

# The Strength of Baird

*"I've never been more confident about Baird's strength relative to our competitors. This is a great time to be with a conservative firm owned by its committed associates."*

Paul Purcell, Baird Chairman

Baird is strong, profitable and expanding our reach and capabilities to best meet clients' needs. Our unique position of strength enables us to concentrate on our relationship with you today while also working to strategically enhance our ability to best serve as your partner for the future.

## INDEPENDENT

Independent, privately held and associate-owned, with a steadfast client focus.

## 100 BEST

One of the *Fortune* 100 Best Companies to Work For<sup>®</sup>, 14 years in a row.

## BALANCED

Five complementary businesses balance our sources of revenue and broaden our capabilities for clients, enabling us to continue to invest across our businesses.

While many financial services firms are restructuring and downsizing, we continue to build wisely for the future.

## MORE THAN \$170 BILLION

The trust our clients place in us to provide them with expert advice is our truest measure of success.<sup>1</sup>

## NO. 1 IN OVERALL RESEARCH QUALITY

Ranked No. 1 for overall quality in sales, corporate access and research among small-/mid-cap research advisory firms by Greenwich Associates.<sup>2</sup>

As an independent firm owned by our associates, we have a huge stake in making sure we do things right. Baird has remained strong because we put our clients' interests first and take the long-term view, both in terms of our clients' success and in how we run our business.

- Revenues for 2016 were \$1.4 billion – our best year on record.<sup>3</sup>
- Senior executives average 21 years at Baird and are strong advocates for the important values on which the firm has built its reputation.
- Hundreds of senior-level professionals and veteran Financial Advisors have joined Baird over the last few years, demonstrating that our culture and business approach, valued by longtime associates, are also attractive to new hires.
- Baird was again very profitable in 2016, with operating income of \$155 million.<sup>3</sup>
- Baird is well-capitalized, with net capital well in excess of regulatory requirement.
- We have been conservative in our use of debt, and we have significant unused bank commitments.
- In addition to Baird's Securities Investor Protection Corporation (SIPC) coverage, Baird offers additional security with coverage in excess of SIPC limits through 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 clients eligible for distributions under the Securities Investor Protection Act (SIPA) and a sublimit of \$1.9 million per customer for cash awaiting reinvestment.

We're attracting new talent, opening new offices, offering new services and leveraging the latest technology and training – all to enhance the value we offer you. Our global reach and capabilities are complemented by unwavering integrity, a strong work ethic and an emphasis on long-term partnerships that together have always been the cornerstone of our culture and business. We believe in "Great outcomes. Done well." It's an approach that has kept us strong for almost 100 years.

<sup>1</sup>Client assets as of December 31, 2016.

<sup>2</sup>Greenwich Associates U.S. Equity Investors – Small-/Mid-Cap Equities and U.S. Sales & Research, May 2017. Surveys conducted with 101 small-/mid-cap fund managers and 214 fund managers and 300 traders, respectively. Rankings for qualitative metrics based on leading research firms in survey.

<sup>3</sup>As of December 31, 2016. Financial results do not reflect the consolidation of certain private equity partnerships.

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