

2015 Estimated Capital Gains

In accordance with IRS rules, mutual funds are required to distribute substantially all net investment income and net capital gains to shareholders. Therefore, some of the Baird Funds are required to make capital gain distributions in December. Funds normally distribute net capital gains earned through October 31st to all shareholders before the end of the calendar year.

Information concerning capital gain distributions will be provided at www.bairdfunds.com:

October: an estimate of year-end required distributions. **These amounts could be subject to change.**

Late December: final notification of actual distributions to be paid in 2015.

Record Date December 24, 2015

Ex-date / Reinvest Date December 28, 2015

Payable Date December 29, 2015

***** ESTIMATES *****

| Fund | Ticker | Estimated Short Term Capital Gain Paid per share | Estimated Long Term Capital Gain Paid per share | Fund Price (NAV) As of 10/28/15 |
|---------------------------------------|--------|---|--|------------------------------------|
| Baird LargeCap-Inst. | BHGIX | \$0.1465 | \$0.2544 | \$8.95 |
| Baird LargeCap-Investor | BHGSX | \$0.1465 | \$0.2544 | \$8.87 |
| Baird MidCap-Inst. | BMDIX | None | \$0.0213 | \$15.54 |
| Baird MidCap-Investor | BMDSX | None | \$0.0213 | \$14.90 |
| Baird SmallCap Value-Inst. | BSVIX | None | None | \$13.81 |
| Baird SmallCap Value-Investor | BSVSX | None | None | \$13.74 |
| Baird Aggregate Bond-Inst. | BAGIX | None | None | \$10.76 |
| Baird Aggregate Bond-Investor | BAGSX | None | None | \$11.10 |
| Baird Core Plus Bond-Inst. | BCOIX | None | None | \$11.06 |
| Baird Core Plus Bond-Investor | BCOSX | None | None | \$11.48 |
| Baird Intermediate Bond-Inst. | BIMIX | \$0.0058 | \$0.0270 | \$11.11 |
| Baird Intermediate Bond-Investor | BIMSX | \$0.0058 | \$0.0270 | \$11.57 |
| Baird Short Term Bond - Inst. | BSBIX | \$0.0003 | \$0.0039 | \$9.67 |
| Baird Short Term Bond - Investor | BSBSX | \$0.0003 | \$0.0039 | \$9.67 |
| Baird Ultra Short Bond - Inst. | BUBIX | None | None | \$10.01 |
| Baird Ultra Short Bond - Investor | BUBSX | None | None | \$10.00 |
| Baird Quality Int. Muni Bond-Inst. | BMBIX | None | None | \$11.76 |
| Baird Quality Int. Muni Bond-Investor | BMBSX | None | None | \$12.02 |
| Baird Core Int. Muni Bond - Inst. | BMNIX | \$0.0076 | None | \$10.08 |
| Baird Core Int. Muni Bond - Investor | BMNSX | \$0.0076 | None | \$10.08 |
| Baird Short-Term Muni Bond - Inst. | BTMIX | \$0.0071 | None | \$10.05 |
| Baird Short-Term Muni Bond - Investor | BTMSX | \$0.0071 | None | \$10.05 |

These estimated capital gains are as of 10/28/15. Keep in mind that market conditions, portfolio changes, and/or changes in outstanding fund shares could affect these estimates substantially. This information is NOT FINAL and is subject to change until the ex-dividend date.

Final capital gains are reported on Form 1099-DIV which will be mailed to shareholders in late January.

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Investors should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. This, and other information can be found in the prospectus or summary prospectus. A prospectus or summary prospectus may be obtained by visiting www.bairdfunds.com or by contacting Baird Funds directly at 800-444-9102. Please read the prospectus or summary prospectus carefully before investing.

Past performance is no guarantee of future results.

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