

# Baird LargeCap Fund

Institutional – BHGIX | Investor – BHGSX

**BAIRD**

**Baird Funds**

As of March 31, 2017

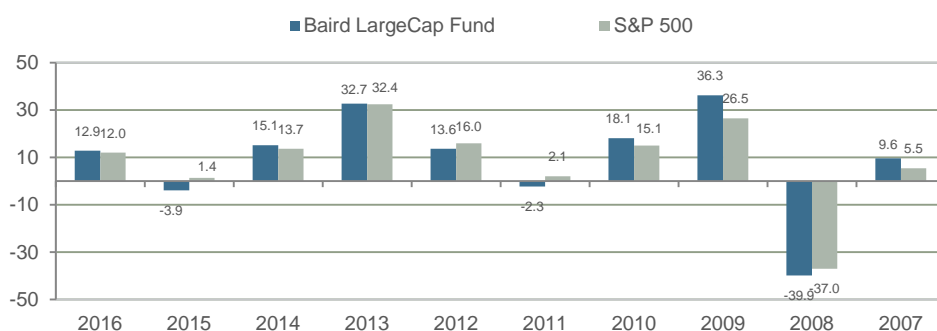
bairdfunds.com | 800-442-2473

## FUND PERFORMANCE

	Total Returns (%)		Average Annual Total Returns (%)					
	Q1 '17	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Since Inception*
Baird LargeCap Fund Institutional Class	6.17	6.17	21.57	8.77	11.37	12.04	7.36	3.68
Baird LargeCap Fund Investor Class	6.06	6.06	21.33	8.53	11.10	11.77	7.09	3.42
S&P 500®	6.07	6.07	17.17	10.37	13.30	12.94	7.51	5.11

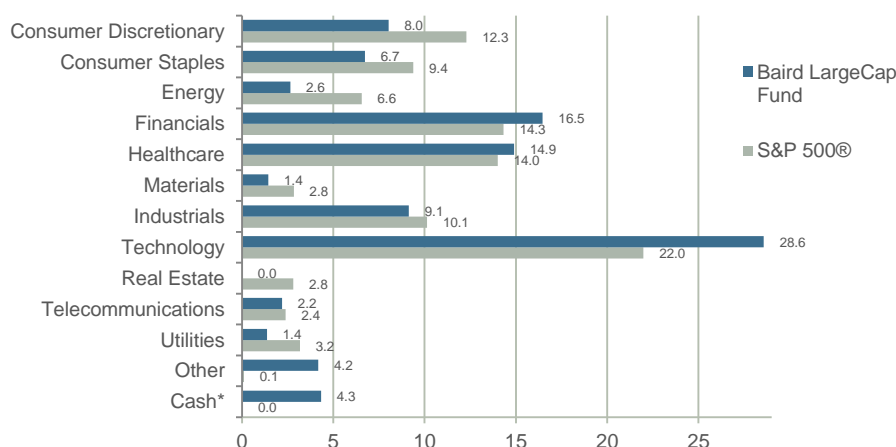
\* Inception date: 09/29/2000

## CALENDAR YEAR RETURNS (%)



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. Performance figures assume reinvestment of all dividends and capital gains. For performance current to the most recent month-end, please visit bairdfunds.com.

## SECTOR ALLOCATION (%)



## CATEGORY

Large Blend

## MORNINGSTAR OVERALL RATING<sup>1</sup>



(1,248 Funds)

## INVESTMENT OBJECTIVE

Long-term growth of capital

## INVESTMENT STRATEGY

Apply a proprietary mix of quantitative and fundamental investment analysis to find undiscovered value by ferreting out atypically high-quality businesses for their level of valuation.

## PORTFOLIO MANAGERS

**Matthew Malgari**  
Portfolio Manager

**Sanjeev Bhojraj, Ph.D.**  
Portfolio Manager

Industry	Team
Years	Since

22 2013

18 2016

Subadvised by L2 Asset Management

## INCEPTION DATE

09/29/00

## EXPENSE RATIO

(AS OF FISCAL YEAR END) Net\* Gross\*

Institutional Shares 0.75% 1.11%

Investor Shares 1.00% 1.36%

## MINIMUM INITIAL INVESTMENT

Institutional Shares: \$25,000

Investor Shares: \$2,500 (IRA: \$1,000)

## TURNOVER (TRAILING 12 MONTH)

75.2%

## NUMBER OF EQUITY ISSUES

107

<sup>1</sup>For each fund with at least a three year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages. The Baird LargeCap Fund (Institutional Class) was rated 3 stars out of 1,248 funds; 2 stars out of 1,113 funds; and 3 stars out of 822 funds in the Large Blend category for the 3-, 5- and 10-year periods, respectively.

<sup>2</sup>The Net Expense Ratio is the Gross Expense Ratio minus any reimbursement from The Advisor. The Advisor has contractually agreed to waive its fees and/or reimburse expenses at least through April 30, 2017 to the extent necessary to ensure that the total operating expenses do not exceed 1.00% of the Investor Class's average daily net assets and 0.75% of the Institutional Class's average daily net assets. Investor class expense ratios include 0.25% 12b-1 fee.

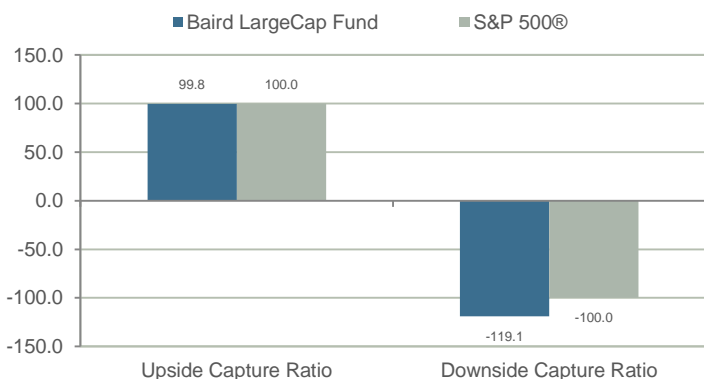
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## UPSIDE/DOWNSIDE CAPTURE RATIOS (5 YEAR)



## RISK STATISTICS (5 YEARS VS. S&P 500®)

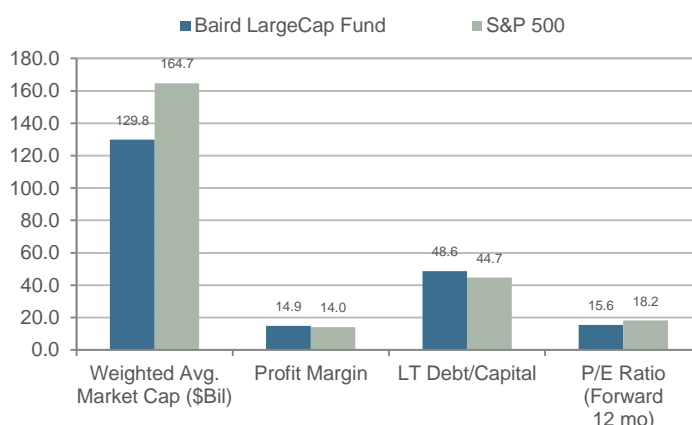
	Baird LargeCap Fund	S&P 500®
Alpha	-2.70	0.00
Beta	1.09	1.00
R-Squared	90.1	100.0
Information Ratio	-0.51	0.00
Batting Average	46.7	100.0
Sharpe Ratio	0.97	1.27
Standard Deviation (%)	11.7	10.2

Source: Morningstar Direct

## TOP 10 HOLDINGS

Security	% of Fund
Apple (AAPL)	4.4
Microsoft (MSFT)	3.7
Alphabet (GOOGL)	2.8
Vanguard Financials Index (VFH)	2.6
Celgene Corp. (CELG)	2.2
PepsiCo (PEP)	2.2
AbbVie (ABBV)	2.2
Boeing (BA)	2.1
Amgen (AMGN)	2.1
MSCI (MSCI)	2.0

## FUND CHARACTERISTICS<sup>4</sup> VS. BENCHMARK



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](http://bairdfunds.com) or calling 800-442-2473. Please read the prospectus or summary prospectus carefully before you invest or send money.

Prior to 12/23/2013 the fund was managed in accordance with a different investment strategy. The Subadvisor became the Fund's sub-advisor effective February 23, 2016. The performance results shown are from periods during which the Fund was managed by the Advisor prior to the retention of a Subadvisor.

**Alpha** is a measure of a portfolio's risk relative to the market. An alpha of 1.0 means the portfolio outperformed the market 1.0%. A positive alpha is the extra return awarded to the investor for taking additional risk rather than accepting the market return. **Beta** is a measurement of a portfolio's trailing since-inception returns in relation to the overall market (or appropriate market index). Beta of 1 means share price will typically move with the market; Beta more than 1 means share price will typically be more volatile than the market; Beta less than 1 means share price will typically be less volatile in the market. **R-Squared** is a measurement of how closely the portfolio's performance correlates with the performance of a benchmark index, such as the Russell Mid Cap<sup>®</sup> Growth. R2 is a proportion which ranges between 0.00 and 1.00. An R2 of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R2 of 0.00 indicates no correlation. Therefore, the lower the R2, the more the portfolio's performance is affected by factors other than the market as measured by that benchmark index. **Information Ratio** is a measure of portfolio management's performance against risk and return relative to a benchmark or alternative measure. **Batting Average:** A statistical measure used to measure an investment manager's ability to meet or beat an index. Batting average is calculated by dividing the number of days (or months, quarters, etc.) in which the manager beats or matches the index by the total number of days (or months, quarters, etc.) in the period of question and multiplying that factor by 100. **Sharpe Ratio** is a measure of 3-year historical adjusted performance calculated by dividing the portfolio's excess returns (average monthly returns minus the average monthly return of the Citigroup 3-month treasury bill benchmark) by the standard deviation of those returns. The higher the ratio, the better the portfolio's return per unit of risk. **Standard Deviation** is a statistical measure of the extent to which returns of an asset vary from its average. **The Upside Capture Ratio** is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen. **The Downside Capture Ratio** is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped. **Revenue Growth** is the total of operating revenues less various adjustments to gross sales. **Profit margin** is a ratio of profitability calculated as net income divided by revenues, or net profits divided by sales. **P/E ratio** is a valuation of a company's current share price compared to its per-share earnings. The characteristics and statistical measures used in this fact sheet are not a forecast of the fund's future performance. Top 5 Holdings and Sector Weights are subject to change. Sector weights based on equity sector values. \*Cash may include money market and other comparable short-term investments.

The performance of Baird LargeCap Fund is measured against the S&P 500<sup>®</sup> Index. The S&P 500 has been widely regarded as the best single gauge of the large cap U.S. equities market since the index was first published in 1957. The index includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities. Indices are unmanaged and an investment cannot be made in them. *The Fund invests primarily in equity securities of large-capitalization companies. At times, large-cap stocks may underperform as compared to small- or mid-cap stocks, and vice versa. The fund may also invest in ETFs which are subject to the same risks as their underlying securities, trade on an exchange throughout the day and redemptions may be limited.*

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.