

# Important Account Disclosures

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Table of Contents

Important Account Disclosures..... 1

Introduction ..... 3

USA PATRIOT Act Notice ..... 3

Understanding Brokerage and Investment Advisory Relationships..... 3

Retirement Accounts..... 3

Dividend Reinvestment Program and Liquidation of Client Fractional Positions ..... 3

Free Credit Balances..... 4

Fees, Charges and Other Compensation..... 5

Client Communications ..... 7

Important Information about Investment Products and Investment Strategies ..... 9

Certain Financial Industry Activities and Affiliations ..... 11

Client Referrals and Solicitation Agreements ..... 14

Material Conflicts of Interest ..... 14

Important Information about Rollover IRAs ..... 14

Business Continuity Plan ..... 14

Securities Investor Protection Corporation ..... 14

Notice of Escheatment of Client Property ..... 14

Execution of Client Orders and Payment for Order Flow. 14

Extraordinary Market Conditions ..... 15

Extended Hours Trading..... 15

Notice to California Residents Age 65 or Older ..... 16

Notice to Members of U.S. Armed Forces and Their Dependents..... 16

Notice to Clients Seeking Services Incorporating a Non-Financial Objective ..... 16

Notice to Minnesota Residents ..... 16

Notice to Canada Residents..... 16

About this Important Account Disclosures Document..... 17

## Introduction

Established in 1919, Robert W. Baird & Co. Incorporated (“Baird”, “we”, “us” or “our”) is a privately-held, employee-owned global investment and wealth management firm that seeks to provide the best financial advice and service to our clients and be the best place to work for our associates.

This Important Account Disclosures document describes certain services that our Private Wealth Management business (“PWM”) makes available to you (“client”, “you” or “your”) and the terms and conditions that apply to those services and the accounts you open with us.

This document is not intended to be a comprehensive description of the services provided by us or the terms and conditions that apply to those services and accounts you open with us. In addition to the terms and conditions described in this document, your relationship with us is governed by your agreements with us, which typically include our Client Relationship Agreement.

This document references other documents that contain additional important information. Those documents are available on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor). You can obtain a paper copy of this document and any other document available on our website free of charge by contacting your Baird Financial Advisor or calling us toll-free 1-800-653-2294.

*The information contained in this document is current as of the date above and is subject to change in Baird’s discretion. You should review this document carefully and retain it with your records.*

## USA PATRIOT Act Notice

To help the government fight the funding of terrorism and money laundering activities, federal law requires financial institutions to obtain, verify and record information that identifies each person who opens an account. Baird will ask each client to provide certain required information. If a client is an individual, such information may include but is not limited to, the client’s name, date of birth, address, and other information that will allow Baird to identify the client. Baird will use electronic databases to verify a client’s identity and may ask for a copy of a client’s driver’s license or other identifying document. If a client is a corporation, partnership, trust or other legal entity, a client may be required to provide other information, such as its principal place of business, local office, employer identification number, certified articles of incorporation, government-issued business license, a partnership agreement or trust agreement.

If Baird cannot verify a client’s identity, Baird reserves the right to request that the client provide additional information. If Baird still cannot verify the client’s identity, or if Baird deems it necessary or advisable to comply with applicable law, Baird may without prior notice to the client, restrict or close the client’s accounts, refuse to accept instructions from the client, and terminate the client’s agreements. In the event that a client’s account is restricted or closed, the client is responsible for the liabilities and obligations arising from transactions initiated prior to Baird closing the account. A client should understand that Baird is not liable for any losses or damages a client may incur, including, without limitation, lost opportunities, in the event Baird restricts or closes an account.

## Understanding Brokerage and Investment Advisory Relationships

We are registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and as an investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and offer to our clients both brokerage services and investment advisory programs and services. Depending upon your particular needs and goals, you may have or wish to open brokerage accounts, advisory accounts or both. You should understand that brokerage services and investment advisory services are separate and distinct services and that there are important differences between those services and between brokerage accounts and advisory accounts. Our brokerage services and investment advisory services are governed by different laws and regulations and by different terms and conditions in your agreements with us. As a result, our legal duties and contractual obligations to you differ depending upon whether we are acting as broker-dealer or investment adviser for you or your account. Additional important information about our brokerage and investment advisory services and related accounts, including the terms, conditions, fees and costs applicable to those accounts and certain risks and conflicts of interest associated with those accounts, is contained in your agreements with us as well as our Form CRS *Client Relationship Summary* and *Client Relationship Details* documents. Other important information about our advisory services, including the terms, conditions, fees, costs, risks and conflicts of interest associated with those services, is contained in our Form ADV Part 2A Brochure for the applicable advisory service (the “Advisory Services Brochure”). You should review those documents carefully and discuss them with your Baird Financial Advisor if you are considering opening any account (or account type) with us.

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

## Retirement Accounts

Additional laws, regulations and other conditions apply to retirement accounts, which include employee pension benefit plan accounts that are subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and individual retirement accounts (“IRAs”) that are subject to the Internal Revenue Code of 1986, as amended (“IRC”) (collectively, “Retirement Accounts”). It is important for you to understand that the requirements imposed upon fiduciaries under ERISA or the IRC on the one hand, and the requirements imposed upon broker-dealers under the Exchange Act and upon investment advisers under the Advisers Act on the other hand, are separate and distinct requirements. While there are some similarities between those requirements, there are some important and significant differences. As a result, certain programs, services and investment products offered by us may be made available to your taxable accounts but may not be available to your Retirement Accounts. For more specific information, you should consult with your Baird Financial Advisor and refer to your agreements with Baird and the related disclosure documents.

## Dividend Reinvestment Program and Liquidation of Client Fractional Positions

The Dividend Reinvestment Program offered by Baird provides a convenient, cost-effective way to buy additional shares of eligible securities you already hold in your portfolio. Pursuant to the Dividend

Reinvestment Program, cash dividends you receive from eligible securities will be automatically reinvested, commission-free, allowing you to purchase additional full and/or fractional shares on a regular basis. As with any securities investment, there is no guarantee that you will realize a gain or be protected against a loss. Only cash dividends may be reinvested.

The Baird Dividend Reinvestment Program is an ancillary account service. Baird does not act as an investment advisor or fiduciary to clients in connection with the Dividend Reinvestment Program.

### **Enrollment**

You may enroll in the Dividend Reinvestment Program at any time by contacting your Baird Financial Advisor. Following your enrollment, all cash dividends paid to you with respect to your holdings of eligible securities will be automatically reinvested in additional shares of that security commission-free. However, the program is flexible and you may decide, with the assistance of your Baird Financial Advisor, which of your eligible securities you would like exclude from reinvestment transactions.

To participate in the Dividend Reinvestment Program, you must hold your securities in "street name" with Baird. If you currently hold your securities in customer name, a stock power must be completed for each security to transfer them to street name. Once your eligible securities are held in street name, you will be enrolled in the Dividend Reinvestment Program with respect to those securities.

Please note that, if you are an affiliate or insider of a company, Baird suggests that you consult your attorney or the company's legal counsel before enrolling in the Dividend Reinvestment Program for that company's shares. You may be subject to regulatory limitations concerning your investment activity in the securities issued by the company.

### **How the Dividend Reinvestment Program Works**

#### **Eligible Securities**

The Dividend Reinvestment Program applies to "eligible securities." Baird maintains a list of certain eligible dividend-paying stocks. Eligibility is based on the regularity of dividends paid on the particular security and the trading volume in that security. Baird may add or delete eligible securities at any time in Baird's sole discretion. If you are a participant in the Dividend Reinvestment Program and Baird adds a security you currently hold to its list of eligible securities, any dividends you receive from such securities will be automatically reinvested unless you inform your Baird Financial Advisor otherwise. Additional cash, other distributions or dividends from non-eligible securities may not be used to purchase additional shares under the Dividend Reinvestment Program.

#### **Eligibility Dates**

For dividends to be reinvested pursuant to the Dividend Reinvestment Program, you must beneficially own an eligible security on that security's dividend record date. For more information, please discuss with your Baird Financial Advisor.

#### **Reinvestment of Cash Dividends: Security Purchases**

When cash dividends are reinvested, shares will be purchased commission-free on the date you receive the dividend. Reinvestment will be effected through open market purchases, except that orders for fractional shares will be executed on a principal basis. All orders

under the Program will be consistent with Baird's obligation to obtain best execution of client orders at the time the order is entered.

On the applicable reinvestment date, Baird calculates the aggregate amount of the eligible security Baird must purchase to effect reinvestment on behalf of each participant in the Dividend Reinvestment Program. If the aggregate number of required shares cannot be acquired in a single trade, purchases will be combined and the per-share cost will be calculated on a weighted average basis and allocated across all participating accounts. If Baird makes a market in the eligible security, shares may be purchased directly from Baird's inventory.

#### **No Separate Confirmations for Reinvestment Transactions**

You will not receive a written confirmation of each individual dividend reinvestment transaction; however, your Baird Client Statement will provide details, including the number of shares and the price of each security purchased. At any time after the date you receive a cash dividend on an eligible security, you may obtain current information on a reinvestment transaction by contacting your Baird Financial Advisor.

#### **Changing Instructions**

If you want to change your instructions regarding the Dividend Reinvestment Program, simply contact your Baird Financial Advisor. Please allow at least two business days to process such requests.

#### **Right to Modify Program**

Baird may modify, discontinue or suspend the Dividend Reinvestment Program, in whole or in part, or modify its terms in response to market conditions or other factors in Baird's sole discretion, with or without notice to you.

#### **Tax Consequences**

Cash dividends that are received, whether paid in cash or reinvested in additional shares pursuant to the Dividend Reinvestment Program, are subject to tax and will be reported on IRS Form 1099-DIV.

#### **Liquidation of Fractional Shares**

From time to time, such as when a pending dividend reinvestment occurs after your position in the applicable security is liquidated or as a result of your request to transfer your account holdings from Baird to another custodian, liquidation of your accumulated fractional positions may be required. Under such circumstances, your fractional shares will be sold commission-free.

Liquidation will be effected through a sale transaction executed at the applicable security's price as of close of the previous trading day.

As is the case with purchases of fractional shares, under the Dividend Reinvestment Program, you will not receive a written confirmation of each individual sale transaction applicable to your fractional position and executions will be done on a principal basis; however, your Baird Client Statement will provide details on the liquidation transaction. In addition, you may obtain current information on a fractional liquidation transaction by contacting your Baird Financial Advisor.

#### **Free Credit Balances**

You may elect to hold cash in an eligible Baird Account as a free credit balance, which represents funds held by Baird payable to you on demand. Baird generally uses free credit balances in connection with

its business, subject to applicable law. Further, Baird does not pay interest on these balances. Baird offers several options for clients seeking a level of income on cash balances, including participation in Baird's Cash Sweep Program. You are encouraged to discuss your cash needs, objectives, and goals with a Baird Financial Advisor.

### **Fees, Charges and Other Compensation**

The fees and charges that you may pay to Baird, and the compensation that Baird and its Financial Advisors receive related to your accounts, depend upon the types of accounts that you establish with Baird and the particular programs, services and features that you select for those accounts.

A summary of some of the more common fees and charges that a client may pay to Baird and the compensation that Baird and its Financial Advisors may receive is provided below. *Please note that this is not an all-inclusive list.*

#### **Brokerage Account Material Fees and Costs**

The principal costs of our brokerage services are the fees and costs you pay when we buy or sell investments for your brokerage account ("transaction-based fees"). For certain types of investments, you will also indirectly pay us ongoing or trail commissions or fees ("trail fees"). Transaction-based fees and trail fees vary and depend on the investment you select, the size of the trade, and whether we act as "agent" or "principal" when placing your trade. When we act as agent, we buy and sell investments for you using third-party broker-dealers or an exchange or other marketplace. When we act as principal, we buy investments from you and sell investments to you for our own account. When we act as your agent, you will generally pay us commissions, sales charges or "loads", or similar compensation. For certain types of investments, such as common and preferred stocks, exchange-traded funds ("ETFs"), closed-end funds and options, the transaction-based fees are typically up-front commissions. For certain other investments, such as mutual funds and unit investment trust ("UITs"), you will indirectly pay us upfront or deferred sales charges disclosed in the prospectus or offering document for the investment. When you purchase an annuity, we will receive an upfront commission from the annuity provider. Depending upon the investment, commissions and sales charges may be paid at the time you invest, periodically over a certain period of time, or upon the occurrence of some later event, such as your sale of the investment. You will also indirectly pay us trail fees on certain investments, such as mutual funds, UITs and annuities, which are disclosed in the prospectus or offering document for the investment. Trail fees are generally required to be paid periodically, typically quarterly, for as long as you hold the investment and are based on the value of your investment. When we act as principal, including when we sell (or buy) bonds to (or from) you from (or to) our own account, or when we act as underwriter or dealer in a public offering of stock or bonds, our compensation is embedded in the price of the investment you buy or sell because we mark the price of your investment up ("markup") or down ("markdown") and/or earn embedded commission, underwriting discount or dealer concession. You should discuss with your Baird Financial Advisor the amount of fees and costs you will incur before placing an order for your brokerage account. You should note that you will pay the same transaction-based fees and trail fees on securities trades we execute for your brokerage account, whether the trades are placed in accordance with our recommendations, against our recommendations or at your direction without any

recommendation from us. More specific information about the transaction-based fees and trail fees that apply to investments made in brokerage accounts is provided in our *Client Relationship Details* document and our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

#### **Investment Advisory Account Material Fees and Costs**

The principal cost of our advisory services is an advisory fee. The advisory fee varies and depends upon the advisory service you select.

For our advisory programs, you will typically pay an ongoing fee ("Program Fee") based on a percentage of the value of all of the assets in your program account, including cash and cash equivalents (an "asset-based fee"), although other advisory fee options, such as a flat fee, may be available.

We provide most advisory programs on a "wrap" fee basis. This means that, in addition to advisory services, we also provide you with non-advisory services, such as trade execution, custody of your investments and other account services for a single program or "wrap" fee. However, we offer advisory services to certain clients in limited instances that are not subject to a wrap fee. In those instances, the client will be responsible for paying commissions and fees for transactions effected for the client's account and custody and account fees in addition to the advisory fee.

Most new advisory accounts are subject to a unified advice fee arrangement ("Unified Advice Fee Arrangement"). Under a Unified Advice Fee Arrangement, the asset-based Program Fee is comprised of an advice fee ("Advice Fee") and, for some advisory programs, an additional portfolio fee ("Portfolio Fee"). The Advice Fee covers certain investment advisory services (and brokerage and custody services if the advisory account is subject to a wrap fee) provided by us. If you select an advisory program that involves appointment of a manager to manage your account, including a department or affiliate of ours, you will pay a Portfolio Fee in addition to the Advice Fee. The Portfolio Fee covers portfolio management and other services provided by us and the manager to your advisory account, which may include departments or affiliates of ours. If you have a Unified Advice Fee Arrangement, your Program Fee rate will be equal to the sum of the applicable Advice Fee rate and the applicable Portfolio Fee rate, if any. If you have a Unified Advice Fee Arrangement, you may generally choose a tiered or breakpoint fee schedule for the Advice Fee portion of the Program Fee. Under a tiered fee schedule, the Advice Fee will vary for different segments of your assets, gradually decreasing as the advisory account balance increases. Use of a tiered fee schedule will result in a blended fee rate. Under a breakpoint fee schedule, the Advice Fee is determined by reference to the market value of your advisory account assets, with the fee being equal or lower for accounts with higher levels of assets. The breakpoint fee, once determined, is then applied to all of the assets in your advisory account.

For standalone financial planning services provided separate from our advisory programs, the advisory fee is typically a flat dollar amount. We generally require payment after delivery of the financial plan, unless you have elected to receive ongoing planning services. Fees for ongoing planning services are typically billed and paid quarterly out of an account held by you with us.

You should refer to your agreements with us and our Advisory Services Brochure for important more specific information about

advisory fee rates, how they are calculated and charged and other costs associated with our advisory accounts.

#### **Cost and Expense Information for Certain Investment Products**

You should be aware that certain investment products in which you invest (including both brokerage and investment advisory accounts), such as mutual funds, ETFs, closed-end funds, UITs, annuities and other products, have their own ongoing management and other operating fees and expenses that are deducted from the assets of the product (or income or gains generated by the product on its investments) and thus reduce the value or return of your investment in the product. These operating expenses do not include any sales loads or commissions that may apply when you buy or sell the investment products for your brokerage account or advisory fees you incur on an advisory account. Additional important information about ongoing fees and expenses that apply to those types of investments is provided in our *Client Relationship Details* document and our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor). You can find the actual ongoing fees and expenses of an investment product that you will pay or bear in the product's prospectus or offering document.

#### **Additional Account Fees and Charges**

Clients with brokerage and advisory accounts with us may pay other account fees and other charges, such as annual maintenance fees for certain account types (such as IRAs and retirement plan accounts), ongoing service fees for smaller accounts, IRA termination fees, fees for certain requested services, and other charges, such as processing fees for your brokerage transactions. You may also be subject to wire transfer fees, securities transfer fees, investment conversion fees, and other charges. A schedule of our account fees and other charges is available on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor). If you wish to obtain a paper copy of the schedule of fees and service charges, you can do so by contacting your Baird Financial Advisor or us at 1-800-RW-BAIRD. We will endeavor to provide you reasonable notice of the addition of or a change to the type or amount of our fees and charges, which may include a posting of the new fees or charges to our website. However, we reserve the right to change the fees and charges at any time in our sole discretion without prior notice to you. You may qualify for a fee waiver and should contact your Baird Financial Advisor for details.

#### **Other Fees and Expenses**

In addition to the fees and charges described above, you may incur other fees and expenses charged or imposed by other parties, which may include fees, costs or expenses related to:

- markups, markdowns, and spreads charged by other broker-dealers that buy securities from, or sell securities to, your account (such costs are inherently reflected in the price you pay or receive for such securities);
- front-end or deferred sales charges, redemption fees, or other commissions or charges associated with securities transferred into or from an account;
- redemption fees, surrender charges or similar fees that an investment product or its sponsor may impose;
- underwriting discounts, dealer concessions or similar fees related to the public offering of investment products;
- extra or special fees or expenses that may result from the execution of odd lot trade orders (i.e., "odd-lot differential");
- electronic fund fees, wire transfer fees, fees for transferring an investment between firms, and similar fees or expenses related to account transfers;
- currency conversions and transactions;
- securities conversions, including, without limitation, the conversion of American depositary receipt ("ADRs") to or from foreign ordinary shares;
- interest, fees and other costs related to margin accounts, short sales and options trades;
- fees related to the establishment, administration or termination of Retirement Accounts, retirement or profit sharing plans, trusts or any other legal entity, including, without limitation, the calculation and payment of unrelated business income tax ("UBIT");
- fees imposed by the SEC or securities markets, including transaction fees imposed by electronic trading platforms, which fees may be imbedded in the price you receive for the security; and
- taxes imposed upon or resulting from transactions effected for your account, such as income, transfer or transaction taxes, foreign stamp duties, or any other costs or fees mandated by law or regulation.

If you use a custodian other than, or in addition to, us, you will pay the custodian's fees and expenses in addition to the fees and charges imposed by us. In addition, if a third party custodian has custody of your Account assets, the Account is subject to all set-up, maintenance and administrative fees, if any, established by us. We may waive such fees in our discretion.

If you participate in an advisory program or advisory service, you should review the applicable Advisory Services Brochure for information about additional fees and expenses that may apply.

#### **Other Account Services**

Additional non-securities services available to you include cash management services (such as a debit card, check writing, automatic bill payment, concierge service and awards program), insurance and identity theft protection services. Additional important information about those services, including the fees and expenses that apply, is set forth on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

#### **Cash Sweep Program**

We maintain a Cash Sweep Program that is intended for clients who want to earn interest and receive FDIC insurance protection on their cash over short periods of time while awaiting investment. We receive compensation for the administrative, accounting and other services that we provide under the program. More detailed information about the Cash Sweep Program, the compensation we receive, and the terms and conditions, risks, fees and expenses, and conflicts of interest associated with the program is available on our website at [www.rwbaird.com/cashsweeps](http://www.rwbaird.com/cashsweeps).



### **Trust Services Arrangements**

We maintain an alliance with certain institutions, both non-affiliated and affiliated, including Baird Trust Company, that provide trust administration services, including trust administration, custody, tax reporting and recordkeeping. Baird Financial Advisors at times refer clients seeking trust administration services to institutions that are members of the alliance. They do not act as investment adviser or a fiduciary to the client when making such a referral and they will not provide advice on or oversee any such trust services arrangement.

In addition, outside of the Trust Alliance Program, Baird Financial Advisors may refer a client to Baird Trust to provide investment advisory and trust administration services to the client. If a client enters into such a relationship with Baird Trust, Baird and the client's Baird Financial Advisor typically provide ongoing relationship management services. Baird Trust generally provides compensation to Baird and the client's Baird Financial Advisor for the referral and providing ongoing services, which may be up to 50% of the ongoing fees that a client pays to Baird Trust, and which is credited to the client's Baird Financial Advisor for purposes of determining the Financial Advisor's compensation. The compensation paid to Baird and a client's Baird Financial Advisor does not increase the fees that the client pays to Baird Trust.

Due to Baird's affiliation with Baird Trust and the compensation paid to Baird and Baird Financial Advisors, Baird and Baird Financial Advisors have a financial incentive to favor Baird Trust over other trust companies. More specific information is provided in the Client Relationship Details document on our website at [bairdwealth.com/retailinvestor](https://bairdwealth.com/retailinvestor).

### **Margin Loans**

Margin involves borrowing money from us, including for the purpose of buying securities. If you use margin, you will pay us interest on the amount you borrow. Additional important information about margin, including the terms and conditions, risks, fees and expenses, and conflicts of interest associated with your use of margin, is provided in our *Client Relationship Details* document and on our website at [bairdwealth.com/retailinvestor](https://bairdwealth.com/retailinvestor).

### **Securities-Based Lending Program**

We offer you an opportunity to borrow money from a third party bank under our Securities-Based Lending Program. If you participate in that Program, you will pay interest to the bank on your outstanding loan balances, and we and your Baird Financial Advisor will receive an administrative fee from the bank based on your outstanding loan balances, which administrative fee is paid by the bank out of the interest you pay to the bank. Additional important information about our Securities-Based Lending Program, including the terms and conditions, risks, interest rates, and conflicts of interest associated with your participation in that Program, is provided in our *Client Relationship Details* document and on our website at [bairdwealth.com/retailinvestor](https://bairdwealth.com/retailinvestor).

### **Affiliated or Proprietary Products and Services**

Please note that some of the investment products available to you in brokerage and advisory accounts are managed or sponsored by our affiliates. Proprietary or affiliated investment products include mutual

funds, ETFs, closed-end funds, UITs, private equity funds, hedge funds and other private investment funds for which we and investment advisory firms affiliated with us serve as investment adviser or sub-adviser, general partner, investment manager, portfolio consultant or fund administrator. In addition, the managers available in our advisory programs include us and managers affiliated with us. The availability of affiliated investment products and managers to brokerage and advisory accounts presents a conflict of interest because we and your Baird Financial Advisor have an incentive to recommend, encourage or advise you to select affiliated investment products and managers because such selections are more profitable to us. Additional important information about our affiliates and proprietary products and services and associated conflicts of interest is provided in our *Client Relationship Details* document and on our website at [bairdwealth.com/retailinvestor](https://bairdwealth.com/retailinvestor).

### **Additional Important Information about How We and Your Financial Advisor Are Compensated**

Additional important information about how we and your Baird Financial Advisor are compensated or otherwise benefit from your relationship with us, and the conflicts associated with our receipt of such compensation and benefits, is contained in our *Client Relationship Details* document, our Advisory Services Brochure and on our website at [bairdwealth.com/retailinvestor](https://bairdwealth.com/retailinvestor).

### **Client Communications**

From time to time, Baird will deliver to clients certain account-related communications, which may include account statements, trade confirmations, performance reports, periodic issuer reports, proxy statements, prospectuses, Form ADV Part 2 brochure documents, client relationship summaries and booklets, privacy notices and other regulatory communications, tax documentation, agreements and amendments thereto, newsletters, and certain other information regarding a client's accounts (collectively, "Client Communications").

### **Trade Confirmations and Account Statements**

Baird will send a client a trade confirmation following the execution of a client's trade order to the extent required by applicable law unless the client provides other instructions or elects to suppress delivery of trade confirmations. If Baird provides Brokerage Services to a client, Baird will generally provide the client with a monthly account statement when activity occurs during that month. Otherwise, Baird will generally provide the client with a quarterly statement if there has not been any intervening monthly transaction activity. If a client has assets held by a third party custodian, the prices shown on the client's account statements provided by the custodian may be different from the prices shown on statements and reports provided by Baird.

### **Performance Reporting**

Depending upon the program and services selected, a client may or may not receive performance reports. Performance reporting is generally not available for account assets that are not custodied at Baird. Baird may change or discontinue performance reporting to a client at any time for any reason upon notice.

A client should note that past performance does not indicate or guarantee future results. None of Baird, its associates or investment managers managing a client's account promise or guarantee any level

of investment returns or that the client's investment objective will be achieved.

A client's performance reports may contain a comparison of the client's account performance to a benchmark market index or indices. The benchmark may be a blended benchmark that combines the returns for two or more indices. Benchmarks shown in performance reports are for informational purposes only. Baird's selection and use of a benchmark is not a promise or guarantee that the performance of the client's account will meet or exceed the stated benchmark, or that the benchmark used is relevant or comparable to the client's account. When a client compares account performance to the performance of a market index, the client should recognize that a market index merely reflects the performance of a list of unmanaged securities included in the index and the index performance does not take into account management fees, execution costs, and other expenses related to the operation of a portfolio. The securities included in the client's account generally do not exactly mirror the securities included in the index.

When preparing a client's account statements and performance reports, Baird generally relies upon third party sources, such as third party pricing services. In some instances, such as when Baird is unable to obtain a price for an asset from a pricing service, Baird may obtain a price from its trading desk or it may elect to not price the asset. Obtaining a price from its trading desk may present a conflict of interest. In some cases, Baird obtains prices from the issuers or sponsors of investment products in the client's account when prices are not otherwise readily available. This frequently occurs with respect to the valuation of Complex Investment Products (defined below), as well as community bank stocks and private limited partnerships. If the assets in the client's account are held by a custodian other than Baird, Baird generally relies on valuation information provided by the client's third party custodian.

Baird does not conduct a review of valuation information provided by third party pricing services, issuers, sponsors, or custodians, and it does not verify or guarantee the accuracy of such information. Valuation data for investments, particularly Complex Investment Products, community bank stocks and private limited partnerships, may not be provided to Baird in a timely manner, resulting in valuations that are not current. The prices obtained by Baird from the third party pricing services, issuers, sponsors and custodians may differ from prices that could be obtained from other sources. Values used in account statements and performance reports may vary from prices received in actual transactions and are not firm bids, offers or guarantees of any type with respect to the value of assets in an Account, and the values may be greater than the amount a client would receive if the securities were actually sold from the client's account.

### **Electronic Delivery of Documents**

As a convenience for clients, Baird offers clients the ability to receive Client Communications electronically. If a client consents to electronic delivery, Baird may deliver documents electronically in any of the following ways:

- Baird may deliver an e-mail to a client using the client's email address on file with Baird. The email will contain an active link to the documents or the documents will be attached to the email in portable document format (.pdf) or other readable format.

- Baird may deliver removable media, such as a CD-ROM or DVD, to the client's mailing address on file with Baird. The removable media will contain the documents in portable document format (.pdf) or other readable format.
- Baird may post the documents on Baird Online, at [www.rwbaird.com](http://www.rwbaird.com) or another website designated by Baird. Baird will notify a client via email or mail when the client should visit the website to obtain and view the documents.

A client should understand that the client must have internet access and the computer hardware and software necessary to receive and view electronic documents, including, but not limited to, internet browsing software and document reader software, such as Adobe Acrobat Reader. Baird does not charge clients for electronic delivery. However, a client will generally be subject to fees and charges imposed by the client's internet service provider. Because the internet is not a secure communications network, a client should understand that there are risks associated with the electronic transmission of the client's financial and personal information, such as unauthorized access and systems outages, delays, disruptions in telecommunications services and the internet. Baird or its agents will maintain an archive of documents delivered electronically that will be accessible to a client only for a limited period of time, in some cases for only one (1) year after the original delivery date. If a client wishes to retain documents for a longer period of time, the client is responsible for downloading and retaining a copy of the documents.

If a client has consented to electronic delivery, the client has the right to request paper delivery of any Client Communication that the law requires Baird to deliver to the client in paper form. A client should understand that if Client revokes or restricts his or her consent to electronic delivery of Client Communications or requests paper delivery, Baird may, in Baird's sole discretion, charge the client a service fee for the delivery of paper copies. Please note that certain documents may continue to be delivered in paper form despite a client's consent to electronic delivery.

### **Paper Delivery of Documents**

To the extent paper copies of Client Communications are delivered to a client, Baird may deliver such paper copies to Client's address of record or at such other address as Client may provide to Baird in writing. Baird is dependent on a client's prompt communication of any disruption in the client's mail service.

A client has the ability to direct Baird to make the client's primary mailing address a Post Office Box ("P.O. Box"). When a client instructs Baird to utilize a P.O. Box as the client's primary mailing address, most Client Communications, including but not limited to account statements, confirmations, asset dispersal, confirmation letters and debit cards will be sent to the P.O. Box. Baird is required by regulation to also obtain a client's legal street address and maintain a record of such address. Baird reserves the right to send any or all Client Communications to the client's legal street address or to discontinue mailing to a P.O. Box address at any time in Baird's sole discretion. There are risks in utilizing a P.O. Box and such risks may include, but are not limited to, theft of documents, failure to timely gain physical receipt of documents, and third parties accessing the P.O. Box. Baird advises clients to not give third parties access to their P.O. Box. Baird is not responsible for any fees or charges associated with opening or maintaining P.O. Box or the consequences to a client of a failure to pay such fees or charges.



## Householding of Client Communications

As a convenience for clients, Baird may consolidate communications to clients sharing the same address. This practice is frequently referred to as “householding”.

Unless otherwise directed by a client, Baird will deliver all Client Communications on a consolidated basis to a client’s “Statement Household”. A client’s Statement Household automatically includes all client accounts that share the same name, address and social security or tax identification number. Subject to Baird’s agreement, a client may also add to the client’s Statement Household other accounts that share the same address, such as accounts for the client’s spouse or children or accounts for which the client serves as a trustee, conservator, guardian, or other fiduciary or authorized representative; provided that, all affected clients have directed Baird to add such accounts to the Statement Household.

If a client elects householding, Baird will send all Client Communications to the client and all other members of client’s Statement Household on a consolidated basis. For clients receiving paper copies of documents, this means that Client Communications will be consolidated into a single envelope. For Baird Online clients, this means that any member of the Statement Household who has enrolled in Baird Online will have access to view Client Communications for all accounts in the Statement Household.

A client should note that members of the client’s Statement Household will have access to client’s personal and financial information.

A client should understand that, by electing householding, only a single copy of certain types of Client Communications will be sent to the Statement Household. Such documents may include periodic issuer reports, proxy statements, prospectuses, Form ADV Part 2 brochure documents, privacy notices and other regulatory communications, agreements and amendments thereto, newsletters, and certain other information regarding client accounts that Baird may deliver from time to time.

In the event that a client desires to change a Statement Household or terminate householding, the client can contact the client’s Financial Advisor or the client can contact Baird, in writing, at 777 East Wisconsin Avenue, Milwaukee, Wisconsin, 53202, Attention: Name & Address Department.

## Important Information about Investment Products and Investment Strategies

### Investment Product Information

We make available many different types of investment products to you for purchase in your brokerage and advisory accounts, including equity securities, corporate bonds, municipal bonds, U.S. Government and agency securities, certificates of deposit (“CDs”), mutual funds, money market funds, ETFs, closed-end funds, UITs, annuities, hedge funds, and private equity funds. The particular investment products available to brokerage accounts are described in our *Client Relationship Details* document, and the investment products available to advisory accounts are described in our *Advisory Services Brochure*.

The investment products made available by us have very different features, characteristics, fees, expenses and risks. It is important that you understand that information before investing. We maintain a

series of *Important Information about* documents for our clients that describe the following investment products:

- Annuities
- Bonds
- Business Development Companies (“BDCs”)
- Callable Securities
- Cash and Cash Alternatives
- Certificates of Deposit (“CDs”)
- Closed End Funds (including Interval Funds) and Unit Investment Trusts (“UITs”)
- Exchange-Traded Products (including Exchange-Traded Funds (“ETFs”))
- Fixed Income Securities with Survivor’s Option
- Hedge Funds and Funds of Hedge Funds
- International Securities
- Initial Public Offerings (“IPOs”)
- Leveraged and Inverse Funds
- Managed Futures
- Master Limited Partnerships (“MLPs”)
- Municipal Bonds
- Mutual Funds (including Money Market Funds)
- Non-Exchange Traded Equity Securities
- Non-Rated, Split-Rated or Below Investment Grade Securities, and Securities in Lowest Investment Grade Category
- Private Equity Funds
- Private Credit Funds
- Qualified Opportunity Zone Funds
- Real Estate Investment Trusts (“REITs”)
- Special Purpose Acquisition Companies (“SPACs”)
- Structured Products
- Variable Rate Demand Obligations

You are encouraged to review those documents before investing in a product. Those documents are available on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

### Special Considerations for Complex Strategies and Complex Investment Products

Baird makes available to clients the ability to pursue alternative investment strategies (“Alternative Strategies”) or other non-traditional or complex investment strategies that involve special risks not apparent in more traditional investments like stocks and bonds (collectively, “Complex Strategies”). Similarly, clients have the ability to invest in non-traditional or real assets (“Non-Traditional Assets”). Some Programs also offer the ability to invest in investment products that pursue Alternative Strategies (“Alternative Investment Products”) or other Complex Strategies (collectively, “Complex Investment Products”). Complex Strategies may be pursued in multiple ways, including by investing in alternative mutual funds, ETFs, hedge funds, managed futures, private equity funds and separately managed accounts managed by third party managers. Some Complex Strategies invest in non-traditional assets, such as real estate, commodities (which may include metals, mining, energy and

agricultural products), currencies, cryptocurrencies, movements in securities indices, credit spreads and interest rates, and venture capital and buyout investments in private companies. Some Complex Strategies engage in the use of margin or leverage or selling securities short (“short sales”). Some Complex Strategies invest in derivative instruments such as options, convertible securities, futures, swaps, or forward contracts. Complex Investment Products generally engage in one or more Complex Strategies. Additional information about Complex Strategies and Complex Investment Products is provided below.

### ***Non-Traditional Assets***

Non-Traditional Assets, such as investments in commodities, currencies, cryptocurrencies, securities indices, interest rates, credit spreads, and private companies, may be used for diversification purposes. They may also be used to try to reduce market and inflation risk. The performance of Non-Traditional Assets may not correspond to the performance of the stock markets generally, and investments in Non-Traditional Assets will generally impact an account’s returns differently than more traditional investments like stocks or bonds. Non-Traditional Assets are subject to risks that are different from, and in some instances, greater than, other assets like stocks and bonds. Non-Traditional Assets are generally more difficult to value, less liquid, and subject to greater volatility compared to stocks and bonds.

### ***Margin and Leverage***

#### Margin

If a client wishes to borrow from Baird, a client must open a margin account with Baird, and Baird may provide the client with a margin loan. Securities held in a client’s margin account are used as Baird’s collateral for the margin loan. The value of the collateral in the margin account must be maintained at a certain level relative to the margin loan for the duration of the loan. If the securities in the margin account decline in value, so does the value of the collateral supporting the margin loan, and as a result, Baird may take action, such as issue a margin call and sell securities in the account. Additional important information about the use of margin, including the applicable fees, costs, risks and conflicts of interest, is contained in our *Client Relationship Details* document and on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

#### Leverage

Leverage generally attempts to obtain investment exposure in excess of available assets through the use of borrowings, short sales and other derivative instruments. While leverage can potentially enhance returns, it can also exacerbate losses if changes in the markets, or the values of the investments subject to the leverage, are adverse to the strategy being pursued. The use of leverage may also increase an account’s volatility.

### ***Short Sales***

Short selling attempts to benefit from an anticipated decline in the market value of a security. To effect a short sale, a client sells a security the client does not own. When a client sells a security short, Baird borrows the security from a lender and makes delivery to the buyer on the client’s behalf. Because short sales involve an extension of credit from Baird to the client, a client must use a margin account. A client must also eventually purchase the same shares sold short and return them back to the lender. It is possible that the prices of securities that a client sells short may increase in value, in which case

the client may lose money on the short position. Short selling thus runs the risk of loss if the price of the securities sold short does not decline below the price at which they were originally sold. This risk of loss is theoretically unlimited, as there is no cap on the amount that the price of a security may appreciate.

Clients should note that an investment manager managing a client’s account or investment products in the client’s account may also engage in short sales. Thus, a client’s account will be subject to short sales risks if the investment manager managing the client’s account or an investment product in the client’s account engages in short sales.

### ***Options and Other Derivative Instruments***

#### Derivative Instruments

Derivatives instruments, such as options, convertible securities, futures, swaps, and forward contracts are financial contracts that derive value based upon the value of an underlying asset, such as a security, commodity, currency, or index. Derivative instruments may be used as a substitute for taking a position in the underlying asset. Derivative instruments may also be used to try to hedge or reduce exposure to other risks. They may also be used to make speculative investments on the movement of the value of an underlying asset. The use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Investing in derivatives also generally involves leverage. Derivatives are also generally less liquid, and subject to greater volatility compared to stocks and bonds.

#### Options

Options transactions may involve the buying or writing of puts or calls on securities. In some cases, Baird may require clients to open a margin account to engage in options trading.

With a call option, the purchaser has the right to buy, and the seller (writer) the obligation to sell, the underlying security or index at a predetermined price (that is, the exercise or strike price) prior to expiration of the option. The premium paid to the seller (writer) for the option is in consideration for the underlying obligations imposed on the seller should the option be exercised. With a put option, the purchaser has the right to sell, and the seller has the obligation to buy, the underlying security or index at the exercise price prior to expiration of the option.

In buying a call option, the purchaser expects that the market value of the underlying security or index will appreciate, which would enable the purchaser of a call to buy the underlying security or index at a strike price lower than the prevailing market price. The purchaser of the call option makes a profit if the prevailing market price is greater than the sum of the strike price plus the premium paid for the option. The seller of a call option earns income in the form of the premium received from the purchaser for the option and expects that the market value of the underlying security or index will depreciate such that the option will expire without being exercised. The seller of a call option makes a profit if the prevailing market price of the underlying security or index is less than the sum of the strike price plus the premium received.

In buying a put option, the purchaser expects that the market value of the underlying security or index will depreciate, which would enable the purchaser of a put to sell the underlying security or index

at a strike price higher than the prevailing market price. The purchaser of the put option makes a profit if the prevailing market price is less than the sum of the strike price and the premium paid for the option. The seller of a put option earns income in the form of the premium received from the purchaser for the option and expects that the market value of the underlying security or index will appreciate such that the option will expire without being exercised. The seller of a put option makes a profit if the prevailing market price of the underlying security or index is greater than the difference between the strike price and the premium.

In purchasing a put or call option, the purchaser faces the risk of loss of the premium paid for the option if the market price moves in a direction opposite to what the purchaser had expected. In selling or writing an option, the seller faces significantly more risk. A seller of a call option faces the risk of significant loss if the prevailing market price of the underlying security or index increases above the strike price, and a seller of a put option faces the risk of significant loss if the prevailing market price of the underlying security or index decreased below the strike price.

A client should note that an investment manager managing a client's account or investment products in the client's account may also engage in options transactions. Thus, a client's account will be subject to options risks if the investment manager managing the client's account or an investment product in the client's account engages in options transactions.

Additional important information about the use of options, including the applicable fees, costs and risks, is contained on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

#### **Complex Investment Products**

Complex Investment Products typically invest primarily in non-traditional assets or engage in one or more Complex Strategies. Complex Investment Products include Alternative Investment Products, such as hedge funds, funds of hedge funds, private equity funds, funds of private equity funds and managed futures, but also include other investments pursuing Complex Strategies, including but not limited to, exchange or swap funds, leveraged funds, inverse funds, and other special situation funds, structured certificates of deposit and structured notes, exchange-traded notes, business development companies, real estate investment trusts, and master limited partnerships.

In addition, a client should be aware that more traditional investments, such as mutual funds, ETFs, UITs and variable annuities, may also pursue Complex Strategies. A client should carefully review the prospectus or other offering document for each investment and understand the strategy being pursued before deciding to invest.

Additional information about Complex Investment Products is available on Baird's website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

The use of Complex Strategies or Complex Investment Products is not appropriate for some clients because they involve special risks. A client should not engage in those strategies or invest in those products unless the client is prepared to experience significant losses in the client's account. This is especially true for short selling, which can result in unlimited losses as there is no limit to the amount borrowed securities can rise in value. Before using those types of strategies or products, a client is strongly urged to discuss them with the client's Financial Advisor and any investment manager managing

the client's account. A client should also carefully review the client's agreements with Baird and related disclosure documents. Additional information about Complex Strategies and Complex Investment Products is available on Baird's website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

#### **Investment Risks**

Risk is inherent in any investment product or objective/strategy, and we do not guarantee any level of return on your investments. There is no assurance that your investment objectives will be achieved, and you could lose all or a portion of the amount invested. The management of your accounts and recommendations made to you are based in part upon the use of forward-looking projections, which in turn are based upon certain assumptions about how markets will perform in the future. There can be no guarantee that markets will perform in the manner assumed and the actual performance of markets and your accounts could differ materially from those assumptions. Also, your account value may fluctuate, sometimes dramatically, depending upon the nature of your investments, market conditions and other factors. Your account is subject to certain risks based on the investments in your account and your investment strategies. A description of investment risks that apply to certain types of investments and strategies is available on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor). You should not pursue a strategy or invest in an investment product unless you are prepared to accept the associated risks. You are encouraged to discuss with your Financial Advisor the risks that apply to you. You should also review the prospectus or other disclosure document for any security or other investment product in which you invest, as it will contain important information about the risks associated with investing in such security or other investment product.

#### **Callable Securities**

Baird maintains policies and procedures designed to ensure the fair and impartial allocation of securities among all clients in the event of a partial call or redemption of such securities prior to maturity. A description of these policies and procedures is available at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

#### **Certain Financial Industry Activities and Affiliated and Related Parties**

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 related to or affiliated with certain broker-dealers, investment advisors, other financial services firms and investment products that are identified below.

From time to time, Baird and its Financial Advisors may recommend that clients retain the services of financial services firms or invest in investment products that are related to or affiliated with Baird. This presents a conflict of interest because Baird, its Financial Advisors and its related parties or affiliates generally receive higher aggregate compensation if clients retain affiliated firms or invest in related or affiliated investment products instead of retaining unrelated or unaffiliated firms or investing in unrelated or unaffiliated investment products. More information about Baird's affiliates and affiliated products is available on Baird's website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

### **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.

### **Investment Management Activities**

Baird and its Financial Advisors may, from time to time refer clients to Baird Advisors or Baird Equity Asset Management, investment management departments of Baird, or Chautauqua Capital Management (“CCM”), a division of Baird Equity Asset Management. Baird Financial Advisors are eligible for referral compensation to be paid by Baird that is based upon, among other factors, the compensation received by Baird. *Baird and Baird Financial Advisors may have a financial incentive to recommend to clients the services of those Baird investment management departments over the services provided by other investment managers.*

More information about referral fees is available on Baird’s website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

### **Certain Affiliations**

#### **Affiliated Broker-Dealers**

Baird is affiliated, and may be deemed to be under common control, with Strategas Securities, LLC (“Strategas Securities”), which is registered with the SEC as a broker-dealer and investment adviser, by virtue of their common indirect ownership. *Due to its affiliation with that entity, Baird has a financial incentive to favor Strategas Securities’ investment products and services.*

#### **Affiliated and Related Investment Advisors**

Baird is affiliated, and may be deemed to be under common control, with Riverfront Investment Group, LLC (“Riverfront”), Strategas Asset Management, LLC (“Strategas”) and GAMMA Investing, LLC (“GAMMA”), by virtue of their common ownership. By virtue of common indirect minority ownership, Baird is related to Greenhouse Funds LLLP (“Greenhouse”), Greenhouse Fund GP LLC (“Greenhouse GP”) and LoCorr Fund Management, LLC (“LoCorr”).

*Due to its relation to and affiliation with those entities, Baird has a financial incentive to favor their investment products and services.*

#### **Affiliated and Related Mutual Funds, ETFs and Investment Companies**

Baird is the investment adviser and principal underwriter for Baird Funds, Inc. (the “Baird Funds”), an investment company registered under the Investment Company Act of 1940, as amended. Baird Advisors provides investment management, administrative, and other services to certain Baird Funds investing primarily in fixed income securities (the “Baird Bond Funds”). Baird Equity Asset Management and CCM provide investment management and other services to certain Baird Funds investing primarily in equity securities (the “Baird Equity Funds”), and Greenhouse is the investment subadvisor to one of those Funds, the Baird Equity Opportunity Fund. As compensation for its services, Baird receives fees from each Baird Fund, which fees are disclosed in each Fund’s prospectus and statement of additional information available at [bairdassetmanagement.com/baird-funds](http://bairdassetmanagement.com/baird-funds). Certain Baird Funds been

selected by Baird for inclusion on Baird’s Recommended Mutual Fund List, and all Baird Funds are made available to clients through Baird’s programs and services. *Baird has a financial incentive to favor the Baird Funds because Baird receives more compensation if a client invests in the Baird Funds rather than other unaffiliated funds.*

Baird Financial Advisors who refer clients to the Baird Funds are eligible for referral compensation to be paid by Baird that is based upon, among other factors, the compensation received by Baird. The amount of the referral compensation is disclosed in each Fund’s statement of additional information available at [bairdassetmanagement.com/baird-funds](http://bairdassetmanagement.com/baird-funds). *Baird Financial Advisors may have a financial incentive to favor investments in those Funds over investments in other mutual funds and to favor the Baird Equity Funds over the Baird Bond Funds.*

Baird Equity Asset Management serves as investment sub-adviser to a mutual fund series of the Principal Funds, Inc. Baird Equity Asset Management serves as investment adviser to Series Twenty Nine Baird Small/Mid Cap Growth CIT, a series of the Reliance Trust Institutional Retirement Trust. CCM serves as investment sub-adviser to a mutual fund series of the Pace® Select Advisors Trust. Baird receives compensation for the services provided to those investment vehicles. Additional information about those products, including information relating to the fees paid by those funds for investment management services, is available the prospectus, statement of additional information or other offering documents for such investment vehicles. *Baird has a financial incentive to favor those products.*

Baird acts as a portfolio consultant for certain UITs that are part of the FT Series, including the DIT Global Portfolio Series, the Dividend Income Trust Series, the Automated Quantitative Analysis (AQA®) Portfolio Series and the AQA® Large-Cap Portfolio Series. Baird also acts as administrator for certain closed-end funds sponsored by Duff & Phelps Investment Management Co., including DNP Select Income Fund, Inc., Duff & Phelps Utility and Corporate Bond Trust, Inc., and DTF Tax Free Income Fund Inc. Additional information about those investment products, including information relating to the compensation paid to Baird is available in the applicable prospectus and other fund documents. *Due to its affiliation with those investment products, Baird has a financial incentive to favor those investment products.*

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 and First Trust Exchange-Traded Fund III. 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. *Due to its affiliation with Riverfront, Baird has a financial incentive to favor funds managed by Riverfront.*

Strategas acts as investment advisor to the Strategas Global Policy Opportunities ETF and the Strategas Macro Thematic Opportunities ETF and acts as investment sub-adviser for the Destinations Large Cap Equity Fund. Strategas Securities is a sponsor of Strategas Trust, a unit investment trust organized in series, which series currently consists of Strategas Trust, Series 1-1 (Strategas Policy Basket Portfolio). Additional information about those investment products, including information relating to the compensation paid to Strategas and



Strategas Securities, is available in the applicable prospectus. *Due to its affiliation with Strategas and Strategas Securities, Baird has a financial incentive to favor those investment products.*

LoCorr acts as investment advisor to the LoCorr Funds.. *Due to its relation to the LoCorr Funds, Baird has a financial incentive to favor the LoCorr Funds.*

#### **Affiliated Private Funds**

CCM acts as investment manager for, and Baird is the general partner or manager of, the Chautauqua International Growth Equity QP Fund, LP, the Chautauqua Global Growth Equity QP Fund, LP and the Chautauqua New World Growth Equity Series (a series of Chautauqua Series Fund, LLC) (the "Chautauqua Private Funds"). Those funds are private pooled investment vehicles that are not required to be registered with the SEC as investment companies. *Due to its affiliation with the Chautauqua Private Funds, Baird has a financial incentive to favor those funds.*

#### **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 and its Financial Advisors may refer clients to Baird Capital. The private equity funds offered through Baird Capital make venture capital, growth equity and private equity investments primarily in the healthcare, technology and services, and products sectors. The private equity funds offered through Baird Capital and the investment adviser entities that manage them are set forth below.

#### Certain Baird Capital-Related Entities

##### **Investment Advisor      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 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 Management Company, LLC*

*Baird Venture Partners GP VI, LLC*  
Baird Venture Partners VI LP  
BVP VI Affiliates Fund LP  
BVP VI Special Affiliates Fund LP

#### *Baird Capital Management Company, LLC*

*Baird Capital Global Fund Management I LP*  
Baird Capital Global Fund I LP

#### Certain Baird Capital-Related Entities

##### **Investment Advisor      Private Equity Fund(s)**

Baird Capital Global Fund I-DE LP  
BCGF I Special Affiliates LP  
BCGF I Affiliates Fund LP

#### *Baird Capital Management Company, LLC*

*Baird Capital Global Fund Management II LLC*  
Baird Capital Global Fund II Limited Partnership  
BCGF II Affiliates Fund Limited Partnership  
BCGF II Special Affiliates Limited Partnership

#### *Baird Capital Partners Europe Limited\**

Baird Capital Partners Europe Fund L.P.  
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, is regulated and authorized by the Financial Conduct Authority.

Baird Financial Advisors who assist in obtaining a client's investment in a private equity fund offered through Baird Capital are eligible for referral compensation from the general partner of the private equity fund. The actual amount of compensation may vary based upon the client's investment commitment and will be disclosed to a client in the documentation the client receives in connection with the investment. *Due to Baird's affiliation with those private equity funds and the referral compensation paid to Baird Financial Advisors, Baird and its Financial Advisors have a financial incentive to favor those private equity funds.*

*Baird also has a financial incentive to the extent it would recommend that a client invest in a portfolio company owned by an affiliated private equity fund.* A list of the portfolio investments held by private equity funds affiliated with Baird is located on Baird Capital's website at <https://www.bairdcapital.com/portfolio/baird-capital-portfolio.aspx>.

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 Advisor      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

#### **Related Hedge Funds**

Greenhouse acts as investment manager for, and Greenhouse GP is the general partner of, the Greenhouse Master Fund LP and the



Greenhouse Onshore Fund LP. Greenhouse also acts as investment adviser for the Greenhouse Offshore Fund LP. Those funds are hedge funds that are not required to be registered with the SEC as investment companies. *Due to its relation to Greenhouse and Greenhouse GP, Baird has a financial incentive to favor those hedge funds.*

#### **Other Affiliated Financial Services Firms**

Baird is affiliated, and may be deemed to be under common control, with Baird Trust, a Kentucky-chartered trust company, by virtue of their common ownership. Certain Baird Trust investment products and are made available to clients *Due to its affiliation with Baird Trust, Baird has a financial incentive to favor Baird Trust investment products and services.* Baird and Baird Financial Advisors receive compensation from Baird Trust for referring clients and providing ongoing relationship management services to clients engaging Baird Trust for trust administration services. *Baird and Baird Financial Advisors thus have a financial incentive to favor Baird Trust over other trust companies.*

#### **Client Referrals and Solicitation Agreements**

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. The person or firm referring a client to Baird is required to provide more specific information about the referral arrangement at the time the referral is made.

In addition, other firms may pay Baird a referral fee for referring Baird clients to those firms in certain instances. Baird requires that more specific information be provided to a client at the time the referral is made.

#### **Material Conflicts of Interest**

From time to time, we or our associates may engage in certain business practices or may receive compensation or other benefits that create a potential for conflict between your interests and our interests or that of our associates. Those business practices, compensation and other benefits that create material conflicts are described in different documents provided to you, including, without limitation, this *Important Account Disclosures* document, the agreements you enter into with us, such as our Client Relationship Agreement, and other documents provided to you, such our *Client Relationship Details* document and our *Advisory Services Brochure*. You should consult those documents for more information. We address those conflicts by disclosing them to you. We have also adopted certain internal policies and procedures that are reasonably designed to ensure we fulfill our legal obligations to you.

#### **Important Information about Rollover IRAs**

An IRA rollover may be an appropriate solution for clients wanting to transfer assets from one or more tax-qualified retirement plan(s) (such as a 401(k) plan with a former employer) to a newly-established or existing individual retirement account ("IRA") held at Baird.

Because each client's situation is different, Baird has prepared documentation to help you understand your options as well as the benefits and costs associated with a decision to roll over tax-qualified assets.

Every situation is unique and it is important to consider all options carefully prior to making a decision. Although Baird does not provide any advice or recommendations as to whether a rollover is appropriate for any particular client, additional educational material regarding important considerations, potential costs and benefits of a rollover decision is available in our *Client Relationship Details* document and our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor), by consulting your Baird Financial Advisor or by visiting <https://www.finra.org/investors/learn-to-invest/types-investments/retirement/401k-investing/401k-rollovers>.

#### **Business Continuity Plan**

Baird has taken measures to structure a business continuity plan in the event that a significant business disruption occurs. Such steps include, but are not limited to, the establishment of external sites to be used for recovery of various electronic functions, the establishment of specialty task forces assembled to complete timely recovery functions, and the employment of technology to reduce and prevent the loss of data. A more detailed summary of the plan is available to a client upon the client's request. A summary of the plan is also contained in the Annual Disclosure Notice sent to clients, the most recent copy of which is available on Baird's website at [rbaird.com/disclosures](http://rbaird.com/disclosures).

#### **Securities Investor Protection Corporation**

Baird is a member of the Securities Investor Protection Corporation ("SIPC"). Through SIPC, assets of Baird's clients are protected up to \$500,000 (\$250,000 of which may be in cash deposits with Baird). Baird provides additional protection in excess of SIPC limits through a private insurance company for customers eligible for SIPC, subject to policy coverage limits. Neither SIPC nor Baird's policy in excess of SIPC limits protects against potential losses from market fluctuations and neither apply to unregistered investment contracts, interests in commodities, commodity contracts, or commodity options. In addition, neither SIPC nor Baird's policy in excess of SIPC limits covers assets that clients hold in bank deposit accounts, which are covered by FDIC insurance up to applicable limits. A client may obtain additional details regarding SIPC and coverage in excess of SIPC limits from the client's Baird Financial Advisor. A client may also obtain information about SIPC, including its brochure, "How SIPC Protects You," by visiting SIPC's Web site at [www.sipc.org](http://www.sipc.org) or by calling SIPC at 1-202-371-8300.

#### **Notice of Escheatment of Client Property**

Baird may transfer a client's property to certain state authorities pursuant to applicable unclaimed property law for any reason permitted by applicable law, including but not limited to Baird's inability to locate a client's address of record or if no activity occurs in a client's account within a time period set forth by applicable law.

#### **Execution of Client Orders and Payment for Order Flow**

Baird may route certain securities orders to other broker-dealers or securities exchanges for execution. Baird selects execution venues based on the size of the order, trading characteristics of the security,

speed of execution, likelihood of price improvement, availability of efficient automated transaction processing, guaranteed automatic execution levels, and other qualitative factors. Baird receives remuneration in the form of payment or liquidity rebates on certain options or equity securities orders routed to some venues (commonly known as “payment for order flow”). This compensation, although not material to Baird’s trading business, gives Baird an incentive to route client orders for securities transactions to those venues that provide Baird the greatest levels of compensation. At a client’s request, Baird will make available certain information about the routing of such client’s orders routed for execution in the six months prior to request. Such information will include the identity of the venue to which orders were routed, whether such orders were directed or non-directed and the time of the transactions, if any, that resulted from such orders. Baird also prepares a quarterly summary discussing certain orders routed away for execution, including the type and the identity of the broker-dealers or exchanges receiving such orders. This summary as well as other important information about Baird’s order routing practices are available at: <https://www.rwbaird.com/help/routing-equity-orders/>.

### Extraordinary Market Conditions

During extraordinary market conditions, such as periods of increased volatility and trading volume, significant delays in execution and execution at prices away from market prices quoted or displayed at the time a trade order was given may occur. A client should exercise additional caution when placing orders during such periods and should carefully consider the type of security being traded and the order type placed.

#### Common Order Types

A “market” order is an order that must be executed promptly at the current market price of a security at the time such order is routed for execution, regardless of price. Although such an order will ensure prompt execution, a client cannot know at what price a market order will be executed. This is especially true during periods of increased price volatility. A client should carefully consider the risks of placing a market order to purchase securities “at the market” during periods of extreme volatility, such as when purchasing securities that have recently begun trading publicly.

A “limit” order is an order that may only be executed if a specific price is met or passed. With a limit order, a client will receive price protection. Placing a limit order will mitigate the risk of execution of a securities order at prices away from market prices quoted at the time a trade order was given. However, there is a risk that a limit order will not be executed.

#### Trading Pauses and Halts

A client should also be aware that individual securities and the broader U.S. equities securities market in general are subject to certain protections, such as trading pauses and halts triggered by periods of extraordinary volatility. Executions of securities orders in affected securities during such periods will be delayed.

#### Questions and Other Considerations for Trading During Extraordinary Market Conditions

Because a client’s securities orders must be placed through a Baird representative, if a client has any questions about placing securities orders, a client should contact a Baird Financial Advisor.

### Extended Hours Trading

Clients should consider the following risks prior to engaging in extended hours trading. “Extended hours trading” is defined as trading outside of the regular trading hours for the primary exchange of the security being traded. “Regular trading hours” generally means between 9:30 a.m. and 4:00 p.m. Eastern Standard Time for trades in equity securities, and 8:00 a.m. and 6:30 p.m. Eastern Standard Time for trades in fixed-income securities.

**Risk of Lower Liquidity.** Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, an order may only be partially executed, or not at all.

**Risk of Higher Volatility.** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, an order may only be partially executed, or not at all, or an order may receive an inferior price in extended hours trading than it would during regular market hours.

**Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours or upon the opening the next morning. As a result, an order may receive an inferior price in extended hours trading than it would during regular market hours.

**Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, an order may receive an inferior price in one extended hours trading system than it would in another extended hours trading system.

**Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

**Risk of Wider Spreads.** The spread refers to the difference between the price at which a security can be bought and the price for which it can be sold. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

**Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value (“IIV”).** For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during the opening and late trading sessions, an investor who is unable to calculate implied values for certain

derivative securities products in those sessions may be at a disadvantage to market professionals.

### Notice to California Residents Age 65 or Older

This notice is provided pursuant to Section 789.8 of the California Insurance Code. A client should note that the sale or liquidation of any stock, bond, IRA, certificate of deposit, mutual fund, annuity, or other asset to fund the purchase of a life or annuity product may have tax consequences, early withdrawal penalties, or other costs or penalties as a result of the sale or liquidation, and the client or client's agent may wish to consult independent legal or financial advice before selling or liquidating any assets prior to the purchase of any life or annuity products.

### Notice to Members of U.S. Armed Forces and Their Dependents

FINRA rules require Baird to make certain disclosures to members of the U.S. Armed Forces and their dependents when engaging in in-person meetings on the premises of a military installation. Services provided to such clients by Baird, including the offering of securities, are provided by Robert W. Baird & Co. Incorporated, a broker-dealer registered with the SEC under the Exchange Act, and as an investment adviser under the Adviser's Act. Securities offered by or through Baird are not offered or provided by Baird on behalf of the Federal Government and the offer of such securities is not sanctioned, recommended or encouraged by the Federal Government.

### Notice to Clients Seeking Services Incorporating a Non-Financial Objective

Unless specifically instructed, in providing advice and services to a client, Baird and Baird Financial Advisors' advice, recommendations, money management or other services which a client may engage Baird to provide (collectively, "Services") will generally not consider non-financial objectives of a client. Certain clients may instruct and authorize Baird and Baird Financial Advisors to consider and incorporate Client's non-financial objectives into provision of the Services. Those clients understand and agree:

Such clients are consenting to and instructing Baird and client's Baird Financial Advisor to incorporate a social or other non-financial objective into provision of Services, including, as applicable: (i) the discretionary investment decisions made for a client's account, and/or (ii) the recommendations or solicitations made to a client for the purchase or sale of securities. Such clients also acknowledge and understand that incorporating a social object or non-financial objective into investment decisions and recommendations or solicitations will result in investments and recommendations or solicitations that are not solely focused on maximizing a financial return for such clients or such client's accounts. The performance of a client's account may be materially and negatively impacted by incorporation of non-financial objectives.

### Notice to Minnesota Residents

Minnesota securities regulations require that Minnesota residents be informed of the following information regarding financial products, services or proposed services offered by Baird. Baird professionals who serve retail clients use the title "Financial Advisor." The term Financial Advisor, was not chosen to imply that a Baird Financial Advisor is a financial planner, as that term is defined by Minnesota

law. Baird Financial Advisors provide a broad range of financial services and products, some of which are offered by affiliated entities. The products offered by Baird Financial Advisors are traded, distributed, and placed through various entities, including but not limited to, clearing firms, trading firms, and affiliates of Baird. Baird and Baird Financial Advisors are compensated by various means, which may include commissions or a fixed fee, and their compensation may be affected by the overall value of the assets and any margin balance in the serviced accounts. The Baird Financial Advisor is licensed to offer or sell investment securities including stocks, bonds, mutual funds, put and call options, unit trusts, money market funds, certificates of deposit, treasury securities and (if a client's Baird Financial Advisor is also licensed in the State of Minnesota as an insurance agent) fixed and variable annuity contracts.

### Notice to Canada Residents

Clients of Baird resident in Canada are advised that Baird operates under the International Dealer and International Adviser Exemptions in Canada pursuant to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* and the exemption set forth in National Instrument 35-101 *Conditional Exemption From Registration for United States Broker-Dealers and Agents*. Such clients should be aware that:

- Baird is not registered as a dealer or investment adviser in any Canadian province or territory to make the trade or provide the advice described in NI 35-101, Section 8.26(3);
- Baird is not subject to the full regulatory requirements otherwise applicable under the securities legislation of any Canadian province or territory;
- The jurisdiction of Baird's head office or principal place of business is Milwaukee, Wisconsin, United States;
- All or substantially all of Baird's assets may be situated outside of Canada;
- There may be difficulty enforcing legal rights against Baird because of the above; and
- The name and address of the agent for service of process of Baird in the local jurisdictions follows below.

Jurisdiction	Agent	Address
British Columbia	152928 Canada Inc.	c/o Stikeman Elliott LLP 666 Burrard Street, Suite 1700, Park Place Vancouver, British Columbia V6C 2X8 Canada
Alberta	152928 Canada Inc.	c/o Stikeman Elliott LLP 4300 Bankers Hall, 888-3rd Street S.W. Calgary, Alberta T2P 5C5 Canada
Ontario	152928 Canada Inc.	c/o Stikeman Elliott LLP 5300 Commerce Court West 199 Bay Street Toronto, Ontario M5L 1B9 Canada

Jurisdiction	Agent	Address
Quebec	152928 Canada Inc.	c/o Stikeman Elliott LLP 1155 Rene-Levesque Blvd., 40th Floor Montreal, Quebec H3B 3V2 Canada
Manitoba	MLT Aikins, LLP	30th Floor 360 Main Street Winnipeg, Manitoba, R3C 4G1 Canada
Saskatchewan	McDougall Gauley LLP	1500-1881 Scarth Street Regina, Saskatchewan S4P 4K9
Nova Scotia	Stewart McKelvey	Suite 900 Purdy's Wharf Tower One 1959 Upper Water Street, PO Box 997 Halifax, Nova Scotia, B3J 2X2
New Brunswick	Stewart McKelvey	Suite 1000, Brunswick House 44 Chipman Hill, PO Box 7289, Postal Station A Saint John, NB 2L 4S6

Because Baird operates under exemptions from the dealer and investment adviser registration requirements under applicable Canadian securities law, clients should be aware that Baird is restricted from acting as a dealer or investment adviser in respect of securities of Canadian issuers.

### About this Important Account Disclosures Document

Certain information and assurances we provide pursuant to this document include information obtained from independent third-party sources that we deem reliable, but for which we are under no obligation to independently verify.

We may change the information contained in this document without prior notice. The most up-to-date version of this document is always available on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

You should refer to your agreements with us, such as your Client Relationship Agreement, disclosure documents, and related paperwork that have been or will be delivered to you. Those documents contain additional important information about your accounts, including the terms and conditions applicable to the accounts, certain risks associated with the accounts, and the applicable fees and expenses. You should also review the prospectus or other offering or disclosure materials you receive for the investments in your accounts because they contain important information about the investment, including the investment objective, principal strategies, associated risks, fees and expenses, and management.