

# ANNUAL DISCLOSURE NOTICE

This notice contains important information regarding your account with Robert W. Baird & Co. Incorporated (“Baird” or “we”). Please read it carefully and contact your Baird Financial Advisor with any questions.

## **Changes in Your Financial Situation and Investment Objectives**

Please promptly inform your Baird Financial Advisor of any changes in your financial situation, investment objectives, employment, home address or tax status. In addition, if Baird has investment discretion over your account, please inform your Baird Financial Advisor if you would like to impose any reasonable restrictions on the management of your account or to modify any existing restrictions.

## **Client Instructions**

Be sure to review and discuss your permanent account-level instructions, if any, regularly with your Baird Financial Advisor. Eligible clients and accounts may now instruct Baird to effect certain money movement transactions via Baird Online. Please contact your Baird Financial Advisor for more details.

## **Customer Due Diligence**

FinCEN Bank Secrecy Act rules regarding customer due diligence requirements obligate Baird to identify and verify the identity of control persons and beneficial owners of legal entity customers and you agree to provide, upon Baird’s request, certain identifying information regarding your control person(s) and beneficial owner(s) to the extent required by such rules.

## **Regulation Best Interest/Form CRS**

Under Regulation Best Interest, Baird and Baird associates, when making a recommendation of any securities transaction or investment strategy (including account recommendations) to a retail customer, must act in the best interest of the retail customer at the time the recommendation is made, without placing the financial or other interest of Baird or the Baird associate ahead of the interest of the retail customer. Regulation Best Interest applies when Baird and the Baird associate is acting in a broker-dealer capacity. When Baird or a Baird associate is acting as investment advisor for a client, Baird and the Baird associate are subject to a fiduciary duty, comprising a duty of care and a duty of loyalty, requiring them to act in a similar manner. The best interest standard of conduct under Regulation Best Interest

requires Baird to comply with a disclosure obligation, a care obligation, a conflicts obligation and a compliance obligation. In addition, Baird is required to deliver a Client Relationship Summary (or Form CRS) to retail customers. Baird has prepared a Client Relationship Booklet that includes the Client Relationship Summary and the disclosures required under Regulation Best Interest. For a copy of Baird's Client Relationship Booklet and for other useful information to guide you in making account and investment decisions, please visit [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

## **Types of Baird Accounts, Services Offered, and Fees and Commissions**

Baird offers to customers and clients both brokerage services and investment advisory programs and services. Depending upon your particular needs and goals, you may have 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. The types and levels of services provided to brokerage accounts and advisory accounts differ, and how Baird and your Baird Financial Advisor are compensated for providing those services also differs. For brokerage accounts, services are generally limited to providing custody of account assets, execution of securities transactions and other customary brokerage services, and Baird and your Baird Financial Advisor typically earn transaction-based compensation in the form of commissions, sales charges and trail fees for providing those services. For advisory accounts, the types and levels of services differ depending upon the advisory program or service selected for the account, but such services generally include investment recommendations, ongoing account monitoring, custody of account assets, execution of securities transactions and other customary brokerage services. For advisory accounts, clients typically pay Baird and their Baird Financial Advisor an ongoing quarterly fee based on a percentage of the assets in the account. Commissions, markups and markdowns charged for transactions in brokerage accounts are disclosed as required on your transaction confirmations, electronic copies of which are posted to your Baird Online account. If you are participating in an investment advisory program offered by Baird, the compensation you pay to Baird is described in your Client Relationship Agreement. Actual fees charged to your account for the services provided are detailed in your account statements.

It is important that you fully understand the characteristics of the accounts and services provided to you by Baird and your Baird Financial Advisor and the account options available when investing through Baird.

Please consult with your Baird Financial Advisor in the event you have any questions regarding charges to your account, the services provided or the types of accounts available. Additional important information about Baird, including the services it provides, the costs of those services, and potential conflicts of interest, is contained in Baird's Client Relationship Agreement and Client Relationship Details document, and, for advisory services, in Baird's Form ADV Part 2A Brochure. Copies of those documents are available at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

## **Account Fees and Service Charges**

Clients with brokerage and advisory accounts with Baird 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 an order handling fee for your brokerage transactions. In certain situations, some account fees and other charges may be waived. You may also be subject to wire transfer fees, securities transfer fees, investment conversion fees, and other charges imposed by us or other third parties providing services

to you. You are also responsible for paying the fees and charges imposed by third parties, if any, that have custody of your investments or execute transactions for your account. A schedule of our account fees and other charges is available on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

## **Cash Sweep Program**

Baird offers a Cash Sweep Program in which clients who elect to participate authorize and direct Baird to automatically “sweep” or deposit all of the uninvested cash in their Baird account into one or more FDIC-insured, interest-bearing deposit accounts at one or more participating banks.

The interest rate clients receive on their bank deposit accounts are tiered based on the aggregate value of the accounts within a client’s household, with clients with higher household account values receiving a higher interest rate than those with lower household account values. Current information on the applicable tiers and interest rates is available at [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps). By using multiple participating banks, the program seeks to provide aggregate FDIC insurance protection for a client’s cash balances of up to \$2,500,000, or \$5,000,000 for joint accounts, (the “Aggregate Deposit Limit”). The participating banks are organized into a number of priority lists, divided by state or geographic region, 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 applicable priority list is based on the state shown on the address for the client’s account that the client provided to Baird. Uninvested cash in a client’s Baird account is deposited into each of the deposit accounts at the banks in the order set forth on the priority list applicable to the client, until the amount approaches the FDIC insurance limit (\$250,000 for most account types and \$500,000 for joint accounts). Once cash approaches the FDIC insurance limit for a client’s account at one bank, additional cash is swept into a deposit account at the next bank on the priority list until the amount deposited at the next bank approaches the FDIC insurance limit, and so on, until the Aggregate Deposit Limit is reached. Any client cash balances in excess of the Aggregate Deposit Limit are automatically invested in a Dreyfus money market mutual fund. For ERISA plan accounts, all of the cash in their Baird accounts is automatically invested in a Dreyfus money market mutual fund. In addition, clients with aggregate cash balances of \$5 million or more across all of their Baird accounts within the same household may elect to have all or any portion of their cash balances automatically moved into a Dreyfus money market mutual fund. Please note that investments in a money market mutual fund are not insured by the FDIC but, like other securities, are protected by SIPC coverage up to applicable limits. Under the Cash Sweep Program, the interest rates that clients receive on their cash balances in bank deposit accounts are tiered, based on the aggregate value of the accounts within the client’s household, with households with larger aggregate account values receiving a higher interest rate than those with smaller aggregate account values. It is intended that each account within the same household will receive the same interest rate on their bank deposit account balances regardless of the bank(s) holding their deposits. A third-party administrator assists in the administration of the program. The bank deposit accounts are held in Baird’s name as agent for the exclusive benefit of its customers and are not held in the name of each client. Deposits, withdrawals and other transactions may only be made by clients through Baird and not directly with the banks. Each deposit account is a direct obligation of the participating bank and is not directly or indirectly an obligation of Baird.

Baird receives compensation for the administrative, accounting, recordkeeping and other services it provides in connection with the Cash Sweep Program, which is generally remaining after deducting the interest paid to clients on their cash and the administrator’s

fee from the total interest that the participating banks agree to pay on the aggregate client deposits (the “bank all-in rate”). 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. Baird’s compensation as applied to all clients, except for IRA advisory clients, will not exceed the following annual percentage for the relevant client household value tier: 3.60% for clients with household account values of less than \$1,000,000; 2.45% for clients with household account values from \$1,000,000 to \$1,999,999; 2.00% for clients with household account values of \$2,000,000 to \$4,999,999; and 1.75% for clients with household account values of \$5,000,000 or above. This 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.

For IRA advisory accounts, Baird’s compensation consists of a monthly per account fee (not to exceed \$19.00 per month) that applies to IRA advisory accounts, which is generally paid out of the bank all-in interest and therefore does not appear on client account statements. The monthly per account fee schedule is available at [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps).

Baird’s compensation from the Cash Sweep Program is directly related to the Fed Funds Target Rate and will vary with changes in that rate. The compensation that Baird earns on the Cash Sweep Program 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 cash balances in the Cash Sweep Program. Clients with investment advisory accounts will pay both the asset-based fee on all of the assets in those accounts, including cash, which means that Baird receives both the asset-based advisory fee and compensation under the Cash Sweep Program on cash balances. Advisory account clients may choose to maintain their cash balances in a brokerage account in which there is not an asset-based fee. Money market mutual funds and other cash equivalent or cash alternative investments may be purchased outside the Cash Sweep Program.

The banks participating in the Cash Sweep Program, the bank priority lists that apply to the cash balances in clients’ accounts and the interest rates that are paid on those cash balances may change from time to time following notice provided on Baird’s website for the Cash Sweep Program at [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps). For more information about the Cash Sweep Program, the participating banks, bank priority lists, and current interest rates or yields, see [rwbaird.com/cashsweeps](http://rwbaird.com/cashsweeps).

## **FDIC Insurance**

The FDIC, an independent agency of the U.S. Government, provides insurance protection for bank deposits up to applicable limits. 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 Cash Sweep Program, client cash balances can be spread among several banks, providing the potential for FDIC coverage greater than that which the clients would have if their cash deposits were held only in a single bank. Under the Cash Sweep Program, Baird will not deposit cash for a client in any participating bank in excess of \$250,000 for most account types (or \$500,000 for joint accounts with two or more owners) and by using multiple banks the program currently seeks to make available aggregate FDIC insurance protection for client balances in the participating banks of up to \$2,500,000 for most account types (or \$5,000,000 for joint

accounts with two or more owners). Client cash becomes eligible for deposit insurance immediately when a bank accepts the deposits into the bank deposit accounts. Because balances in any accounts or deposits that a client may maintain in the same insurable capacity directly with a particular bank, or indirectly through an intermediary (such as Baird in the Cash Sweep Program or another broker-dealer), in the same insurable capacity are aggregated for purposes of the FDIC insurance limit, it is important for clients to monitor the total amount of deposits that they have with each bank in order to determine the extent of FDIC insurance coverage available to them. Baird does not take responsibility for knowing a client's bank deposit account balances outside of the client's Baird account or the names of the banks holding those balances. However, clients may designate banks as ineligible to receive their cash under the Cash Sweep Program.

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

### **Electronic Funds Transfer Services and Cash Management Program Debit Card**

The following information pertains to clients of Baird who hold the Cash Management Program Debit Card or transfer money electronically to or from Baird.

If you believe your Baird Account Statement or Electronic Funds Transfer (EFT) terminal receipt is incorrect, or if you need more information about a transaction listed on a Baird Account Statement or EFT terminal receipt, telephone Baird at 888-792-7526, 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, P.O. Box 139, Milwaukee, WI 53201-0139. Baird must hear from you no later than 60 calendar days after the first Baird Account Statement was sent on which the problem or error appeared. Please provide Baird with the following information:

- Your name, address, phone number and Baird account number
- A description of the error or the EFT transfer you are unsure about, and why you believe it is an error or more information is needed
- The dollar amount of the suspected error

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

Please note that Baird is not responsible for any transfers of money out of your Baird account that are made in accordance with your request. You need to be confident in the accuracy of your instructions before any requesting of transfers.

Baird will determine whether an error occurred within 10 business days after Baird receives notice from you and will correct any error 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 your complaint or question. If Baird decides to do so, Baird will credit your Baird account within

10 business days for the amount you think is in error, so that you will have the use of the money during the time it takes Baird to complete Baird's investigation. However, if Baird asks you to put your complaint or question in writing and Baird does not receive it within 10 business days, Baird may not credit your Baird account.

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

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

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

### **Deposits Into Your Baird Account**

Pursuant to Baird's internal policy, deposits into your Baird account made by check will be subject to a minimum hold period of seven business days before being available for withdrawal.

### **Transfer of Securities Into Your Baird Account**

Baird may prohibit the transfer in of low-priced non-exchange-traded securities and securities subject to the Depository Trust Company's "Global Lock" or "Deposit Chill" restrictions due to regulatory concerns and concerns that the securities are not freely transferable. Baird may also prevent or limit the purchase or sale of certain, non-exchange-traded securities with regulatory concerns. Baird may also require that certain securities be transferred out of a Baird account at any time, and the failure to transfer the securities in a timely manner may result in Baird requesting that the security be converted to certificate form. See the Direct Registration of Securities section below for more information.

### **Direct Registration of Securities**

Requests for physical stock certificates are processed through the Direct Registration System (DRS). DRS offers the ability to maintain direct ownership electronically on the books and records of the transfer agent of the issuer. Once a DRS account has been established, the security will no longer be reflected on your Baird statement and you will begin to receive statements from the transfer agent. If an issuer does provide physical certificates, you may obtain a stock certificate by contacting the transfer agent identified on the DRS statement.

Additional information regarding DRS and the best options for holding securities may be found at [sec.gov/investor/pubs/holdsec.htm](http://sec.gov/investor/pubs/holdsec.htm).

### **Federal and State Tax Withholding for Retirement Accounts**

Your federal and state income tax withholding election for distributions from your individual retirement account or qualified retirement plan may be changed at any time by contacting your Baird Financial Advisor. Please note that if you do not have enough federal and state income tax withheld, you may be responsible for payment of estimated taxes, and certain penalties may apply.

### **IRA and Retirement Plan Clients**

An IRA rollover may be an appropriate solution for certain clients. Because each situation is different, it is important that you understand your options as well as the benefits and costs associated with rolling your retirement plan into a Baird IRA account. Baird and Baird Financial Advisors have a financial interest when persons establish IRA rollovers at Baird because it will result in compensation to Baird. As a matter of firm policy, Baird Financial

Advisors are prohibited from making rollover recommendations to rollover your retirement plan assets to Baird, although they may provide education and information about the benefits and disadvantages of an IRA rollover.

For more information on IRA rollovers, please see the Important Information about Rollover IRAs document that is available at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

## **Foreign Securities**

Clients who own certain foreign securities or American Depositary Receipts (collectively, "Foreign Securities") may have their ownership rights with respect to such securities restricted under the laws of certain jurisdictions or may otherwise be subject to procedures to collect and transmit proxy votes with respect to such securities. For example, as a precondition to exercising proxy voting rights, certain Foreign Securities may need to be "blocked" or otherwise prohibited from trading for a specified time period. In such an event, Baird must make arrangements with the Depository Trust Company or other third parties for the blocking of eligible shares. A Client who owns a Foreign Security eligible to proxy vote subject to blocking must notify Baird in writing at least five business days prior to any required blocking date. While blocked, Client may not give any sale or transfer instructions with respect to blocked shares.

In addition, pursuant to certain foreign laws, Client's proxy votes will not be accepted unless Baird discloses certain information regarding Client to the issuer of the Foreign Securities. Client should reference the Client Relationship Agreement in effect between Client and Baird or contact Client's Baird Financial Advisor for more information.

## **Information Regarding the Routing of Your Equity Orders**

Certain equity securities orders may be routed to other broker-dealers or exchanges for execution. Each quarter, Baird prepares a summary discussing orders routed away for execution, including the type and the identity of the securities broker-dealers or exchanges receiving such orders. This summary is available by clicking the Routing of Equity Orders link on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor). A copy of the most recent quarterly summary is also available to you upon request. You may also request the identity of the broker-dealer or exchange executing your trade and the associated time of execution on any of your equity trades placed within the last six months.

## **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 securities prior to maturity. A description of these allocation procedures can be found in the Callable Lotteries at Baird document available at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor). Additionally, a hard copy of Baird's allocation procedures is available upon your request, or you may contact your Baird Financial Advisor for more information.

## **Odd Lot Trading**

Please be reminded that the following actions are prohibited:

- Unbundling round lots for the purpose of entering odd lot orders.
- Failing to aggregate odd lot orders into round lots when such orders are for the same account or for various accounts in which there is a common monetary interest.
- Entering both buy and sell odd lot limit orders in the same stock before one of the orders is executed for the purpose of capturing the spread in the stock.

- Other types of trading activity in odd lot orders that are not consistent with traditional odd lot investment activity, including index arbitrage, certain types of program trading or any pattern of activity that would suggest day trading.

## Extended Hours Trading

Clients should consider the following items 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 Time for trades in equity securities and 8:00 a.m. and 6:30 p.m. Eastern 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.

## **Large Orders**

Pursuant to FINRA Rule 5320, Baird may trade on a proprietary basis at prices that would satisfy a client order or 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.

## **Best Execution / Limit Up-Limit Down**

While Baird complies with its best execution obligations with respect to all client orders, clients should be aware that the execution of some orders may be delayed because of Baird's obligations pursuant to Rule 611 under Regulation NMS, as a result of such orders failing to meet proscribed criteria for execution outside of Limit Up/Limit Down bands. Such orders may not be executed until they are within the specified bands.

## **Penny Stock Risks**

Penny stocks are securities issued by a very small company trading at less than \$5 per share, but also include certain private company securities with no active trading market. Penny stocks are typically quoted over-the-counter but may also trade on securities exchanges, including foreign exchanges. Due to potentially infrequent trading, penny stocks may be difficult to sell once owned and it may be problematic or impossible to attain accurate pricing due to difficulties in obtaining quotations. Therefore, penny stocks are considered speculative investments and investors should be prepared for the possibility of losing their whole investment (or an amount greater if purchased on margin).

## **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; 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.

## **FINRA Broker Check**

In accordance with the Financial Industry Regulatory Authority conduct rule pertaining to investor education and protection, we are providing our clients with the following information.

- The FINRA Broker Check Hotline telephone number is 800-289-9999.
- The FINRA website address is [finra.org](http://finra.org).

For a copy of a brochure that includes important information concerning FINRA Broker Check, call the FINRA Broker Check Hotline or visit the FINRA website at [finra.org](http://finra.org).

## **Business Continuity**

Baird has a business continuity program in place to help ensure safety, continuity of service, and support for our clients and associates. The program includes periodic evaluation of risk and control, business impact analysis, business continuity strategy, emergency response planning, crisis management planning, business continuity planning and periodic plan maintenance. Various rehearsal exercises are conducted throughout the year to evaluate our readiness. Audits of the business continuity program are performed, as needed, and progress is reported to a Business Continuity Steering committee.

Each department has a business continuity plan that contains procedures for response, recovery and resumption of critical business processes. Department plans include contact information for associates, vendors and critical business partners; business process detail with necessary applications/systems; recovery strategies for various disruption types including personnel, facility, technology, market and third-party disruptions. This information is updated periodically and is available off site electronically and through hard copy. A plan may be invoked in whole or in part, depending on the severity of the incident and the functional areas affected. It is the firm's objective to continue business during any foreseeable disruptive event and to provide clients prompt access to their funds and securities.

Emergency response procedures are in place for building evacuation and weather emergencies at our headquarters as well as other Baird offices. Regular drills are in place to exercise these procedures. Communication and direction throughout any incident is coordinated through the Crisis Management team and escalated to the Executive Committee if needed.

Alternative sites have defined workspace that can be used for the recovery of certain trading and related clearance and settlement as well as other functions. Transfer of work or space will be provided at various Baird sites to accommodate other department recovery teams. The alternate Baird sites are at locations that give us the ability to recover from disruptions affecting various locations, including our headquarters building and its surrounding area, as well as city-wide and regional events. In addition, our primary client information service vendor is highly resilient and gives us the ability to process orders and otherwise service our clients from Baird sites not experiencing a disruption. They also have a business continuity plan in place that provides for data backup and redundancy. They test their recovery capability regularly.

In the event of a power disruption at our corporate headquarters, we have alternate power generation capability sufficient to support our trading, information technology and critical clearance and settlement functions. In addition, these functions are covered at several other Baird locations. Longer-term disruptions may require relocating personnel to other Baird sites.

Our main telephone system is redundant across multiple locations. In the event of branch office outages, phone calls can be directed through Baird's software-based phone system or our corporate headquarters, where designated Financial Advisors can assist clients with their investment needs.

Baird utilizes multiple data centers spread across many geographies around the world including third party cloud partners. Critical systems are architected with redundancy, which allows for

continuous or failover operation in the event of hardware or network failures. System backups are performed for recovery purposes and stored at alternate locations.

Baird's business continuity plan, which is comprised of each department's business continuity plan, is rehearsed regularly. Auto notification and emergency communications exercises are run on a regular basis. Generator tests occur monthly while IT technical recovery rehearsals are conducted as necessary. The plan is reviewed by executive senior management on an annual basis and is monitored by Baird's dedicated business continuity team. The plan is updated throughout the year and in the event of any material change to the firm's operations, technology, structure, business or location.

If you have any questions or concerns, please contact your Financial Advisor or call us toll-free at 800-792-2473 and ask for the Manager of Business Continuity.

### **Securities Investor Protection Corporation ("SIPC") and Safety of Client Assets**

In accordance with FINRA Rule 2266, clients may obtain information about SIPC, including investor FAQs and SIPC brochures:

- By visiting the SIPC website at: [sipc.org](http://sipc.org)
- By telephone at 202-371-8300

Additional information regarding the safety of client assets at Baird is also available at: [rwbaird.com/help/safety-of-client-assets/](http://rwbaird.com/help/safety-of-client-assets/)

### **Other Important Information**

#### *Municipal Securities*

For more information regarding the purchase, sale or holding of municipal securities, including material event notices, financial disclosure and Official Statements, please visit [emma.msrb.org](http://emma.msrb.org). Baird is registered with the Municipal Securities Rulemaking Board ("MSRB") and the SEC as a municipal securities dealer and a municipal advisor. The MSRB's website, at [msrb.org](http://msrb.org), features an Education Center with valuable information for investors about municipal bonds.

#### *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 holding 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 advisor under the Advisers 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.

## Privacy Notice

FACTS	WHAT DOES BAIRD DO WITH YOUR PERSONAL INFORMATION?
<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>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <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.

Reasons we can share your personal information	Does Baird share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes – information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes – information about your creditworthiness	No	N/A
For our affiliates to market to you	No	N/A

<p><b>For nonaffiliates to market to you – only for financial advisors that leave Baird.</b> Robert W. Baird &amp; 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 &amp; 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.</p>	Yes	Yes
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<p><b>To limit our sharing</b></p>	<p>Call (toll free) 1-800-792-2473 or email <a href="mailto:privacy@rwbaird.com">privacy@rwbaird.com</a>          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.</p>
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<p><b>Questions?</b></p>	<p>Call (toll free) 1-800-792-2473 or go to <a href="http://rwbaird.com">rwbaird.com</a></p>
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<p><b>Who we are</b></p>	
<p><b>Who is providing this notice?</b></p>	<p>Robert W. Baird &amp; Co. Incorporated and Baird Trust Company</p>

<p><b>What we do</b></p>	
<p><b>How does Baird protect my personal information?</b></p>	<p>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.</p>
<p><b>How does Baird collect my personal information?</b></p>	<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>

<p><b>Why can't I limit all sharing?</b></p>	<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>
<p><b>What happens when I limit sharing for an account I hold jointly with someone else?</b></p>	<p>Your choices will apply to everyone on your account.</p>

## Definitions

<p><b>Affiliates</b></p>	<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>
<p><b>Nonaffiliates</b></p>	<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>
<p><b>Joint marketing</b></p>	<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; email: BCPINFO@ag.state.nv.us. Robert W. Baird & Co. Incorporated, 777 East Wisconsin Avenue, Milwaukee, WI 53202; Phone Number: 800-792-2473; email: Click on "Contact Us" in the top right corner at [rwbaird.com/privacy](http://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 websites and/or online services (including mobile applications). This information includes, but is not limited to, customer names, email 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 websites 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 websites 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 [rwbaired.com/globalassets/pdfs/help/ccpa-addendum-to-privacy-notice.pdf](http://rwbaired.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@rwbaired.com](mailto:privacy@rwbaired.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 policyholders 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 [rwbaird.com/help/privacy-notice](http://rwbaird.com/help/privacy-notice)



800-79-BAIRD  
[rwbaird.com](http://rwbaird.com)

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