



Important Information about Callable Security Lotteries at Baird

When bonds or preferred stock issues held at Robert W. Baird & Co. Incorporated (“Baird”) are called or redeemed in part, Baird utilizes an impartial lottery system by which it allocates among its clients the securities to be called or redeemed. A description of the procedures to effect such a lottery follows below.

When a redemption of callable securities is deemed favorable to the called parties, Baird will exclude all positions held by Baird or its employees. Conversely, if a redemption of callable securities is deemed unfavorable to the called parties, Baird will include all positions held by Baird and its employees.

Step 1: Calculation of the Call Increment

Upon receiving notice that a securities issue held at Baird is subject to a partial call or redemption, Baird will determine the total amount of eligible securities held at Baird. Baird will then divide this total amount by the quantity of securities held at Baird that are to be called or redeemed by the issuer. This number is called the “call increment”.

Example: 1,186,000 bonds held by Baird / 50,000 bonds held at Baird called = 23.72 Call Increment

Step 2: Assignment of a Sequential Number

Each bond or preferred stock held by Baird is assigned a consecutive sequential number starting with the lowest account number.

Step 3: Determination of Starting Position

Following completion of Steps 1 and 2, Baird then selects a “starting” number to effect the lottery. To calculate this number, Baird takes the square root of the call date and multiplies it by the lottery day.

Example:

Lottery date is May 30, 2014 = 053014

Square root of 053014 \times 30 = 6907.430781

Only the fractional portion of the square rooted number is used (430781). The fractional portion is then truncated down to fit in the number range of the called bonds and rounded up or down in accordance with standard rounding rules. In this case “43,078” is the starting position because there is a total of 50,000 bonds being called.



Important Information about Callable Security Lotteries at Baird, *continued.*

Step 4: Selection of Called or Redeemed Securities

After identifying the starting number, Baird then takes the starting number and repeatedly adds the call increment calculated in Step 1 above to select each subsequent called or redeemed security until the requisite number of securities held at Baird are called or redeemed.

Example:

43,078 added to 23.72 = 43,101.72

43,102 is the next sequential number called. Standard rounding rules apply.

If Baird arrives at the end of the sequential numbers described in Step 2 and more securities are to be called or redeemed, Baird will continue at position #1 and apply the call increment repeatedly starting from that position until the requisite amount of securities have been called or redeemed.