

BAIRD

Imagine

A PARTNER
FOR WHAT'S NEXT

2017
ANNUAL
REPORT

PRIVATE WEALTH
MANAGEMENT

ASSET MANAGEMENT

BAIRD CAPITAL

FIXED INCOME
CAPITAL MARKETS

EQUITY CAPITAL MARKETS

At Baird, we believe true financial partnership means providing the personal attention and service our clients deserve and the thoughtful advice and capabilities they need to succeed – no matter what's next.

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Steve Booth
President & Chief Executive Officer



Paul Purcell
Chairman

A Message From Steve Booth and Paul Purcell

Since 1919, Baird has been a strong, stable partner to clients across many market cycles. We've helped them navigate some of the worst financial crises in history and partnered with them during periods of growth. Why? It's very simple: Clients always have and always will come first at Baird. Although 2017 was a year of bull-market highs and low volatility, geopolitical uncertainty and the prospect of an economic downturn loomed large. We know our clients are concerned about what could unfold in the new year – and while prediction is impossible, preparation is essential. That's why Baird is committed to delivering the objective advice, deep expertise and strong partnership our clients need to plan, pursue and achieve their goals in today's ever-changing world.

Baird reached a new milestone in 2017 when the total amount of assets in our client accounts surpassed \$200 billion for the first time. We believe this is a powerful representation of the trust clients place in Baird. Because we are

an employee-owned, privately held firm, we are able to invest in our business with their best interests in mind. As such, we are pleased to highlight two significant additions to the firm. In January 2018, Strategas, a leading boutique firm whose primary focus is macroeconomic research, became a wholly owned yet independent Baird company. We also welcomed John Taft, a distinguished industry veteran with more than 35 years of experience, as Vice Chairman and a member of Baird's Executive Committee. John is pursuing strategic business opportunities across the firm. Both of these additions were driven by an alignment of values, shared goals and clients-first culture, and we are very excited to welcome their expertise and vision to the firm.

We are proud to have the best team in our industry at Baird. Our client focus, expertise and enthusiasm create a distinctive culture and help make Baird a nationally recognized great place to work.

As an employee-owned firm, Baird has a personal stake in our clients' success.

In early 2018, we were again recognized as one of the *Fortune* 100 Best Companies to Work For®. We ranked No. 12 in our 15th consecutive year on the list.

2017 RESULTS

Baird's 2017 revenues totaled \$1.53 billion, a 10% increase over 2016 and our eighth consecutive year of record revenues.¹ Operating income also increased to a record \$199 million. Our 2017 return on book value, including a cash dividend paid to shareholders in December, was 20.8%. We believe this strong result is among the highest in our industry, and we are proud to have achieved it without the extensive leverage used by other firms to enhance returns.

Baird's five complementary businesses provide a comprehensive foundation for our growth. They also create a structure that diversifies and balances our revenues. The firm continues to win market share in a very competitive environment. Each of our businesses posted strong results in 2017, and three – Private Wealth Management, Asset Management and Equity Capital Markets – had record revenues. Other business highlights across the firm include:

- Private Wealth Management grew its client assets under management to \$136 billion, a record for the business.

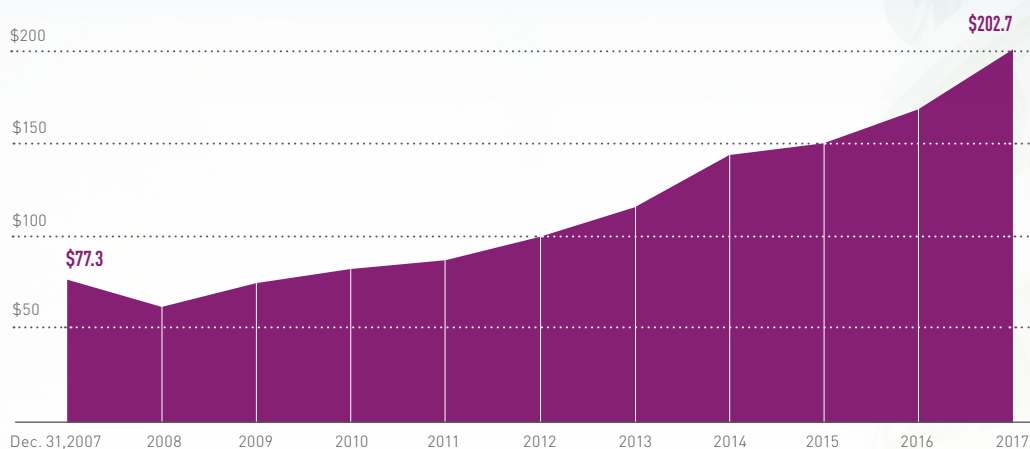
- Our Asset Management businesses continue to grow. Baird Advisors' assets under management have tripled over the past four years and totaled more than \$60 billion at the end of 2017. The Baird and Chautauqua equity funds had a year of strong performance, contributing to Baird Equity Asset Management's continued growth in assets.
- Baird Capital invested more than \$97 million in six new and 17 follow-on investments. In addition, the business successfully exited five investments and realized \$30.2 million.
- For the ninth consecutive year, our Fixed Income Capital Markets team ranked as the No. 1 municipal underwriter in the United States, based on number of issues, according to Ipreo MuniAnalytics.
- Our Equity Capital Markets business also achieved exceptional results. Global Investment Banking posted its fifth consecutive year of record revenues, driven by continued strong M&A activity and a rebound in equity underwriting. Meanwhile, our Institutional Equities & Research business was recognized as No. 1 for overall quality in sales, corporate access and research in Greenwich Associates' annual survey of institutional fund managers.²

¹Financial results do not reflect the consolidation of certain private equity partnerships.

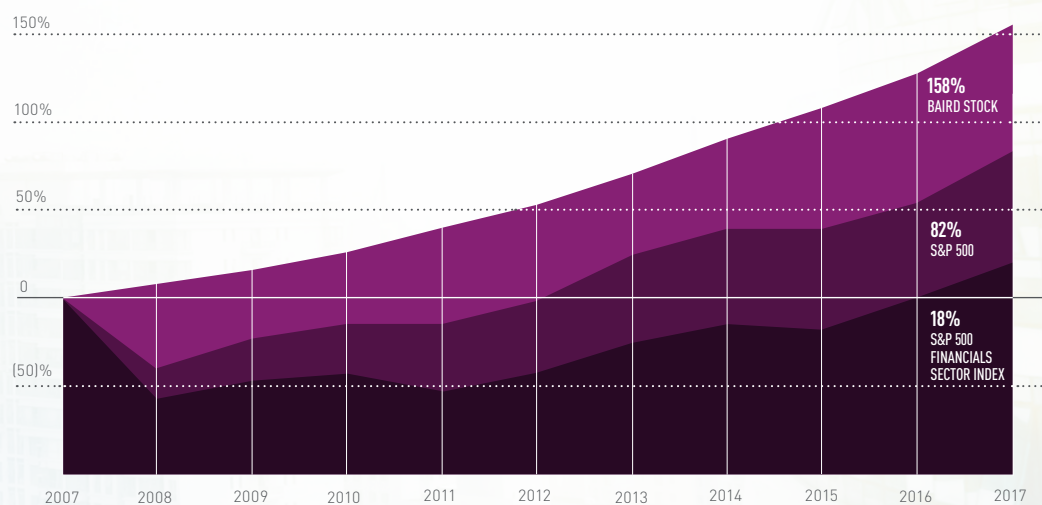
²Greenwich Associates U.S. Equity Investors – Small-/Mid-Cap Equities and U.S. Sales & Research, May 2017. Surveys conducted with 101 small-/mid-cap fund managers and 214 fund managers and 300 traders, respectively. Rankings for qualitative metrics based on leading research firms in survey.

We strategically build our capabilities so we can provide our clients with long-term, stable financial partnership.

Clients entrust Baird with more than \$202 billion in assets – a 162% increase over the past decade.



Baird's stock value has increased 158% over the past 10 years.



Baird stock performance is based on the change in book value per share for Baird Financial Group common stock and includes cumulative cash dividends per share of \$7.50, \$1.60, \$1.65, \$1.85, \$2.00, \$7.50 and \$2.10 paid in December of 2011, 2012, 2013, 2014, 2015, 2016 and 2017, respectively. Baird is privately held and no public market exists for its shares. Baird can repurchase shares of Baird stock at book value when associates leave the firm. Past performance does not guarantee future results.

The Standard & Poor's 500 Stock Index and Standard & Poor's 500 Financials Sector Index are unmanaged common stock indices used to measure and report value changes in the stocks comprising these indices. Indices performance information is obtained from Capital IQ and excludes dividends paid during the periods shown. Baird stock is not included in these indices.

For 15 consecutive years, Baird has been recognized among the *Fortune* 100 Best Companies to Work For®.

THE POWER OF PARTNERSHIP

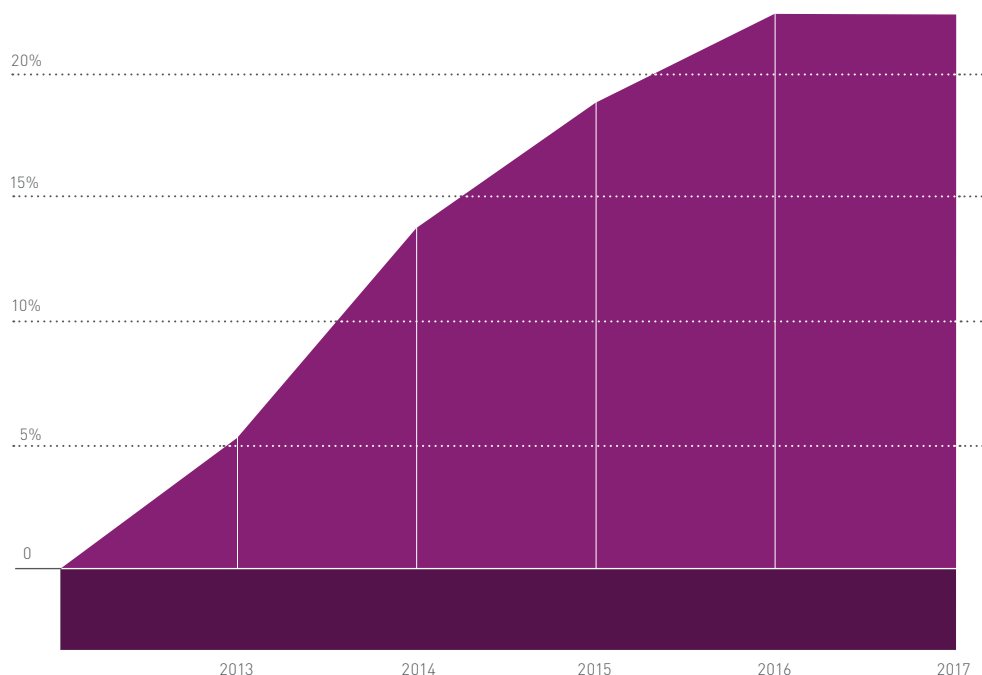
Partnership is central to all we do at Baird. A spirit of common goals and shared success shapes our client relationships, and a sense of teamwork and continuous improvement infuses the relationships we build with our coworkers. This collaborative approach supported the growth of our business as we continued to expand and deepen our capabilities in 2017.

Private Wealth Management continued to recruit and train talented professionals, including 56 experienced advisors, Branch Office Managers and graduates of our Financial Advisor Training Program.

Baird Capital completed fund raising for its first global fund, raising \$310 million. We believe this is the first fund of its kind among firms investing in the lower middle market. Fixed Income Capital Markets strengthened its platform by adding professionals specializing in key products and client relationship management. Our Asset Management businesses added talent across their teams to accommodate and foster the businesses' continued growth. We continued to provide clients with additional investment options in RiverFront Investment Group, an investment advisor offering equity and fixed income strategies, and Greenhouse Funds, an independent asset manager whose

Baird Employment

Over the past five years, we have grown our team strategically to support the expansion of our business. Our head count has increased 22.5%.



We ranked No. 12 in 2018 –
our 10th straight year among the
top 25 companies.



products include a hedge fund. In addition to welcoming Strategas to Baird, we continued to grow our Equity Capital Markets team with key hires in Global Investment Banking, which welcomed talent of all levels including senior-level bankers specializing in key sectors, products and geographies.

Our global team of more than 3,400 professionals made these developments possible. They bring a unique energy, diversity of thought and passion for excellence to their work. We also welcomed 170 interns across Baird during 2017 – a 40.5% increase in the size of our internship program over the past five years and a reflection of our commitment to helping young professionals start their careers.

We deeply appreciate our associates' contributions to Baird, and we strongly believe in extending the opportunity of employee ownership to them. Nearly 66% of Baird associates are shareholders in the firm, with a broad distribution of ownership across our businesses. We are proud to be one of the largest privately held financial services firms in the United States.

PARTNERING FOR TOMORROW

Clients have relied on Baird for true financial partnership for nearly a century. While it is impossible to predict what will come next in the markets, it is essential to partner with one another to prepare for the future. We are extremely confident in our partnerships with our clients. Our business is their success, and we will be ready to serve them, no matter what comes next.

A handwritten signature in black ink that reads "Steven G. Booth".

Steven G. Booth
President & Chief Executive Officer

A handwritten signature in black ink that reads "Paul E. Purcell".

Paul E. Purcell
Chairman

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BAIRD

Baird net revenues¹
(millions)



Baird is a privately held, employee-owned financial services firm. Since 1919, we've built a platform of five complementary businesses that diversify and balance our revenues across market cycles.

66%



Nearly two-thirds of Baird associates are shareholders in the firm, with broadly distributed ownership across our businesses.

¹ Financial results do not reflect the consolidation of certain private equity partnerships.

² Based on number of issues from 2009 to 2017, according to Ipreo MuniAnalytics..

³ 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.

PRIVATE WEALTH MANAGEMENT

Offers advice, strategies and planning expertise to individuals and families across the United States.

ASSET MANAGEMENT

BAIRD ADVISORS
BAIRD EQUITY ASSET MANAGEMENT

Provides disciplined investing and outstanding service to individual and institutional investors via customized portfolios and mutual funds.

BAIRD CAPITAL

GLOBAL PRIVATE EQUITY
U.S. VENTURE CAPITAL

Makes private equity, venture capital and buyout investments in high-potential companies across the U.S., U.K. and Asia.

FIXED INCOME CAPITAL MARKETS

FIXED INCOME SALES & TRADING
PUBLIC FINANCE

Delivers investment ideas and trading execution to institutional clients and leading debt underwriting and advisory services to public, private and nonprofit entities.

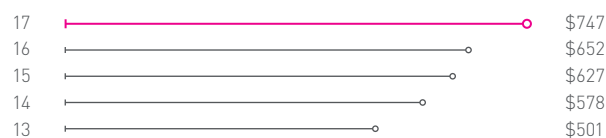
EQUITY CAPITAL MARKETS

GLOBAL INVESTMENT BANKING
INSTITUTIONAL EQUITIES & RESEARCH

Provides a comprehensive platform of equity research, sales and trading, equity underwriting, and M&A and debt advisory services.

Private Wealth Management revenues

(millions)



\$136 billion in client assets

Asset Management revenues

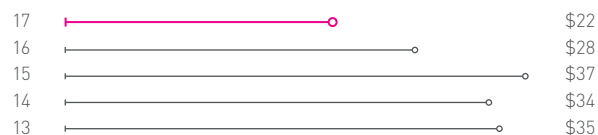
(millions)



\$65 billion in assets under management

Baird Capital revenues

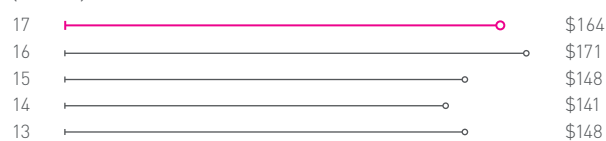
(millions)



\$3.4 billion raised and managed since inception

Fixed Income Capital Markets revenues

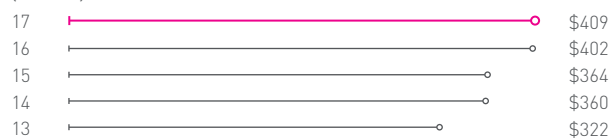
(millions)



No. 1 municipal underwriter in the U.S. for nine consecutive years²

Equity Capital Markets revenues

(millions)



No. 1 for "overall quality in sales, corporate access and research"³



Imagine a partner
to help you realize
the life you envision.

858 FINANCIAL ADVISORS

Baird's Financial Advisors work with teams and other specialists to support our clients' goals.



Private Wealth Management

True wealth management is about more than buying and selling investments. It's about the moments and milestones that make life meaningful, like starting a new career, funding a child's education or planning for retirement. To make these milestones a reality, though, you need more than a vision – you need a planning partner who can help bring them to life. When you share your vision with Baird, you can trust that we'll put the full power of our expertise and capabilities to work toward making it your reality.

STEADFAST IN OUR APPROACH

Our Private Wealth Management business has a strong foundation. We are confident and continue to invest in our unique approach to wealth management, constantly enhancing our capabilities so we are able to help our clients realize the life they envision for themselves as well as the people and causes they care about most. We are proud our approach to wealth management resonates with our clients, who entrusted us with \$136 billion in assets as of the end of 2017.



ADDING EXCEPTIONAL TALENT

Baird has recruited and trained 411 highly qualified professionals over the past five years, including experienced advisors, Branch Office Managers and graduates of our Financial Advisor Training Program.

94 LOCATIONS

Baird serves clients from 94 locations in 30 states.

Our team of nearly 860 Financial Advisors works with individuals and families across the United States. They average more than 20 years of industry experience and more than 10 years at Baird, underscoring the stability and continuity we provide our clients. Our approach to wealth management resonates with top talent in our industry, which helped us attract exceptional professionals to Baird during 2017. Additionally, we extended our footprint to several new locations across the United States, including Alaska.

STRONG AND GROWING

During 2017, we continued to devote resources to developing comprehensive, diverse teams of highly credentialed professionals to provide our clients with the benefits of multigenerational advice and expertise. We also invited strong candidates to join our Financial Advisor Training Program, which trains experienced professionals, and continued to train

aspiring advisors through our Foundations Program, a two-year rotational opportunity for recent graduates. We're also committed to inspiring the next generation of talent. We are the founding partner of the Wealth Management & Financial Planning Program at the University of Wisconsin School of Business.

Our Wealth Solutions Group, a team of 85 experts with specific areas of expertise, works closely with our Financial Advisors to provide clients with additional advanced planning resources such as financial, tax, estate and education planning. Their expertise is nationally sought after and its experts have been quoted in publications including *The Wall Street Journal* and *The New York Times*. We also continued to invest in the technologies we make available to our clients, as well as those we use to design plans to help them meet their unique goals.



Imagine seasoned managers, disciplined processes and a clients-first approach.

Asset Management

BAIRD ADVISORS

In 2017, Baird Advisors' strong short- and long-term investment results allowed us to continue to build and deepen our client relationships, which average more than 12 years. Assets under management grew to \$60.5 billion. The business' results and disciplined

investment process also earned growing recognition from national financial press in 2017 including coverage from *Morningstar*, *Barron's* and *Pensions & Investments*, highlighting the strength of our products and team.



No. 3 of 150 Fund Families

Baird Funds was recognized by *Morningstar* as a Top 3 Fund Family

Source: "Fund Family 150" by Michael Laske, published January 2018. © 2018 Morningstar Research Services LLC. All Rights Reserved. Based on a rank of Due Diligence Scorecard asset-weighted scores for firms compared in report.

Baird Advisors, which manages fixed income portfolios and mutual funds, strives to win for clients every day by delivering consistent, competitive performance and offering quality



DESTINATION FOR TOP TALENT

Baird ranked No. 1 among *Pensions & Investments'* 2017 Best Places to Work in Money Management.



taxable and tax-exempt products at competitive fees. Our team takes a disciplined approach to investing, focusing on controlling risks while adding and compounding incremental returns versus market benchmarks. Our investment process has been honed by our senior portfolio managers, who have invested together for more than 35 years. These leaders have also groomed a deep, talented investment team capable of navigating today's changing fixed income markets while meeting our clients' evolving needs.

BAIRD EQUITY ASSET MANAGEMENT

The Baird Equity Asset Management teams experienced strong investment performance in 2017. Institutional and individual investors rely on our teams for small- and mid-cap growth and value products, as well as global and international offerings. Baird equity strategies and funds are managed with a focus on risk

mitigation and long-term performance versus their respective benchmarks. Our experienced investment teams employ a research-driven process refined over decades of managing portfolios across many market cycles. Our 2017 results illustrate the power of this approach. Assets under management grew 20% to \$4.2 billion.

Chautauqua Capital Management, our international and global team, posted superior returns in 2017. The business is thriving with growth in its mutual funds and strong interest from institutions. Additionally, the Specialized Asset Management (SAM) team, which partners with Baird Financial Advisors to manage customized portfolios for high-net-worth investors, saw its assets grow to \$814 million at the end of 2017, a 33% increase over 2016.



Imagine a partner
who is invested in
a business
alongside you.

\$3.4 BILLION RAISED AND MANAGED

Since our inception in 1989, we have raised and managed \$3.4 billion and invested in 305 companies.



Baird Capital

Baird Capital invests in high-potential companies across the U.S., U.K. and Asia. We work as one global platform, collaborating across geographies and areas of expertise to share knowledge, evaluate investments and support our global portfolio. We focus our investing in Healthcare, Industrial Solutions and Technology & Services – areas where we have the investment acumen and sector knowledge necessary to serve growing companies. At the end of 2017, our 58 portfolio companies had combined revenues of \$2.2 billion and more than 13,100 employees.

ALIGNMENT OF INTERESTS

Our global platform supports two distinct global investment strategies. Our Global Private Equity strategy makes growth and buyout investments in key sectors within our core geographies. This flexibility enables our team to pursue compelling opportunities when and where they emerge. Our U.S. Venture Capital strategy makes early-stage investments in Healthcare and Technology & Services companies. The team focuses on pursuing companies with innovative ideas and



58 ACTIVE PORTFOLIO COMPANIES

- 8 Industrial Solutions companies
- 15 Healthcare companies
- 35 Technology & Services companies



A GLOBAL TEAM

Our team of 58 investment, operating and support professionals is based in offices across the U.S., U.K. and Asia.



disruptive business concepts in non-coastal geographies. In addition to providing sector expertise, our teams invest alongside our clients, creating a powerful alignment of interests and a differentiated partnership with our portfolio companies and our investors.

Baird Capital not only provides financial capital to our portfolio companies—we deliver resources, relationships and expertise to help accelerate their growth. Our global team of 58 investment, operating and support professionals works closely with one another and management teams to help our portfolio companies grow and maximize value. Our Portfolio Operations group provides additional support to our portfolio companies by helping them identify operational efficiencies, establish best practices and create opportunities for global expansion strategies. Every Baird Capital portfolio company also benefits from our global relationship network and the insight of our operating resources.

AN ACTIVE YEAR

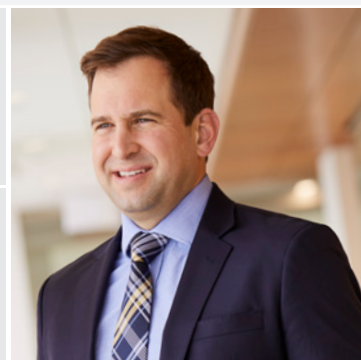
We completed fund raising for Baird Capital Global Fund I in June, exceeding our target of \$300 million and raising \$310 million. The fund makes buyout and growth equity investments in lower middle-market companies globally. Our U.S. Venture Capital team had a year of strong momentum and saw value appreciation in its portfolio. Although 2017 presented difficult conditions for capital deployment, Baird Capital continued to invest prudently in both new companies and our existing portfolio. We realized \$30.2 million, and deployed \$76 million in six new investments. We also supported the growth of many of our portfolio companies by making 17 follow-on investments totaling \$21.7 million.



NO. 1 MUNICIPAL UNDERWRITER

Baird has ranked as the No. 1 municipal underwriter in the United States for nine consecutive years.¹

Imagine a partner who can help you achieve a stronger tomorrow.



Fixed Income Capital Markets

FIXED INCOME SALES & TRADING

Despite a year of lower trading volumes, low interest rates and lower issuance activity, Baird continued to deepen its fixed income capabilities in 2017. We invested in product specialization and focused on deepening our account relationships as competitors continued to scale back their offerings. Our team of 149 sales, trading and analytics professionals deliver advice and service to institutional clients from 24 offices across the United States. They develop deep partnerships with clients, engaging in focused, frequent conversation to provide the trading execution, analytics and portfolio analysis investors seek in ever-changing markets. This focus on building and maintaining our partnerships with clients drove a year of strong results and helped keep Baird ahead of our competitors.

We also continued to make strategic additions to our sales and trading platform. For example, we selectively built out our product teams by adding high-quality, seasoned talent during 2017.



MORE THAN
50%

Our structured product trading volume has increased more than 50% since 2016.



NO. 6
COMPETITIVE
UNDERWRITER

Baird ranked sixth in the nation for competitive issues by par amount.²



We also added experienced professionals in key money centers such as New York, Boston and Chicago, and welcomed talent specializing in structured products and investment-grade instruments.

PUBLIC FINANCE

Our Public Finance business had a year of steady progress in 2017, posting results that exceeded last year's strong revenues and transaction levels. This momentum provided a strong foundation for Baird's ranking as the No. 1 municipal underwriter nationally, based on number of issues, and the No. 6 competitive underwriter in the nation, based on par amount.^{1,2} During the past 10 years, Baird has served municipal issuers in all 50 states as well as Washington, D.C.

Baird's Public Finance team includes 57 bankers, analysts and professionals who serve municipal clients from 13 offices across the United States. They provide public entities with a powerful

combination of regional, sector-focused expertise in charter schools, higher education and economic development with deep leadership experience in local education- and state-level financings. We leverage our team's strengths to develop long-term, innovative financing solutions, provide the highest level of execution and help issuers meet their unique financing goals and challenges. Additionally, we expanded our presence in Texas in 2017 by opening new offices in San Antonio and Austin and welcoming bankers with extensive experience serving independent school districts. This addition enhances Baird's service offerings for Texas issuers and complements our existing public finance presence in the state serving municipal clients and our established Houston-based team specializing in special district advisory.

¹Based on number of issues from 2009 to 2017, according to Ipreo MuniAnalytics.

²Ipreo MuniAnalytics as of December 31, 2017. Does not include private placements or notes.



201

TRANSACTIONS

Baird completed 201 financing and advisory transactions in 2017 with a total value of more than \$57 billion.

Imagine a partner who can help you navigate an evolving environment.



Equity Capital Markets

GLOBAL INVESTMENT BANKING

Baird's Global Investment Banking group works as one global team – partnering across geographies, sectors of focus and product areas to help clients achieve exceptional outcomes. This culture of teamwork creates a powerful alignment that enables us to provide differentiated insights, execution and global capabilities in M&A, equity financing and debt advisory.

This unique approach helped drive our fifth straight year of record revenues. We continued to grow our business in 2017, completing 201 deals totaling more than \$57 billion in value. Our team completed more than 100 M&A and debt advisory deals globally – a new record for Baird. Our equity origination business continued to expand, and we increased our number of equity financing transactions by 28%.

We also continued to invest in our talent, including senior banker talent in key sectors and product areas as well as mid-level



21,000+ CONNECTIONS MADE

Baird arranged more than 21,000 company-investor connections during 2017 via company visits, management trips to institutional clients and 1-1 meetings at Baird conferences.



54 COUNTRIES

Baird has done business with companies and institutions in 54 countries over the past decade.



expertise in several new sectors. These additions expand our coverage to include aerospace, defense and government services and deepen our existing expertise in equity capital markets, software, biotechnology, debt advisory, energy and healthcare provider services as well as our European presence. We also continued to deepen our coverage of the global financial sponsor community.

Our culture of teamwork, expertise and client focus enables us to attract and retain highly qualified professionals. We are committed to being the employer of choice in our industry, and we are proud that bankers of all levels choose to start and continue their careers at Baird. Our culture, unique partnership approach and strong, growing business platform positions Baird well for the future.

INSTITUTIONAL EQUITIES & RESEARCH

Although 2017 presented challenging conditions, Baird remained focused on providing objective

advice, in-depth research and dependable relationships. Our Equity Research team covered 715 stocks at the end of 2017. We are also accelerating our investment in trading capabilities to provide institutional clients with customized solutions for a range of strategic needs.

Additionally, Baird ranked No. 1 for “overall quality in sales, corporate access and research” in Greenwich Associates’ annual survey of fund managers and received an additional eight No. 1 rankings in numerous research, sales and corporate access survey categories.¹ We have meaningfully invested in our Corporate Access platform in recent years. Our global institutional conferences continue to grow. Institutional attendance has grown 33% since 2013.

¹Greenwich 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.



Imagine building a brighter future for our communities.

Community

We believe we all have a responsibility to give back to the communities we call home. We are proud to support our associates' individual and collective efforts to make a difference. Many serve nonprofit organizations in board and leadership roles. More than 1,000 associates are active members in our seven Associate Resource Groups, and our Baird Cares program provides paid time off for volunteering. During Baird Gives Back Week, Baird associates join relatives and friends for collaborative volunteering events. In 2017, more than 1,700 Baird volunteers donated 6,000 hours to over 130 organizations globally.

PARTNERING TO MAKE A DIFFERENCE

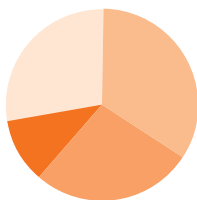
During 2017, we expanded our campaign in support of United Way to 42 Baird locations across the U.S. The campaign raised a record \$4.3 million – a strong affirmation of our firm and our associates' commitment to making our communities better, stronger and healthier.

Baird Foundation supports organizations aligned with health and human services, education, the arts and diversity, especially those where our associates are actively involved. The Foundation also makes matching and charitable gifts to enhance our associates' personal donations. More than 76% of Baird associates requested matching gifts in 2017, amplifying our collective impact.



Giving Back

Baird Foundation contributed \$3.1 million to qualified nonprofits in 2017.



- Arts: 11%
- Education: 29%
- Health and Human Services: 34%
- Other*: 26%

*Includes ethnic, religious, environmental, professional and youth organizations.

Leadership

The 20 members of our Executive Committee average more than 20 years of experience at Baird. Their tenure provides our firm with a continuity of leadership, strategic vision and client focus that enables us to serve as a strong partner across all market cycles.

EXECUTIVE COMMITTEE

Steven G. Booth*
President &
Chief Executive Officer

Timothy P. Byrne
Chief Information Officer

Erik C. Dahlberg
Executive Director—
Private Wealth Management

Leslie H. Dixon
Chief Human
Resources Officer

Brian S. Doyal
Co-Head of Global
Investment Banking

Jon A. Langenfeld
Head of Global Equities
and Director of Research

Patrick S. Lawton*
Director of Fixed Income
Capital Markets

C.H. Randolph Lyon
Vice Chairman

William W. Mahler*
Chairman of Equity Capital
Markets and Chairman of
Equity Asset Management

Terrance P. Maxwell
Chief Financial Officer

Brian P. McDonagh
Co-Head of Global
Investment Banking

Gordon G. Pan
President of Baird Capital

Paul E. Purcell*
Chairman of the Board
and Chairman of
Baird Capital

Mark A. Roble
Chief Risk Officer

Michael J. Schroeder*
President of Private
Wealth Management

Paul L. Schultz
General Counsel and
Secretary

Russell P. Schwei
Chief Operations Officer

Mary Ellen Stanek*
Director of Asset Management

John G. Taft
Vice Chairman

Jason De Sena Trennert
Chairman and
Chief Executive Officer
of Strategas

*Director of Baird Financial Group

EXECUTIVE MANAGEMENT AND MANAGING DIRECTORS

A full listing of Baird's Executive Management and Managing Directors can be found in the online version of this report at bairdannualreport.com.

Financial Information

Baird Financial Group is the ultimate parent company of all of Baird's global operations. Our primary businesses are wealth management, capital markets, asset management and private equity. We are privately held and employee-owned.

Baird Financial Group: Financial Highlights

	Net Revenues (millions)	Operating Results Operating Income (millions)	Book Value (fully diluted)	Per-Share Data Cash Dividend	Financial Position Total Assets (millions)	Other Data Associates	Financial Advisors
2017	\$ 1,533	\$ 199	\$ 39.77	\$ 2.10	\$ 3,114	3,410	858
2016	\$ 1,390	\$ 155	\$ 34.67	\$ 7.50	\$ 2,613	3,410	877
2015	\$ 1,286	\$ 154	\$ 37.48	\$ 2.00	\$ 2,793	3,312	872
2014	\$ 1,202	\$ 135	\$ 34.87	\$ 1.85	\$ 2,635	3,172	816
2013	\$ 1,069	\$ 117	\$ 31.78	\$ 1.65	\$ 2,259	2,935	727
2012	\$ 961	\$ 100	\$ 28.98	\$ 1.60	\$ 2,340	2,787	698
2011	\$ 925	\$ 86	\$ 27.19	\$ 7.50	\$ 2,264	2,752	694
2010	\$ 847	\$ 84	\$ 31.51	—	\$ 2,414	2,629	680
2009	\$ 718	\$ 62	\$ 28.60	—	\$ 2,159	2,458	650
2008	\$ 680	\$ 71	\$ 26.89	—	\$ 1,140	2,407	592

Financial information does not reflect the consolidation of certain private equity partnerships.

BOOK VALUE: Baird paid cash dividends per share of \$2.10, \$7.50, \$2.00, \$1.85, \$1.65, \$1.60 and \$7.50 in December of 2017, 2016, 2015, 2014, 2013, 2012 and 2011, respectively, which resulted in corresponding decreases in book value. In addition, per-share amounts have been restated to give effect for a three-for-one stock split, effective November 30, 1999, and a two-for-one stock split, effective February 19, 2008.

UNITED STATES

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