summary discussing certain orders routed away for execution, including the type and the identity of the broker-dealers or exchanges receiving such orders. This summary as well as other important information about Baird’s order routing practices are available at: <https://www.rwbaird.com/help/routing-equity-orders/>.

### Extraordinary Market Conditions

During extraordinary market conditions, such as periods of increased volatility and trading volume, significant delays in execution and execution at prices away from market prices quoted or displayed at the time a trade order was given may occur. A client should exercise additional caution when placing orders during such periods and should carefully consider the type of security being traded and the order type placed.

#### Common Order Types

A “market” order is an order that must be executed promptly at the current market price of a security at the time such order is routed for execution, regardless of price. Although such an order will ensure prompt execution, a client cannot know at what price a market order will be executed. This is especially true during periods of increased price volatility. A client should carefully consider the risks of placing a market order to purchase securities “at the market” during periods of extreme volatility, such as when purchasing securities that have recently begun trading publicly.

A “limit” order is an order that may only be executed if a specific price is met or passed. With a limit order, a client will receive price protection. Placing a limit order will mitigate the risk of execution of a securities order at prices away from market prices quoted at the time a trade order was given. However, there is a risk that a limit order will not be executed.

#### Trading Pauses and Halts

A client should also be aware that individual securities and the broader U.S. equities securities market in general are subject to certain protections, such as trading pauses and halts triggered by periods of extraordinary volatility. Executions of securities orders in affected securities during such periods will be delayed.

#### Questions and Other Considerations for Trading During Extraordinary Market Conditions

Because a client’s securities orders must be placed through a Baird representative, if a client has any questions about placing securities orders, a client should contact a Baird Financial Advisor.

### Extended Hours Trading

Clients should consider the following risks prior to engaging in extended hours trading. “Extended hours trading” is defined as trading outside of the regular trading hours for the primary exchange of the security being traded. “Regular trading hours” generally means between 9:30 a.m. and 4:00 p.m. Eastern Standard Time for trades in equity securities, and 8:00 a.m. and 6:30 p.m. Eastern Standard Time for trades in fixed-income securities.

**Risk of Lower Liquidity.** Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, an order may only be partially executed, or not at all.

**Risk of Higher Volatility.** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, an order may only be partially executed, or not at all, or an order may receive an inferior price in extended hours trading than it would during regular market hours.

**Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours or upon the opening the next morning. As a result, an order may receive an inferior price in extended hours trading than it would during regular market hours.

**Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, an order may receive an inferior price in one extended hours trading system than it would in another extended hours trading system.

**Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

**Risk of Wider Spreads.** The spread refers to the difference between the price at which a security can be bought and the price for which it can be sold. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

**Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value (“IIV”).** For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during the opening and late trading sessions, an investor who is unable to calculate implied values for certain



derivative securities products in those sessions may be at a disadvantage to market professionals.

### Notice to California Residents Age 65 or Older

This notice is provided pursuant to Section 789.8 of the California Insurance Code. A client should note that the sale or liquidation of any stock, bond, IRA, certificate of deposit, mutual fund, annuity, or other asset to fund the purchase of a life or annuity product may have tax consequences, early withdrawal penalties, or other costs or penalties as a result of the sale or liquidation, and the client or client’s agent may wish to consult independent legal or financial advice before selling or liquidating any assets prior to the purchase of any life or annuity products.

### Notice to Members of U.S. Armed Forces and Their Dependents

FINRA rules require Baird to make certain disclosures to members of the U.S. Armed Forces and their dependents when engaging in in-person meetings on the premises of a military installation. Services provided to such clients by Baird, including the offering of securities, are provided by Robert W. Baird & Co. Incorporated, a broker-dealer registered with the SEC under the Exchange Act, and as an investment adviser under the Adviser’s Act. Securities offered by or through Baird are not offered or provided by Baird on behalf of the Federal Government and the offer of such securities is not sanctioned, recommended or encouraged by the Federal Government.

### Notice to Clients Seeking Services Incorporating a Non-Financial Objective

Unless specifically instructed, in providing advice and services to a client, Baird and Baird Financial Advisors’ advice, recommendations, money management or other services which a client may engage Baird to provide (collectively, “Services”) will generally not consider non-financial objectives of a client. Certain clients may instruct and authorize Baird and Baird Financial Advisors to consider and incorporate Client’s non-financial objectives into provision of the Services. Those clients understand and agree:

Such clients are consenting to and instructing Baird and client’s Baird Financial Advisor to incorporate a social or other non-financial objective into provision of Services, including, as applicable: (i) the discretionary investment decisions made for a client’s account, and/or (ii) the recommendations or solicitations made to a client for the purchase or sale of securities. Such clients also acknowledge and understand that incorporating a social object or non-financial objective into investment decisions and recommendations or solicitations will result in investments and recommendations or solicitations that are not solely focused on maximizing a financial return for such clients or such client’s accounts. The performance of a client’s account may be materially and negatively impacted by incorporation of non-financial objectives.

### Notice to Minnesota Residents

Minnesota securities regulations require that Minnesota residents be informed of the following information regarding financial products, services or proposed services offered by Baird. Baird professionals who serve retail clients use the title “Financial Advisor.” The term Financial Advisor, was not chosen to imply that a Baird Financial Advisor is a financial planner, as that term is defined by Minnesota

law. Baird Financial Advisors provide a broad range of financial services and products, some of which are offered by affiliated entities. The products offered by Baird Financial Advisors are traded, distributed, and placed through various entities, including but not limited to, clearing firms, trading firms, and affiliates of Baird. Baird and Baird Financial Advisors are compensated by various means, which may include commissions or a fixed fee, and their compensation may be affected by the overall value of the assets and any margin balance in the serviced accounts. The Baird Financial Advisor is licensed to offer or sell investment securities including stocks, bonds, mutual funds, put and call options, unit trusts, money market funds, certificates of deposit, treasury securities and (if a client’s Baird Financial Advisor is also licensed in the State of Minnesota as an insurance agent) fixed and variable annuity contracts.

### Notice to Canada Residents

Clients of Baird resident in Canada are advised that Baird operates under the International Dealer and International Adviser Exemptions in Canada pursuant to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* and the exemption set forth in National Instrument 35-101 *Conditional Exemption From Registration for United States Broker-Dealers and Agents*. Such clients should be aware that:

- Baird is not registered as a dealer or investment adviser in any Canadian province or territory to make the trade or provide the advice described in NI 35-101, Section 8.26(3);
- Baird is not subject to the full regulatory requirements otherwise applicable under the securities legislation of any Canadian province or territory;
- The jurisdiction of Baird’s head office or principal place of business is Milwaukee, Wisconsin, United States;
- All or substantially all of Baird’s assets may be situated outside of Canada;
- There may be difficulty enforcing legal rights against Baird because of the above; and
- The name and address of the agent for service of process of Baird in the local jurisdictions follows below.

Jurisdiction	Agent	Address
British Columbia	152928 Canada Inc.	c/o Stikeman Elliott LLP 666 Burrard Street, Suite 1700, Park Place Vancouver, British Columbia V6C 2X8 Canada
Alberta	152928 Canada Inc.	c/o Stikeman Elliott LLP 4300 Bankers Hall, 888-3rd Street S.W. Calgary, Alberta T2P 5C5 Canada
Ontario	152928 Canada Inc.	c/o Stikeman Elliott LLP 5300 Commerce Court West 199 Bay Street Toronto, Ontario M5L 1B9 Canada

Jurisdiction	Agent	Address
Quebec	152928 Canada Inc.	c/o Stikeman Elliott LLP 1155 Rene-Levesque Blvd., 40th Floor Montreal, Quebec H3B 3V2 Canada
Manitoba	MLT Aikins, LLP	30th Floor 360 Main Street Winnipeg, Manitoba, R3C 4G1 Canada
Saskatchewan	McDougall Gauley LLP	1500-1881 Scarth Street Regina, Saskatchewan S4P 4K9
Nova Scotia	Stewart McKelvey	Suite 900 Purdy's Wharf Tower One 1959 Upper Water Street, PO Box 997 Halifax, Nova Scotia, B3J 2X2
New Brunswick	Stewart McKelvey	Suite 1000, Brunswick House 44 Chipman Hill, PO Box 7289, Postal Station A Saint John, NB 2L 4S6

Because Baird operates under exemptions from the dealer and investment adviser registration requirements under applicable Canadian securities law, clients should be aware that Baird is restricted from acting as a dealer or investment adviser in respect of securities of Canadian issuers.

### About this Important Account Disclosures Document

Certain information and assurances we provide pursuant to this document include information obtained from independent third-party sources that we deem reliable, but for which we are under no obligation to independently verify.

We may change the information contained in this document without prior notice. The most up-to-date version of this document is always available on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

You should refer to your agreements with us, such as your Client Relationship Agreement, disclosure documents, and related paperwork that have been or will be delivered to you. Those documents contain additional important information about your accounts, including the terms and conditions applicable to the accounts, certain risks associated with the accounts, and the applicable fees and expenses. You should also review the prospectus or other offering or disclosure materials you receive for the investments in your accounts because they contain important information about the investment, including the investment objective, principal strategies, associated risks, fees and expenses, and management.



**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:

	<b>Client HH Account Value</b>	<b>Maximum Annual Baird Compensation (% of Client Balances in Bank Deposit Accounts)*</b>
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).

<b>FACTS</b>		<b>WHAT DOES BAIRD DO WITH YOUR PERSONAL INFORMATION?</b>	
<b>Why?</b>	Financial companies choose how they share your personal information. Federal and state laws give consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.		
<b>What?</b>	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>• Name, address and contact information</li> <li>• Social Security number and/or driver’s license, passport or other government ID number</li> <li>• Employment information, account balances, transaction history and credit history</li> <li>• Income and assets</li> <li>• Files and images/photos (In connection with your use of Baird Online Mobile Application Only)</li> <li>• Device ID and IP address, OS version and type, browser version and type, and how you interact with us (In connection with your use of Baird websites and mobile applications)</li> </ul>		
<b>How?</b>	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Robert W. Baird & Co. Incorporated and Baird Trust Company (“Baird”) choose to share; and whether you can limit this sharing.		
<b>Reasons we can share your personal information</b>		<b>Does Baird share?</b>	<b>Can you limit this sharing?</b>
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus		Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you		Yes	No
<b>For joint marketing with other financial companies</b>		Yes	No
<b>For our affiliates’ everyday business purposes—</b> information about your transactions and experiences		Yes	No
<b>For our affiliates’ everyday business purposes—</b> information about your creditworthiness		No	N/A
<b>For our affiliates to market to you</b>		No	N/A
<b>For nonaffiliates to market to you—only for financial advisors that leave Baird.</b> Robert W. Baird & Co. Incorporated has signed the Protocol for Broker Recruiting (“Protocol”) which allows the financial advisor servicing your account to take certain limited information in the event he/she leaves Robert W. Baird & Co. Incorporated and joins another firm which has also signed the Protocol. The information your financial advisor can take is limited to your name, your address, your phone number, your email address, and the title of your account. If you choose to limit this sharing, Baird will notify your financial advisor of your decision to keep your personal information confidential and that you do not want your personal information shared by your financial advisor with his/her new firm.		Yes	Yes
<b>To limit</b>	Call (toll free) 1-800-792-2473 or email <a href="mailto:privacy@rwbaird.com">privacy@rwbaird.com</a>		

<b>our sharing</b>	If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing as described above.
<b>Questions?</b>	Call (toll free) 1-800-792-2473 or go to <a href="http://www.rwbaird.com">www.rwbaird.com</a>
<b>Who we are</b>	
<b>Who is providing this notice?</b>	Robert W. Baird & Co. Incorporated and Baird Trust Company
<b>What we do</b>	
<b>How does Baird protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does Baird collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• open an account or seek advice about your investments                             <ul style="list-style-type: none"> <li>○ tell us about your investment or retirement portfolio or</li> <li>○ tell us about your investment or retirement earnings</li> </ul> </li> <li>• use Baird’s websites and/or mobile applications</li> <li>• give us your contact information</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates or other companies.</p>
<b>Why can’t I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• sharing for affiliates’ everyday business purposes—information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See “Other Important Information” below for more on your rights under state law.</p>
<b>What happens when I limit sharing for an account I hold jointly with someone else?</b>	Your choices will apply to everyone on your account.
<b>Definitions</b>	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>Our affiliates are Baird Financial Group, Inc., Baird Financial Corporation, Robert W. Baird Group Limited, Robert W. Baird GmbH, Baird Funds, Inc., Strategas Securities, LLC and Strategas Asset Management, LLC.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>Nonaffiliates we share with can include the new firm of the financial advisor servicing your account.</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• <i>Baird does not have any joint marketing partners.</i></li> </ul>



## Other important information

**For Nevada residents only.** We are providing you this notice pursuant to state law. You may be placed on our internal Do Not Call List by following the directions in the "Can you limit this sharing" section by choosing to limit sharing "For our affiliates to market to you." Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington Street, Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; e-mail: BCPINFO@ag.state.nv.us. Robert W. Baird & Co. Incorporated, 777 East Wisconsin Avenue, Milwaukee, WI 53202; Phone Number (800) 792-2473; e-mail: Click on "Contact Us" in the top right corner at [www.rwbaird.com/privacy](http://www.rwbaird.com/privacy).

**Vermont:** In accordance with Vermont law, we will not share information we collect about Vermont residents with companies outside of our corporate family, except as permitted by law, such as with your consent, to service your accounts or to other financial institutions with which we have joint marketing agreements. We will not share information about your creditworthiness within our corporate family except with your authorization or consent, but we may share information about our transactions or experiences with you within our corporate family without your consent.

**California:** In accordance with California law, we will not share information we collect about you with companies outside of Baird, unless the law allows. For example, we may share information, to service your accounts, or to provide rewards or benefits you are entitled to. We will limit sharing among our companies to the extent required by California law. We collect personally identifiable information from online customers when those customers use Baird's web sites and/or online services (including mobile applications). This information includes, but is not limited to, customer names, e-mail and mailing addresses, phone numbers, and social security numbers. Baird also does not share personally identifiable information with third-party persons or entities unless authorized by the customer or permitted by applicable law. If Baird's online customers wish to change the contents of the personally identifiable information previously supplied to Baird, those customers may do so by contacting their local Baird entity branch office and requesting the change. Alternatively, some web sites and online services offered by Baird permit customers to change the contents of their personally identifiable information online. We are aware that some internet browsers have incorporated Do Not Track ("DNT") features. Most of these features, when turned on, send a signal or preference to the web sites you visit indicating that you do not wish to be tracked. Baird does not currently respond to DNT signals, whether on its web sites or other online services. Baird does not allow other parties to collect personally identifiable information about its online customers' individual online activities over time or across different web sites for such party's own use. Baird cannot, however, guarantee protection from web-based criminal conduct that could result in the collection of an online customer's personally identifiable information by an outside party. Please refer to <https://www.rwbaird.com/globalassets/pdfs/help/ccpa-addendum-to-privacy-notice.pdf> for additional information specific to the California Consumer Privacy Act of 2018, as amended.

**For EU and UK Customers only.** Under certain circumstances, you have the right to i) ask for us to correct inaccurate personal information, and to have any incomplete information completed and for us to pass this on to other recipients of your personal information; ii) request erasure of your personal information and for us to pass this on to other recipients of your personal information; iii) request the restriction of processing and for us to pass this on to other recipients of your personal information; iv) obtain from us confirmation as to whether or not your personal information is being processed and where that is the case, access your personal information and details regarding the processing of that information; v) not to be subject to a decision based solely on automated processing, including profiling, which produces legal effects concerning you or similarly significantly affects you; vi) where the processing is based on your consent, object to processing and/or withdraw your consent without affecting the lawfulness of processing based on consent before its withdrawal; and vii) request us to transfer your information to another party. You may make a complaint if you believe that we have not complied with our data protection obligations. We hope that you will be able to resolve this issue with us directly by contacting us via telephone at 1-800-792-2473 or by email at [privacy@rwbaird.com](mailto:privacy@rwbaird.com). However, you also have the right to complain to the Information Commissioner's Office. We may request that you prove your identity by providing us with a copy of a valid means of identification in order for us to comply with our security obligations and to prevent unauthorized disclosure of information. We reserve the right to charge you a reasonable administrative fee for any manifestly unfounded or excessive requests concerning your access to your information, and for any additional copies of the personal information you request from us. We endeavor to respond to any requests or complaints within a month or less, although we reserve the right to extend this period for complex requests.

**For Insurance Customers in AZ, CA, CT, GA, IL, ME, MA, MN, MT, NV, NJ, NC, OH, OR, and VA only.** The term "Information" in this part means customer information obtained in an insurance transaction. We may give your Information to state insurance officials, law enforcement, group policy holders about claims experience, or auditors as the law allows or requires. We may give your Information to insurance support companies that may keep it or give it to others. We may share medical Information so we can learn if you qualify for coverage, process claims, or prevent fraud or if you say we can. To see your Information, contact the employee who services your account by mail or telephone. You must state your full name, address, the insurance company, policy number (if relevant), and the Information you want. We will tell you what Information we have. You may see and copy the Information (unless privileged) at our office or ask that we mail you a copy for a fee. If you think any Information is wrong, you must write us. We will let you know what actions we take. If you do not agree with our actions, you may send us a statement.

**For MA Insurance Customers only.** You may ask in writing the specific reasons for an adverse underwriting decision. An adverse underwriting decision is where we decline your application for insurance, offer to insure you at a higher than standard rate, or terminate your coverage.

Baird may change this privacy notice at any time, and any changes or updates will be effective immediately on the date of posting. For a current version, please visit [www.rwbaird.com/help/privacy-notice/](http://www.rwbaird.com/help/privacy-notice/)

**FACTS****WHAT DOES BAIRD FUNDS DO WITH YOUR PERSONAL INFORMATION?****Why?**

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

**What?**

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number
- Account balances, transaction history and assets
- Checking account information and wire transfer instructions

**How?**

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Baird Funds, Inc. chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Baird Funds, Inc. share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We do not share
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	No	We do not share
<b>For our affiliates to market to you</b>	No	We do not share
<b>For nonaffiliates to market to you</b>	No	We do not share

**Questions?**

Call (toll free) 1-866-442-2473, Email [prospectus@bairdfunds.com](mailto:prospectus@bairdfunds.com) or go to [www.bairdfunds.com](http://www.bairdfunds.com)

Who we are	
<b>Who is providing this notice?</b>	Baird Funds, Inc.
What we do	
<b>How does Baird Funds, Inc. protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does Baird Funds, Inc. collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• open an account or give us your contact information</li> <li>• make a wire transfer or provide account information</li> <li>• make deposits or withdrawals from your account</li> </ul> <p>We also collect your personal information from other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>Robert W. Baird &amp; Co Incorporated (the investment adviser and distributor to the Baird Funds) and its affiliates may share information among each other.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>Baird Funds, Inc. does not share with nonaffiliates so they can market to you.</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you. We do not have any joint marketing partners.</p> <ul style="list-style-type: none"> <li>• <i>Baird Funds, Inc. does not have any joint marketing partners.</i></li> </ul>