

Baird Intermediate Bond Fund

Institutional – BIMIX | Investor – BIMSX

BAIRD

Baird Funds

As of March 31, 2017

bairdfunds.com | 866-442-2473

INVESTMENT OBJECTIVE

The investment objective of the Fund is to seek an annual rate of total return, before fund expenses, greater than the annual rate of total return of the Bloomberg Barclays Intermediate U.S. Government/Credit Bond Index.

INVESTMENT PHILOSOPHY

Risk control is the foundation of the Baird Advisors investment discipline. Since interest rates are extremely difficult to consistently forecast over time, Baird Advisors employs a duration-neutral, risk-controlled approach. The duration of the Fund is set equal to the duration of the Bloomberg Barclays Intermediate U.S. Government/Credit Bond Index, thus helping to ensure a high degree of predictability in tracking benchmark returns.

Incremental value is added through security selection, yield curve positioning, sector allocation and competitive execution of trades.

INVESTMENT STRATEGY

The Fund normally invests at least 80% of its net assets in the following types of U.S. dollar-denominated debt obligations:

- U.S. government and other public-sector entities
- Asset-backed and mortgage-backed obligations of U.S. and foreign issuers
- Corporate debt of U.S. and foreign issuers

The Fund only invests in debt obligations rated investment grade at the time of purchase by at least one major rating agency or, if unrated, determined by Baird Advisors to be investment grade.

Baird Advisors attempts to keep the duration of the Fund's portfolio equal to the Bloomberg Barclays Intermediate U.S. Government/Credit Bond Index. The dollar-weighted average portfolio effective maturity of the Fund will normally be more than three years but less than six years during normal market conditions. The Fund may invest in debt obligations of all maturities. Baird Advisors attempts to diversify the Fund's portfolio by holding obligations of many different issuers and choosing issuers in a variety of sectors.

FUND INFORMATION

	Institutional Shares	Investor Shares
Ticker	BIMIX	BIMSX
CUSIP	057071805	057071706
Net Asset Value (NAV)	\$11.02	\$11.49
Load Type	No-Load	No-Load
12b-1 Fees	–	0.25%
Minimum Initial Investment	\$25,000	\$2,500 (IRA: \$1,000)
Expense Ratio	0.30%	0.55%

YIELD INFORMATION

	Institutional Shares	Investor Shares
SEC 30-Day Yield ¹	2.24%	2.00%
Distribution Frequency	Monthly	Monthly

FUND STATISTICS

Fund Assets	\$2,405,869,992
Average Effective Duration	4.06 Years
Average Effective Maturity ²	4.46 Years
Annual Turnover Rate	33.1%
Number of Holdings	485

FUND MANAGEMENT TEAM

The Baird Intermediate Bond Fund is managed by Baird Advisors, the institutional fixed income investment management group of Robert W. Baird & Co., Inc. The three founding partners of Baird Advisors who developed and implemented the investment process have been working together since 1979, and continue to lead a very deep and seasoned portfolio management team with uncommon longevity. In February 2000, this team of experienced fixed income portfolio managers formed the investment group within Robert W. Baird. Each named portfolio manager has over 25 years of experience managing fixed income portfolios.

	Fund Manager Since	Joined Industry
Mary Ellen Stanek, CFA	2000	1979
Gary A. Effe, CFA	2000	1978
Charles B. Groeschell	2000	1979
Warren D. Pierson, CFA	2000	1985
Daniel A. Tranchita, CFA	2000	1989
M. Sharon deGuzman	2000	1990

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 bairdfunds.com or calling 866-442-2473. Please read the prospectus or summary prospectus carefully before you invest or send money.

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PERFORMANCE INFORMATION (as of March 31, 2017)

	Total Returns (%)		Average Annual Total Returns (%)				
	YTD	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception (9/29/00)
Institutional Class	0.99	0.99	1.27	2.33	2.58	4.30	4.99
Investor Class	0.89	0.89	0.96	2.07	2.31	4.03	4.73
Bloomberg Barclays Intermediate U.S. Government/Credit Bond Index	0.78	0.78	0.42	2.01	1.88	3.76	4.51

	Calendar Year Total Returns (%)									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Institutional Class	2.83	0.99	3.50	-0.17	6.52	6.14	7.54	11.76	-0.91	6.24
Investor Class	2.55	0.79	3.29	-0.41	6.20	5.84	7.30	11.51	-1.31	5.89
Bloomberg Barclays Intermediate U.S. Government/Credit Bond Index	2.08	1.07	3.13	-0.86	3.89	5.80	5.89	5.24	5.08	7.39

QUALITY PROFILE ³

	Fund	Index
U.S. Treasury	33.8%	56.9%
U.S. Agency	2.5%	3.3%
AAA	8.6%	5.0%
AA	9.5%	5.0%
A	23.4%	12.9%
BBB	21.3%	16.9%
Below BBB	0.9%	0.0%
Not Rated	0.0%	0.0%

EXPENSE RATIO

	Institutional	Investor
Total Operating Expenses	0.30%	0.55%

SECTOR PROFILE

	Fund	Index
U.S. Treasury	33.8%	56.9%
U.S. Agency (Non-MBS)	0.0%	3.3%
Other Government Related	5.1%	7.5%
Industrials	21.5%	18.6%
Utilities	1.3%	1.6%
Financials	24.1%	12.1%
U.S. Agency RMBS	0.0%	0.0%
Non-Agency RMBS	4.6%	0.0%
U.S. Agency CMBS	2.5%	0.0%
Non-Agency CMBS	3.1%	0.0%
Other ABS	3.0%	0.0%
Cash	1.0%	0.0%

Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value of an investment in the fund will fluctuate so that an investor's shares when redeemed may be worth more or less than their original cost. The fund's current performance may be lower or higher than the performance data quoted. Investment results assume all distributions are reinvested and reflect applicable fees and expenses. For performance current to the most recent month-end, please visit bairdfunds.com.

The Fund may invest in mortgage- and asset-backed securities which may be subject to prepayment risk and thus may be more sensitive to interest rate changes than other types of debt securities. The Fund may also invest in U.S. dollar denominated securities issued by foreign issuers which involve additional risks including political and economic instability, differences in financial reporting standards and less regulated securities markets. While the U.S. government has historically provided financial support to various U.S. government-sponsored agencies, no assurance can be given that it will do so in the future if it is not obligated by law. All investments carry risk, including loss of principal. In a rising interest rate environment, the value of fixed-income securities generally decline and conversely, in a falling interest rate environment, the value of fixed income securities generally increase. Indices are unmanaged and direct investment is not possible. MBS – Mortgage-Backed Securities, RMBS – Residential Mortgage-Backed Securities, CMBS – Commercial Mortgage-Backed Securities, ABS – Asset-Backed Securities

¹The SEC 30-Day Yield reflects the rate at which the fund is earning income on its current portfolio of holdings after expenses.

²The "effective maturity" of adjustable coupon bonds will be the next reset date.

³The quality profile is calculated on a market value-weighted basis using the highest credit quality rating given by S&P, Moody's or Fitch for each security in the fund. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest).

Baird Funds are offered through Robert W. Baird & Co., a registered broker/dealer, member NYSE and SIPC. Robert W. Baird & Co. also serves as investment advisor for the Fund and receives compensation for these services as disclosed in the current prospectus.

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