

**Investment Adviser Brochure
Part 2A of Form ADV**

Baird Capital Management Company, LLC

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This brochure provides information about the qualifications and business practices of Baird Capital Management Company, LLC. If you have any questions about the contents of this brochure, please contact Nicholas Pruhs at (414) 298-5904 or NPruhs@rwbaird.com. The Information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Baird Capital Management Company, LLC is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Such registration does not imply a certain level of skill or training. Additional information about Baird Capital Management Company, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

Baird Capital Management Company, LLC

Since the last update to the Form ADV Part 2A (the “Brochure”) on March 30, 2023, there have been no material changes to this Brochure.

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Item 4. Advisory Business

Baird Capital Management Company, LLC (“Baird Capital Management”), is a Delaware limited liability company and registered investment adviser that began operations in October 2022. Baird Capital Management and its affiliated registered investment advisers provide investment advisory services to private fund clients.

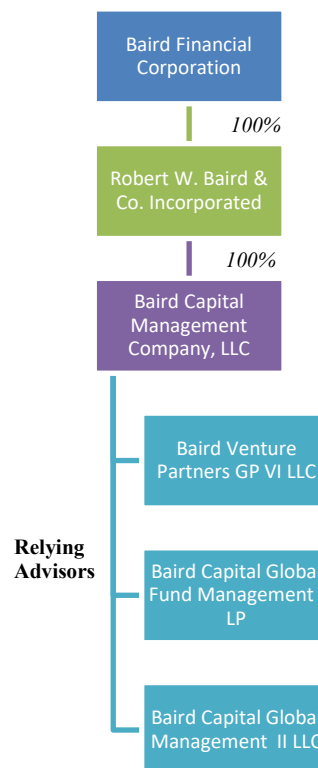
Baird Capital Management’s clients include Baird Venture Partners VI (defined below), Global Fund I (defined below), and Global Fund II (defined below) (collectively, and together with any future private investment funds managed by Baird Capital Management, the “Funds”).

Baird Capital Management Advised Funds

- Baird Venture Partners VI consists of Baird Venture Partners VI LP along with related parallel vehicles BVP VI Special Affiliates Fund LP and BVP VI Affiliates Fund LP and any related alternative investment vehicles (collectively, “Baird Venture Partners VI”). Baird Venture Partners VI’s general partner, Baird Venture Partners GP VI LLC, relies on Baird Capital Management’s investment adviser registration in accordance with SEC guidance under the Advisers Act.
- Global Fund I consists of Baird Capital Global Fund I LP along with related parallel vehicles Baird Capital Global Fund I - DE LP, BCGF I Special Affiliates LP, and BCGF I Affiliates Fund LP and any related alternative investment vehicles (collectively, “Global Fund I”). The Global Fund I’s general partner, Baird Capital Global Fund Management I LP, relies on Baird Capital Management’s investment adviser registration in accordance with SEC guidance under the Advisers Act.
- Global Fund II consists of Baird Capital Global Fund II Limited Partnership along with related parallel vehicles BCGF II Special Affiliates LP and BCGF II Affiliates Fund LP and alternative investment vehicles (collectively, “Global Fund II”). The Global Fund II’s general partner, Baird Capital Global Fund Management II LLC, relies on Baird Capital Management’s investment adviser registration in accordance with SEC guidance under the Advisers Act.

Baird Capital Management and the general partners of the Funds (collectively, the “Adviser”) are operated as a single advisory business formed by Baird Capital, the U.S. based venture capital and global private equity business unit of Robert W. Baird & Co. Incorporated (“Baird”). Baird is a broker-dealer and investment advisory firm founded in 1919 and is based in Milwaukee, Wisconsin. Baird Capital Management is 100% owned by Baird. Baird Financial Corporation (“BFC”) owns 100% of Baird. Baird Financial Group, Inc. is a holding company that owns 100% of BFC. Shares of Baird Financial Group, Inc. are 95% owned by employees of Baird and its affiliates with no individual employee owning greater than 2% of the outstanding shares.

The Adviser provides investment advisory services to the Funds that consists of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for such investments. Baird Capital Management tailors its advisory services in accordance with each Fund’s investment strategy as disclosed in such Fund’s offering documents. The Adviser provides advisory services to the Funds and does not tailor its advisory services to the needs of individual Fund investors, nor does it permit individual Fund investors to impose restrictions on investing in certain securities or types of securities. Further specific details of the Adviser’s services are set forth in the Funds’ respective private placement memoranda, investment flipbook, partnership agreement, subscription agreements, or other offering documents (collectively, the “Fund Documents”) and are further described below in Item 8, “*Methods of Analysis, Investment Strategies and Risk of Loss.*” As of December 31, 2023, the Adviser managed approximately \$837.6 in client assets on a discretionary basis with no assets managed on a non-discretionary basis.



The Adviser has entered into, and may in the future enter into, side letters or other similar agreements with certain investors that provide such investors with rights that are more favorable to those offered other investors under the Fund's partnership agreement or subscription agreement. Such rights or alterations could be regarding economic terms, fee structures, excuse rights, information rights, investment limitations, co-investment rights (including the provision of stated co-invest opportunities or priority allocation rights to, for example, limited partners who have capital commitments in excess of certain thresholds to one or more Fund), or transfer rights, among others. Any rights established or any terms altered or supplemented will govern only the investment of the specific investor and not the terms of a Fund as whole. Further, most side letters or other similar arrangements provide such investors with "most favored nations" rights pursuant to side letters entered into with other investors in that Fund.

Investors in the Funds participate in the overall investment program for the applicable Fund but could be excused from a particular investment due to legal, regulatory or other applicable constraints. The Adviser has offered and may in the future offer certain investors or other persons, including operating partners or advisors, the opportunity to invest directly in a portfolio company. The Adviser has discretion in offering such investment opportunities in accordance with the Funds' partnership agreements, and such investment opportunities typically will be offered to some and not to other Fund investors or third parties.

The information provided above about the investment advisory services provided by the Adviser is qualified in its entirety by reference to the Fund Documents of the Funds.

Item 5. Fees and Compensation

As detailed below, the Adviser typically receives management fees and a performance-based fee in the form of carried interest in connection with the provision of investment advisory services to the Funds. Generally, investors in a Fund are assessed management fees quarterly in advance until the termination of the respective Fund. Installments of the management fee payable for any period other than a full quarterly period are adjusted on a pro-rata basis according to the actual number of days in such period. If the investor has specified an account at Baird, after the general partner gives notice of a capital call to the investor, Baird will deduct fees and other expenses from the investor's account on the date of the capital call. If the investor does not have an account at Baird, the general partner will notify the investor as to when such capital call, inclusive of any fees and expenses, is payable via wire transfer. Refunds, if any, of pre-paid fees are credited by the Adviser to the investor's Baird account or paid via wire transfer. Investors in the Funds also bear certain Fund expenses as further described below. Except for rare circumstances described in the applicable partnership agreement of each Fund or in an investor's side letter, investors generally are not permitted to withdraw or redeem interests in the Funds.

Management and Performance-Based Fees

Baird Venture Partners VI - Commencing as of the effective date, and during the investment period of Baird Venture Partners VI, the fund will pay an annual management fee equal to 2.0% of aggregate commitments. In addition, commencing with the 12-month period beginning on the first management fee due date after the expiration of the investment period or earlier upon the occurrence of certain events as set forth in the Fund's partnership agreement, and for each succeeding 12-month period, the management fee will be reduced to 90% of the management fee for the immediately preceding 12-month period (calculated without giving effect to any reduction in the management fee on account of fees received by a Baird Person, as defined in the Funds' partnership agreement); provided that, commencing with the first management fee due date after the expiration of the Fund's initial 10-year term, the management fee will equal 2.0% per annum of the aggregate amount of investment contributions with respect to the portion of each investment that has not been disposed of or completely written off for U.S. federal income tax purposes; provided further that investments in a portfolio company that have been disposed of or completely written-off for U.S. federal income tax purposes will be treated as such only to the extent that, as of the date of any such disposition or write-off, the aggregate value of all remaining Fund investments in such portfolio company is less than the Fund's aggregate investment contributions made with respect to all existing and former investments in such portfolio company.

The management fee will commence as of the Fund's effective date, regardless of when a limited partner of a Fund is admitted. Limited partners will be assessed management fees retroactive to the effective date. The management fee will be paid out of current income and disposition proceeds of the Fund and, in the discretion of Fund's general partner, from drawdowns that will reduce unfunded commitments.

Unless otherwise approved by the advisory committee for the Fund, the management fee payable in any quarterly period shall be reduced by an amount equal to 100% of any Transaction Fee (as defined in the applicable Fund's partnership agreement) received by a Management Person (as defined in the applicable Fund's partnership agreement) during the immediately preceding quarterly period.

The Fund's general partner receives a performance-based fee in the form of carried interest from investors equal to 20% of distributions that exceed the limited partners' aggregate capital contributions.

Global Funds I and II - Commencing on each Fund's respective effective date and during its investment period, the Fund will pay an annual management fee, payable quarterly in advance, equal to 2% of aggregate commitments held by limited partners not designated as "exempt partners" by the general partner (as defined in each Fund's partnership agreement). In addition, commencing with the first management fee due date after the expiration of the investment period or earlier upon the occurrence of certain events as set forth in the partnership agreement, the management fee will equal 2% of (i) the aggregate investment contributions, less (ii) the aggregate amount of investment contributions with respect to the portion of each investment that has been disposed of or completely written off for U.S. federal income tax purposes, in each case with respect to limited partners not designated as "exempt partners"; provided that investments in a portfolio company that have been disposed of or completely written off for U.S. federal income tax purposes will be treated as such for this purpose only to the extent that, as of the date of any such disposition or write-off for U.S. federal income tax purposes, the aggregate fair market value of all remaining Fund investments in such portfolio company is less than such Fund's aggregate investment contributions made with respect to such portfolio company.

The general partner has negotiated a fee arrangement with an investor who is designated as an "exempt partner" as defined in the partnership agreement of Global Funds I & II. Such arrangement provides for the "exempt partner" to pay an annual management fee equal to 1.5% as compared to a 2.0% annual management fee paid by all other limited partners of these funds (i.e., the non-exempt partners). Computation of the fee is otherwise the same as for all other limited partners in the funds.

Unless otherwise approved by the advisory committee for the applicable Fund, the management fee payable in any quarterly period shall be reduced by an amount equal to 80% of any Transaction Fee (as defined in the applicable Fund's partnership agreement) received by a Management Person (as defined in the applicable Fund's partnership agreement) and allocable to the applicable Fund during the immediately preceding quarterly period.

After the limited partners have received a return of its aggregate investment and cost contributions and an 8% compounded annually preferred return, the general partner will receive a carried interest or performance fee from investors in the Fund equal to 20% of all realized profits (as more fully described in the Partnership Agreement, including a "catch up" mechanism for the general partner). The "exempt partners" will pay a carried interest or performance fee of 16%, which is less than the 20% carried interest applicable to non-exempt partners (i.e., all other partners).

Expenses Charged to Funds

Each Fund bears all fees and expenses related to the investment activities and business of the Fund and the administration of the Fund (collectively "Partnership Expenses"). Further, to the extent portfolio companies bear any such expenses – then the Fund will indirectly bear these expenses to the extent of the Fund's ownership of the respective portfolio company. Partnership Expenses are borne pro rata based on commitments in the applicable Fund.

The respective partnership agreements of each Fund provide extensive details of Partnership Expenses that are borne by the Funds and should be read in conjunction with this document to fully understand the breath of the Partnership Expenses. A broad overview of Partnership Expenses is as follows. This list is high-level and is intended to provide a general understanding of the nature and type of fees and expenses charged to the Funds.

- a) *Investment Related Expenses* - to the extent not borne or reimbursed by a portfolio company or potential portfolio company, a general description of investment related fees and expenses is as follows:
 - a. *Investment Sourcing Activities* – activities with respect to originating, identifying, and sourcing investment opportunities for the Fund, whether or not ultimately consummated.
 - b. *Investment Management Activities* – encompass all aspects of pursuing, completing, managing, and exiting investments. Examples of these activities include due diligence, structuring, negotiating, and financing. Numerous services providers are typically engaged in these activities and may include, for example, attorneys, accountants, investment bankers, lenders, and industry experts. In addition, travel and other expenses are incurred in connection with investment management activities. These fees and expenses relate to both investments that are completed and investments that are pursued and not completed (often referred to as "dead deals"). Further, these fees and expenses include potential co-investors' proportionate share of fees and expenses related to any transactions not consummated.
- b) *Partnership administration* – in general, related fees and expenses include:
 - a. Organizational expenses – costs and expenses incurred in connection with the formation and organization of such Fund and its general partner and/or investment manager; subject to a cap defined in the respective partnership agreements. Expenses paid by the Fund in excess of the cap are offset 100% against management fees;
 - b. Placement fees – to the extent paid by a Fund, these fees are 100% offset against management fees;
 - c. Management fees paid by the Fund to the management company or its designated affiliate;
 - d. Professional services (e.g., accounting, tax, audit, etc.);
 - e. Fund administration; and

- f. Other Expenses – such as insurance, reporting and regulatory filings, partnership debt facilities, partnership taxes, limited partner committee and strategic advisory board activities, alternative investment vehicles, legal and government matters.

Note, Fund administration encompasses costs associated with numerous activities such as maintaining a Fund’s accounting and tax records, making capital calls and distributions, maintaining the Funds’ bank accounts, preparation and distribution of financial reports and working with the Funds’ tax advisors on the preparation and distribution of Schedule K-1’s, K-3’s and other tax documents. These services may be provided by any third-party administrator or employees or affiliates of Baird, a Funds’ general partner or Baird Capital Management.

Historically, and the expectation is that going forward, Partnership / Fund administration services have been provided by employees of Baird. As discussed in further detail in the “*Other Fees and Potential Conflicts of Interest*” section below, the Fund agreements provide that Baird and its affiliates are allowed to provide certain of the services, including Fund administration, to the Funds provided that such Fund’s general partner, in its reasonable discretion, believes in good faith that Baird or its affiliates can provide such services at no greater cost than would be the case if third-parties were to provide such services. Baird periodically solicits bids from third-party fund administrators to confirm the costs of these services provided by Baird are, in fact, no greater than would be the case if these services were provided by a third-party.

Partnership Expenses do not include ordinary overhead and administrative expenses that are payable by the Funds’ general partners and/or Baird Capital Management in connection with maintaining and operating their respective offices (including salaries, bonuses and benefits, rent and equipment expenses), to the extent not borne or reimbursed by a portfolio company. The costs of these expenses are covered by management fees paid to Baird Capital Management or its designated affiliate.

In addition, Partnership Expenses do not include expenses solely relating to: (i) the registration of the Adviser as an investment adviser under the Investment Advisers Act, (ii) any Form ADV reporting or the compliance activities of the Adviser as a registered investment adviser; and (iii) any Securities and Exchange Commission examinations of the Adviser.

Other Fees and Potential Conflicts of Interest

Baird and Affiliate Services to the Funds / Fees without Offset – Baird and its affiliates and their respective officers, directors and employees (hereafter “Baird and/or Affiliates”) shall be permitted to provide to the Funds certain of the services (e.g., accounting, brokerage, administration, valuation, tax) and may charge the Funds therefor, provided that such Fund’s general partner in its reasonable discretion believes in good faith that these services can be provided at no greater cost than would be charged by third-party service providers. The general partner is required to provide annually to the LP committee a report listing the aggregate amount of fees (by category of service) paid by the Fund to Baird and/or Affiliates for the preceding fiscal year and any individual fee paid by the partnership to Baird and/or Affiliates that exceeds an amount set forth in the Fund’s respective partnership agreement. Any fees, compensation or payments (including in the form of options, warrants or other rights to purchase investments in a portfolio company or any other non-cash consideration) received by Baird and/or Affiliates in connection with providing these services will not be shared with the Fund or the limited partners and will not reduce management fees payable by the Fund. Baird, in particular, does provide fund administration services to the Funds. The cost of these services is also disclosed in the footnotes to the annual audited financial statements of the Funds.

Baird and Affiliate Services to Portfolio Companies / Fees without Offset - Baird and/or Affiliates shall be permitted to provide certain services (e.g., underwriting or private placement of securities, merger and acquisition advice, investment banking services, other financial advisory services or consulting services) to portfolio companies, provided that, to the extent the Fund exercises decision making authority with respect to such portfolio companies, such services shall only be provided if the Fund’s general partner in its reasonable discretion believes in good faith that Baird and/or Affiliates can provide such services at a reasonable cost as it relates to the value provided to such portfolio company. The general partner is required to provide annually to the LP committee a report listing the aggregate amount of fees (by category of service) paid by portfolio companies to Baird and/or Affiliates for the preceding fiscal year and any individual fee paid by any portfolio company to Baird and/or Affiliates that exceeds an amount set forth in each Fund’s respective partnership agreement. Any fees, compensation or payments (including in the form of options, warrants or other rights to purchase investments in a portfolio company or any other non-cash consideration) received by Baird and/or Affiliates in connection with providing these services will not be shared with the Fund or the limited partners and will not reduce management fees payable by the Fund.

Where a Fund makes minority / non-control investments, as is typical in venture funds, the Fund’s general partner is not in a position to control the service providers used by portfolio companies. However, the Adviser intends to encourage the use of such services of Baird and/or Affiliates when it believes it is in the best interest of the portfolio company.

Baird Associates Compensated for Solicitation of Investors in the Fund – Baird financial advisors refer clients to the Funds and the Funds’ general partners compensate such employees of Baird and/or Affiliates for client referrals that result in the provision of investment advisory services by the Adviser. This compensation, if any, will be paid by the Fund’s general partner and not by the Fund or the Fund’s limited partners. This payment may give Baird and employees of Baird an incentive to recommend an investment in the Fund based on compensation received, rather than on an investor’s needs. To address this potential conflict, the Baird employee recommending the investment in such Fund must make the determination that the investment in the Fund was suitable for that investor. In addition, if the investor’s investment in the Fund is held in a Baird fee-based account, the investor will not be charged an asset-based fee on the value of the investor’s holdings in the Fund.

Other Fee Arrangements – As described above with respect to management and performance fees, certain Funds have entered into, and others in the future may enter into, side letters or similar agreements whereby the Adviser agrees to waive, reduce or vary the management fees or carried interest or other performance fees with respect to one or more investors. Any such waiver, reduction or variation may be more favorable to certain investors than to the investors generally.

Item 6. Performance-Based Fees and Side-By-Side Management

As described in Item 5 “*Fees and Compensation*”, the Funds pay a performance-based fee in the form of carried interest. For Baird Venture Partners VI the Fund’s general partner receives a carried interest equal to 20% of distributions that exceed the limited partners’ aggregate paid-in-capital. For Global Funds I and II, after the limited partners’ have received distributions equal to their aggregate paid-in-capital plus an 8% compounded annually preferred return, the Fund’s limited partners will pay the general partner a carried interest equal to 20% of all realized profits (as more fully described in the Funds’ partnership agreements). The “exempt partners” of Global Funds I and II pay a reduced carried interest of 16%.

The fact that the Funds general partners’ carried interest is based on a percentage of distributions or realized profits may create an incentive for the Adviser to cause the Funds to make riskier or more speculative investments than otherwise would be the case. The significant investment of the members of the Funds’ investment teams (the “Principals”) in their respective Fund and the Principals’ interest in the carried interest, operate to align, to some extent, the interest of the Principals with the interest of the investors. The Adviser does not currently manage any Funds that do not charge a performance-based fee.

Item 7. Types of Clients

Baird Capital Management provides investment advice to the Funds, which are private investment funds. Private investment funds are limited partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the “Investment Company Act”). The investors participating in private investment funds may include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, Principals or other employees of the Funds’ general partners and affiliates. Except for the parallel managed funds created by the Funds’ general partners to allow qualified Baird employees to invest, the minimum commitment of an investor who is an individual is \$250,000 and the minimum commitment of an institutional investor is \$1 million, although investor commitments of lesser amounts may be accepted at the discretion of the general partner.

The Funds’ general partners may establish alternative investment vehicles from time to time in order to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

The Adviser provides day-to-day investment advisory services to the Funds. The following is a summary of the investment strategies and methods of analysis generally used by the Adviser on behalf of the respective Funds. More detailed descriptions of each Fund’s investment strategies and methods of analysis are included in the applicable Fund Documents. There can be no assurance that the Adviser will achieve the investment objectives of each Fund and a loss of investment is possible.

Baird Venture Fund VI

For Baird Venture Fund VI, the Adviser employs a disciplined and differentiated investment strategy with well-defined criteria related to industry sector, company stage, risk/return profile, capital requirements and potential value-add. The Adviser focuses on mid-stage companies that have successfully demonstrated technical or business “proof-of-concept.” The Fund will be focused on the B2B Technology & Services sector. While the Adviser targets leading companies in its core sector on a nationwide basis, it places an emphasis on companies and investment opportunities in the Midwest region. The Fund will also focus on investment opportunities with an executive or syndicate relationship.

The venture capital investment team of the Adviser provides support and strives to add value to growing companies in the following areas:

- **Industry Insight:** The investment team has amassed substantial market information and insights as a result of our long-tenure investing in our target sector;
- **Executive Network:** Baird Capital has developed a network of C-suite executives that can be leveraged as permanent or interim leaders, board members, or advisors for our portfolio companies;

- **Capital Markets:** Baird Capital has deep capital markets transaction experience and a broad network of financial and strategic investor relationships, enabling our investment team to actively assist our portfolio companies with financing strategies, investor sourcing, and mergers & acquisitions; and
- **Active Board Participation:** Baird Capital typically has a board seat on its portfolio company boards and, as such, actively participates in advising management with respect to strategy, management, operational, fund raising and capital markets, etc. The Baird Capital board seat(s) are generally held by an investment team member or another individual selected by Baird Capital.

Baird Capital Management uses Venture Partners. Venture Partners are independent contractors and are not employees of the Adviser, Baird, or any affiliate. Venture Partners receive a retainer fee paid by the Adviser for fund-level strategic advice, investment sourcing assistance, and investment due diligence assistance, and may also be compensated by portfolio companies for services provided directly to the respective company or companies (e.g., board participation, mentoring and advising management, industry expertise, etc.). Compensation paid by portfolio companies to Venture Partners may include but may not be limited to board of director participation fees, stock options or other equity securities and other cash compensation, such as consulting fees. The compensation received by Venture Partners is not offset the management fee paid by the Fund. In addition, Venture Partners may co-invest their own personal capital in portfolio companies.

Global Funds I & II

For Global Funds I & II, the private equity investment team of the Adviser seeks to invest in lower middle market companies that operate within the Funds' two sectors of focus, industrial solutions and technology services, possess strong investment fundamentals and can benefit from Baird Capital's global operating resources and capabilities. The Adviser seeks to increase the value of, and to find desirable exit opportunities for the investments in the Funds. The Adviser seeks to provide returns to investors by:

- a) constructing a diversified portfolio;
- b) focusing on buyout and growth equity investments in lower middle market companies in the U.S. and U.K. as well as companies operating in Asia with operations or growth opportunities;
- c) pursuing a disciplined investment strategy based on well-defined investment criteria set forth by the sector teams;
- d) focusing on fundamental value creation through the use of: (i) dedicated resources focused on best practices and shared spending through application of the portfolio operations toolkit, (ii) Operating Advisors (as described below) support the Adviser and are involved in sourcing investment opportunities, pre-investment operational due diligence and post-investment value creation, and (iii) global resources across the U.S., Europe and Asia that work with portfolio company management to lower costs and increase international market share; and
- e) Baird Capital typically has board seats on its portfolio company boards and, as such, actively participates in advising management with respect to strategy, management, operational, fund raising and capital markets, etc. The Baird Capital board seat(s) are generally held by an investment team member and/or another individual selected by Baird Capital. In the case of majority-controlled investments, Baird Capital will hold the majority of the board seats for that portfolio company.

Baird Capital Management uses Operating Advisors. Operating Advisors are independent contractors and are not employees of the Adviser, Baird, or any affiliate. Operating Advisors receive a retainer fee paid by the Adviser for fund-level strategic advice, investment sourcing assistance, and investment due diligence assistance, and may also be compensated by portfolio companies for services provided directly to the respective company or companies (e.g., board participation, mentoring and advising management, industry expertise, acquisition integration, etc.). Compensation paid by portfolio companies to Operating Advisors may include but may not be limited to board of director participation fees, stock options or other equity securities and other cash compensation, such as consulting fees. The compensation received by Operating Advisors are not offset the management fee paid by the Fund. In addition, Operating Advisors may co-invest their own personal capital in portfolio companies.

Risk of Loss

Each Baird Capital Management Advised Fund and its investors bear the risk of loss that such Fund's investment strategy entails. The discussion below enumerates certain risk factors that apply generally to an investment in a Baird Capital Management Advised Fund, however the following discussion does not describe all of the risks that may potentially be faced by a Baird Capital Management Advised Fund. The performance of the Principals' prior investments is not necessarily indicative of the Funds future results. While the Adviser intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible. Prior to making any investment in a Baird Capital Management Advised Fund, investors should review the applicable Fund Documents for additional information regarding risks and conflicts of interest specific to such Baird Capital Management Advised Fund. These risks include, but are not limited to:

Business Risks - the Funds' investment portfolios will consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Focused Investment Strategy - A specific investment focus is inherently riskier, and the Funds sector focus could cause investments to be more susceptible to particular economic, political, regulatory, technological or industry conditions or occurrences compared with a fund, or a portfolio of funds, which is more diversified or has a broader industry focus.

Investments in Unseasoned Companies - the Funds may invest in privately held companies with limited histories of profit and stability. These companies may require considerable additional capital to develop technologies and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Although the Fund is typically represented by at least one representative on a portfolio company's board of directors and the general partner will monitor the performance of each Fund investment, each portfolio company will be managed on a day-to-day basis by its own management team (who generally will not be affiliated with the Fund or the Adviser). To the extent that the senior management of a portfolio company performs poorly, or if a key manager terminates employment, the Fund's investment in such company could be adversely affected. In addition, although the Fund generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the Fund's objectives. Portfolio companies may have substantial variations in operating results from period-to-period and experience failures or substantial declines in value at any stage.

Competitive Marketplace - the marketplace for private equity and venture capital investing has become increasingly competitive. The activity of identifying, buying and selling such investments is highly competitive, involves a high degree of uncertainty, and is subject in some cases to the prevailing capital market, regulatory or political environment. The Funds will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, governments, individuals, financial institutions, family offices, strategic industry acquirers and other financial investors, including hedge funds, investing directly or through affiliates. Participation by financial intermediaries has increased, substantial amounts of funds have been dedicated to making investments in the private sector and the competition for investment opportunities is at high levels. Some of the Funds' potential competitors may have greater financial and personnel resources than the Adviser. There can be no assurances that the Adviser will locate an adequate number of attractive investment opportunities. To the extent that the Adviser encounters competition for investments, returns to investors in the Funds may vary.

Limited Portfolio Diversification - the portfolio holdings of the Funds will not be broadly diversified. In addition, if a Fund's general partner is unable to raise sufficient capital commitments to the Fund during the fundraising process, the diversification of the portfolio holdings of the Fund will be further limited. A downturn of the economy or in the business of any one company could impact the aggregate returns delivered to the investor by the Fund. To the extent a Fund concentrates investments in a particular issuer, industry, security or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto.

Investment in Junior Securities - while the Funds will principally invest in the most senior securities, some securities in which the Funds will invest may be or become (over time) among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect the Funds' investments once made.

Proprietary Rights - many target portfolio companies rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect proprietary rights. There can be no assurance that the Funds or a portfolio company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop technologies substantially equivalent or superior to a company's technologies or allege patent infringement by a portfolio company. Piracy or any such allegations may adversely affect portfolio company revenue, particularly outside the U.S. in countries where laws are less protective of intellectual property rights. The absence of harmonized patent laws makes it more difficult to ensure consistent respect for patent rights. Reductions in the legal protection for software intellectual property rights could adversely affect portfolio companies.

Third-Party Infringement Claims - the Funds (or an affiliate thereof) or a portfolio company may, from time to time, receive notices from others claiming the Funds (or an affiliate thereof) or such portfolio company has infringed their intellectual property rights. Additionally, portfolio companies may use "open source" software in their products or may use such software in the future. Such open-source software is generally licensed by its authors or other third parties under open-source licenses. Licensing authors or third parties may allege that a portfolio company has not complied with the conditions of one or more of these licenses. To resolve these and other intellectual property infringement claims, the Fund and/or portfolio companies may enter into royalty and licensing agreements on terms that are less favorable than currently available, stop selling or redesign affected products or pay damages to satisfy indemnification commitments with customers. These outcomes may cause operating margins to decline. In addition to money damages, in some jurisdictions plaintiffs can seek injunctive relief that may limit or prevent importing, marketing and selling products that have infringing technologies.

Absence of Liquidity; Current Distributions and Public Markets - the Funds' investments will generally be private, illiquid holdings and, as such, there will typically not be a public market for the securities held by the Funds and no other readily available liquidity mechanism to exit an investment. It typically takes many years for an investment's strategic objectives to be met, if at all, and it is generally expected that a sale or other disposition event will not occur for many years after the initial investment. As such, it is uncertain as to when profits, if any, will be realized. In addition, the realization of profits, if any, from any investments will not be possible or known with any certainty until the Adviser and/or controlling investors elect to sell the investment(s) and subsequently distribute the proceeds, or securities in lieu of cash, to its investors. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The ability to exit from and liquidate portfolio holdings may be constrained at any time due to dependence on factors outside of the Adviser's control. In situations where the Fund does not have outright control over the investment, the decision to sell or exit an investment will depend on agreement by other investors and there can be no guarantee these investors will want to exit the business in a timeframe that coincides with the best interests of the Fund. Before investments are exited, there may be no current return on the investment. Furthermore, the expenses of operating the Fund (including the management fee) may exceed its income, thereby requiring that the difference be paid from the Funds' capital, including, without limitation, unfunded commitments.

In addition, the Fund's partnerships have original terms of 10 years and typically provide for extensions up to an additional two to three years. However, it is not unusual for venture and private equity fund's to have durations that far exceed the 12-13 year lives provided in the partnership agreement due to either circumstances beyond the control of a Fund's general partner or because the general partner, in its discretion and as liquidator of the Fund, believes it is in the best interest to keep the Fund open to liquidate residual assets in a manner to maximize the return to the Fund.

Leverage - leverage generally magnifies both the Funds' opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by the Funds also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. To the extent that any investment is made in a portfolio company with a leveraged capital structure, or any portfolio company borrows or enters into other financing transactions requiring periodic payments, such investment will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such company or its industry. If such a company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, it is possible that the company's lenders may look to the company's investors to assume the company's repayment obligations, and in any event, the value of any equity investment by the Funds in such company could be significantly reduced or even eliminated. Furthermore, should the credit markets be limited or costly at the time the Funds determine that it is desirable to sell all or a part of a portfolio company, the Funds may not achieve an exit multiple or enterprise valuation consistent with its forecasts. The Funds may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable therefor, and in such situations, it is not expected that the Funds would be compensated for providing such guarantee or exposure to such liability. The use of leverage by the Funds also will result in interest expense and other costs to the Funds that may not be covered by distributions made to the Funds or appreciation of its investments. The Funds may incur leverage on a joint and several basis with one or more other investment funds and entities managed by the Adviser or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent the Funds incur leverage (or provide such guaranties), such amounts may be secured by capital commitments made by the Funds' investors and such investors' contributions may be required to be made directly to the lenders instead of the Funds.

Limitations on Ability of Investors to Transfer Their Interests in the Fund - The transferability of interests in the Funds will be restricted by the Funds' partnership agreements and by United States federal and state securities laws. In general, investors will not be able to sell or transfer their interests in the Funds to third parties without the prior written consent of such Fund's general partner. One of the requisites to such consent may be an opinion of the Fund's counsel that such a transfer would not subject the Fund or the Adviser to any regulatory or tax requirements or result in the violation of any applicable law or governmental regulation. The transferor and transferee may be required to bear the cost of such legal opinion. No secondary market for limited partnership interests in the Funds exists or is anticipated to exist in the future.

Difficulty in Valuing Portfolio Investments - generally, there will be no readily available market for a substantial number of the Funds' investments, and hence, most of the Funds' investments will be difficult to value. Despite the Adviser's efforts to acquire sufficient information to monitor certain of the Funds' investments and make well-informed valuation and pricing determinations, the Adviser may only be able to obtain limited information at certain times. It is possible that the Adviser may not be aware on a timely basis of material adverse changes that have occurred with respect to certain of the Funds' investments. When estimating fair value, the Adviser will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The Adviser may have to make valuation determinations without the benefit of an adequate amount of relevant information. Prospective investors should be aware that as a result of these difficulties, as well as other uncertainties, any valuation made by the Adviser may not represent the fair market value of the securities acquired by the Funds. In addition, the exercise of discretion in valuation by the Adviser may give rise to conflicts-of-interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

Reliance on the Funds' General Partners and Baird Capital Management - the Adviser will have sole discretion over the investment of the capital committed to the Baird Capital Management Advised Funds as well as the ultimate realization of any profits. The investors will not receive any detailed financial information issued by portfolio companies that may be available to the Funds. Accordingly, the investors will not have the opportunity to evaluate the relevant economic, financial and other information that may be utilized by the Adviser in its selection of investments. As such, the pool of funds in the Funds represents a blind pool of funds. Investors in the Funds will be relying on the Adviser to identify, structure, and implement investments consistent with the Funds' respective investment objectives and policies and to conduct the business of the Funds as contemplated by each Fund's partnership agreement and subscription agreement. The investors will not make decisions with respect to the management, disposition or other realization of any investment made by the Funds, or other decisions regarding the Funds' business and affairs. In addition, certain changes in the Adviser or circumstances relating to the Adviser may have an adverse effect on the Funds or one or more portfolio companies including potential acceleration of debt facilities.

Reliance on the Principals - Control over the operation of the Funds will be vested with such Fund's general partner, and the Fund's future profitability will depend largely upon the business and investment acumen of the Principals. The loss or reduction of service of one or more of the Principals could have a significant adverse impact on the business of the Fund and its financial performance. No assurances can be given that each Principal will continue to be affiliated with the Fund throughout its term. In addition, the Principals may currently, and may in the future, manage other investment funds besides the Fund and the Principals may need to devote substantial amounts of their time to the investment activities of such other funds, which may pose conflicts-of-interest in the allocation of the time of the Principals. Notwithstanding any prior experience that a Principal may have in making investments of the type expected to be made by the Fund, any such experience necessarily was obtained under different market conditions and with different technologies at the forefront of development. In addition, the Fund's investments may differ from previous investments made by the Principals in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure, and holding period. There can be no assurance that any Principal will be able to duplicate prior levels of success.

Absence of Operating History - The Funds' investment program should be evaluated on the basis that there can be no assurance that the Adviser's assessment of the prospects of investments will prove accurate or that the Funds will achieve their investment objective. The performance of prior funds advised or managed by the Adviser, or an affiliate thereof is not necessarily indicative of any Fund's future results. There can be no assurance that investments by the Funds will achieve returns comparable to the historical performance of the prior funds managed and/or advised by the Adviser and/or an affiliate thereof, and in any event, the returns achieved by a Fund will be subject to the management fee and the Fund general partner's carried interest. Any given investment made by a Fund may prove to be worthless and there is a risk that investors could lose money.

Projections - projected operating results of a portfolio company in which a Fund invests normally will be based primarily on financial projections prepared by each portfolio company's management team, with adjustments to such projections made by the Adviser in its discretion. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Diverse Investors - the investors may have conflicting investment, tax, and other interests with respect to their investments in the Funds. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts-of-interest may arise in connection with decisions made by the Adviser with respect to the nature or structuring of investments that may be more beneficial for some investors than for others, particularly with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Funds, the Adviser will consider the investment and tax objective of the Funds and the limited partners as a whole, not the investment, tax or other objective of any investor individually.

Need for Follow-On Investments - the Funds will likely be called upon to provide follow-on funding to portfolio companies or may have the opportunity to increase its investment in a portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). Although the Adviser may use capital commitments to make follow-on investments, there may be situations where the Fund and its co-investors do not wish to make such follow-on investments or that the Fund and its co-investors may not have sufficient capital to do so. Accordingly, third-party sources of financing may be required, but there is no assurance that such additional sources of financing will be available, or, if available, will be on terms favorable to the Fund. A Fund's decision not to make a follow-on investment or its inability to do so may have an adverse impact on such portfolio company in need of such an investment or may diminish the Fund's proportionate ownership in such portfolio company and thus its ability to influence such portfolio company's future development, and it could have a significant negative impact on the Fund's investment therein.

Co-investors - venture investments typically involve a number of co-investors that have like-minded investment goals. Venture co-investors are approved by the management and/or board of the portfolio company. Private equity investments and growth equity investments made through the Global Funds can also, at times, require co-investors. These co-investors are typically selected by a Fund's general partner and the selection of co-investors may be made to include limited partners of the Fund. The general partner may make co-investor selections that may favor certain limited partners based on side-letter obligations or other criteria that could present a conflict of interest to the Fund.

Public Company Holdings - the Funds' investment portfolios may from time to time contain securities issued by publicly held companies. Such investments may subject the Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Funds to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Principals, and increased costs associated with each of the aforementioned risks.

Non-U.S. Investments - subject to certain limitations in the Funds' partnership agreements, the Funds may invest in companies that are based outside of the United States or the operations of which are primarily outside of the United States. Any investment in a foreign country involves risks not found in the domestic securities market, including risk related to: (i) economic and financial instability in the foreign country, which in some cases may include a collapse in credit markets, stock prices, currencies and/or consumer spending; (ii) adverse social and political developments, including nationalization, confiscation without fair compensation, political and social instability and war; (iii) restrictions on the repatriation of investment income or capital or on the ability of foreign persons to invest in certain types of companies, assets or securities; (iv) possible lack of availability of sufficient financial information as a result of accounting, auditing, and financial disclosure standards that differ, in some cases significantly, from those in the United States; (v) foreign laws and legal systems, which are likely to differ from those of the United States, including in particular the laws with respect to the rights of investors which may not be as comprehensive or well developed as those in the United States and the procedures for the judicial or other enforcement of such rights which may not be as effective as in the United States; (vi) some investments or portfolio company operations may be denominated in foreign currencies and, therefore, will be subject to fluctuations in exchange rates; and (vii) applicable tax laws and regulations and tax treaties, which are likely to vary from country to country and may be less well developed than those in the United States, possibly resulting in retroactive taxation so that the Fund could become subject to an unanticipated local tax liability. In addition, the Fund may incur costs in connection with conversions between various currencies.

Risks Inherent in Venture Capital Fund Strategy - Baird Venture Fund VI makes types of investments that may involve a high degree of risk. In general, financial and operating risks confronting venture portfolio companies can be significant. While targeted returns should reflect the perceived level of risk in any investment situation, there can be no assurance that the Fund will be adequately compensated for risks taken. A loss of an investor's entire investment is possible. The timing of profit realization is highly uncertain and venture-stage investments often require a long maturation. Early-stage and development-stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing that may not be available through institutional private placements or the public markets. Accordingly, the growth of these companies typically requires significant money, time and effort, resulting in a longer investment horizon than can be expected with lower risk investment alternatives. Such investments can experience failure or substantial declines in value at any stage. The percentage of venture-stage companies that survive and prosper can be small.

While investments in more mature companies in the expansion or profitable stage may offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital (in the form of debt and/or equity) to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. These activities involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing, and general management of these activities. Growth-equity portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

Baird Venture Fund VI will generally hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, the Fund at times continues to hold ongoing minority equity stakes in the business. As is the case with minority holdings in general, such minority stakes that the Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. The Fund may also invest in companies for which the Fund has no right to appoint a director or otherwise exert significant influence. In such cases, the Fund will be reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund. The Fund may have a limited ability to protect its position in such portfolio companies. Although it is expected that the Fund will seek appropriate rights to protect the Fund's interests to the extent possible, either individually or collectively with similarly situated investors, there can be no assurance that such minority shareholder rights will be available or that such collective negotiation will occur or be productive. In addition, the Adviser expects to make investments in companies that have incurred or are permitted to incur indebtedness, or that may issue equity securities that rank senior to the Fund's investment. By their terms, such instruments may provide that their holders are entitled to receive payments of dividends, interest or principal on or before the dates on which payments are to be made in respect of the Fund's investment. In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, creditors or holders of securities ranking senior to the Fund's investment in such company typically would be entitled to receive payment in full before distributions could be made in respect of the Fund's investment. After repaying creditors and senior security holders, the company's remaining assets may not be sufficient for repayment of amounts owed in respect of the Fund's investment. To the extent that any assets remain, holders of claims that rank equally with the Fund's investment would be entitled to share on an equal and ratable basis in distributions that are made

out of those assets. Furthermore, even if the Fund has contractual rights to seek liquidity of the Fund's minority interests in portfolio companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

Item 9. Disciplinary Information

There are no legal or disciplinary events that are material to an investor's evaluation of the Funds or the integrity of the Adviser.

Item 10. Other Financial Industry Activities and Affiliations

Baird, a Wisconsin corporation and related entity to Baird Capital Management and the Funds' general partners by virtue of Baird's 100% ownership of Baird Capital Management and control of the general partners of such Funds, is registered as a broker-dealer and as an investment advisory firm. Baird provides a wide range of brokerage and investment advisory services to clients, including individuals, institutions and a registered investment company. As an investment banking firm, Baird provides a range of mergers and acquisitions advisory, consulting and other business services to its clients, some of which may result in conflicts of interest between the Funds, on one hand, and Baird and certain of its clients, on the other hand. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to the Funds and their ability to achieve their investment objectives. As a result of Baird's ownership of Baird Capital Management and control over the general partners, Baird can influence certain decisions regarding transactions undertaken by portfolio companies of the Funds. In addition, Baird will provide certain services to the Funds, including fund administration. Fees received for providing such services will not be offset against the management fees. Under the terms of each Funds' partnership agreements, Baird may charge the Funds for these services provided that such Fund's general partner believes in good faith that Baird can provide such services at no greater cost than would be the case if unaffiliated third parties were to provide such services.

Baird Capital Management is affiliated with the Funds' general partners, which rely on Baird Capital Management's investment adviser registration in accordance with SEC guidance under the Advisers Act. The general partners operate as a single advisory business together with Baird Capital Management and serve as manager or general partner of the Funds and may share common owners, officers, partners, employees, consultants or persons occupying similar positions. The Adviser is under common control and subject to Baird Capital's code of ethics and compliance programs adopted pursuant to the requirements of the Advisers Act.

During the life of each respective Fund, the Principals of such Fund will continue to manage and monitor prior Funds and other investment funds and investments. Conflicts may arise in the allocation of time of the Principals among the Funds and among other managed funds or co-investment entities, although the Principals expect that the time required to manage and monitor prior Funds and such other investment funds will be less than will be spent on successor Fund matters. Such other investment funds may have investments that compete with the companies acquired by a Fund. At such time as a Fund's general partner is permitted to raise a successor investment fund, the Principals will continue to manage the Fund's investments, but also may and likely will focus investment activities on other opportunities and areas unrelated to such Fund's investments. The general partners believe that the significant investment of the Principals in the Funds, as well as the Principals' interest in the carried interest, operate to align, to some extent, the interest of the Principals with the interest of the Funds' other investors, although the Principals have or may have economic interests in such other investment funds and investments as well and receive management fees and carried interests relating to these interests. Until such time as a Fund's general partner is permitted under the Fund's partnership agreement to raise a successor investment fund, the Principals generally will pursue substantially all appropriate investment opportunities that meet the investment criteria of such Fund principally for the benefit of the Fund, subject to certain exceptions set forth in the Fund's partnership agreement. Certain investments may be allocated between a Fund and any successor or predecessor fund in a manner as set forth in the partnership agreement.

A Fund may invest together with other funds advised by an affiliated adviser of Baird Capital Management in the manner set forth in the relevant partnership agreements. The Adviser will determine the allocation of investment opportunities among funds in a manner that it believes is fair, reasonable and consistent with the general partners' obligations and may take into consideration such non-exhaustive factors as each fund's: (i) investment restrictions and objectives (including those set forth in the relevant fund's partnership agreements, where applicable); (ii) strategy; (iii) risk profile; (iv) time horizon; (v) tax sensitivity; (vi) tolerance for turnover; (vii) asset composition; (viii) cash level (if any); (ix) applicable regulatory restrictions; and (x) life cycle and structure. In the event that the available amount of an investment opportunity in which a Fund will invest exceeds an amount appropriate for the Fund, such excess may also be offered to one or more potential investors.

The Adviser's allocation of investment opportunities among a Fund and any of the other investment funds sponsored by Baird Capital Management or its affiliates may not be proportional. Therefore, such allocations may be more advantageous to a Fund relative to one or all of the other investment funds, or vice versa. While the Adviser will allocate investment opportunities in a way that it believes in good faith is on a fair and reasonable basis, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would be if the conflicts-of-interest to which a Fund's general partner may be subject did not exist. There can be no assurance that a Fund will be offered any specific investment opportunities that come to the attention of the general partner or that the Fund will be permitted to invest the full amount it desires to invest in any opportunity made available to it. Though conflicts with respect to allocation of investment opportunities may be reasonably believed to be manageable

at the outset of an investment by a Fund, further future conflicts may arise at the time of additional rounds of financing, or in connection with proposed dispositions of investments.

Additionally, conflicts-of-interest can arise if a Fund makes an investment in a portfolio company in conjunction with an investment made by another investment fund sponsored by Baird Capital or an affiliate. For instance, a Fund may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other investment fund. This may result in differences in price, investment terms, leverage and associated costs between a Fund and any other investing fund sponsored by Baird Capital or an affiliate. There can be no assurance that a Fund and the other investing fund(s) will exit the investment at the same time or on the same terms, and there can be no assurance that a Fund's return on such an investment will be the same as the returns achieved by any other investment fund participating in the transactions. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Fund. In addition, the interests of the Fund and such other investment vehicle investing in the same issuer may not align with each other due to different terms or objectives of the Fund and the relevant investment vehicle (e.g., one may be seeking a monetization event in the near term while another has a long-term investment horizon).

Other general partners of private equity funds that are registered investment advisers and controlled by Baird include the following, listed along with the private equity funds they manage:

Certain Baird Capital-Related Entities

Investment Adviser

Private Equity Fund(s)

Baird Venture Partners Management Company III, LLC

Baird Venture Partners III Limited Partnership
BVP III Affiliates Fund Limited Partnership
BVP III Special Affiliates Limited Partnership

Baird Venture Partners Management Company IV, LLC

Baird Venture Partners IV Limited Partnership
BVP IV Affiliates Fund Limited Partnership
BVP IV Special Affiliates Fund Limited Partnership

Baird Venture Partners Management Company V, LLC

Baird Venture Partners V Limited Partnership
BVP V Affiliates Fund Limited Partnership
BVP V Special Affiliates Fund Limited Partnership

Baird Capital Partners Management Company V, LLC

Baird Capital Partners V Limited Partnership
BCP V Affiliates Fund Limited Partnership
BCP V Special Affiliates Limited Partnership

*Baird Capital Partners Europe Limited**

Baird Capital Partners Europe II LP
Baird Capital Partners Europe II Special Affiliates LP
The Growth Fund

*Baird Capital Partners Europe Limited, an English limited company and affiliated with Baird, is regulated and authorized by the Financial Conduct Authority.

The Baird Principal Group is a group within Baird that has private equity funds where investors are limited to Baird employees and Baird affiliated entities. These funds generally co-invest with unaffiliated private equity funds and private equity professionals in transactions in the United States and Europe. The private equity funds offered through Baird Principal Group and the investment adviser entities that manage them are set forth below.

Certain Baird Principal Group-Related Entities

Investment Adviser

Private Equity Fund(s)

Baird Principal Group Management Company I, LLC

Baird Principal Group Partners Fund I Limited Partnership

Baird Principal Group Management Company II, LLC

Baird Principal Group Partners Fund II Limited Partnership

Baird Principal Group Management Company, LLC

Baird Principal Group Partners Fund III, LP

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Adviser follows a code of ethics (the "Code") for standards of business conduct and personal securities transactions. The Code restricts, among other things, the direct purchase and sale by employees for their own accounts of securities that have been or are in the process of being purchased or sold for client accounts within certain limits. The Code also addresses the approval of associate accounts, trading policy, outside brokerage accounts, reporting of securities and transactions. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that assures that the interests of the clients take precedence. All personal securities transactions must be conducted in a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility. If you would like a copy of the Code, please contact Nicholas Pruhs at (414) 298-5904 and it will be provided to you at no charge.

Principals and employees of the Adviser and its affiliates directly or indirectly own an interest in Baird Capital Management Advised Funds. Baird affiliates, including Baird Financial Corporation, are significant investors in Baird Capital Management Advised Funds. The Adviser and its affiliates may recommend the purchase or sale of securities for client accounts in which one or more of its members, officers, directors, employees (and members of their families) or affiliates, directly or indirectly, have a position or interest, or which an affiliated person buys or sells for himself or herself. Such transactions also may include trading in securities in a manner that differs from or is inconsistent with the advice given to the clients of the Adviser or a Fund. The significant investment of the Principals in the Funds and the Principals' interest in the carried interest, operate to align, to some extent, the interest of the Principals with the interest of the investors, although the Principals have economic interests in other investment funds and investments as well and receive management fees and carried interests relating to those interests.

Certain employees of Baird, the Adviser and their affiliates and other individuals, including Venture Partners and Operating Advisors, are offered the opportunity to participate in a loan program to fund their investments in the Funds. These individuals include members of the investment teams for the Funds. 1:1, 2:1 and 3:1 loans will be provided by a third party independent financial institution through an agreement between the borrower and the financial institution. The third party independent financial institution requires Baird to provide a guarantee for amounts lent to all non-US citizens and for individuals who borrow an amount to create greater than 1:1 leverage.

Baird, as a broker-dealer, investment banker and investment adviser, continually engages in various securities transactions and trading activities, which could create a conflict of interest with clients. Prior to the final closing of a Fund, Baird may warehouse transactions for such Fund as more fully described in the Fund's partnership agreement. Each of Baird's investment advisory departments has internal procedures in place to ensure that Baird will not act in a principal capacity for any transaction in a client's account absent appropriate prior client approval of the transaction. Accordingly, when acting as an investment adviser, Baird generally acts only in an agent capacity in transactions effected for client accounts. The advisory agreements entered into by clients for the respective Baird investment advisory departments, where applicable, disclose the possibility of Baird's role in potential transactions and the possible conflicts. Each customer confirmation discloses the capacity in which Baird served in the transaction and whether Baird is a market maker in the issue.

Item 12. Brokerage Practices

The Funds typically invests in private companies and generally purchases and sells such companies through privately negotiated transactions with or without the use of brokers or dealers. Baird may be used as a broker-dealer for such transactions.

The Funds will typically only engage in public securities transactions when disposing of securities that have become publicly traded. In the event that the Funds engage in a public security transaction, the Adviser will consider a number of factors in selecting a broker-dealer, including: (i) the commission charged (taking into consideration the size of the order and the price of the security), (ii) the

broker-dealer's execution capabilities with respect to the security and (iii) the broker-dealer's general reputation and ability to execute an order in an appropriate time frame (i.e., the overall responsiveness of the broker-dealer). Although the Adviser generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. The Adviser does not consider, in selecting broker-dealers, the receipt of research from broker-dealers. The Adviser, consistent with its duty to seek best execution, will generally use Baird to effect security transactions. The Adviser does not engage in soft dollar arrangements and therefore did not acquire any products or services with client brokerage commissions within the last fiscal year.

From time to time, the Adviser may, but is not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating client of the Adviser is favored over any other client. When an aggregated order is filled in its entirety, each participating client account generally will receive the average price obtained on all such purchases or sales made during such trading day. When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a pro rata basis to each client account participating in such buy or sell order in accordance with the amount of securities originally requested for such account. Each client account generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to pro rata allocations are permissible provided they are fair and equitable to clients over time.

Item 13. Review of Accounts

Investments of the Funds made by the Adviser generally are long-term in nature and illiquid. Accordingly, the review process is generally not directed toward short-term sell decisions. However, the Adviser closely monitors companies in which the Funds invest and generally will maintain an ongoing oversight position in such companies.

The Funds will provide to their investors (i) annual audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each investor's tax return, and (iii) quarterly information describing each new portfolio company investment or the occurrence of any material event relating to any portfolio company investment.

Item 14. Client Referrals and Other Compensation

Interests in the Funds will be sold to investors through licensed Baird financial advisors. The Funds' general partners will compensate Baird financial advisors for referring clients who make a commitment to a Fund. The referring Baird financial advisor will earn compensation in the aggregate of 3% of such limited partner's commitment payable as 1% at the time of closing and 0.40% over each of the next five years. All such compensation is paid by the Funds' general partner or an affiliate thereof and is not borne by any limited partner.

Item 15. Custody

The Adviser maintains custody of each Fund's assets with Baird, a qualified custodian, to the extent required by the Advisers Act and in accordance with guidance issued by the SEC from time to time. If the limited partner has a Baird account, the limited partner will receive accounts statements from Baird and limited partners should carefully review those statements. Limited partners should also compare the statements received from Baird with the statements received from the Fund's general partner.

Item 16. Investment Discretion

As the Adviser provides advisory services to the Funds, the Adviser does not tailor its advisory services to the needs of individual investors, nor does it permit individual investors to impose restrictions on investing in certain securities or types of securities. Investors grant discretionary authority to the Adviser to make investments for the Funds. In connection with making a commitment to a Fund, an investor is required to execute a power of attorney granting such Fund's general partner authority to act on the investor's behalf.

Item 17. Voting Client Securities

In accordance with SEC requirements, the Adviser has adopted Proxy Voting Policies and Procedures (the "Proxy Policy") to address how the Adviser will vote proxies for each Fund's portfolio investments. The Fund's partnership agreement grants the Fund's general partner the authority to vote proxies on behalf of the Fund. The Policy seeks to ensure that the general partner votes proxies (or similar instruments) in the best interest of the Funds, including when there may be material conflicts of interest in voting proxies. The Adviser generally believes its interests are aligned with each Fund's investors through BFC's and the Principals' beneficial ownership interests in the Funds. In the event, however, there is or may be a conflict of interest between the general partner and the Fund in voting proxies, the general partner may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund's advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. The Fund's general partner does not consider service on portfolio company boards by general partner personnel or the general partner's receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition,

the Proxy Policy sets forth certain specific proxy voting guidelines the general partner follows when voting proxies on behalf of the Fund. If you would like a copy of the Proxy Policy or information regarding how the general partner has voted proxies on behalf of the Fund, please contact Nicholas Pruhs at (414) 298-5904 and it will be provided to you at no charge.

Item 18. Financial Information

The Adviser's financial condition is such that there is no reasonable likelihood that it will impair the Adviser's contractual commitments to the investor.