

ANNUAL DISCLOSURE NOTICE

This notice contains important information regarding your account with Robert W. Baird & Co. Please read it carefully and contact your Baird Financial Advisor with any questions:

- Changes in Your Financial Situation and Investment Objectives
- Privacy Policy
- Information Regarding the Routing of Your Equity Orders
- Baird Accounts, Services Offered and Full Disclosure of Fees and Commissions
- Account Fees and Service Charges
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- FINRA Broker Check
- Business Continuity Plan
- Questions, Inquiries, Complaints

Please keep this information for your future reference.

Changes in Your Financial Situation and Investment Objectives

Your Baird Financial Advisor will be pleased to meet with you at least annually or more frequently as you request. Please promptly inform your Financial Advisor of any changes in your financial situation or investment objectives. In addition, if Baird has investment discretion over your account, please inform your Financial Advisor if you would like to impose any reasonable restrictions on the management of your account or to modify any existing restrictions.

Privacy Policy

It is the policy of Baird to protect the privacy of our clients who share personal and financial information with us in the course of receiving financial services from Baird. We treat your information as confidential and recognize the importance of protecting access to it.

Categories of Information We Collect

Baird collects and maintains information about our clients so that we can evaluate their financial needs and provide a broad range of financial services. You may provide information to your Baird Financial Advisor or others at Baird when communicating with us in writing, by fax or by phone.

- Information we receive from you on account applications, agreements or other forms, such as your name, address, email addresses, phone numbers, Social Security number, assets, income and date of birth; and
- Information about your transactions with us, our affiliates or others, such as your account balance, positions and history.

Depending on the products and/or services you require, information may also come from consumer reporting agencies and those providing services to us.

Protecting Your Privacy

We do not disclose any nonpublic information about our clients or former clients to anyone, except as requested or authorized by our clients, as necessary to process a transaction or service an account, as requested by regulatory authorities, or as otherwise permitted by law.

We may disclose information about you or your account to companies that perform administrative or marketing services for Baird, to investment advisors, to a research firm we have hired, or to a business partner (such as a bank, insurance company or other financial institution) with whom we are developing or offering investment products or services. When we enter into such a relationship, our contracts restrict the companies' use of client information, requiring them to maintain the confidentiality of such information.

We also restrict access to nonpublic personal information about you to your Baird Financial Advisor and those Baird employees who need to know that information to provide investment products or services to you.

We maintain physical, electronic and procedural safeguards to protect your nonpublic personal information.

At Baird, we have always worked to maintain the highest standards of confidentiality and to respect the privacy of our clients. While regulation requires that we provide this notice, Baird's Privacy Policy reflects the level of confidentiality that has always existed at Baird. This annual disclosure of our Privacy Policy is provided in accordance with Title V of the Gramm-Leach-Bliley Act and its implementing regulations.

We endeavor to keep our client information complete and accurate, and encourage you to notify us if any of your information should be updated. Should you need to update your records, or have any questions regarding Baird's Privacy Policy, please contact your Baird Financial Advisor. You may also visit Baird's website at rwbaird.com. Any changes to the policy will be reflected on the website and in the Annual Disclosure Notice sent to you.

Information Regarding the Routing of Your Equity Orders

Certain equity securities orders may be routed to other broker/dealers or exchanges for execution. Each quarter, Baird prepares a summary discussing orders routed away for execution, including the type and the identity of the securities broker/dealers or exchanges receiving such orders. This summary is posted on our website (rwbaird.com). A copy of the most recent quarterly summary is available to you upon request. You may also request the identity of the broker/dealer or exchange executing your trade and the associated time of execution on any of your equity trades placed within the last six months.

Baird Accounts, Services Offered and Full Disclosure of Fees and Commissions

Baird offers several types of investment advisory accounts with varied fee structures and features. Baird also offers brokerage accounts on which commission is charged on a per-transaction basis. It is important that you fully understand the characteristics of the accounts and services provided to you by your Baird Financial Advisor and the account options available when investing through Baird. The characteristics and costs of each type of account are available through your Baird Financial Advisor. Actual fees charged to your account for the services provided are detailed in your account statements. Commissions charged for transactions in brokerage accounts are disclosed as required on your transaction confirmations. The cost of investment advisory accounts may be higher than a traditional brokerage account where commissions are charged on a trade-by-trade basis. When determining which type of accounts to use, clients should consider their past and anticipated transaction activity, use and benefits of the products and services available with each type of account and personal preferences concerning various payment alternatives. Please consult with your Financial Advisor in the event you have any questions regarding charges to your account, the services provided or the types of accounts available.

Account Fees and Service Charges

Baird charges a \$100 annual account service fee for select accounts in

statement households with less than \$100,000 in total assets (Baird and networked) as of the cutoff date, which is the last business day of September. Each eligible account within these households will be charged the annual account service fee in December. Accounts outside of statement households will be considered independent households for the assessment of the fee, subject to the \$100,000 minimum in total assets. Account types exempt from the annual account service fee include: Individual Retirement Accounts, Coverdell Education Savings Accounts, 529 College Savings Plans, Health Savings Accounts, Uniform Transfer to Minor Act and Uniform Gift to Minor Act (UTMA/UGMA) accounts, Delivery Versus Payment (DVP) accounts, charitable accounts, Employee Stock Option and Stock Purchase Plan accounts that are part of a negotiated corporate relationship, accounts paying the annual Cash Management Standard fee, accounts that are part of households that were opened before June 1 of the immediately prior year, accounts that are part of a statement household that paid an average of \$150 or more in commission per account over the 18 months immediately prior to the cutoff date, accounts holding only networked annuities, accounts that maintain margin balances, zero-balance accounts (within fee-eligible households) and accounts within households that opt for electronic delivery of client statements, trade confirmations and investor communications for all accounts within the household. For information regarding Baird's account fees and service charges, please visit our website at rwbaird.com or contact your Financial Advisor. Baird reserves the right to change a fee upon notice and may, in its sole discretion, waive fees based upon a variety of factors. Other fees may apply.

Cash Sweep Program, Bank Deposit Accounts

Baird offers a Cash Sweep Program through which cash balances in client accounts are automatically deposited or "swept" into an interest-bearing deposit account established by Baird with a bank selected by Baird to participate in the Cash Sweep Program (the "Bank"). Certain clients who meet the eligibility requirements may, as an alternative, invest their cash in one or more taxable or tax-exempt money market mutual funds that Baird makes available. In participating in the Cash Sweep Program, clients authorize and direct Baird to send all of the free credit balances in their accounts to an interest-bearing deposit account maintained by the Bank. When balances in a Deposit Account at a particular Bank through the Bank Sweep Option exceed the FDIC Insurance limits, Baird may deposit clients' excess balances into a Deposit Account at another Bank or invest their excess balances in a money-market mutual fund available under the Money Market Fund Option. If Baird implements a change to the money-market mutual funds that are available through the Money Market Mutual Fund Option, when a money-market mutual fund is closed to new investment or when Baird otherwise believes it is in the client's best interest to do so, Baird may also transfer balances from one money-market mutual fund under the Money Market Fund Option to another money-market mutual fund. The free credit balances in the Bank deposit account are insured by the Federal Deposit Insurance Corporation ("FDIC") subject to applicable limits. Currently, those limits are \$250,000

per depositor and \$250,000 for certain retirement accounts, such as traditional and Roth IRAs and self-directed Keogh and 401(k) accounts. The interest paid to clients on balances in the Bank deposit account will vary because the applicable rates fluctuate and are “tiered,” meaning that the rate paid is based on the aggregate value of the client’s Baird account combined with the value of related accounts that share the same address and are consolidated for statement-mailing purposes. Accounts with higher aggregate values receive higher interest rates than accounts with lower balances. The interest rates are posted on Baird’s website at rwbaird.com/moneymarkets.

Please note the following information about the interest-bearing Bank deposit account:

- The deposit account is established at the Bank in the name of Baird for the exclusive benefit of its customers;
- Baird acts as agent for the Bank and maintains records identifying the client as the owner of the account;
- The deposit account is in book-entry form, and no passbook or other certificate is issued to the client by the Bank;
- Deposits, withdrawals and other transactions in the deposit account can be made only through Baird, not directly through the Bank;
- The client should read the Insured Money Market Deposit Account Information Statement (available at rwbaird.com/moneymarkets) to obtain greater detail on the FDIC-insured deposit account and the applicability of FDIC insurance to such accounts, including any limitations or exclusions of insured coverage;
- The Securities Investor Protection Corporation (“SIPC”) and Baird’s coverage in excess of SIPC insurance do not cover deposits in the Bank’s FDIC-insured deposit accounts; and
- Baird receives compensation from the Bank for providing deposit placement, administrative and recordkeeping services based on the amounts deposited into the Bank deposit account, which is in the form of the difference between the interest rate paid by the Bank on the aggregate amounts in the deposit account and the interest rates paid by Baird to its clients.

For more information about Baird’s Cash Sweep Program, please read the Robert W. Baird & Co. Cash Sweep Program Summary Fact Sheet, which is available at rwbaird.com/moneymarkets.

FDIC Insurance Limits

The FDIC is an independent agency of the U.S. government that protects depositors of banks and savings associations against the loss of their insured deposits in the event of a failure of the bank or savings association at which the deposits are held. Through its Cash Sweep Program, Baird automatically deposits clients’ uninvested cash in interest-bearing deposit accounts held at a bank. Baird also sells brokered certificates of deposit issued by banks, which are held as assets in Baird client accounts. These deposit accounts and brokered certificates of deposits are generally

insured by the FDIC on principal and accrued interest up to \$250,000 per depositor per bank and up to \$250,000 for certain retirement accounts, such as traditional and Roth IRAs and self-directed Keogh and 401(k) accounts. Trust accounts, joint accounts and other types of accounts holding brokered certificates of deposit or other deposits at the same bank are insured according to FDIC insurance guidelines, which are available through your Baird Financial Advisor or the FDIC website at FDIC.gov. Clients should consider all of their deposits at a particular bank, such as direct deposits with the bank, cash sweep accounts at brokerage firms and bank-issued certificates of deposit, to determine the adequacy of FDIC insurance coverage because all assets held by a client with the same bank and titled in the same name may be aggregated for purposes of coverage limits. In the event of bank default, Baird will submit to the FDIC proof of deposit amount on behalf of each client owning brokered certificates of deposit or other deposits through Baird in the defaulted bank. The FDIC will then determine the amount of insurance reimbursement. FDIC insurance claims can take a significant amount of time to be paid, during which time clients will not earn interest on their deposits. SIPC and Baird's coverage in excess of SIPC insurance do not apply to cover bank deposit amounts not covered by FDIC Insurance.

Electronic Funds Transfer Services and Cash Management Program Debit Card

Following is information pertaining to clients of Baird who hold the Cash Management Program Debit Card or transfer money electronically to or from Baird.

If you believe your Baird Account Statement or Electronic Funds Transfer (EFT) terminal receipt is incorrect, or if you need more information about a transaction listed on a Baird Account Statement or EFT terminal receipt, telephone Baird at 800-792-7526, option 0, between the hours of 8:30 a.m. and 5:00 p.m. Central Time during any business day in which Baird is open for business, or write Baird at: Robert W. Baird & Co. Incorporated, Client Services, P.O. Box 139, Milwaukee, WI 53201-0139. Baird must hear from you no later than 60 calendar days after the first Baird Account Statement was sent on which the problem or error appeared. Please provide Baird with the following information:

- Your name, address, phone number and Baird account number;
- A description of the error or the EFT transfer you are unsure about, and why you believe it is an error or more information is needed; and
- The dollar amount of the suspected error.

If you notify Baird orally, Baird may require that you send Baird your complaint or question in writing within 10 business days. In addition, Baird may require additional documentation from you or action by you in order to investigate or resolve your complaint.

Please note that Baird is not responsible for any transfers of money out of your Baird account that are made in accordance with your request.

You need to be confident in the accuracy of your instructions before any requesting of transfers.

Baird will determine whether an error occurred within 10 business days after Baird receives notice from you and will correct any error promptly. Notwithstanding the foregoing, Baird may take up to 45 calendar days for ATM transactions (and 90 calendar days for point-of-sale transactions or transactions effected outside of the United States) to investigate your complaint or question. If Baird decides to do so, Baird will credit your Baird Account within 10 business days for the amount you think is in error, so that you will have the use of the money during the time it takes Baird to complete Baird's investigation. However, if Baird asks you to put your complaint or question in writing and Baird does not receive it within 10 business days, Baird may not credit your Baird Account.

Baird will inform you of the results within three business days after completing our investigation. If Baird decides that there was no error, Baird will send you a written explanation.

You may ask for copies of the documents that Baird used in its investigation.

You may not place a stop payment on electronic funds or point-of-sale transactions. Therefore, you should not employ electronic access for purchases or services unless you are satisfied that you will not need to stop payment.

Margin Disclosure Statement

Following is information pertaining to any margin account you maintain at Baird. Securities purchased on margin are Baird's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan and, as a result, Baird can take action, such as issuing a margin call and/or selling securities or other assets in any of your accounts held with Baird in order to maintain the required equity in the account. It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- You can lose more funds than you deposit in the margin account.
- Baird can force the sale of securities or other assets in your account(s).
- Baird can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.
- Baird can increase its "House" maintenance margin requirements at any time and is not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.
- You pay interest on the margin loan at a rate that will fluctuate based on changes to prevailing interest rates.

- You may lose shareholder proxy voting rights if your shares are lent out by the firm during the voting period.
- You may receive payments in lieu of dividends (potentially taxed at a high rate) when your shares are lent out over the dividend record date.

For more details, please contact your Financial Advisor for a Margin Account Disclosure Document.

Federal and State Tax Withholding for Retirement Accounts

Your federal and state income tax withholding election for distributions from your individual retirement account or qualified retirement plan may be changed at any time by contacting your Baird Financial Advisor. Please note that if you do not have enough federal and state income tax withheld, you may be responsible for payment of estimated taxes, and certain penalties may apply.

Mutual Fund Investing

Please refer to *Important Information About Your Mutual Fund Investment* on Baird's website, rwbaird.com/mutualfunds, for more information regarding mutual fund breakpoints, share classes and other compensation Baird may receive from mutual fund companies, or contact your Financial Advisor for a copy of this information.

Direct Registration of Securities

Requests for physical stock certificates are processed through the Direct Registration System (DRS). DRS offers the ability to maintain direct ownership electronically on the books and records of the transfer agent of the issuer. Once a DRS account has been established, the security will no longer be reflected on your Baird statement and you will begin to receive statements from the transfer agent. If an issuer does provide physical certificates, you may obtain a stock certificate by contacting the transfer agent identified on the DRS statement. Additional information regarding DRS and the best options for holding securities may be found at sec.gov/investor/pubs/holdsec.htm.

FINRA Broker Check

In accordance with the Financial Industry Regulatory Authority conduct rule pertaining to investor education and protection, we are providing our clients with the following information.

- The FINRA Broker Check Hotline telephone number is 800-289-9999.
- The FINRA website address is finra.org.

For a copy of a brochure that includes important information concerning FINRA Broker Check, call the FINRA Broker Check Hotline or visit the FINRA website at finra.org.

Business Continuity Plan

Robert W. Baird & Co. has a business continuity program in place to help ensure safety, continuity of service, and support for our clients and associates. The business continuity program includes periodic risk evaluation and control, business impact analysis, business continuity strategy development and review, emergency response, business continuity planning and biannual plan maintenance. Business recovery exercises are conducted twice a year, as is IT recovery testing of the critical infrastructure. Annual audits of the business continuity program are performed, and progress is reported to a Business Continuity Steering committee that meets every other month.

All departments have a business continuity plan that contains agreed-upon decisions for response, recovery and resumption of critical business processes. Contact information for associates, vendors and critical business partners are listed. The plan may be invoked in whole or in part, depending on the severity of the incident and the functional areas affected. It is the firm's intention to continue business during any foreseeable disruptive event and to provide clients prompt access to their funds and securities.

Emergency response procedures and drills are in place for building evacuation and weather emergencies. Call rosters are updated and distributed to the appropriate teams on a quarterly basis. Communication and direction throughout an incident are coordinated through the Business Continuity Steering Committee and escalated to the Executive Committee if needed.

External alternative sites have defined work space that can be used for the recovery of trading and related clearance and settlement functions, as well as for recovering the main computer systems. This strategy allows for the recovery of selected functions within four hours, subject to various circumstances beyond our control. Space will be provided at various Baird sites to accommodate certain other department recovery teams. The alternate Baird sites are at locations that give us the ability to recover from disruptions affecting various locations, including our headquarters building and its surrounding area, as well as citywide and regional disasters. In addition, our primary client information service vendor is highly resilient and gives us the ability to process orders and otherwise service our clients from Baird sites not experiencing a disruption. They also have a business continuity plan in place that provides for data backup and redundancy. They successfully test their recovery capability semi-annually.

In the event of a power disruption at our corporate headquarters, we have alternate power generation capability sufficient to support our trading, information technology and critical clearance and settlement functions.

Our main telephone system is supported by multiple carriers. In the event of branch office outages, phone calls are redirected to our corporate

headquarters, where designated Financial Advisors can assist clients with their investment needs. Longer-term disruptions may require relocating personnel to other Baird sites.

Baird's wide area network is highly resilient, with two levels of redundancy. Mission critical systems have redundancy, which allows for continuous operation in the event of hardware or network failures. System backups are performed on weekends and changes are backed up on weekdays. System backups are stored at a secure off-site location. Baird's business continuity plan is tested regularly. The plan is reviewed by a designated senior manager on an annual basis and monitored by a full-time business continuity manager, who updates the plan in the event of any material change to the firm's operations, technology, structure, business or location.

If you have any questions or concerns, please contact your Financial Advisor or call us toll-free at 800-792-2473 and ask for the Business Continuity Manager.

Questions, Inquiries, Complaints

Clients should direct all written questions, inquiries and complaints to the Baird branch office listed on their account statement. Clients may also contact the Baird Client Services Department by telephone at 414-765-3500, or in writing at the Baird home office at 777 East Wisconsin Avenue, Milwaukee, WI 53202, Attention: Client Services Department.



Great outcomes.
Done well.

800-RW-BAIRD
rwbaird.com

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