

Robert W. Baird & Co. Incorporated

Brochure

March 31, 2014



Financial Planning Services

Robert W. Baird & Co. Incorporated
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Member FINRA & SIPC
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This brochure ("Brochure") provides information about the qualifications and business practices of Robert W. Baird & Co. Incorporated ("Baird") and its Financial Planning Services. Clients should carefully consider this information before becoming a client of Baird. If you have any questions about the contents of this Brochure, please contact us at the toll-free phone number listed above. The information contained in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Baird is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

Robert W. Baird & Co. Incorporated ("Baird") updated the Form ADV Part 2A brochure for its Financial Planning Services (the "Brochure") on March 31, 2014. The following summary discusses the material changes that Baird has made to the Brochure since March 28, 2013, the date of the last annual update to the Brochure.

- Baird has updated the information about its ownership, its regulatory assets under management and certain of its affiliates. See the section of the Brochure entitled "Advisory Business" and "Other Financial Industry Activities and Affiliations" for more information.

A client should note that the foregoing summary only discusses material changes made to the Brochure since March 28, 2013. The updated Brochure contains changes that are not listed above.

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Advisory Business

This Brochure describes the Financial Planning Services (the "Services") that Robert W. Baird & Co. Incorporated ("Baird") offers to its clients. Separate brochures describe other investment advisory services that Baird offers to its clients and discuss the agreements, fees and potential conflicts of interest for each service. If you would like to request a brochure for another investment advisory service provided by Baird, please call Baird toll-free at 1-800-792-2473.

The information contained in this Brochure is current as of the date above and is subject to change at Baird's discretion. Please retain this Brochure for your records.

Robert W. Baird & Co.

Baird is an employee-owned wealth management, capital markets, asset management, and private equity firm formed in the State of Wisconsin in 1919.

Baird is owned indirectly by its associates and associates of Baird Kailash Group, LLC ("BKG") through several holding companies. Baird is owned directly by Baird Financial Corporation ("BFC"). BFC is, in turn, owned by Baird Holding Company ("BHC"). BHC is owned by Baird Financial Group, Inc. ("BFG"), which is the ultimate parent company of Baird. Associates of Baird and BKG own substantially all of the outstanding stock of BFG.

Baird offers various investment advisory services to clients, including services not described in this Brochure. The investment advisory services Baird offers include: portfolio management and analysis; analysis and recommendations regarding asset allocation and investment strategies; research, analysis and recommendations regarding investment managers and individual securities; investment consulting; financial planning; investment policy development; and account performance monitoring. Baird also offers clients execution of brokerage transactions and administrative services, including maintaining custody of account assets. Clients may also negotiate other services with Baird. Baird offers its services separately or in combination with other services.

Baird participates in wrap fee programs, including programs not described in this Brochure and it provides portfolio management services in connection with those programs. Baird receives a portion of the wrap fee for providing portfolio management services under those wrap fee programs.

As of December 31, 2013, Baird had approximately \$58.7335 billion in regulatory assets under management, approximately \$39.7578 billion of which was managed on a discretionary basis and approximately \$18.9757 billion of which was managed on a non-discretionary basis.

The Client-Baird Fiduciary Relationship

Baird is registered with the Securities and Exchange Commission ("SEC") as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Baird and its associates are deemed to have a fiduciary relationship with a client when providing the investment advisory services that are described in this Brochure. That means that Baird and its associates are required to act in the best interest of the client when providing investment advisory services. From time to time, Baird or its associates may engage in certain business practices or may receive compensation or other benefits that create a potential for conflict between the interests of clients and the interests of Baird or its associates. Baird generally addresses potential conflicts of interest by disclosing them to clients through documents provided to clients, including, without limitation, this Brochure, Brochure supplements that contain information about individuals providing investment advice to clients, and the agreements clients enter into with Baird. In addition, Baird has adopted internal policies and procedures for Baird and its associates that require them to: provide investment advice that is suitable for advisory clients (based upon the information provided by such clients); make full disclosure of all potential, material conflicts of interest; and act with utmost care and good faith in dealings with advisory clients. The specific business practices that create potential conflicts of interest with clients and additional measures used by Baird to address them are discussed in other sections of this Brochure.

A client should note that registration as an investment adviser does not imply a certain level of skill or training.

Description of Services

Baird offers its financial planning services (the "Services") through its Financial Advisors and certain of its home office professionals in its financial planning department (the "Department"). The Services available generally include an analysis of a client's overall financial condition and investment needs; an analysis of net worth, asset distribution, asset growth and cash flow; estate, education, retirement, stock options and other funding needs; asset allocation strategies; investment portfolio valuation and planning; and a review of life insurance death benefit needs. The Services may also include limited consultations with the other professionals assisting the client, such as the client's attorney or tax adviser. More comprehensive financial planning services may involve the Baird Financial Advisor, working either independently or with individuals from other Baird departments, considering more complex issues in financial planning and reviewing estate planning strategies. The client's other professional advisers often play an integral role in the Services. Clients may negotiate with Financial Advisors to provide other investment advisory services.

The Services are non-discretionary in nature and a client retains full discretionary authority to manage the client's assets.

Baird Financial Advisors and its home office professionals tailor their advisory services to the individual needs of clients.

Baird's advisory relationship with the client terminates automatically upon the cessation of financial planning services, which usually occurs when Baird delivers to the client a financial plan, report or other similar document. The client or prospective client may but is not required to enter into a new relationship with Baird to implement the financial plan or other recommendations made by Baird. In some cases, the client may already have a separate brokerage or advisory relationship with Baird while the financial planning services are being provided to the client, and the termination of financial planning services will not affect that pre-existing relationship. Where a client enters into a new relationship with Baird following the cessation of financial planning services, that relationship would generally be brokerage in nature and not advisory unless the client or prospective client and Baird separately agree to enter into an investment advisory contract.

Financial Planning

If the client wishes to obtain a financial plan from Baird, the client will need to define his or her financial goals, needs and objectives and gather and provide relevant information to Baird. A client will typically complete a financial planning questionnaire and, upon request, a Baird Financial Adviser may provide assistance with the questionnaire. Baird will examine the client's current course of action, and based upon the responses to the questionnaire and other information provided by the client, the client's Baird Financial Advisor and/or the Department will prepare a financial plan (a "Plan") for the client. The contents of a Plan depend upon the particular needs and requests of the client. A Plan generally evaluates the client's retirement, life insurance, education funding, estate and other cash flow needs and provides recommendations and strategies for meeting those needs. The Plan generally includes an analysis of the client's investment needs and recommends an asset allocation and/or broad categories of investment alternatives, including among cash, equity and fixed-income securities. For some clients, a Plan may recommend allocations to "satellite" or "alternative" asset classes, such as commodities, emerging markets, global real estate, high-yield fixed-income securities, and mutual funds with fund of hedge fund strategies.

The Plan may also contain an estate plan analysis designed to provide information on possible gift and estate tax consequences for the client related to the transfer of assets during his or her lifetime or at death.

This estate plan analysis may make recommendations regarding advanced estate planning techniques specific to high net worth families. *The estate plan analysis should not be considered legal or tax advice and clients are urged to consult with their personal legal and accounting professionals to determine appropriate estate planning strategies and to prepare any necessary documents required to implement an estate plan.*

The Plan may also contain a detailed stock option analysis. This analysis may calculate the approximate tax cost associated with stock option exercises over a number of years. It may also compare various stock option exercise strategies to help determine the optimal strategy from a tax and investment standpoint.

The Plan will set forth recommended actions in furtherance of the client's goals, needs and objectives. In developing a client's Plan, Baird does not assume or undertake any responsibility for implementing the recommended actions or for monitoring the actions taken by the client. At the client's request, and pursuant to a separate arrangement, Baird will assist the client in implementing the Plan and monitoring the investments made and related actions taken.

In preparing a Plan for a client, Baird relies on the accuracy and completeness of the information clients provide in the financial planning questionnaire and otherwise, without independent verification. Baird is not responsible for any inadequacies or errors contained in the Plan resulting from a client's failure to provide Baird with accurate or complete information.

The Services do not include the analysis or recommendation of specific securities or the implementation of investment strategies, although these services may be provided by Baird and/or a Baird Financial Advisor under other services provided by Baird. Instead, the Service offers clients information regarding the distribution of their investment portfolio among various asset classes and may include information regarding alternative asset allocation methods. The alternative asset allocation methods will reflect Baird's analysis of the past performance of different asset classes and the different levels of risk associated with various investments. Baird may recommend specific asset allocation ranges to create an overall recommendation, including tax considerations, long-term investments and short-term investments.

A Baird Financial Advisor may assist the client in implementing the Plan; however, the client is not obligated to implement the Plan through Baird. Clients may utilize a financial advisor of their choice and may choose to implement only a portion of the recommendations included in the Plan. Since the client is not obligated to implement the Plan, neither the Baird Financial Advisor nor the Department performs a subsequent review or periodic or continual monitoring of

the client's assets after delivery of a Plan. However, the client may negotiate arrangements to update a Plan.

Divorce Financial Analyst and Consulting Services

A Baird Financial Advisor may be engaged by a client (or the client's attorney) to provide financial analyses and related financial consulting services in connection with a divorce. These services are provided upon request and may include: gathering of financial details relevant to the divorce, assessment of marital/community and separate property, income and expense analysis, financial modeling, cash flow forecasts, examination of retirement and insurance issues, property division analysis, preparation of asset inventories and financial settlement scenarios, present value calculations, and tracing of financial statements to help categorize flow of funds or potential credits and reimbursements, and communications with the client's attorneys and tax advisers. Under certain limited circumstances approved by Baird's home office, a Baird Financial Advisor may also provide testimony and reports in the divorce proceeding as to the analytical services provided. Baird may provide its analyses and reports to a client's attorneys and, with the consent of the client or the client's attorney, as required by law or in order to provide the services requested by the client, to the client's tax adviser and other client representatives as well as insurance companies, mediators, judges, opposing parties and other third parties.

The divorce financial analyses and related consulting services Baird provides are based on information provided by the client and third parties (including without limitation the client's attorneys and tax advisers, opposing parties, mediators, forensic accountants, actuaries, pension valuers, insurance companies and others). Baird relies on the accuracy and completeness of the information provided to it without independent verification. Baird does not take responsibility for any losses resulting from incorrect or incomplete information Baird receives from the client, the client's advisers or third parties.

Baird's analyses and reports are effective as of the dates indicated thereon or, if not so indicated, on the dates they are delivered to the client or the client's attorney. After providing the analyses and other services requested, Baird undertakes no obligation to review or update them.

Although Baird's services are provided in connection with a divorce or related legal process, Baird does not provide legal or tax advice. Clients are encouraged at all times to obtain legal and tax services from licensed professionals. Baird is not responsible for judgments, settlements, consent decrees, awards or other decisions relating to a client's divorce, the division of assets or support payments. Those matters are the responsibility of the client and the client's attorney.

If a client desires to engage Baird to provide additional services, either at the time Baird is providing divorce financial analyst and related consulting services or after such services have been provided, the client will be required to enter into a separate agreement with Baird describing those additional services.

Fees and Compensation

Advisory Fee

Financial Planning

Financial plans and other financial planning services may be provided for a fee or no additional charge. The fees for Baird's financial planning services, if any, are negotiated between the Baird Financial Advisor and the client. Generally, fees reflect the charges for the specific services negotiated between the Baird Financial Advisor and the client. A wide range of services is available and the client may select the combination of services that best fits his or her goals and objectives. A written fee estimate will be provided to the client following an initial consultation. There is no fee for an initial consultation. Clients are not obligated to use any other Baird service to receive an initial consultation. The fees for the planning services may increase based upon the complexity of the client plan and the interaction of the Baird Financial Advisor with the client's other professional consultants, including, among others, Certified Public Accountants ("CPAs"), trust department personnel, and attorneys. Clients may incur additional charges for follow-up consultations at a rate agreed to by the client and the Baird Financial Advisor. A Baird Financial Advisor who has attained the Certified Financial Planner™ ("CFP®"), Chartered Financial Consultant ("ChFC"), Accredited Asset Management Specialist ("AAMS"), the Accredited Wealth Management Advisor ("AWMA"), or Certified Private Wealth Advisor ("CPWA") designation or license or who is a CPA with a Personal Financial Specialist ("PFS") designation may charge fees for the preparation of a Plan and any related consultation. A Baird Financial Advisor who does not have these credentials may also charge fees if any Plan prepared by him or her is reviewed by a Baird Financial Advisor or Department member that has either the CFP®, ChFC, AAMS, AWMA or CPA with a PFS designation. The client may also negotiate fixed rate charges. Baird may waive all fees for these services in its sole discretion. Fees are payable as services are rendered. Clients may negotiate different fees that vary based on the specific services requested by the client. To the extent that the client negotiates different fees, such fees may vary from client to client based on a number of factors, including, but not limited to, the complexity of the Plan, the types of planning services provided, or extent of interactions with other professionals. Typically, the client's Baird account will be debited for the fees associated with these services.

Currently, the fees for preparing a Plan and providing related financial planning services generally range from \$500 to \$5,000, but may be higher depending upon the

services requested. The fees charged to a client for preparation of a Plan and related services are paid to Baird and a portion of such fees are paid to the Baird Financial Advisor as part of the Financial Advisor's non-recurring compensation. Since Baird began providing these services, it has had other fee ranges and schedules in effect, which may provide fees lower or higher, as the case may be, than those described above. As new fees are put into effect, they are made applicable only to new clients, and fee schedules to existing clients are not affected. Therefore, some clients may pay different fees than those shown above. If a Baird Financial Advisor discusses matters relating to a Plan with a client's tax or legal advisors, the client may be charged a separate fee by those advisors.

There is no minimum dollar value of assets or other conditions required of a client to receive these services.

Divorce Financial Analytical Services

Baird Financial Advisors who have been approved by Baird may also provide financial, analytical and related consulting services to clients in connection with a divorce for a flat fee or at an hourly rate, or a combination thereof. The flat fee or hourly rate is negotiated between the Baird Financial Advisor and the client. The fee or hourly rate is reflected in the agreement signed by the client. The fee or hourly rate will be reflected in an invoice sent to the client and paid within 30 days by the client (unless the client and Baird agree to another arrangement, such as debiting the amount from the client's account at Baird).

The flat fee will normally be paid in whole or in part in advance by the client, as reflected in the agreement signed by the client. If reflected in the agreement signed by the client, a flat fee may be imposed for each service provided. If agreed to by Baird, the flat fee may be paid upon completion of the services provided by Baird or on an installment basis. The flat fee will be subject to a minimum of \$500 unless Baird and the client negotiate a different minimum amount, to be reflected in the client's agreement.

As an alternative to the flat fee, or in addition to the flat fee, Baird may provide services at an hourly rate. The hourly rate will be reflected in the agreement signed by the client. The hourly rate may vary depending on the nature of the service provided. Normally, the hourly rate will be higher for any testimony, analyses and reports that Baird provides in the divorce proceeding. For clients paying an hourly rate, Baird may require a retainer (in an amount agreed to by the client) against which the hourly rate and out of pocket expenses will be applied. Baird will keep track of the time spent on the services provided in 0.25 hour increments, and provide an invoice each month showing the amount of time spent on the services provided and if, applicable, the amounts charged against the retainer and the remaining retainer balance. If the retainer amount is exhausted, Baird may

require that an additional retainer be provided to cover the cost of anticipated additional services. Any part of the retainer that is not used shall be promptly refunded following completion of the services provided or earlier termination of the relationship; provided, however, a minimum fee of \$500 will be charged in all cases.

Baird may waive the minimum annual fee on a temporary or indefinite basis or negotiate a fee level different from the schedule shown above or set a different payment schedule.

The minimum account or household size is \$10 million for individuals and \$25 million for institutional accounts. Baird, in its sole discretion, may waive the account minimum requirement.

Other Fees and Expenses

The fees paid to Baird by the client only cover the preparation and delivery of the Plan, and in certain circumstances, updating the Plan. The fees do not include any costs or expenses associated with implementing the Plan, including, without limitation, fees that may be charged by investment advisors or managers advising the client or managing the client's assets or other service providers, such as custodians and broker-dealers.

Clients may also subscribe to other services or programs offered by Baird. Those service and programs may be subject to fees, commissions or other expenses that are entirely separate from the payment of fees and expenses for the Service.

Other Compensation Received by Baird

Baird is registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and its Financial Advisors are registered broker-dealer representatives of Baird. In such capacities, Baird and its Financial Advisors provide brokerage and related services to clients, including the purchase and sale of individual stocks, bonds, mutual funds, private investment funds, and other securities, and sales of life insurance policies and annuities. Baird and its Financial Advisors receive compensation based upon the sale of such securities and other investment products, including asset-based sales charges and service fees on the sale of mutual funds. However, Baird and its Financial Advisors only offer asset allocation and similar investment recommendations of a general nature when providing the Services, and they do not recommend any particular investment product in connection with providing the Services. A client has the option to purchase investment products through brokers or agents that are not affiliated with Baird.

Performance-Based Fees and Side-By-Side Management

Baird advises client accounts not participating in Services described in this Brochure that are subject to asset-based fee and performance-based fee arrangements. Performance-based fee arrangements involve the payment of fees based upon the capital gains or capital appreciation of a client's account. However, Baird does not offer these fee arrangements for financial planning services. If a client participates in other services provided by Baird, the client should review the Form ADV Part 2A Brochure for those services for more information about these types of fee arrangements.

Types of Clients

Baird offers the Services to all types of current or prospective clients, including, but not limited to: individuals, banks or thrift institutions; pension and profit sharing plans; trusts; estates; charitable organizations; and corporations or other business entities. Applicable requirements for opening or maintaining an account with Baird, such as minimum account size, are discussed in the section entitled "Fees and Compensation" above.

Methods of Analysis, Investment Strategies and Risk of Loss

Baird Financial Advisors and the Department may use various forms of third party research information and related tools to provide the Services. These sources of information and tools may include, among others, external market, economic, financial and investment data and analyses provided by organizations not affiliated with Baird. Baird Financial Advisors and the Department may also use research reports created by Baird. However, it should be noted that the Department and Baird Financial Advisors are not obligated to act in a manner consistent with Baird research reports and they may act in a manner that is contrary to those reports if they deem it to be consistent with the client's investment objectives and in the client's best interest. They may also employ the use of computers and third party financial planning software to more readily display information, assist with analysis, and make asset allocation recommendations. Although they use information and tools that Baird deems reliable, Baird does not independently verify or guarantee the accuracy of the information or tools used.

Risk is inherent in any investment in securities and Baird does not guarantee any level of return on a client's investments. There is no assurance that a client's investment objectives will be achieved if the client decides to implement a Plan. Clients are encouraged to discuss with their Financial Advisor the risks that apply to them. A client should also review the prospectus or other disclosure document for any security or other investment product in which the client invests, as it will contain important information about

the risks associated with investing in such security or other investment product.

Disciplinary Information

In December 2008, Baird, without admitting or denying the allegations, consented to the findings of the Financial Industry Regulatory Authority that it violated NASD Rules 2110, 3010(a) and 3010(b) by failing to establish and maintain an adequate supervisory system reasonably designed to review and monitor its fee-based brokerage business and its registered representatives. Baird was found to have failed to: implement fee breakpoint discounts on certain fee-based brokerage accounts; clearly identify the specific fee applicable to each customer; implement a system to automatically credit customers with the fee breakpoint discounts specified in their account agreements; and adequately disclose inclusion of margin activity and short sales in fee calculations for fee-based accounts. Baird was fined \$500,000 and paid restitution of \$434,510 plus interest to Baird customers.

Additional information about Baird's disciplinary history is available on the SEC's website at www.adviserinfo.sec.gov.

Other Financial Industry Activities and Affiliations

Baird is registered with the SEC as a broker-dealer under the Exchange Act, and as an investment adviser under the Advisers Act. Baird is also affiliated with certain investment advisors and investment products that are identified below, including certain mutual funds, ETFs and private equity funds. Certain Baird Financial Advisors and certain management persons of Baird may invest in those funds.

Broker-Dealer Activities

Baird is engaged in a broad range of broker-dealer activities, including: individual and institutional brokerage transactions; origination of, and participation in, underwritings of corporate and municipal securities; market making and trading activities in corporate securities and municipal and governmental bonds; distribution of mutual fund shares; option transactions; and research services.

Certain Baird Financial Advisors and certain management persons of Baird are registered, or have an application pending to register, as registered representatives and associated persons of Baird to the extent necessary or appropriate to perform their job responsibilities.

Investment Management Activities

Baird Advisors, Baird Investment Management ("BIM"), and Baird Public Investment Advisors are investment management departments of Baird.

Certain Affiliations

Affiliated Investment Advisors

Baird is affiliated, and may be deemed to be under common control, with BKG by virtue of their common indirect ownership by BFG. BKG also provides research to clients. BKG has agreed to provide research to Baird's Institutional Equity Services Department ("IES") Department. Baird's IES Department, in turn, distributes research to certain of its institutional clients. BKG receives a fee from Baird for providing that research. Additional information about BKG is available BKG's Form ADV Part 2A Brochure.

Baird is affiliated, and may be deemed to be under common control, with Riverfront Investment Group, LLC ("Riverfront") by virtue of their common indirect ownership by BFG. Additional information about Riverfront is available in Riverfront's Form ADV Part 2A Brochure.

Baird is affiliated, and may be deemed to be under common control, with Greenhouse Funds LP ("Greenhouse") by virtue of their common indirect ownership by BFG.

Affiliated Mutual Funds and ETFs

Baird is the investment adviser and principal underwriter for Baird Funds, Inc. (the "Baird Funds"), a registered open-end management investment company. Baird Advisors provides investment management, administrative, and other services to certain Baird Funds investing primarily in fixed-income securities (the "Baird Bond Funds"). BIM provides investment management and other services to certain Baird Funds investing primarily in equity securities (the "Baird Equity Funds"). BKG is the investment sub-adviser for a Baird Equity Fund. As compensation for those services, Baird and BKG receive fees from each Baird Fund, which fees are disclosed in each Fund's prospectus and statement of additional information available at www.bairdfunds.com.

Baird Advisors serves as investment sub-adviser to a mutual fund series of the Bridge Builder Trust. Additional information about that mutual fund, including information relating to the compensation paid to Baird by that fund for investment management services, is available in the fund's prospectus and statement of additional information.

BIM serves as investment sub-adviser to a mutual fund series of the Principal Funds, Inc. Additional information about that mutual fund, including information relating to the compensation paid to Baird by that fund for investment management services, is available in the

fund's prospectus and statement of additional information.

Riverfront acts as investment sub-adviser for certain mutual fund series of the Financial Investors Trust and certain ETFs that are part of the ALPS ETF Trust. Additional information about those mutual funds and ETFs, including information relating to the compensation paid to Riverfront by those funds for investment management services, is available in each fund's prospectus and statement of additional information.

Affiliated Private Equity Funds

Baird is also engaged in a private equity business through Baird Capital ("Baird Capital"), Baird's global private equity group. Baird Capital makes venture capital, growth equity and buyout investments in the business services, manufactured products and healthcare/life sciences sectors. Baird, in combination with certain executive officers, may be deemed to control Baird Venture Partners Management Company I, LLC ("BVP I"); Baird Venture Partners Management Company III, LLC ("BVP III"); Baird Venture Partners Management Company IV, LLC ("BVP IV"); Baird Capital Partners Management Company III, LLC ("BCP III"); Baird Capital Partners Management Company IV, LLC ("BCP IV"); Baird Capital Partners Management Company V, LLC ("BCP V"); Baird Asia Partners Management Company I, LLC ("BAP I"); Baird Capital Partners Asia Management I Limited Partnership ("BCPA I"); and Baird Capital Partners Europe Limited. BVP I, BVP III and BVP IV participate in venture capital opportunities by investing in equity securities of early-to-growth stage companies. BVP I is the general partner of the three limited partnerships and is an investment adviser registered with the SEC. BVP III is the general partner of three limited partnerships and is an investment adviser registered with the SEC. BVP IV is the general partner of three limited partnerships and is an investment adviser registered with the SEC. BCP III, BCP IV and BCP V invest in equity securities of growing middle market companies issued in management buyouts, recapitalizations, industry consolidations and growth equity transactions. BCP III is the general partner of three side-by-side limited partnerships and is an investment adviser registered with the SEC. BCP IV is the general partner of three side-by-side limited partnerships and is an investment adviser registered with the SEC. BCP V is the general partner of three side-by-side limited partnerships and is an investment adviser registered with the SEC. BAP I has organized a limited partnership to invest in growth equity and change of control investments in companies that would benefit from accessing manufacturing or distribution capabilities in China. BAP I is the general partner of one limited partnership and is an investment adviser registered with the SEC. BCPA I makes growth equity investments in smaller, high potential companies with substantial operations and growth opportunities in China. BCPA I is the general partner of three limited partnerships and is an investment adviser registered

with the SEC. Baird Capital Partners Europe Limited, an English limited company, is regulated and authorized by the Financial Conduct Authority and is the manager of certain partnerships formed to acquire businesses and make investments across a range of industry sectors.

Affiliated Hedge Funds

Greenhouse acts as investment manager to certain hedge funds that are available to Baird clients.

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

Code of Ethics

Subject to the restrictions described below, Baird and its affiliates and associates may engage in securities transactions for their own accounts, including the same or related securities that are recommended to or owned by Baird clients. These transactions may include trading in securities in a manner that differs from, or is inconsistent with, the advice given to Baird clients, and the transactions may occur at or about the same time that such securities are recommended to or are purchased or sold for client accounts. This creates a potential for a conflict between the interest of clients and the interests of Baird and its affiliates and associates.

To address the potential for conflicts of interest, Baird has adopted a Code of Ethics (the "Code") that applies to its associates that provide investment advisory services to clients, including Baird Financial Advisors, their supervisors, and certain associates who have access to non-public information relating to advisory client accounts ("Access Persons"). The Code prohibits Access Persons from using knowledge about advisory client account transactions to profit personally, directly, or indirectly, by trading in his or her personal accounts. In addition, an Access Person who has discretionary authority over client accounts must generally pre-clear his or her trades or obtain prior authorization from his or her supervisor or Baird's Compliance Department before executing a trade. The Code also generally prohibits Access Persons who have discretionary authority over client accounts from executing a security transaction for their personal accounts during a blackout period that can extend from one to seven days before or after the date that a client transaction in that same security is executed. The Code provides for certain exceptions deemed appropriate by Baird management and/or by Baird's Compliance Department. In addition, orders for the accounts of Access Persons and other Baird associates that are under discretionary management by Baird may be aggregated with orders for other Baird client accounts, so long as the order is executed as part of a block transaction with client orders. A copy of the Code is available to clients or prospective clients upon request.

Baird has also implemented certain policies and procedures relating to Baird's and its associates' trading

activities that are designed to prevent them from improperly benefiting from the trading activities of Baird's advisory clients. In addition, Baird's Compliance Department monitors the personal trading activities of all of Baird's associates providing advisory-related services to clients.

Participation or Interest in Client Transactions

Trust Service Providers

Baird maintains alliances with certain unaffiliated institutions that provide trust services. These unaffiliated institutions offer various types of trust services, including trust administration, custody, tax reporting and record keeping, to Baird clients. In connection with these alliances and the trust services provided by these unaffiliated institutions, Baird may provide marketing support services in assisting clients in their evaluation of the trust services. Baird may be compensated by these unaffiliated institutions for providing these marketing support services. Such annual compensation generally will not exceed 10% of the annual trust service fees received by the unaffiliated institution.

Lending Arrangements

Baird maintains alliances with certain unaffiliated lenders that provide financing opportunities to Baird clients. Baird receives a referral fee from the lender in some instances. The amount of the referral fee varies, depending upon the lender and the amount of the financing. The referral fee is generally not shared with the client's Financial Advisor. It is Baird's practice to provide more specific information about the referral at the time a client obtains financing.

Other Interests in Client Transactions

Baird offers to clients other investment products and services not described in this Brochure. These investment products and services provide different levels of compensation to Baird and its Financial Advisors. Baird and its Financial Advisors may have an incentive to favor those investment products and services that generate a higher level of compensation than those that generate a lower level of compensation. For more information about the other investment products and services offered by Baird, clients should contact Baird or a Baird Financial Advisor.

Baird and its Financial Advisors may recommend to clients, and may buy and sell for client accounts, securities in which Baird and its affiliates and associates have a material financial interest. For more information, please see "Fees and Compensation" and "Other Financial Industry Activities and Affiliations" above.

Brokerage Practices

The Services provided under this Brochure only include services related to the creation of a Plan. The Services do not include the implementation of the Plan or the

solicitation or execution of specific securities transactions. As a result, Baird does not recommend or select broker-dealers to effect transactions for client accounts as part of the Services.

ability to meet its contractual commitments to clients, nor has it been the subject of a bankruptcy petition at any time during the past ten years.

Review of Accounts

Unless the client and the client's Financial Advisor otherwise agree, the client's Financial Advisor and the Department generally do not provide ongoing review of the Plan or the client's accounts or ongoing reporting.

Client Referrals and Other Compensation

Baird may provide compensation to individuals who refer clients in some instances. When applicable, the compensation paid is a percentage of the client's fee payments or the value of the client's account. The amount of compensation will vary, with the specific level determined based upon consideration of various factors including, but not limited to, the individual's role in developing the client relationship and the assets under management. Baird may pay these fees to registered representatives of Baird and its affiliates as well as to unaffiliated solicitors that have entered into a written agreement with Baird.

Baird and its affiliates and associates may receive certain economic benefits in connection with providing advisory services to clients, which are described in the sections entitled "Other Financial Industry Activities and Affiliations" and "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading" above.

Custody

Baird does not have custody of client assets and it does not recommend or select custodians for client accounts as part of the Services.

Investment Discretion

Baird does not have discretionary authority to buy or sell securities for client accounts or otherwise act for client accounts in connection with the Services. A client retains full discretionary authority over client's accounts and is solely responsible for implementing any Plan.

Voting Client Securities

Baird does not have authority to vote proxies with respect to the securities held in the client's account or otherwise act for client accounts in connection with the Services. A client retains the right to vote proxies with respect to the securities held in such accounts and is solely responsible for voting any such proxies.

Financial Information

Baird does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance and, thus, has not included a balance sheet of its most recent fiscal year. Baird is not aware of any financial condition that is reasonably likely to impair its