

Robert W. Baird & Co. Incorporated Cash Sweep Program Summary Fact Sheet

Introduction

Robert W. Baird & Co. Incorporated ("Baird") maintains a Cash Sweep Program that offers different ways for clients to earn income on cash balances in their brokerage accounts (each, an "Account") that are not otherwise invested. These alternatives generally include deposits into an account maintained at a bank ("Bank Sweep Option") or purchases of shares of one or more money market mutual funds that Baird makes available ("Money Market Fund Option") (collectively, "Cash Sweep Account Options"). The Cash Sweep Account Options are subject to change from time to time, upon notice to you. You are receiving this Summary Fact Sheet because you are eligible to participate in the Cash Sweep Program. This Summary Fact Sheet provides brief information about the Program and the Cash Sweep Account Options.

Eligibility and How the Program Works

The Cash Sweep Account Options consist of (1) a Bank Sweep Option in which the available cash balances in your Account will be automatically deposited into an interest-bearing account (the "Deposit Account") at one or more banks or other financial institutions selected by Baird (the "Bank"), which deposits are insured by the FDIC subject to applicable limits, or (2) a Money Market Fund Option in which your available cash balances will be used to purchase shares of a selected money market mutual fund that Baird makes available. Currently, the banks with which Baird maintains Deposit Accounts for the Bank Sweep Option are M&I Marshall & Ilsley Bank and The PrivateBank and Trust Company, and the money market mutual funds made available for the Money Market Fund Option include taxable, federally tax-exempt and certain state-specific, double tax-exempt funds offered or sponsored by Dreyfus (or, in the case of some state-specific funds, JP Morgan). However, Baird reserves the right to add or replace such banks and money market funds at any time in its discretion upon notice to you. While neither the banks nor money market mutual fund sponsors in the Cash Sweep Program are affiliated with Baird, Baird may, from time to time, own securities issued by such banks or fund sponsors and have other business relationships with them.

Generally, the Bank Sweep Option will be designated for each client's Account unless the client is eligible for and selects the Money Market Fund Option. More information about the money market mutual funds available for those eligible for the Money Market Fund Option may be obtained from your Baird Financial Advisor. If you are eligible and elect the Money Market Fund Option, prior to or at the same time your available funds are invested in the Money Market Fund Option, you will receive a prospectus describing your money market mutual fund when you make your initial investment. The prospectus should be read carefully, as it provides information that may be useful to you.

Under the Cash Sweep Program, available cash balances will generally be automatically deposited by Baird into the applicable Cash Sweep Account Option on the first business day of each week unless you maintain the type of account in which the available cash balances will be automatically deposited daily. As explained below under "Rates of Return," the interest rate or yield you receive on your available cash balances will vary because the interest rates paid in the Bank Sweep Option will fluctuate daily and differ based on the aggregate value of your Household Accounts (as defined below), and the returns on investments in the Money Market Fund Option will differ from fund to fund based on performance and operating expenses.

Eligibility for each available Cash Sweep Account Option is determined by Baird based on account type and size. If the aggregate net asset value of your Household Accounts (as defined below) at Baird is less than \$250,000, you are not eligible for the Money Market Fund Option and your available cash balances will be automatically deposited into the Bank Deposit Account. However, ERISA qualified plans, IRAs and similar tax-exempt retirement plans and accounts over which Baird has investment discretion are eligible to invest their available cash balances in money market mutual funds regardless of the size of their accounts. At any time if you would like a different Cash Sweep Account Option and if other options are then available to you, you may choose a different option by contacting your Baird Financial Advisor. The term "Household Accounts" means your account and any other accounts related to you that share the same address and, at your request, are consolidated for statement mailing purposes.

When your balances in a Deposit Account at a particular Bank through the Bank Sweep Option exceed the FDIC

insurance limits, Baird may deposit your excess balances into a Deposit Account at another Bank or invest your 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 Fund Option, when a money market mutual fund is closed to new investment or when Baird otherwise believes it is in your best interest to do to, Baird may also transfer your balances from one money market mutual fund under the Money Market Fund Option to another money market mutual fund.

Role of Baird

Depending on the type of Cash Sweep Account Option chosen, an omnibus account will be established at the Bank or the money market mutual fund in the name of "Robert W. Baird & Co., as agent and custodian, for the exclusive benefit of its customers who are acting for themselves and others," into which deposits of your available cash balances will be made. Baird will maintain records identifying you as the owner of your cash balances in the omnibus account. Your interest in the omnibus account will be in book-entry form and no passbook or other certificate will be issued to you by the Bank, the money market mutual fund or Baird. Deposits or withdrawals will be reflected on your Account at Baird and described in your monthly Account statement. In addition, deposits, withdrawals and other transactions in the Account can be processed only through Baird. Baird is not affiliated with the Bank or any of the money market mutual fund sponsors. The Deposit Account held at the Bank is a direct obligation of the Bank and not an obligation of Baird, and Baird does not serve as investment adviser, distributor, transfer agent or custodian for any of the money market mutual funds offered in the Money Market Fund Option.

SIPC Coverage

Money market funds (including those offered in the Money Market Fund Option) and other cash alternatives custodied for you at Baird are generally protected up to \$500,000 per account (including up to \$100,000 for cash) by the Securities Investor Protection Corporation ("SIPC") in the event of Baird's insolvency. SIPC, however, does not protect your assets from a decline in value due to market fluctuations. Baird maintains excess SIPC coverage through the Customer Asset Protection Company ("CAPCO"), an A+ rated insurance company owned and controlled by some of the largest brokerage firms in the U.S., including Baird. Excess SIPC coverage follows the terms and conditions of SIPC coverage, but covers each of your Accounts up to the full net equity of all cash and securities in your Accounts that are in Baird's custody. However, amounts in the Deposit Account are covered by the Federal Deposit Insurance Corporation ("FDIC"), up to applicable limits, and not by SIPC or Baird's excess SIPC coverage.

FDIC Deposit Insurance

Deposits in the Bank Sweep Option at the Bank are insured by the FDIC, subject to applicable limits. Those limits are currently \$250,000 per depositor (\$500,000 for a joint account owned by two individuals) and \$250,000 for certain retirement accounts, such as traditional and Roth IRAs. Under FDIC deposit insurance "pass-through" rules, funds owned by you and deposited into the Bank in Baird's name with Baird identified as your agent, custodian, or nominee are insured as if deposited in your name. If federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you. There is no specific time period during which the FDIC must make insurance payments available, and you may be required to provide certain documentation to the FDIC and Baird before insurance payments are made. Each of the banks through which the Bank Sweep Option is currently available --M&I Marshall & Ilsley Bank and The PrivateBank and Trust Company -- is subject to regulation and examination by state and federal banking authorities and is considered "well-capitalized" under applicable federal banking regulations. M&I Marshall & Ilsley Bank is a subsidiary of Marshall & Ilsley Corporation, a diversified financial services holding company (NYSE: MI); and The PrivateBank and Trust Company is a subsidiary of PrivateBancorp, Inc., a bank and other financial services holding company (Nasdaq: PVTB).

Aggregation of Deposits at Bank

Any deposits, including certificates of deposit ("CDs"), that you maintain directly with the Bank or through an intermediary (such as Baird or another broker) in the same capacity with the Bank, will be aggregated with your Bank Sweep Option assets at the Bank for purposes of the \$250,000 FDIC insurance limit. Total deposits exceeding \$250,000 may not be fully insured by the FDIC. You are responsible for monitoring the total amount of other deposits that you have with the Bank in order to determine the extent of deposit insurance coverage available to you. Baird is not responsible for any insured or uninsured portion of your deposits at the Bank. Baird will continue depositing cash into the Deposit Account at the Bank for as long as you elect the Bank Sweep Option, even if amounts you have deposited with the Bank exceed the applicable limits for FDIC insurance.

Rates of Return

Robert W. Baird & Co. Incorporated, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202
Member NYSE. Member SIPC. 1-800-RWB Baird. www.rwbaird.com
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The yields and rates of return for bank deposit accounts are different, and may be lower or higher, than the yields and rates of return for money market mutual funds. While a money market mutual fund is bound by fiduciary obligations to its shareholders to seek the highest rates prudently available, a bank sponsoring an insured deposit account is under no such duty and may instead seek to pay as low a rate as possible consistent with its views of competitive necessities. The rates of return on the deposits in the Bank Sweep Option are determined by mutual agreement of the Bank and Baird. There is not necessarily any linkage between rates of interest on bank deposit accounts and those prevailing in the market, including money market mutual fund rates.

Your deposits in the Bank Sweep Option will earn interest at a floating rate determined daily based on the interest rate agreed to be paid by the Bank on the aggregate client deposits, the fee the Bank pays to Baird and prevailing economic and business conditions. The rate of interest you will earn may therefore be subject potentially to significant and frequent change. Current interest rate information is posted on Baird's website at www.rwbaird.com/moneymarkets, which is the basis on which you are informed of interest rate changes. Interest accrues and is compounded daily beginning on the day the Bank receives funds from Baird. Accrued interest is credited to your account on the last business day of each month. Withdrawals, which must be effected through Baird, are permitted on any business day, without penalty, and interest is paid through the day prior to the day of withdrawal.

Interest Rate Tiers for Bank Sweep Option. The interest rates that are offered to you and other clients who have cash swept into the Bank Deposit Account through the Bank Sweep Option are tiered and thus vary depending on the aggregate value of assets in your Household Accounts. The deposit account balances of clients with Household Account values in the higher tiers will receive higher interest rates than the account balances of clients with Household Account values in the lower tiers. The interest rates, as well as the tier applicable to your and other clients' Household Accounts will be determined on a monthly basis. The interest rate tiers are currently as follows (amounts shown represent the value of the assets in the Household Accounts):

- Tier 1: Less than \$100,000
- Tier 2: \$100,000 - \$249,999
- Tier 3: \$250,000 - \$999,999
- Tier 4: \$1,000,000 - \$1,999,999
- Tier 5: \$2,000,000 or greater

All Accounts, the assets of which are considered in determining the aggregate value of your Household Accounts for interest rate tier purposes, will generally receive the same interest rate applicable to the appropriate tier. Although interest rates may change daily, the interest rate tier applicable to your Household Accounts will be determined monthly based on the aggregate value of the assets in your Household Accounts as of the last business day of each preceding calendar month. However, when you first open an Account or multiple Accounts at Baird which are considered Household Accounts and the aggregate value of the assets (net of liabilities) in the Account(s) at that time is less than \$250,000, your available cash balances will be automatically deposited in the Bank Deposit Account and bear interest at the rate offered to Household Accounts in Tier 3 until the end of the calendar month during which assets are initially deposited or transferred in the Account, although Baird reserves the right to determine the interest rate tier earlier if it is then known how much has been or will be so deposited or transferred. At that time, future cash balances will earn interest at the tier applicable to the aggregate value of the net assets in your Household Accounts. Although Baird has the discretion to determine the particular Bank Deposit Account into which your uninvested cash may be swept, Baird intends to deposit cash from Household Accounts in Tier 1 into a Deposit Account maintained at The PrivateBank and Trust Company; otherwise, clients participating in the Bank Sweep Option will have their cash deposited into a Deposit Account at M&I Marshall & Ilsley Bank.

Baird may change the interest rate tiers (including the aggregate value of assets in Household Accounts that define each tier) at any time without notice to you, except when required by law. The current interest rates for the applicable tiers are posted on Baird's website at www.rwbaird.com/moneymarkets or available by contacting your Baird Financial Advisor.

Money Market Fund Option. Your deposits in the Money Market Fund Option will earn dividends based on the interest and income realized by the underlying money market mutual funds on their investments. The dividends earned on the shares in the money market funds will not be payable in cash but will be reinvested each month in additional shares of the applicable money market fund at the current net asset value. You should bear in mind that the rates of return you receive on your money market mutual fund selections will vary from fund to fund, because such rates are based on the investments made by the funds and their operating expenses. Some funds invest in

certain securities, the income from which is exempt from federal and/or state income tax. The rates of return on money market mutual funds will also be different from the interest rates available in the Bank Sweep Option.

There is no guarantee that the rate of return or the yields will equal or exceed rates of return or yields available at other financial institutions or invested in other products similar to your Money Market Fund Option. For more information about the current rate of interest or yield you are receiving in the Money Market Fund Option and current rates of return offered by other cash alternatives, please visit our website at www.rwbaird.com/moneymarkets where interest rates and yields are posted daily, or contact your Baird Financial Advisor.

Main Differences Between Deposit Accounts and Money Market Mutual Funds

Deposit accounts (such as the Bank Sweep Option) and money market mutual funds (such as the Money Market Fund Option) are subject to different risks and account protection. Deposit accounts are interest-bearing deposit accounts at banks, which are regulated by federal or state banking authorities and subject to various banking rules and regulations. Deposit accounts are not subject to market risk or loss of value, but are subject to the risk of the bank's failure. In the unlikely event the bank fails, amounts in deposit accounts are eligible for FDIC insurance protection. Money market mutual funds are registered with the Securities and Exchange Commission pursuant to the Investment Company Act of 1940, which imposes special rules on such funds. Money market mutual funds invest in high quality, short-term securities and seek to maintain a stable net asset value, but are subject to market risks and potential loss of value. They are not bank accounts and not subject to FDIC insurance protection. They are instead covered by SIPC and Baird's excess SIPC insurance in the unlikely event of Baird's insolvency.

Alternative to Cash Sweep Account Options

You may choose not to participate in the Cash Sweep Program, in which case cash in your Account will not be automatically swept into a deposit account or money market mutual fund and will not earn any interest or rate of return until invested. Alternative short-term, cash equivalent investments may be available to you through Baird, but they will not offer a cash sweep feature. For more information about those alternatives, you should contact your Baird Financial Advisor.

Compensation and Benefits to Baird

We do not charge you any fees or commissions in connection with your participation in the Cash Sweep Program or your deposits into or withdrawals from the Bank Sweep Option or the Money Market Fund Option. Baird offers the Cash Sweep Program as an additional service to you, at no separate charge. However, Baird receives a fee from the Bank for the provision of certain administrative, accounting and other services. The fee paid to Baird on amounts held in the Bank Sweep Option, determined on a weighted average basis across the various interest rate tiers, may be up to 1.75%, annualized, of the daily deposit balances held in the Bank Sweep Option. Through the Money Market Fund Option, Baird receives compensation from the money market mutual funds and their sponsors, which may vary by fund. The compensation and other economic benefits that Baird receives by offering the Money Market Fund Option currently ranges from 0.13% to 0.99%, annualized, of the value of your and other client assets invested in the particular funds offered through Money Market Fund Option. Baird may waive receipt of any or all of this compensation. The benefits that Baird receives from the Bank Sweep Option and the Money Market Option give Baird a financial incentive to select the particular sweep options included in the Cash Sweep Program. Baird generally shares a portion of the benefits it receives from the Cash Sweep Program with its Financial Advisors.

Withdrawal of Cash Sweep Account Assets

To withdraw cash from any of the Cash Sweep Account Options, please contact your Baird Financial Advisor. In addition, Baird has the right to withdraw cash from your Account (including your Cash Sweep Account Option) to pay applicable fees and commissions, to cover transactions such as securities purchases, checks, wire transfers, debit card usage, etc. that are made in your account, and for other purposes stated in your agreement with us or permitted by law. Baird will generally first use any free credit balances in your Baird account before withdrawing funds from your Cash Sweep Account Option. For clients who previously had their available cash balances swept into one or more money market mutual funds but will no longer be able to do so after March 1, 2007 because the aggregate net asset value of their Household Accounts is not at least \$250,000, Baird will withdraw amounts from those clients' money market mutual fund investments until they are depleted before withdrawing funds from their Bank Deposit Accounts.

Under federal rules and regulations, the Bank reserves the right to require Baird to provide the Bank with seven days prior notice before withdrawing cash from any Bank Sweep Option. While the Bank is not currently imposing the seven day notice requirement on withdrawals of Bank Sweep Option assets, it could do so in the future. In the event

that the Bank does impose this prior notice requirement, your funds in the Bank Sweep Option could be at risk to the extent your funds are not covered by FDIC insurance. In addition, the Bank Sweep Option is not a "transaction account" within the meaning of Federal Reserve Board Regulation D or a transaction account substitute. Your transaction capabilities with respect to the Bank Sweep Option are limited.

Questions about FDIC Insurance or SIPC Insurance

If you have questions about basic FDIC insurance coverage, please review the section entitled "Information About FDIC Insurance" in the Insured Deposit Account Information Statement available at www.rwbaird.com/moneymarkets or from your Baird Financial Advisor. You may wish to seek advice from your own attorney concerning FDIC insurance of deposits held in more than one capacity or the extent of the protection offered by SIPC and excess SIPC. Additional FDIC information may be obtained by contacting the FDIC Call Center at 1-877-ASK-FDIC (1-877-275-3342, 1-800-925-4618 [TDD]), by letter (FDIC, Office of Consumer Affairs, 550 17th Street, N.W., Washington, DC 20429-9990), by e-mail (webmaster@fdic.gov), or by accessing the FDIC website at www.fdic.gov. Additional SIPC information may be obtained by contacting SIPC at 1-202-371-8300, by letter (Securities Investor Protection Corporation, 805 15th Street, N.W., Suite 800, Washington, D.C. 20005-2215) or by accessing the SIPC website at www.sipc.org. You may also contact your Baird Financial Advisor for assistance.

Additional Information

This fact sheet is a summary of the terms and conditions of the Cash Sweep Program. For additional information regarding the Bank Sweep Option, please review the Insured Deposit Account Information Statement available at www.rwbaird.com/moneymarkets or from your Baird Financial Advisor. We will provide you with advance written notice of any significant changes in the program.

Contact Us

If you have any questions or need more information about the Cash Sweep Program, please contact your Baird Financial Advisor. Moreover, Baird accepts any notice from you of any unauthorized activity or complaints regarding the Cash Sweep Program.