

Baird Rising Dividend Portfolio

3Q25 Report

The Baird Rising Dividend Portfolio's performance was in line with the S&P 500 despite relatively strong returns for growth stocks in the quarter. Year-to-date, performance remains ahead of both the S&P 500 and DGRO.

Portfolio Performance

The Baird Rising Dividend Portfolio delivered a +8.1% gross return and +7.5% net* return in Q3, which compares to the S&P 500 total return (including dividends) of +8.1%. The iShares Core Dividend Growth ETF (DGRO), composed of U.S. equities with a history of consistently growing dividends, returned +7.1% in the quarter. Year-to-date, the gross return of the portfolio is ahead of the S&P 500 by 2.5 percentage points and DGRO by 4.6 percentage points.

Portfolio Dividend Increases

The table below shows stocks that increased their quarterly dividends** in Q3. Of the stocks in the portfolio on September 30, 97% raised dividends over the previous 12 months, by an average of 7.1%.

JCI	8%	\$0.37	to	\$0.40	MSFT	10%	\$0.83	to	\$0.91
JPM	7%	\$1.40	to	\$1.50	PM	9%	\$1.35	to	\$1.47
LRCX	13%	\$0.23	to	\$0.26	VICI	4%	\$0.43	to	\$0.45
MS	8%	\$0.93	to	\$1.00	VZ	2%	\$0.68	to	\$0.69

Portfolio Changes

Baird Rising Dividend Changes in 3Q25				
New Positions	Increases		Positions Sold	Decreases
CME	ABT	ECL	AWK	AVGO
SBUX	ABBV	MDT	FIS	CB
	ADI	SBUX	MET	IBM
	AVY	TSCO		JCI
	DE	VZ		
	DELL	WEC		

The portfolio's year-to-date outperformance was led by strong stock picks in Information Technology, Industrials, and Financials, partially offset by ongoing weakness in Healthcare. On a stock-specific basis, the top contributors include Lam Research (**LRCX, +86%**), Amphenol (**APH, +79%**), Broadcom (**AVGO, +43%**), JPMorgan Chase (**JPM, +33%**), and International Business Machines (**IBM, +31%**). UnitedHealth Group (**UNH, -40%**) and Target (**TGT, -30%**) were key detractors (both positions have been removed from the portfolio). We continue to view the Baird Rising Dividend Portfolio as well-positioned across a variety of market backdrops.

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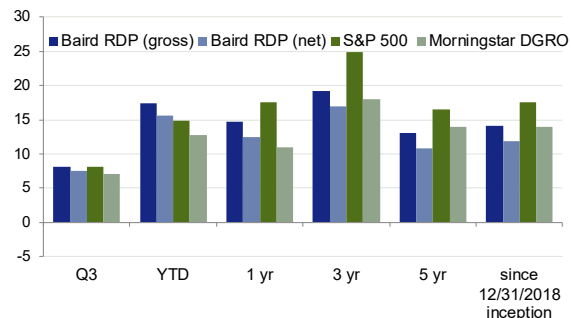
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Total Returns as of 9/30/2025 (Multiyear periods are annualized)



	Q3	YTD	1 yr	3 yr	5 yr	since inception
RDP gross	8.1	17.3	14.6	19.3	13.0	14.1
RDP net	7.5	15.6	12.4	16.9	10.8	11.8
S&P 500 TR	8.1	14.8	17.6	24.9	16.5	17.5
DGRO TR	7.1	12.7	11.0	18.0	13.9	13.9

*Net performance shows the effect of a hypothetical account fee of 2% which reflects the highest advisory fee that can be charged. Performance results are total returns (TR) including dividends, annualized for multiyear periods. As a model portfolio, performance results for the Rising Dividend Portfolio are hypothetical and would have been obtained only if each issue had been purchased and sold when added/removed from the Portfolio. We do not imply that future performance will be equally attractive or that losses are not possible using these stocks. See page 4 for disclosures.

**Dividends are not guaranteed and may be decreased or eliminated. The updated dividends refer to the most recently declared quarterly dividend. See the chart on page 3 for full company names and current dividend yields. Only dividends increased in US dollar-denominated terms are included.

Market Commentary

Fiscal boost. Until the OBBB tax cuts became more clear, we had taken to treating the second quarter of 2025 like the famous Vegas tagline: “What happens in Q2 stays in Q2.” Mercifully, while it may not ultimately speak well of America’s fiscal situation or that of its citizen spenders, the legislation suggests that corporate and consumer tax cuts and spending credits will supply more than \$515 billion of consumer tax refunds next spring (about \$150 billion above levels seen the last several years).

Bullish signposts. In Q3, profit guidance rebounded from the downward revisions that followed the major tariff announcements of early April. Perhaps even more impressively, corporate operators managed to deliver results above the earlier forecasts and have continued to grow revenue and earnings. Profit margins remain strong, and the underpinnings of economic health have started to broaden. As a general rule, when profits remain positive and are growing closer to double-digit rates as opposed to low single-digit rates, the economy can usually stay out of trouble and avoid the pre-recession progression. By our lights, it’s tough not to get bullish on capital spending and consumption next year.

Spenders. Concerns are mounting about the state of the labor market and what it portends for the U.S. consumer. While some slowdown in the labor force may be related to immigration policy, many sectors have continued to absorb workers at premium wages through the summer. Moreover, weakness in consumer spending has thus far been confined to the lowest-earning spenders. Not an overwhelming social commentary, but not a signpost of an imminent decline in the broader economy, either.

Fade stagflation. Inflation and inflation expectations have remained generally anchored but are above Fed’s long-run target of 2%. Choppiness related to the haphazard rollout of tariff policy has also given rise to concern that “stagflation” is poised to take hold. For now, we don’t see it. A second wave of inflation may be brewing (because of higher fiscal spending and easier monetary conditions), but as of now, it doesn’t look like we’ll see worrying levels of inflation in 2026.

Themes to watch. Market leadership continues to evolve against a shifting thematic landscape. Deglobalization remains an important theme, but the converging catalysts of the forthcoming “consumption wave” suggests a strong outlook for 2026 once a period of uncertainty has been traversed.

	Portfolio	S&P	Purch. Date	Purch. Price (\$)	9/30/25 Price (\$)	Change (%)	52 Week		Market Cap (\$bil)	—Next Twelve Month (NTM)—				Div. Yield (%)	Div. Growth (%)
							High (\$)	Low (\$)		Rev. Growth (%)	EPS Growth (%)	P/E (x)	EV / EBITDA (x)		
Communication Services		2.9%													
VZ	Verizon Communications Inc.	2.9%	Multiple	41.14	43.95	6.8	47.35	37.58	184.8	2.2	3.1	9.1	6.2	6.3	1.9
Consumer Discretionary		7.7%													
HD	Home Depot, Inc.	2.9%	Multiple	242.16	405.19	67.3	439.37	326.31	395.2	3.9	5.1	25.0	16.8	2.3	4.8
POOL	Pool Corporation	1.5%	Multiple	357.80	310.07	-13.3	395.60	282.22	11.5	2.8	5.6	26.9	18.1	1.6	6.5
SBUX	Starbucks Corporation	1.6%	7/9/25	95.15	84.60	-11.1	117.46	75.50	95.9	5.3	21.8	32.6	18.6	2.9	7.0
TSCO	Tractor Supply Company	1.8%	Multiple	45.63	56.87	24.6	63.99	46.85	29.6	6.1	8.8	24.6	15.0	1.6	5.1
Consumer Staples		2.9%													
PM	Philip Morris International Inc.	2.9%	Multiple	97.19	162.20	66.9	186.69	116.12	250.4	8.1	12.1	19.7	15.0	3.6	5.1
Energy		4.0%													
CVX	Chevron Corporation	2.3%	Multiple	113.43	155.29	36.9	168.96	132.04	316.5	-1.1	4.3	18.1	7.8	4.4	5.6
PSX	Phillips 66	1.7%	Multiple	81.49	136.02	66.9	142.35	91.01	54.4	-4.1	74.9	14.0	8.2	3.5	6.8
Financials		12.7%													
CB	Chubb Limited	2.0%	Multiple	169.13	282.25	66.9	306.91	252.16	112.2	5.5	12.4	11.4	7.4	1.4	6.2
CME	CME Group Inc. Class A	1.4%	10/1/25	69.52	270.19	288.7	290.79	213.94	95.8	4.7	5.1	23.2	20.4	1.9	9.2
JPM	JPMorgan Chase & Co.	5.4%	Multiple	107.84	315.43	192.5	318.01	202.16	854.4	2.9	5.8	15.0	nmf	1.9	20.7
MS	Morgan Stanley	3.9%	Multiple	100.15	158.96	58.7	163.98	94.33	250.4	6.3	9.8	16.3	nmf	2.5	8.6
Health Care		8.2%													
ABT	Abbott Laboratories	3.0%	Multiple	112.69	133.94	18.9	141.23	110.86	232.3	7.5	10.2	23.9	18.1	1.8	7.3
ABBV	Abbvie	2.4%	6/18/25	186.39	231.54	24.2	244.81	163.81	431.7	8.6	18.7	17.4	14.7	2.8	5.8
MDT	Medtronic Plc	2.9%	Multiple	82.47	95.24	15.5	98.66	79.29	121.6	6.3	4.8	16.4	13.5	3.0	1.4
Industrials		9.0%													
DE	Deere & Company	2.2%	Multiple	455.52	457.26	0.4	533.78	387.03	122.1	3.9	6.1	22.6	23.6	1.4	9.9
FAST	Fastenal Company	2.5%	Multiple	29.63	49.04	65.5	50.63	34.69	54.8	9.1	10.9	39.6	27.1	1.8	11.8
JCI	Johnson Controls International plc	1.6%	Multiple	84.30	109.95	30.4	112.63	68.03	71.3	5.4	18.8	24.9	18.3	1.5	2.0
LHX	L3Harris Technologies Inc	2.8%	Multiple	216.68	305.41	40.9	305.94	193.09	56.2	5.0	6.6	25.1	15.6	1.6	2.2
Information Technology		38.7%													
AAPL	Apple Inc.	6.6%	Multiple	82.14	254.63	210.0	260.10	169.21	3791.0	5.8	8.6	31.9	24.8	0.4	4.1
APH	Amphenol Corporation Class A	4.4%	Multiple	43.39	123.75	185.2	126.06	56.45	152.2	16.9	21.7	36.8	21.9	0.5	33.3
ADI	Analog Devices, Inc.	2.8%	Multiple	143.12	245.70	71.7	258.13	158.65	117.7	13.8	21.2	26.3	22.0	1.6	7.3
AVGO	Broadcom Inc.	6.7%	Multiple	31.87	329.91	935.2	374.23	138.10	1574.4	34.9	37.5	37.0	28.6	0.7	13.0
DELL	Dell Technologies, Inc. Class C	2.1%	Multiple	118.38	141.77	19.8	152.10	66.25	100.6	9.5	16.1	14.1	9.2	1.5	19.0
IBM	International Business Machines (3.5%	Multiple	145.79	282.16	93.5	296.16	203.51	266.9	4.8	7.4	24.3	16.1	2.4	0.6
LRCX	Lam Research Corporation	3.2%	Multiple	58.25	133.90	129.9	153.70	56.32	180.1	9.2	10.3	30.8	24.8	0.8	14.5
MSFT	Microsoft Corporation	7.8%	Multiple	136.89	517.95	278.4	555.45	344.79	3863.1	14.7	15.0	31.9	18.8	0.7	10.4
QCOM	QUALCOMM Incorporated	1.7%	Multiple	170.33	166.36	-2.3	182.10	120.80	179.6	2.3	3.1	13.8	11.2	2.1	5.5
Materials		4.7%													
AVY	Avery Dennison Corporation	2.1%	Multiple	174.60	162.17	-7.1	222.16	157.00	12.7	3.2	8.1	15.9	10.3	2.3	7.7
ECL	Ecolab Inc.	2.6%	Multiple	248.26	273.86	10.3	286.04	221.62	76.5	4.6	13.1	32.6	19.9	0.9	14.0
Real Estate		2.8%													
VICI	VICI Properties Inc	2.8%	Multiple	29.76	32.61	9.6	34.03	27.98	35.1	3.0	4.9	11.7	15.4	5.5	4.2
Utilities		4.4%													
AEP	American Electric Power Compar	2.8%	Multiple	76.60	112.50	46.9	115.36	89.91	60.3	5.6	6.3	18.2	11.6	3.3	5.7
WEC	WEC Energy Group Inc	1.6%	Multiple	107.28	114.59	6.8	114.97	91.94	36.4	5.7	6.8	20.5	13.4	3.1	8.2
Cash		2.0%													

Weighted Yield / Growth 2.0 9.1

Earnings and revenue growth estimates are FactSet Consensus estimates. P/E is price/earnings ratio; EV/EBITDA is the Enterprise Value/Earnings Before Interest, Taxes, Depreciation and Amortization ratio. Dividend yield equals indicated annual dividend (most recently paid common dividend annualized for the next 12 months) divided by current stock price. NTM = next 12 months, nmf = not meaningful.

Appendix – Important Disclosures

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Investment Recommendations: The Baird Rising Dividend Portfolio is managed with the intent of focusing on high-quality companies with a history of consistent dividend growth, strong fundamental characteristics and management teams, attractive growth prospects, and reasonable price-appreciation expectations. The Portfolio is derived using a top-down approach that begins with macroeconomic and market outlooks. Industry sector weightings are taken into account. The Rising Dividend Portfolio is intended as a long-term investment strategy.

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ADDITIONAL INFORMATION ON COMPANIES MENTIONED HEREIN IS AVAILABLE UPON REQUEST

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