

Important Information about Investment Managers' Placement of Client Trade Orders and Their "Trade Away" Practices



March 17, 2025

This document provides information to clients who are participating, or are considering participating, in a wrap fee program ("Program") sponsored by Robert W. Baird & Co. Incorporated ("Baird") about investment managers' placement of client trade orders and their practices of "trading away" from Baird.

Best Execution Obligation

Investment managers that manage client accounts under a Program ("Accounts") will select the broker-dealers that will execute trade orders for Accounts unless a client has provided instructions to Baird or the manager to the contrary. As an investment adviser, a manager has an obligation to seek "best execution" of client trade orders. "Best execution" means that the manager must place client trade orders with those broker-dealers that the manager believes are capable of providing the best qualitative execution of client trade orders under the circumstances, taking into account the full range and quality of the services offered by the broker-dealer, including the value of the research provided (if any), the broker-dealer's execution capabilities, the cost of the trade, the broker-dealer's financial responsibility, and its responsiveness to the manager. It is important to note that a manager's best execution obligation does not require the manager to solicit competitive bids for each transaction or to seek the lowest available cost of trade orders, so long as the manager reasonably believes that the broker-dealer selected can be reasonably expected to provide clients with the best qualitative execution under the circumstances.

Trade Aggregation and Rotation

Investment managers may participate in other wrap fee programs sponsored by firms other than Baird. In addition, investment managers may manage institutional and other accounts not part of a wrap fee program. In the event an investment manager purchases or sells a security for all accounts using a particular strategy offered by the investment manager, the investment manager may have to potentially effect similar transactions through a number of different broker-dealers. In some cases, to address this situation, investment managers may decide to aggregate all such client transactions into a block trade that is executed through one broker-dealer. This practice may enable the investment manager to obtain more favorable execution, including better pricing and enhanced investment opportunities, than would otherwise be available if orders were not aggregated. Using block transactions may also assist the investment manager in potentially avoiding an adverse effect on the price of a security that could result from simultaneously placing a number of separate, successive or competing client orders. However, as it pertains to Baird Program clients, this practice may result in "trading away" from Baird, which is more fully described below.

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Alternatively, an investment manager may utilize a trade rotation process where one group of clients may have a transaction effected before or after another group of the manager's clients. A client should be aware that a manager's trade rotation practices may at times result in a transaction being effected for the client's Account that occurs near or at the end of the manager's rotation and, in such event, the client's trade orders will significantly bear the market price impact, if any, of those trades executed earlier in the manager's rotation, and, as a result, the client may receive a less favorable net price for the trade. Additional information regarding an investment manager's trade rotation policies, if any, is available in the manager's Form ADV Part 2A Brochure.

Trading Away and Step Out Trades

Because a client does not pay commissions to Baird under a Program when Baird, acting as broker-dealer, executes a client's trade orders, and because a client generally would incur trading costs in addition to the wrap fee the client pays to Baird if trade orders were to be executed by another broker-dealer firm, clients generally receive a cost advantage whenever Baird executes Program client transactions. For this reason, and given Baird's execution capabilities as broker-dealer, investment managers may determine that placing trade orders for the client's Account with Baird is the most favorable option for the client. However, investment managers may place a client's trade orders with a broker-dealer firm other than Baird if the manager determines that it must do so to comply with its best execution obligations. This practice is frequently referred to as "trading away" and these types of trades are frequently called "step out trades". A client's trade order so executed is then cleared and settled through Baird in what is frequently referred to as a "step in".

In some instances, step out trades are executed by the other firm without any additional commission or markup or markdown, but in other instances, the executing firm may impose a commission or a markup or markdown on the trade. If a client's investment manager places trade orders for the client's Account with a firm other than Baird, and the other firm imposes a commission or equivalent fee on the trade (including a commission imbedded in the price of the investment), the client will incur trading costs in addition to the wrap fee the client pays to Baird.

Some managers have historically placed nearly all client trades with broker-dealer firms other than Baird for execution. Some managers have placed nearly all or all client trades resulting from changes to their model portfolios or strategies with firms other than Baird. Similarly, some managers have frequently placed client trade orders for fixed-income, foreign and small cap securities with firms other than Baird. In some cases, the other executing broker-dealer firm imposes a commission or similar fee (which is embedded in the price of the security) for executing the trade. As a result, these types of managers and their strategies could be more costly to a client than managers that primarily place client trade orders with Baird for execution. A client should review the manager's Form ADV Part 2A Brochure, inquire about the manager's trading practices, and consider that information carefully, before selecting a manager. In particular, the client should



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carefully consider any additional trading costs the client may incur before selecting a manager to manage the client's Account.

A list of managers that informed Baird that they traded away from Baird during 2023 - 2024 and information about the additional cost of those trades (if any) is set forth on the following pages. A client should contact the client's Baird Financial Advisor or investment manager if the client would like to obtain specific information about the manager's trade away practices and the amount of commissions or other costs, if any, the client incurred in connection with step out trades.



Important Information about Investment Managers' Placement of Client Trade Orders and Their "Trade Away" Practices, *continued.*

TRADE AWAY INFORMATION CALENDAR YEARS 2023 - 2024

The information about each manager provided below is based solely upon the information provided to Baird by such manager. Baird has not independently verified the information, and as a result, none of Baird or any of its affiliates or associates makes any representation as to the accuracy of any such information.

The information shown below only contains information about managers that informed Baird that they traded away from Baird during 2023 or 2024. A manager's past trade away practice is not a guarantee that the manager will follow the same practice in the future. It is possible that managers not listed below will trade away from Baird in the future or that managers listed below will trade away more frequently or at a higher cost to clients. Thus, a client's trading costs relating to step out trades could be greater than shown below.

Manager Name	Dollar-Weighted Percentage of Client Trades Stepped Out ¹		Additional Cost Incurred by Clients Participating in those Trades ²	
	2023	2024	2023	2024
1492 Capital Management				
Small Cap Growth Alpha	100%	N/A	None	N/A
Small Cap Growth	100%	100%	None	None
Small Cap Value	100%	100%	None	None
Small Cap Core	N/A	100%	N/A	None
Astor Investment Management				
Long/Short Balanced	95%	86%	0 - 1 cps	0 - 1 cps
S.T.A.R. Featuring AlphaDex	36%	26%	0 - 1 cps	0 - 1 cps
Baird Equity Asset Management				
Mid Cap Growth	90%	72%	None	None
Small/Mid Cap Growth	85%	94%	None	None
Brandes Investment Partners³				
Global Equity (Baird Referred Manager)	23%	1%	15bps	1 cps
International Equity - DVP	43%	Less than 1%	14 bps	2 cps



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Manager Name	Dollar-Weighted Percentage of Client Trades Stepped Out ¹		Additional Cost Incurred by Clients Participating in those Trades ²	
	2023	2024	2023	2024
Caprin Asset Management, LLC				
Intermediate Muni - Fixed Income	100%	72%	0 - 1 cps	0 - 1 cps
Intermediate Muni - State Specific	100%	72%	0 - 1 cps	0 - 1 cps
Tactical Opportunity ETF	100%	72%	0 - 1 cps	0 - 1 cps
ClearBridge Advisors⁴				
All Cap Growth	70%	80%	1.29cps	1.01 cps
All Cap Value	99%	75%	0 – 2.0 cps	.98 cps
Appreciation	63%	67%	0.71 cps	.47 cps
Capital Portfolio	N/A	75%	N/A	.98 cps
Custom Blend	N/A	75%	N/A	.98 cps
Custom Balanced (60% Appreciation/40% Tax Favored Fixed)	N/A	63%	N/A	.99 cps
Custom (50% Appreciation/50% Multi Cap Growth)	71%	N/A	1.19 cps	N/A
Custom (60% Equity/40% Taxable Fixed Income)	71%	75%	1.19 cps	.98 cps
Custom (65% Equity/35% Fixed Income)	71%	75%	1.19 cps	.98 cps
Custom (80% Equity/20% Taxable Fixed Income)	71%	75%	1.19 cps	.98 cps
Dividend & Growth (70% Dividend) Strategy/30% Multi Cap Growth)	71%	80%	1.19 cps	1.30 cps
Dividend Strategy	65%	83%	1.50 cps	1.35 cps
Dynamic MDA Global Dividend Balanced	31%	100%	0.36 cps	.37 cps
Dynamic MDA Global Growth	60%	100%	0.68 cps	.72 cps
Dynamic MDA Global Growth & Value	70%	100%	0.66 cps	.96 cps
Dynamic MDA Global Growth & Value ESG Portfolio	58%	100%	0.71 cps	.92 cps
Dynamic MDA U.S. Dividend Balanced	34%	100%	1.20 cps	1 cps
Dynamic MDA U.S. Dividend Balanced ESG Portfolio	49%	28%	1.21 cps	.85 cps
Dynamic MDA U.S. Growth	100%	43%	0.86 cps	.21 cps
ESG Appreciation	40%	86%	0.54 cps	.38 cps
Global Growth ADR	11%	11%	1.20 cps	.91 cps
Growth	N/A	75%	N/A	1.20 cps
Growth ESG	N/A	75%	N/A	1.20 cps
International ADR	N/A	75%	N/A	.98 cps
International Growth ADR	88%	75%	0 – 2.0 cps	.98 cps
International Growth ADR ESG Portfolio	100%	100%	1.14 cps	.85 cps
35% Large Growth/ 35% Large Value/ 30% Multi Cap	N/A	75%	N/A	.98 cps



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Manager Name	Dollar-Weighted Percentage of Client Trades Stepped Out ¹		Additional Cost Incurred by Clients Participating in those Trades ²	
	2023	2024	2023	2024
ClearBridge Advisors, cont.⁴				
60% MultiCap Growth/40% International ADR	71%	75%	1.19 cps	.98 cps
Large Cap Growth	100%	36%	1.19 cps	1.02 cps
Large Cap Growth Catholic ESG	48%	33%	0.83 cps	1.06 cps
Large Cap Growth ESG	33%	75%	0 – 1.8 cps	.98 cps
Large Cap Value	100%	75%	0.91 cps	.98 cps
Large Cap Value - DVP	N/A	74%	N/A	1.04 cps
Large Cap Value Catholic ESG	75%	91%	0.91 cps	1.01 cps
Large Cap Value ESG	100%	100%	1.06 cps	1 cps
Multi Cap Growth	70%	N/A	1.52 cps	N/A
85% Equity/15% Fixed Income	71%	75%	1.19 cps	.98 cps
75% Equity / 25% Fixed Income	71%	75%	1.19 cps	.98 cps
50% Large Cap Value/50% Large Cap Growth	71%	75%	1.19 cps	.98 cps
Rare Global Infrastructure Income	82%	N/A	0.13 cps	N/A
SMID Cap Growth	35%	8%	0.07 cps	None
Sustainability Leaders	100%	100%	None	.04 cps
Tactical Dividend Income	61%	85%	0.25 cps	.20 cps
Value Core International Equity	90%	89%	0.95 cps	.34 cps
Value Equity	N/A	43%	N/A	.19 cps
Cortland Associates				
All Cap Value	80%	34%	None	None
Delaware Investment Advisors				
International Equity	11%	Less than 1%	6 bps	None
Franklin Templeton				
Franklin Core Multi Manager - 100 Equity ESG Model	22%	N/A	None	N/A
Franklin Core Multi Manager – 80 Equity/20 FE ESG Model	6%	N/A	None	N/A
Franklin Core Multi Manager – 60 Equity/40 FE ESG Model	8%	N/A	None	N/A
Franklin Core Multi Manager – 40 Equity/60 FE ESG Model	6%	N/A	None	N/A
Franklin Core Multi Manager - 100 Fixed Income	5%	N/A	None	N/A
Franklin Core Multi Manager – 20 Equity/80 FI ESG Model	5%	N/A	None	N/A
Global Balanced ESG	94%	99%	None	.02 cps
Global Balance ESG with Munis	71%	82%	None	.03 cps



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Manager Name	Dollar-Weighted Percentage of Client Trades Stepped Out ¹		Additional Cost Incurred by Clients Participating in those Trades ²	
	2023	2024	2023	2024
Hardman Johnston Global Advisors, LLC (formerly Johnston Asset Management)				
International Equity	60%	70%	3.75 cps	3.75 cps
Kayne Anderson Rudnick Investment Management, LLC				
Small Cap Value	34%	43%	0.2 – 9.5 cps	1.3 cps
Small Cap Sustainable Growth	36%	43%	0.2 – 2.2 cps	1.9 cps
Legg Mason Private Portfolio Group⁴				
All Cap Blend	87%	92%	1.09 cps	1.04 cps
All Cap Blend Balanced (70% All Cap Blend/30% GSM – 7 Year)	73%	82%	1.84 cps	1.04 cps
All Cap Value Balanced with Taxable Income	37%	N/A	1.09 cps	N/A
Alternative Completion	6%	N/A	None	N/A
Appreciation Balanced (60% Appreciation/40% GSM – 7 year)	68%	90%	0.68 cps	.48 cps
Balanced Income	88%	84%	0.20 cps	.21 cps
Custom (60% Appreciation / 40% Govn't/Corporate)	71%	63%	1.19 cps	.99 cps
Custom 75% Equity / 25% Fixed Income	71%	75%	1.19 cps	.98 cps
Custom Appreciation & Government-Corporate	71%	63%	1.19 cps	.99 cps
Custom MDA	71%	63%	1.19 cps	.99 cps
Diversified All Cap	100%	100%	1.11 cps	1.06 cps
Dividend & Growth MDA3A (70% Appreciation/30% Multi Cap Growth)	59%	84%	0.90 cps	.76 cps
Dividend & Growth MDA3 (70% Dividend/30% Multi Cap Growth)	83%	80%	1.51 cps	1.31 cps
ESG Global Equity	1%	N/A	None	N/A
Global Growth	84%	63%	0 - 2.0 cps	.99 cps
Large Cap Growth Balanced Taxable (60% Large Cap Growth/40% GSM – 7 Year)	26%	69%	1.22 cps	1.01 cps
Low Volatility High Dividend	100%	46%	None	None
Multi-Asset Solutions Portfolio – Aggressive	2%	N/A	None	N/A
Multi-Asset Solutions Portfolio – Conservative	3%	N/A	None	N/A
Multi-Asset Solutions Portfolio – Conservative Growth	3%	N/A	None	N/A
Multi-Asset Solutions Portfolio – Growth	3%	N/A	None	N/A
Multi-Asset Solutions Portfolio – Moderate Growth	4%	N/A	None	N/A



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Manager Name	Dollar-Weighted Percentage of Client Trades Stepped Out ¹		Additional Cost Incurred by Clients Participating in those Trades ²	
	2023	2024	2023	2024
Legg Mason Private Portfolio Group, cont. ⁴				
Multi-Asset Solutions Portfolio – Fixed Income	Less than 1%	N/A	None	N/A
Multi Cap Blend III	87%	76%	1.11 cps	1.10 cps
Multi-Manager Diversified Risk Portfolio - Aggressive	38%	N/A	1.19 cps	N/A
LM Multi-Mgr HNW Portfolio 60/30/10	14%	11%	1.34 cps	.93 cps
LM Multi-Mgr HNW Portfolio 70/20/10	15%	12%	1.32 cps	.93 cps
LM Multi-Mgr HNW Portfolio 50/40/10	18%	17%	1.31 cps	.92 cps
LM Multi-Mgr HNW Portfolio 80/10/10	29%	21%	1.27 cps	.95 cps
LM Multi-Mgr HNW Portfolio 90/0/10	N/A	23%	N/A	.95 cps
Multi-Manager ESG Global Equity Portfolio	7%	N/A	1.02 cps	N/A
Royce Premier	100%	100%	None	None
Strategic Real Return	31%	N/A	None	N/A
Leuthold Weeden Capital Management				
Enhanced Sector Rotation	99%	100%	None	None
Global Tactical ETF	100%	100%	None	None
Sector Rotation	66%	93%	None	None
Select Industries	100%	100%	None	None
New South Capital Management, Inc.				
Small Cap Value	98%	64%	None	None
Value Opportunity/All Cap	39%	55%	None	None
Parametric Portfolio Associates				
Enhanced Income Core	0%	Less than 1%	None	.5 cps
Value Opportunity/All Cap	0%	Less than 1%	None	.5 cps
Pier Capital LLC				
Small Cap Growth	98%	100%	4.0 cps	4.0 cps
RiverFront Investment Group⁵				
Advantage Aggressive Tactical Income ETF	60%	N/A	None	N/A
ETF - Conservative Income Builder - Seed	83%	70%	None	None
Advantage Conservative Tactical Income	64%	N/A	None	N/A
Advantage Conservative Income Builder	N/A	71%	N/A	None
Advantage Global Growth - Seed	N/A	93%	N/A	0 - 0.5 cps
Conservative Income Builder	N/A	71%	N/A	None
Custom Equity	N/A	17%	N/A	0 - 0.5 cps
Custom Multi-Asset	N/A	15%	N/A	0 - 0.5 cps
Custom Options	N/A	15%	N/A	0 - 0.5 cps
Custom Portfolio Solution	27%	16%	0 - 0.5 cps	0 - 0.5 cps
Advantage Dynamic Equity Income ETF	85%	80%	None	None
Dynamic Fixed Income ETF Seed	16%	72%	None	None



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Manager Name	Dollar-Weighted Percentage of Client Trades Stepped Out ¹		Additional Cost Incurred by Clients Participating in those Trades ²	
	2023	2024	2023	2024
RiverFront Investment Group, cont.⁵				
Fixed Core Plus	19%	67%	None	None
Global Allocation	5%	90%	0 - 0.5 cps	0 - 0.5 cps
Advantage Global Allocation ETF	82%	82%	None	None
Global Growth	N/A	93%	N/A	0 - 0.5 cps
Global Growth ETF Seed	72%	68%	None	None
Moderate Growth & Income DVP	83%	54%	None	None
Moderate Growth and Income ETF	100%	74%	None	None
Advantage Moderate Tactical Income ETF	13%	N/A	None	N/A
RiverShares Dynamic Equity Income	83%	N/A	None	N/A
RiverShares Moderate Growth & Income	79%	N/A	None	N/A
RiverShares Global Balanced	85%	95%	None	0-1 cps
RiverShares Moderate Tactical Income	7%	N/A	None	N/A
RiverShares Global Balanced Opportunistic	83%	84%	None	0-1 cps
Sands Capital Management				
Large Cap Growth	Less than 1%	Less than 1%	None	None
Tandem Investment Advisors				
Large Cap Core	67%	61%	1.5 cps	1 cps
Mid Cap Core	12%	18%	1.5 cps	1 cps

¹ All percentages are approximate. For purposes of this calculation, the manager was required to divide (a) the total dollar amount of Baird client transactions in equity securities that the manager placed with broker-dealers other than Baird for execution by (b) the total dollar amount of Baird client transactions in equity securities the manager placed with all broker-dealers, including Baird. For example, assume Firm A placed a total of 1,000 equity securities transactions for Baird clients during 2024, having an aggregate dollar value of \$1,000,000. Of that total, Firm A placed 700 of those transactions with broker-dealers other than Baird. The aggregate dollar value of the equity securities transactions placed with the other broker-dealers was \$950,000. The percentage dollar amount of trades in equity securities that Firm A traded away in 2024 was 95.0% (\$950,000 divided by \$1,000,000).

² Additional cost is expressed terms of an average or range of cents per share ("cps") unless otherwise indicated. In some instances, the additional cost is expressed in terms of an average or range of basis points ("bps"). In situations where the executing broker executed a trade as principal, such as "risk" trades and working orders, the price the client received may have included a markup or markdown, which is not required to be disclosed by the broker-dealer, and consequently is not included in the Additional Costs.

³ The dollar-weighted percentage of client trades stepped out includes only model changes and does not include deposit/withdrawal trades, which are executed by the sponsor. For securities executed in the U.S. and Canada markets, the commissions are in cps and commissions for securities executed in other markets are in bps. Information includes all accounts that participate in the manager's strategy which also includes wrap program accounts that are not sponsored at Baird.



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⁴ Number of accounts, timing of inceptions and terminations, client directed cash flows and time period under review, can all be variables that affect the percentage dollar amount of trades that were stepped out. The percentage of client trades stepped out in 2023 and 2024 represents results from equity trades of these balanced strategies. 100% of fixed income transactions are stepped out and not included in the calculations.

⁵ The Additional Costs referenced above reflects the commission on agency trades. Compensation for non-agency ("principal") transactions have an "unknown" amount, this number represents step-out transactions that included, but were not limited to, trades that were executed as risk trades, working orders, or bond trades where there was no disclosed markup/markdown. In these instances, the undisclosed markup or markdown is netted into the price the client receives. Please see <http://www.riverfrontig.com/advisors/wrap-fee-trading-disclosures/> for more information on RiverFront's wrap fee trading disclosures.