

## Client Relationship Summary (“Form CRS”)

Effective as of March 21, 2024

Robert W. Baird & Co. Incorporated (“Baird”, “we”, “us” or “our”) is registered with the U.S. Securities and Exchange Commission as a broker-dealer and an investment adviser and is a member of FINRA and SIPC. This document provides important information to retail investors about us and our brokerage and investment advisory services.

*Investment advisory and brokerage accounts have different services and fees and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.*

### What investment services and advice can you provide me?

We offer both investment advisory and brokerage services to retail investors. Both services offer similar investments, such as common stocks, preferred stocks, bonds and other fixed income securities, mutual funds, exchange traded funds (“ETFs”) and unit investment trusts (“UITs”). We do not limit our offerings or recommendations to proprietary products, specific asset classes, or products with third-party compensation arrangements. A summary comparison of the advisory and brokerage services we offer is provided below.

#### Advisory Services

Our principal investment advisory services include various non-discretionary and discretionary advisory programs, which may include financial planning. We also offer standalone financial planning services pursuant to a separate agreement. If you select a non-discretionary advisory program, we will provide you with investment advice and recommendations about investments, but you will make the ultimate decision about whether to buy, sell or hold investments. If you select a discretionary program, you will select an investment manager’s strategy. The manager will then make all investment decisions on your behalf without notifying you or getting your prior consent to trade for as long as you participate in the program. Managers offered under our discretionary programs include our Private Wealth Management Home Office, our Financial Advisors and affiliated and unaffiliated third-party managers. As part of our standard advisory program services, we monitor your advisory account, generally at least quarterly. For advisory accounts we manage or advise, we monitor your account to determine whether your strategy, asset allocation and holdings are consistent with your investment objective. For advisory accounts managed by third-party managers (including our affiliates), we monitor whether your strategy is consistent with your investment objective, and the manager monitors your asset allocation and account holdings. We also review your advisory account annually to determine if your investment objective remains right for you based on information you provide to us. For standalone financial planning, we do not monitor your account unless we agree in writing to do so. You must meet certain investment minimums to open an advisory account. The current account minimums are described on our website at [bairdwealth.com/retailinvestor](https://bairdwealth.com/retailinvestor).

#### Brokerage Services

Our principal brokerage services include buying and selling investments at your direction, custody of your investments in a brokerage account and other account services. From time to time or at your request, we also provide you with investment recommendations and other services, which may include investor education, investment research, financial planning or tools, and information about investment products and services. For brokerage accounts, we do not provide you with investment advice on a regular or continuous basis, and we do not monitor your brokerage account for you, unless we state otherwise in writing. You are ultimately responsible for managing your brokerage account, determining whether your investment objective, strategy and asset allocation continue to be right for you, and making the decision about whether to buy, sell or continue to hold investments. We do not impose any minimum amount to open a brokerage account but certain investments are subject to minimums and limitations as disclosed in their prospectuses or other offering documents.

#### **The U.S. Securities and Exchange Commission requires that this document be provided to retail investors.**

This document does not apply to non-retail investors and does not contain a complete description of our services, fees or costs. For additional important information, including the terms and conditions that apply to a relationship with us, please see our Client Relationship Agreement, our Client Relationship Details document, and, for our investment advisory services, our Form ADV Part 2A Brochure (the “Advisory Services Brochure”), which are available on our website at [bairdwealth.com/retailinvestor](https://bairdwealth.com/retailinvestor).

**Conversation Starters.** Ask your financial professional-

- *Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

## What fees will I pay?

The fees and costs you pay depend on whether you choose brokerage or advisory services or both. A comparison of the principal fees and costs of both services is provided below.

### Advisory Services Fees and Costs

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

For advisory programs, you will typically pay an ongoing program fee based on a percentage of the value of assets in your program account (an “asset-based fee”). We provide most advisory programs on a “wrap” fee basis. This means that, in addition to advisory services, we also provide you with non-advisory services, such as trade execution, custody of your investments and other account services for a single program or “wrap” fee. Because our “wrap” fee includes our costs for the full bundle of services we provide, it is generally higher than what an advisory fee would be that only covers advisory services. If your advisory program involves the use of a manager (other than your Baird Financial Advisor or our Private Wealth Management Home Office), you will pay an additional asset-based fee for the services of that manager. For our advisory programs, we typically require clients to pay the advisory fee each quarter in advance.

With an asset-based fee, the more assets you invest in your advisory program account, the more you will pay us in fees. *Asset-based fee arrangements create an incentive for us to encourage you to increase the assets in your advisory program account and to recommend that we or our affiliates manage your account because it is more profitable to us.* However, asset-based fees do not involve the same conflicts of interest associated with, and are more predictable than, the transaction-based compensation we earn on brokerage accounts.

For standalone financial planning services provided separately from our advisory programs, the advisory fee is typically a stated dollar amount. We generally require payment after delivery of the financial plan or, for ongoing standalone financial planning services, we generally require payment quarterly in advance.

### Brokerage Services Fees and Costs

The principal costs of our brokerage services are the fees you pay when we buy or sell investments for you (“transaction-based fees”). For certain investments, you will also indirectly pay us ongoing commissions or fees (“trail fees”). Those fees vary and depend on the investment, the size of the trade, and whether we act as “agent” or “principal” when placing your trade. When we act as agent, we buy and sell investments for you using third-party broker-dealers, an exchange or other marketplace. When we act as principal, we buy investments from you and sell investments to you for our own account. When we act as your agent, you will pay us commissions or sales charges. For certain types of investments, such as equity securities and ETFs, the transaction-based fees are typically up-front commissions based on our commission schedule. For certain other investments, such as mutual funds, UITs and annuities, we will receive commissions and sales charges disclosed in the prospectus or offering document for the investment. Depending upon the investment, commissions and sales charges may be paid at the time you invest, periodically over a certain period of time, or upon the occurrence of some later event, such as your sale of the investment. We will also receive trail fees on certain investments, such as mutual funds, UITs and annuities, which are disclosed in the prospectus or offering document for the investment. Trail fees are generally paid periodically, typically quarterly, for as long as you hold the investment and are based on the value of your investment. When we act as principal, including when we sell or buy bonds to or from you or act as underwriter or dealer in a public offering of stock or bonds, our compensation is embedded in the price of the investment you buy or sell because we mark the price of your investment up or down (“markups” or “markdowns”) and earn underwriting discounts and dealer concessions from issuers of the investment.

*You will be charged more when there are more trades in your brokerage account. Although our rate of compensation generally decreases as the trade size increases, we still earn more compensation as the trade size increases. We therefore have an incentive for you to trade more often and in larger amounts.*

## Brokerage Services Fees and Costs (continued)

**Whether you choose an advisory or brokerage account, you will incur other fees and costs in addition to the advisory fees, transaction-based fees and trail fees. Common examples of such fees and costs include: ongoing operating fees and expenses paid out of the assets of certain investment products you own, such as mutual funds, ETFs, UITs and annuities; certain account, administrative, wire transfer, securities transfer, investment conversion, interest and other similar fees and costs charged by us and other parties providing services to you; and fees and charges imposed by third parties, if any, that have custody of your investments or execute transactions for your account.**

Certain investments provide us more compensation. For instance, transaction-based fees on your purchases of mutual funds, UITs and variable annuities tend to be higher than transaction-based fees on your purchases of stocks and ETFs, which in turn are higher than the fees on your purchases of bonds and other fixed income securities. In addition to such varying compensation across different types of investments, the compensation we receive may vary within the same investment product type, such as mutual funds. *Because the fees you pay and the compensation we receive varies by investment, we have an incentive to recommend investments that pay higher transaction-based fees and trail fees or that are otherwise more profitable to us.*

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.**

Please consult our *Advisory Services Brochure*, *Client Relationship Details* document, *commission schedules* and *schedule of service fees and charges*, which contain more specific information about the advisory fees, transaction-based fees, trail fees and other fees and costs that apply to advisory and brokerage accounts. Those documents are available on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

**Conversation Starter.** Ask your financial professional-

- *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

**What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

### **Examples of Ways We and Our Affiliates Make Money and Conflicts of Interest:**

Proprietary Products: We and our affiliates earn additional fees, compensation and other benefits if you invest in proprietary products that we or our affiliates issue, sponsor, or manage, such as mutual funds, ETFs, UITs, closed-end funds and private funds, than if you invested in products unrelated to us. Therefore, we have an incentive to recommend or to invest your assets in our proprietary products over products unrelated to us.

Third-Party Payments: We receive compensation, payments and other benefits from certain third-party sponsors and managers (or their affiliates) if you invest in their products. Therefore, we have an incentive to recommend or to invest your assets in those third-party products that provide us the greatest levels of such compensation, payments and other benefits.

Revenue Sharing: Certain third-party sponsors and managers (or their affiliates) share with us the revenue they earn when you invest in certain of their investment products (primarily mutual funds). Therefore, we have an incentive to recommend or to invest your assets in third-party products that provide us the greatest levels of such revenue sharing.

Principal Trading: We may buy or sell securities to you for or from our own account. Because we earn compensation (such as markups, markdowns, underwriting discounts, dealer concessions and spreads) and receive other benefits in principal transactions, we have an incentive to trade with you on a principal basis and to recommend securities that we hold in inventory.

**Conversation Starter.** Ask your financial professional-

- *How might your conflicts of interest affect me, and how will you address them?*

You are encouraged to consult our *Advisory Services Brochure and Client Relationship Details* document, which contain more specific information about the ways we make money and related conflicts of interest. Those documents are available on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor).

## **How do your financial professionals make money?**

Your Baird Financial Advisor is primarily compensated on a monthly basis based upon a percentage of the Financial Advisor's total production each month, which primarily consists of the total advisory fees and transaction-based fees paid to us by the Financial Advisor's clients and any other fees we earn on advisory and brokerage accounts held by those clients, including trail fees paid by third parties. The percentage of the Financial Advisor's total production actually paid to the Financial Advisor will increase as the total amount of the Financial Advisor's production increases, meaning that, as the total amount of the Financial Advisor's production increases, the rate and amount of compensation that we pay to the Financial Advisor also increase. Baird Financial Advisors generally also receive deferred compensation or bonuses based on various criteria, including net new assets they gather, performing certain wealth management activities, such as financial planning, and their total production levels. Baird Financial Advisors who achieve certain production thresholds are eligible for professional development conferences, business development coaching, reimbursements, awards and recognition trips to attractive destinations. Baird Financial Advisors are also eligible for bonuses for achievement of professional designations depending on a Financial Advisor's total production level. *Thus, Baird Financial Advisors have a general incentive to recommend transactions involving securities with comparatively higher commission rates, sales charges, markups/markdowns, selling concessions, sales credits, trail fees and other similar fees; recommend more frequent (and larger) trades for brokerage accounts; generate financial and other plans; and charge higher fees for advisory accounts and recommend larger investments in advisory accounts. Given the structure of Baird Financial Advisors' compensation, they also have an incentive to recommend that you transfer your accounts to us, establish new accounts with us (including IRA rollovers) and add more money into your accounts.* Baird Financial Advisors generally receive compensation for referrals to certain affiliated managers and products and for referrals to a limited number of other firms. They also generally receive non-cash compensation and other benefits from sponsors of investment products with which we do business. Such non-cash compensation and other benefits can include invitations to attend conferences or educational seminars, payment of related travel, lodging and meal expenses, reimbursement for branch and client events, and receipt of gifts and entertainment. *Receipt of such compensation and benefits provides Baird Financial Advisors an incentive to favor investment products and their sponsors that provide the greatest levels of compensation and benefits.* Baird Financial Advisors generally receive recruitment bonuses and/or special compensation from us when they join us from another firm that are generally based on amounts of asset gathered or transferred to us. *This compensation provides Baird Financial Advisors who have left another firm additional incentive to recommend that clients of the prior firm become our clients.*

## **Do you or your financial professionals have legal or disciplinary history?**

Yes. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Conversation Starter.** Ask your financial professional-

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

**For additional information** about our services, see our **Advisory Services Brochure and Client Relationship Details** document available on our website at [bairdwealth.com/retailinvestor](http://bairdwealth.com/retailinvestor). If you would like additional, up-to-date information or a copy of this document, please call 1-800-653-2294.

**Conversation Starter.** Ask your financial professional-

- *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*