



BAIRD

2023 ANNUAL REPORT

GLOBAL EXPERTISE  
WITH A  
FOCUS ON YOU


Discover the *Baird Difference*





Since founding our first London office 25 years ago, Baird's global growth has been driven by our clients' needs. Wherever their financial objectives take them, they can rely on our expertise being delivered with personal commitment and focus.

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“Our unwavering focus on clients continues to guide every decision we make and the financial advice we provide.”

- Steve Booth,  
Chairman & CEO

In 2023, Baird maintained its focus on our long-term strategic priorities. We continued to make significant investments in the remarkable people and advanced technology needed to help formulate and efficiently deliver our expertise to clients around the world. Importantly, those investments were highly intentional and strategic—not in response to unforeseen developments. They reflected a long-term vision and consistent focus on what is in the best interests of serving our clients and being the best place to work for our associates.

That forward-looking perspective is possible because of Baird's privately held structure. Freedom from potentially conflicting objectives or short-term expectations of outside shareholders enables us to always put our clients' interests first and think longer term. These are core cultural beliefs and timeless values that have sustained our success since 1919.

Our unwavering focus on clients—from families, individuals and communities across the United States to corporations and institutions around the world—guides every decision we make and the financial advice we provide. Our commitment to being a great workplace helps us attract and retain exceptional talent and ensures the quality and continuity of our advice and service. And our balance of recurring fee-based revenue combined with a mix of cyclical and countercyclical transactional revenue provides diversification and further financial stability. This allows us to consistently re-invest in remarkable people to serve our clients as well as other strategic capabilities—even in market environments like 2023, when other financial firms were forced to scale back in challenged areas.

In my career, I have seen the broader financial services industry shaped by strategic and competitive change as well as economic and market-related opportunities and challenges. Markets and economies around the world have become more complex and interconnected. Client needs are more specialized as well as much more varied.

Once again, this past year presented no shortage of opportunities and challenges—and as always, Baird's exceptional people helped our clients and our firm navigate through with understanding, expertise and a personal commitment as strong as our roots.

Amid significant macroeconomic and geopolitical crosswinds, Baird's core beliefs, timeless values and balanced business platform remained sources of strength for the firm and our clients in 2023.

## BUSINESS HIGHLIGHTS

**Our balanced business platform provided financial strength and stability for the firm, ensuring our ability to focus on clients' specialized needs.**

Baird finished 2023 with \$2.91 billion in revenue and an operating income of \$508.6 million.\* Results across our five business units were varied, consistent with market conditions in each of our served markets. But overall, our 2023 revenue and operating profit were the second-best in Baird's history. Improving market conditions heading into year-end helped propel firmwide assets under management to a new all-time high of more than \$430 billion, a nearly 15% increase from 2022.

*Private Wealth Management* (PWM) had a very good year. The return of higher short-term interest rates allowed revenue streams from our client Cash Sweep Program to return to more normalized levels of profitability after being significantly impacted by several years of near zero short-term interest rates. Improving valuation levels in the equity and fixed income markets and the continued growth of Baird Trust, our wholly owned trust company, also contributed to PWM's performance. Recurring revenue now represents more than 90% of total PWM revenues and is driven largely by the value of assets in client accounts. PWM client assets under management increased 13.5% to a record \$291.5 billion.

\*Financial results do not reflect the consolidation of certain private equity partnerships.

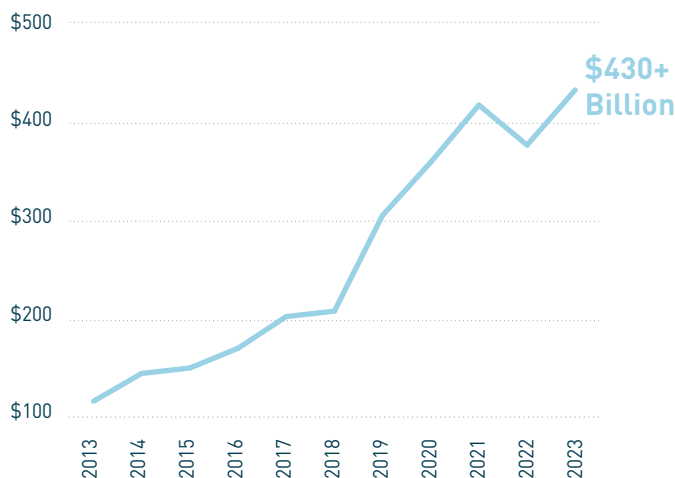


After navigating challenging market conditions throughout 2022, **Asset Management** saw significant growth in assets under management throughout 2023. This was driven by consistent net inflows across virtually all our fixed income and equity product categories as well as gains in investment values as public equity and fixed income valuations rebounded throughout the year. As a result, revenues increased sequentially each quarter and ended up slightly from 2022. Assets under management increased 18% to a record \$142 billion at year end.

Our **Equity Capital Markets** platform was impacted by significant declines in M&A and equity financing market activity. Over the prior two years of stronger cyclical M&A and equity financing market growth, we intentionally moderated our own rate of expansion, maintaining a steady and thoughtful trend-line increase in headcount during 2021 and 2022. As our markets became cyclically challenged in the first half of 2023, many of our competitors had one or more rounds of layoffs. Because we had far less excess capacity, Baird's overall financial strength allowed us to keep our team in place and take advantage of a unique point-in-time opportunity to hire exceptional, seasoned people in targeted strategic areas. When our markets inevitably begin their cyclical rebound, we will be very well-positioned with the expertise and experienced capacity to help our clients achieve their transactional objectives.

**Fixed Income Capital Markets** saw increased demand for Public Finance advisory services in several of our key market geographies, which helped offset significantly reduced sales and trading volume as institutional depository clients cut back dramatically on longer-duration fixed income portfolio trading activity.

Within **Principal Investments**, Baird Capital and Baird Principal Group achieved positive net gains across our private equity and strategic investment portfolio, despite a challenging operating and valuation environment.



## OTHER HIGHLIGHTS

Private ownership remained a key advantage in 2023, enabling us to think, plan and invest for the long term, creating opportunities we were uniquely positioned to act on.

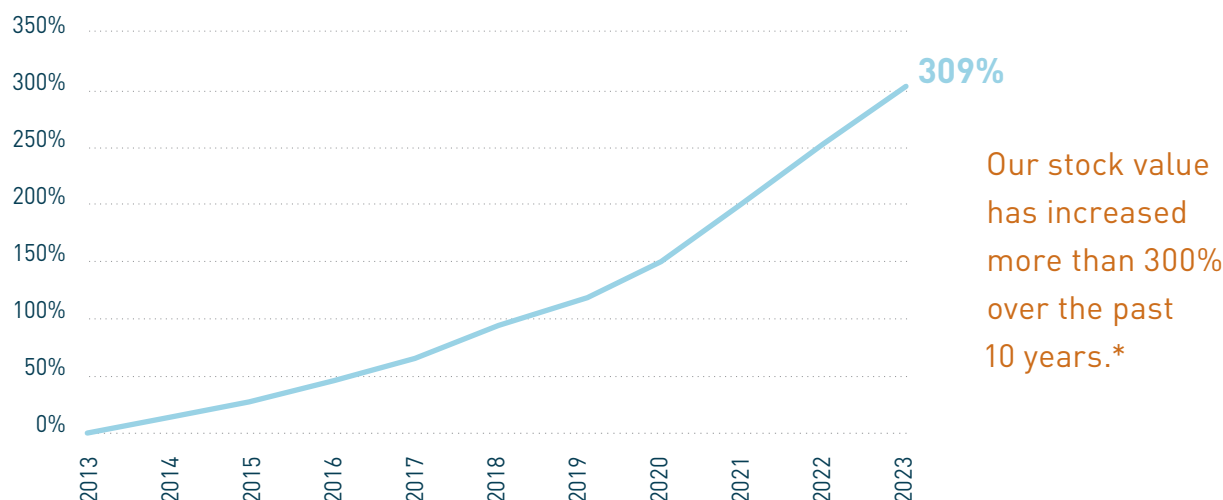


At Baird, we believe our people are our greatest asset. It is our extraordinary people who bring “The Baird Difference” to life each and every day. Our recognition for the 20<sup>th</sup> consecutive year among the *Fortune* 100 Best Companies to Work For<sup>®</sup> positioned us to take advantage of what became a very attractive recruiting environment in 2023, enabling us to strategically add talented people across key areas of the firm.

Being privately held and employee-owned allows us to focus on maintaining and continually strengthening our unique culture and strong shared values, which we refer to as “The Baird Way.” Moreover, our reputation as a truly great place to work allows us to be highly selective, prioritizing cultural compatibility as well as excellence in who we hire. Because this focus has been in place for decades, literally all our associates—from the financial professionals who advise our clients to the talented specialists who support our advice and help service our external and internal relationships—share our core values. And because we are employee-owned, now with nearly 80% of our associates being Baird shareholders, we have a uniquely strong personal commitment to our clients, our communities and each other.

We successfully implemented several strategic technology investments in 2023, including new tools and functionality to enhance our Private Wealth Management clients' digital experiences and augment portfolio analytics for our Asset Management business to support their decision-making and reporting requirements. We also invested in new cloud-based technology to bring real-time information and data to our Global Investment Banking team so they can more efficiently serve their global client and transaction needs.

Baird managed or oversaw more than \$430 billion in client assets at the end of 2023, an increase of more than 268% over the past decade.



Baird's commitment to the communities we share with our clients, always a priority, was once again a source of pride for the firm in 2023. It was a record-setting year for our annual firmwide United Way campaign, achieving more than 90% associate giving participation in our substantial Milwaukee area and Chicago offices. Now in its third year, the Paul Purcell "Kids Win!" Annual Baird Education Grant program awarded nearly \$1 million to 11 schools and education-focused organizations across the United States. All-in Baird Foundation gifts and associate gift matches across our communities totaled \$5.7 million for the year.

Baird also made a substantial, long-term community investment in Milwaukee, where our firm was founded and has been headquartered for over one hundred years. Our 15-year naming rights agreement with the recently expanded and renovated Baird Center, Wisconsin's largest and now world-class convention and event center, represents a strategic and foundational investment in the future of Milwaukee as a growing business and cultural destination.

## A GLOBAL MILESTONE

**2024 marks the 25<sup>th</sup> anniversary of Baird's first major step onto the international stage through our merger with Granville in 1999.**

Our merger with London-based merchant bank Granville, plc. in 1999 brought international reach to Baird's investment banking and private equity businesses at a time when our M&A and private equity clients were seeking greater access to European markets in the wake of the European Union's formation earlier in the decade. We knew Granville well,

having worked across one another in several transatlantic M&A situations, and our client-centric cultures, areas of industry specialization and M&A and private equity focus were all highly complementary. Twenty-five years later, London is a vital hub for our investment banking, capital markets and private equity operations.

We have continued to grow our global expertise and capabilities in the intervening years. Soon after the Granville merger, we began building out our institutional sales and trading team in London. We also partnered with several German investment banks in a joint venture that would integrate fully into our European investment banking operations in 2005, making Frankfurt Baird's second-largest non-U.S.-based office. In 2003, Baird Capital established operational resources in China and later added direct investing capabilities in greater Asia. During this time, our Global Investment Banking team also added capabilities in China and Japan and formed strategic alliances with M&A firms in key markets—first Australia and India, then Brazil and Spain. Our acquisition of Chautauqua Capital Management in 2016 brought international and global equity strategies to our renowned Asset Management platform. More recently, our Fixed Income Capital Markets business and our wholly owned macroeconomic research firm, Strategas—a Baird Company, each established London-based European operations.

Today, Baird serves corporate and institutional clients around the world and, no matter where their financial objectives take them in the future, they can rely on our global expertise being delivered with the same personal commitment and focus on their needs.

Steve Booth, Chairman & CEO

\*Baird stock performance is based on the change in book value per share for Baird Financial Group common stock from December 31, 2013 of \$10.59 to December 31, 2023 of \$27.40 and includes payment of cash dividends per share of \$15.95 from 2014 through 2023. Baird is privately held and no public market exists for its shares. Past performance does not guarantee future results.

# Our Business At A Glance

Founded in 1919, Baird is a privately held, employee-owned financial services firm with more than 200 locations in the United States, Europe and Asia. Our strategic focus in five cyclical and counter-cyclical businesses diversifies and balances our revenues and helps ensure the continuity of our advice across market cycles.

## **PRIVATE WEALTH MANAGEMENT**

Provides comprehensive financial advice and planning, investment consulting and trust services for individuals, families, business owners and executives across the United States.

## **ASSET MANAGEMENT**

### **BAIRD ADVISORS | BAIRD EQUITY ASSET MANAGEMENT**

Experienced managers with time-tested approaches designed to deliver consistent performance for institutional investors and high-net-worth individuals via risk-controlled portfolios and the Baird Funds.

## **FIXED INCOME CAPITAL MARKETS**

### **FIXED INCOME SALES & TRADING | PUBLIC FINANCE**

Provides investment ideas, timely analysis and trading execution to institutional investors, as well as premier debt underwriting and advisory services to public, private and nonprofit clients.

## **EQUITY CAPITAL MARKETS**

### **GLOBAL INVESTMENT BANKING | EQUITIES**

A comprehensive platform of equity research, sales and trading, underwriting, and M&A and capital advisory capabilities serving corporate and institutional clients around the world.

## **PRINCIPAL INVESTMENTS**

### **BAIRD CAPITAL | BAIRD PRINCIPAL GROUP STRATEGIC INVESTMENTS**






Comprises the firm's global private equity and strategic investment activities, managed by Baird Capital and Baird Principal Group.

More than three-quarters of our associates representing all areas of the firm are Baird shareholders and share a personal stake in the outcomes we achieve for our clients around the world.








## BAIRD NET REVENUES\*

(MILLIONS)

2023		\$2,913
2022		\$2,786
2021		\$3,412
2020		\$2,330
2019		\$2,060



## PRIVATE WEALTH MANAGEMENT REVENUES

(MILLIONS)

2023		\$1,695
2022		\$1,552
2021		\$1,411
2020		\$1,161
2019		\$1,072






## ASSET MANAGEMENT REVENUES

(MILLIONS)

2023		\$349
2022		\$338
2021		\$352
2020		\$278
2019		\$223






## FIXED INCOME CAPITAL MARKETS REVENUES

(MILLIONS)

2023		\$203
2022		\$228
2021		\$248
2020		\$274
2019		\$190






## EQUITY CAPITAL MARKETS REVENUES

(MILLIONS)

2023		\$513
2022		\$607
2021		\$1,283
2020		\$516
2019		\$480

## PRINCIPAL INVESTMENTS REVENUES

(MILLIONS)

2023		\$48
2022		\$52
2021		\$106
2020		\$74
2019		\$53

\*Financial results do not reflect the consolidation of certain private equity partnerships.



# Private Wealth Management

Private Wealth Management’s premier investment and planning capabilities help our clients navigate today’s volatile economic environment while building wealth to support generations to come.

Every year has its own financial challenges—and 2023 was certainly no exception. Elevated interest rates, geopolitical conflict and a persistent specter of recession dominated the headlines, causing investors everywhere to question if the financial decisions they made every day brought them closer to their goals or pushed them further away. But amid that uncertainty, that’s where we demonstrate our strength: Our intimate relationships with our clients allow us to *deliver the right advice and resources at the right time*—so they can remain assured about what’s important to them no matter how their future unfolds.



# 100+

**FINANCIAL PLANNERS  
COLLABORATING ON  
CLIENT SOLUTIONS**

**It all starts with planning.** The progression of our lives can be charted as a series of major decisions—some financial, some personal—with each one unlocking a set of entirely new questions. From choosing a career to starting a family to deciding where to retire, these choices and thousands of others can each carry tremendous financial importance.

Our close relationship with clients allows us to translate those decisions into smart financial strategies—into a plan. And as the scope of that plan grows and evolves over time, we remain in lockstep, providing new alternatives and ensuring that no matter how a client's life or the macro environment might change, they can be confident their plans are still working toward what's most important.



Importantly, as our clients' lives and finances become increasingly complex, **we continue to invest in the best-in-class resources so we can offer the exact planning expertise they need.** In 2023 we increased the number of financial planners who customize financial solutions for our clients and built out the solutions and services we were able to offer in platforms like Baird Trust and Business Owner Solutions. We also made significant investments in our technology, allowing us to provide additional services in tax and estate planning. Resources like these, in addition to the insights offered by our Financial Advisors, ensure planning decisions are based on information that's both current and comprehensive.



“The relationship between the Financial Advisor and the client is incredibly special. Our counsel and expertise are always present, through marriage and divorce, the birth of a child or death of a parent, and carry through across generations. It truly is one of the most important and long-lasting relationships in our clients’ lives, and everything we offer—the guidance, the expertise, the service—is in support of that sacred bond.”

—Erik Dahlberg, President of Private Wealth Management

But planning and resources are only as useful as **the commitment from a Financial Advisor invested in their clients' success**. When your employees own the firm, they behave differently: They care more and have a genuine personal stake in their clients' satisfaction and peace of mind. That means phone calls are returned more promptly. Advisors spend more time providing the care and attention our clients feel in everything we do—and the kind of service they can't find just anywhere.

While our clients often face similar obstacles and opportunities, no two situations are the same. They choose Baird because we spend the time to get to know them, their values and their dreams, and design a plan tailored to their needs. In 2023, Baird's Financial Advisors helped their clients be more confident in their financial decisions and that the plans we made together will serve their families well for generations to come.

We'll continue to invest to be one step ahead, making sure our clients are well-prepared for whatever might come their way.

**\$290+**  
**BILLION**  
PRIVATE WEALTH MANAGEMENT  
ASSETS UNDER MANAGEMENT







**MULTICULTURAL COMMUNITY CONFERENCE**

In November 2023, Baird hosted its second Multicultural Community Conference in Atlanta. The theme “Think. Act. Impact.” inspired open dialogue about our inclusion and diversity efforts and commitment to being the best place to work for everyone.



# Asset Management



Baird Advisors and Baird Equity Asset Management actively managed fixed income and equity strategies for institutional and individual investors as well as the Baird Funds, a no-load fund family with proven track records and competitive pricing.

**\$140+**  
**BILLION**  
ASSETS UNDER MANAGEMENT  
(FIXED INCOME & EQUITY COMBINED)

Our fixed income and equity teams emerged from a turbulent 2022 with distinct advantages—a shared focus on quality in their portfolios, emphasis on mitigating risk and unwavering commitment to exceptional service. These traits continued to resonate with investors, despite broader market volatility throughout 2023, resulting in competitive performance and consistent inflows to both our fixed income and equity mutual funds.

Reflecting both teams' passion for what they do, Baird was honored for a 12<sup>th</sup> consecutive year among *Pensions & Investments'* Best Places to Work in Money Management—one of only five companies to have appeared on the list every year since its introduction in 2012.

“Market volatility often provides opportunities for the team to add additional value to our bond portfolios—our team really shined in 2023. We remain laser-like focused on managing the level of risk in our portfolios and striving to deliver consistent, competitive performance.”

—Mary Ellen Stanek, CFA  
President of Baird Funds  
& Co-Chief Investment Officer  
of Baird Advisors

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## CHARTERED FINANCIAL ANALYSTS®

### BAIRD ADVISORS

Continuing a long tradition of excellence in fixed income asset management, Baird Advisors' taxable and tax-exempt funds were recognized repeatedly by industry publications for quality and performance in 2023, including *Morningstar's* “Thrilling 30,” “Best Bond Funds” and “5 Short-Term Bond Funds that Consistently Deliver.”\* The Baird Strategic Municipal Bond Fund was named “Best Fund Over 3 Years” among 23 short-intermediate municipal debt funds by Refinitiv Lipper (marking the team's fourth Lipper Award in four years) and was featured in *Barron's*.

Baird Advisors' long-term, duration-neutral approach weathered the changing interest rate environment well, providing above-benchmark returns and the risk control long-time clients have come to rely on. Thanks to client asset growth and positive inflows in every month of the year, Baird Advisors' assets under management grew by more than \$19 billion to a total of \$131.5 billion at the end of 2023.

Knowing that the best insights and outcomes result when people with different perspectives and backgrounds collaborate with common objectives, Baird Advisors supplemented its deeply experienced management team—many of whom have worked together since before the team's inception in 2000—with investments in emerging talent to help ensure quality and continuity for clients in years to come. Thirty-two of Baird Advisors' 76 associates are CFA's and 20% are former interns—the team continues to cultivate future talent through active involvement with programs like All-In Milwaukee and schools like Cristo Rey.





## BAIRD EQUITY ASSET MANAGEMENT

Baird Equity Asset Management saw strong net inflows of \$1.3 billion for the year despite significant equity market headwinds. Assets under management by year end had grown to \$10.7 billion.

The individual teams within Baird Equity Asset Management operate with independence and autonomy, but are unified by their long-term perspective, focus on quality and deep experience within their focused areas of the market.

**Baird's U.S. Growth team**, which manages small/mid and mid-cap growth strategies and mutual funds, continued its record of competitive long-term performance and demonstrated the value of their approach in challenging market environments. The flagship Mid Cap Growth Fund

celebrated its 30<sup>th</sup> anniversary among *Morningstar's* "Top-Rated Stock Funds" in July and the Small/Mid Cap Growth Fund marked its fifth year of solid returns since inception.\*

Chautauqua Capital Management, **Baird's International and Global Growth team**, manages equity portfolios and funds. The team continued to apply its unique investment philosophy and rigorous process in evaluating opportunities amid a particularly strained geopolitical backdrop and inflationary environment.

**Baird's Specialized Asset Management team** works closely with Baird's Financial Advisors (one in four in 2023) to meet the investment needs of families and individuals and continued to grow relationships within Baird's Private Wealth Management business. Assets under management grew to more than \$4.9 billion by the end of the year.



**12 YEARS**  
ON PENSIONS & INVESTMENTS'  
"BEST PLACES TO WORK IN  
MONEY MANAGEMENT" LIST





Since our founding in 1919, Baird's headquarters has been in Milwaukee. In July of 2023, we recommitted to the city with an extension of our U.S. Bank Center lease through 2033. Today Baird is the building's largest tenant, occupying 21 of its 42 floors.



# Fixed Income Capital Markets



**NO. 1** MUNICIPAL  
UNDERWRITER  
IN THE U.S.\*

Our Fixed Income Capital Markets business has grown tremendously since our founding in 1919 as a Milwaukee bond house. Today, our Public Finance team provides municipal issuers with award-winning advisory as well as underwriting, placement agent and consulting services, while our Sales & Trading professionals research, sell and trade a full range of fixed income securities for institutional investors.

The continued escalation—and extended pause—of interest rates in 2023 added a new level of complexity to how issuers financed their funding needs as well as increased scrutiny of the role bonds can play in institutional portfolios. Throughout it all, Baird provided unparalleled guidance, capabilities and personal service to help our clients weather economic volatility.



## PUBLIC FINANCE

We've continued to grow our Public Finance expertise with the services our clients need to navigate the current economic environment. Our 79 Public Finance professionals now serve their clients from 19 offices in the U.S.

Our deep knowledge of the industry and unwavering client focus were acknowledged by *The Bond Buyer*, who awarded a Baird transaction with the Greater Texoma Utility Authority "Deal of the Year" in 2023. This award—our seventh such honor since 2005—is a testament to our client-centric focus and our passion for what we do.



## SALES & TRADING

We've also grown our Sales & Trading platform to meet the needs of our institutional fixed income clients. This team offers objective bond research, precise trade execution and a full range of fixed income products in high-yield and investment-grade corporate credit, government and agency, municipal and securitized products. With the addition of nearly 20 research, sales and trading professionals in 2023—including our first London team, specializing in collateralized loan obligations and structured products—we now employ more than 140 traders, salespeople and analysts delivering high-end capabilities as well as specialized services like balance sheet evaluation and securitized product analysis. In 2023 our Sales & Trading platform averaged \$16.3 billion in monthly trading volume.

**\$202.7**  
**MILLION**  
 FIXED INCOME CAPITAL  
 MARKETS REVENUES





# Equity Capital Markets

## GLOBAL INVESTMENT BANKING

In a year of market headwinds that challenged deal activity, our Global Investment Banking group focused on delivering creative advisory and financing services to clients around the world. All told, our global team completed 141 advisory and financing transactions with a combined value of \$55 billion.

Despite the year's challenging transaction environment, our team found ways to deliver exceptional outcomes for our clients. We completed our largest European M&A transaction to date and partnered with a number of leading companies, guiding them through the challenging market to achieve great outcomes. While many of our investment banking peer firms felt pressure to lay off staff and turn inward, our global team stayed intact, worked more closely and remained focused as ever on our clients, providing excellent execution and finding creative solutions to pursue their top opportunities.



## BUILDING FOR THE LONG-TERM

As a privately held, employee-owned firm, Baird is able to think and act for the long term. This enables us to put our clients' interests first in all we do, including how we build our platform. We continued to build out our team by welcoming exceptional senior bankers in 2023. They bring deep, additive experience and expertise in key industry verticals, Europe and M&A advisory. We also expanded our General Partner Solutions practice. Launched at the end of 2022, this new offering enhances and expands the advisory services we provide to private equity clients.

Additionally, we welcomed a new Co-Head of Global M&A to complement the continued expansion of our M&A capabilities, particularly in Europe. We deepened our investment in our European capabilities by forming an alliance with Arcano,

a leading M&A advisory firm in Spain and Portugal. The alliance enhances our M&A offerings in southern Europe.

In addition to welcoming new colleagues to our platform throughout the year, we also focused on supporting and developing our existing team. While other investment banking firms reduced headcount and experienced significant turnover, retention of Baird banking talent is strong. We remain committed to establishing Baird as a destination employer for our industry and fostering a diverse, inclusive environment that allows our team to thrive. We operate as one global team, 400+ bankers strong, on a single profit-and-loss statement. This structure helps create a truly unique culture of teamwork at Baird and enhances the service and outcomes we deliver to our clients.

NEARLY **100**  
BANKERS  
ADDED IN 2023



## GLOBAL EQUITIES

Our Global Equities team focused on serving as a trusted equities partner to our clients in the challenging markets throughout 2023. We stayed close to our clients during the year, keeping in constant contact and delivering the content, insights, service and execution clients have come to rely on Baird for in all market environments. Our team created opportunities for clients to connect with leading companies, hosting nearly 20,000 meetings throughout the year, including strong attendance at our institutional investor conferences.

We also continued to enhance our equities platform. To deepen our institutional trading offering, we continued to invest in our distribution and execution capabilities. We also strengthened our healthcare and technology equity research platforms. Our Equity Research team, which includes more than 80 analysts, covered more than 710 companies at year end. Their insights are complemented by the macroeconomic research offered by Strategas, a Baird Company, which was recognized by *Institutional Investor* as the No. 1 macro-only research firm for the seventh consecutive year.

We're also pleased to report our global equities team earned strong recognition from industry investors in the 2023 Coalition Greenwich survey.\* Baird ranked No. 1 for best trading for small-/mid-cap equities, among other strong rankings in research, sales and corporate access.



\*Coalition Greenwich's 2023 surveys of North American Equity Investors. Surveys conducted with 95 small-cap and mid-cap fund managers and 235 traders. Rankings for qualitative metrics based on leading research firms in surveys.







## GLOBAL INDUSTRIAL CONFERENCE

Baird's 53rd annual Global Industrial Conference in Chicago provided institutional investors from around the world the opportunity to connect with senior executives from nearly 300 leading public and private corporations. Guests had access to formal presentations, breakout sessions and 1-on-1 meetings.





**\$1.3 BILLION**  
ACTIVE ASSETS UNDER MANAGEMENT\*

# Principal Investments

Baird's Principal Investments group consists of three units with their own investment strategies:

**1**

### **BAIRD CAPITAL**

Baird Capital makes direct investments through proprietary funds in emerging and lower middle-market companies. Since 1989, Baird Capital has raised and invested capital in high-potential companies through a series of private equity and venture capital partnerships. Baird is a meaningful investor in the Baird Capital funds, whose other investors include third-party institutions, high-net-worth clients and qualified Baird associates.

**2**

### **BAIRD PRINCIPAL GROUP**

Baird Principal Group makes minority co-investments in middle-market private companies.

**3**

### **STRATEGIC INVESTMENTS**

Strategic Investments makes equity investments in third-party financial services entities that complement Baird's capabilities and strategic limited partner investments in third-party funds.

\*Baird Capital only



## ABOUT BAIRD CAPITAL

Our global platform, focused on business-to-business technology and services investments, allows us to leverage our knowledge, capital and resources on behalf of our clients. Altogether, Baird Capital has 40 investment, operating and support professionals in the United States, United Kingdom and Asia managing active portfolio companies with combined annual revenues of \$2 billion and more than 15,000 employees.

Baird Capital is also proud to be a signatory of the Institutional Limited Partners Associated (ILPA) initiative to advance diversity, equity and inclusion across our industry.

## GLOBAL PRIVATE EQUITY

The Global Private Equity team saw an active year, completing two new platform investments: JMAN, an international commercially focused data consultancy headquartered in London and Chennai, India; and Freemarket, a leading fintech platform for regulated business-to-business cross-border payments and currency exchange headquartered in London.

The team also exited its investments in bfinance and CAV Systems. Baird Capital invested in bfinance, a global investment consultancy, in 2016. Throughout our investment period, bfinance's revenues more than doubled. We invested in CAV Systems, a supplier of airborne ice protection systems and drag reduction technology for aircraft, in 2017.

Throughout the partnership, Baird Capital supported the business with implementing commercial and operational improvements to its sales and marketing strategy and upgrading the business infrastructure to improve manufacturing efficiency, laying the foundations for growth and enabling the business to secure new OEM opportunities.

One of the Global Fund's key pillars is to support companies in global expansion, and this year was no exception with multiple portfolio companies completing strategic partnerships, acquisitions, and setting up operations in new markets.

## VENTURE CAPITAL

In December 2023, the Venture Capital team announced the final close of Baird Capital Venture Partners VI, its sixth venture fund, with a total of \$218 million in committed capital, exceeding the size of its previous funds. The fund is anchored by investments from a number of returning and new institutions, foundations and family offices, a significant achievement and fitting capstone to the first 20 years of Baird Capital's venture investing.

This year, the team completed two new investments: Parallax, a leading provider of predictive forecasting and capacity planning software, headquartered in Minneapolis; and Osano, a leader in data privacy software, headquartered in Austin. They also supported the growth of our portfolio through 13 follow-on investments in 2023.





# Corporate Resource Groups

Our Corporate Resource Groups provided vital expertise and service to our clients and colleagues throughout 2023.

**Corporate Real Estate and Workplace Solutions** led the completion of key projects, including the expansion of our European headquarters in London. The project included 30,000 square feet of new office space, including a best-in-class conference center and gathering spaces for our associates. The team also oversaw the completion of a lease extension in our Milwaukee headquarters, which will provide more than 456,000 square feet of office space and signage on the building exterior. The team also continued building its technology platform with a reservation system to support hoteling in our offices.

Our **Culture** team inspired, celebrated and connected Baird associates across the globe, including hosting our annual meeting in Louisville, Kentucky, for the first time and creating customized programming such as our New Associate Experience, a signature event attended by nearly 100% of new associates. **Marketing & Communications** oversaw high-impact branding opportunities including a new naming rights partnership with the Wisconsin Center, the state's largest convention center. The venue is now known as the Baird Center. **Corporate Events** hosted exclusive events for our clients, including a forum for women business leaders

in Napa, California. **Conference Services** created premium experiences for our institutional clients, executing 12 industry conferences serving 6,422 clients and 939 presenting companies. The team also hosted 18,842 1x1 meetings connecting companies and investors.

Meanwhile, our **IT** team led important initiatives to enhance the tools, technology and analytics available to our colleagues and clients (to learn more, see page 6). **Risk Management** leveraged the diversity of its team and data analytics capabilities to provide proactive insights to partners across the firm to manage ever-evolving business, market and cyber risks. **Operations** continued to invest in technology and operational process initiatives to make it even easier for clients to do business with Baird, including partnering with colleagues to enable new offerings and developing process refinements and automations so we can continue to provide differentiated service.

**12** INDUSTRY CONFERENCES HOSTED



**Legal & Compliance** partnered with colleagues on key initiatives such as establishing our European Fixed Income Capital Markets trading desk, onboarding Global Investment Banking's Global General Partners Solutions group, facilitating forward sale transactions on at-the-market offerings off the Equity Capital Markets desk, and completing the firm's investment in LoCorr Funds. Compliance also created and delivered 27 training courses to meet regulatory requirements, tailoring each to ensure coursework was highly relevant to each associate's role and their clients. **Finance** implemented new shareholder eligibility criteria that significantly expanded Baird's associate ownership and partnered with Human Resources to create custom training courses to support the development of associates at all levels.

**Human Resources** continued to focus on engaging our talent, developing leaders and supporting associates in their life, career and future. We delivered 120 development programs customized to meet the needs of each area of Baird and had a 38% increase in personalized leadership coaching. Our development programs build and hone the skills needed to deliver for our clients and support each other. The team also expanded coverage to meet the mental health needs of our associates and their families by making all mental health visits subject to in-network payments, regardless of the provider.







# Impacting Our Communities

**\$5.7**  
**MILLION**  
DONATED IN 2023

Giving back is different at Baird. We look at community involvement as not only an opportunity to make an impact in the communities where we live and work, but also a way to amplify our associates' voices. Whether it's making donations to deserving organizations or volunteering together, we strive to make a real, measurable impact.

## BAIRD FOUNDATION

Baird Foundation serves as a cornerstone in Baird's tradition of giving back, furthering the impact of our associates' personal giving and the firm's commitment to equality and opportunity for all. In 2023, Baird Foundation contributed more than \$5.7 million to qualified nonprofits, including more than \$3.2 million to match our associates' gifts to deserving charities. Baird Foundation not only makes charitable and matching contributions to deserving organizations, but also serves as a resource to help our associates deepen their personal involvement with nonprofits by joining boards and serving in leadership roles.

A staple in Baird's community involvement is our support of United Way, an organization we have contributed to for more than 65 years. We support its mission of helping children thrive in school, providing emergency food for families, cultivating financial stability, and preventing homelessness—all of which help to build stronger, more resilient communities.

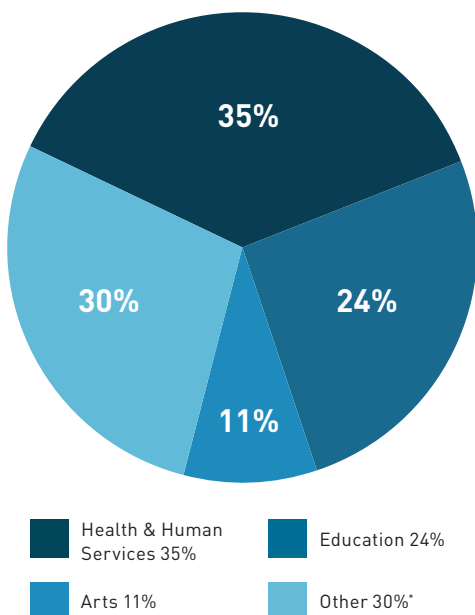
In 2023, Baird's United Way campaign raised more than \$4.4 million in associate giving, which is our largest campaign to date. The donations were driven by participation across 59 U.S. offices, benefiting 99 local United Ways along with hundreds of nonprofit organizations. An additional \$359,000 was also donated to United Ways through the Baird Foundation Associate Match program.

In 2023, the firm also continued former Chairman and CEO Paul Purcell's legacy through the Paul Purcell "Kids Win!" Annual Baird Education Grant. Paul firmly believed that everyone, no matter their circumstances, deserved access to a quality education. These annual grants, which support educational organizations, help us make that belief a reality. Eleven nonprofits received grants totaling more than \$970,000.

## THE 2023 RECIPIENTS OF PAUL PURCELL "KIDS WIN!" ANNUAL BAIRD EDUCATION GRANT

- Big Shoulders Fund | Chicago, IL
- City Year Milwaukee | Milwaukee, WI
- COA Youth & Family Centers | Milwaukee, WI
- Cristo Rey Jesuit High School – Twin Cities | Minneapolis, MN
- Dr. Howard Fuller Collegiate Academy | Milwaukee, WI
- Freedom School Partners | Charlotte, NC
- Minds Matter Colorado | Denver, CO
- Nazareth Prep | Pittsburgh, PA
- St. Joan Antida High School | Milwaukee, WI
- The Pittsburgh Promise Foundation | Pittsburgh, PA
- United Community Center | Milwaukee, WI

## 2023 BAIRD FOUNDATION GIVING AREAS OF FOCUS



\*Includes ethnic, religious, environmental, professional and youth organizations.

## MAXIMIZING OUR IMPACT, TOGETHER

At Baird, we value the impact that can be made when motivated people come together to support a common cause. Whether it's coming together to volunteer for a nonprofit in need, a grassroots effort to support a deserving organization, or associates' personal giving being amplified by a Baird Foundation matching donation, Baird's community involvement simply couldn't thrive the way it does without this unique sense of togetherness.

A great example of this combined effort is our annual Baird Gives Back Week. In 2023, over 2,300 volunteers from more than 100 Baird offices donated nearly 8,000 volunteer hours to 223 charitable organizations. These volunteers helped prepare and serve food, tutor and mentor students, walk and play with shelter animals, work with seniors and clean up parks, riverbeds and gardens, among many other activities.

We're also committed to supporting our talented associates, who come from different backgrounds and have a wide range of interests. This effort comes to life through our Associate Resource Groups (ARGs), which provide professional development opportunities, meaningful community outreach and more. Our ARGs are dedicated to supporting women in the workplace, deepening community involvement, supporting veterans, cultural diversity, and supporting the interests of our LGBTQ+ and next-gen associates.



# Financial Information

Baird Financial Group is the ultimate parent company of all of Baird's global operations. Our primary businesses are wealth management, capital markets, asset management and private equity. We are privately held and employee-owned.

## BAIRD FINANCIAL GROUP: FINANCIAL HIGHLIGHTS

	Operating Results		Financial Position		Other		
	Net Revenues (Millions)	Operating Income (Millions)	Total Assets (Millions)	Stockholders' Equity (Millions)	Associates	Financial Advisors	Client Assets Under Management (Billions)
<b>2023</b>	<b>\$ 2,913</b>	<b>\$ 509</b>	<b>\$ 4,700</b>	<b>\$ 1,945</b>	<b>5,174</b>	<b>1,390</b>	<b>\$ 432</b>
2022	\$ 2,786	\$ 477	\$ 4,452	\$ 1,905	5,077	1,393	\$ 376
2021	\$ 3,412	\$ 609	\$ 4,614	\$ 1,609	4,703	1,309	\$ 416
2020	\$ 2,330	\$ 360	\$ 3,507	\$ 1,288	4,512	1,292	\$ 359
2019	\$ 2,060	\$ 262	\$ 3,343	\$ 1,176	4,641	1,298	\$ 309
2018	\$ 1,784	\$ 244	\$ 3,235	\$ 950	3,642	937	\$ 208
2017	\$ 1,533	\$ 199	\$ 3,122	\$ 737	3,410	858	\$ 203
2016	\$ 1,390	\$ 155	\$ 2,613	\$ 632	3,410	877	\$ 171
2015	\$ 1,286	\$ 154	\$ 2,793	\$ 670	3,312	872	\$ 151
2014	\$ 1,202	\$ 135	\$ 2,635	\$ 604	3,172	816	\$ 145

Financial information does not reflect the consolidation of certain private equity partnerships.

### BAIRD FINANCIAL GROUP: SHAREHOLDER HIGHLIGHTS

	Per Share Data				Associate Ownership
	Year-End Book Value	Cash Dividends Paid	Book Value Plus Cash Dividends	Annual Increase in Book Value Including Current Year Cash Dividends Paid	% of Associates Who Are Shareholders
<b>2023</b>	<b>\$ 27.40</b>	<b>\$ 4.80</b>	<b>\$ 32.20</b>	<b>18.6%</b>	<b>78.4%</b>
2022	\$ 27.14	\$ 1.50	\$ 28.64	19.9%	70.1%
2021	\$ 23.88	\$ 2.50	\$ 26.38	33.4%	67.2%
2020	\$ 19.77	\$ 1.83	\$ 21.60	21.8%	67.8%
2019	\$ 17.74	\$ 0.83	\$ 18.57	14.2%	65.5%
2018	\$ 16.26	\$ -	\$ 16.26	22.6%	65.7%
2017	\$ 13.26	\$ 0.70	\$ 13.96	20.8%	65.8%
2016	\$ 11.56	\$ 2.50	\$ 14.06	12.5%	63.8%
2015	\$ 12.49	\$ 0.67	\$ 13.16	13.2%	63.0%
2014	\$ 11.62	\$ 0.62	\$ 12.24	15.5%	61.8%

Book value and dividends have been restated to reflect any previous stock splits.



# 2023 Leadership

The members of Baird's Executive Committee average 26 years at the firm, representing a significant continuity of leadership and advocacy for the core values Baird was founded on in 1919.

## EXECUTIVE COMMITTEE

\*Director of Baird Financial Group

### STEVEN G. BOOTH\*

Chairman & Chief Executive Officer

### JAMES R. ALLEN

Vice Chair

### TIMOTHY P. BYRNE

Chief Information Officer

### ERIK C. DAHLBERG

President of Private Wealth Management

### BRIAN S. DOYAL

Co-Head of Global Investment Banking

### KIM TILLOTSON FLEMING

Vice Chair

### RODNEY JONES-TYSON

Global Chief Human Resources Officer

### JON A. LANGENFELD

Head of Global Equities

### PATRICK S. LAWTON\*

Director of Fixed Income Capital Markets

### TERRANCE P. MAXWELL\*

Chief Financial Officer

### BRIAN P. MCDONAGH

Co-Head of Global Investment Banking

### GORDON G. PAN

President of Baird Capital

### MICHAEL J. SCHROEDER\*

Chairman of Private Wealth Management

### PAUL L. SCHULTZ

General Counsel & Secretary

### MARY ELLEN STANEK\*

Director of Asset Management

### JOHN G. TAFT

Vice Chair

### LAURA K. THUROW

Executive Director of Wealth Solutions & Operations

### JASON DE SENA TRENNERT

Chairman & Chief Executive Officer of Strategas

## BAIRD CENTER

Milwaukee has been great for Baird, and in 2023 we made a substantial investment in the city's future as the naming rights partner for the Baird Center – Wisconsin's largest convention center. We are honored to welcome businesses and organizations from around the world to our hometown.







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