

Baird Small/Mid Cap Value Fund

Institutional – BMVIX | Investor – BMVSX

BAIRD

Baird Funds

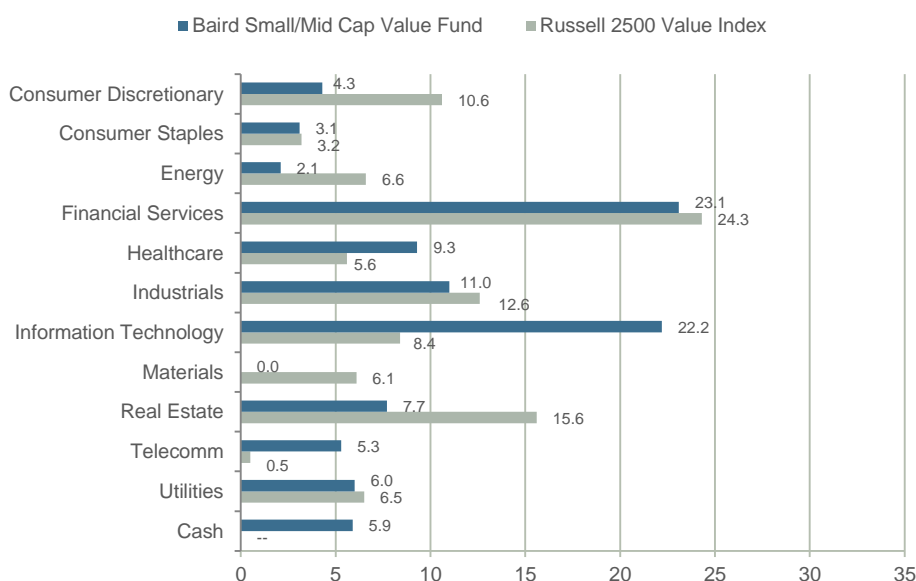
As of March 31, 2018

bairdfunds.com | 800-442-2473

FUND CHARACTERISTICS

| | Baird Small/Mid Cap Value Fund | Russell 2500 Value Index |
|---|--------------------------------|--------------------------|
| Average Weighted Market Cap (\$ Billions) | 4.6 | 4.7 |
| P/E Ratio (Forward 12 mo) | 14.8 | 14.4 |
| Earnings Growth (5 year) | 14.7 | 10.8 |
| Price to Book | 3.5 | 3.5 |

SECTOR ALLOCATION

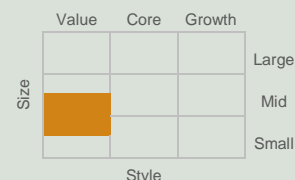


TOP TEN HOLDINGS

| Security | % of Fund |
|-------------------------------------|-----------|
| Boingo Wireless (WIFI) | 5.3 |
| Meta Financial Group (CASH) | 4.8 |
| ICU Medical (ICUI) | 4.1 |
| Bofi Holding (BOFI) | 3.7 |
| American Financial Group (AFG) | 3.5 |
| Stamps.com (STMP) | 3.4 |
| Cypress Semiconductor (CY) | 3.2 |
| Silicon Motion Technology (SIMO) | 2.8 |
| NMI Holdings (NMIH) | 2.6 |
| Air Transport Services Group (ATSG) | 2.6 |

CATEGORY

Small/Mid Cap Value



INVESTMENT OBJECTIVE

Long-term capital appreciation

INVESTMENT TEAM

| | Industry Years | Team Since |
|--|----------------|------------|
| Michelle Stevens, CFA Senior Portfolio Manager | 25 | 2000 |
| Richard Roesch, CFA Analyst | 25 | 2004 |
| Jonathan DeMoss, CFA Analyst | 22 | 2005 |
| Rob Zwiebel Marketing Director | 27 | 2004 |

INCEPTION DATE

11/30/15

EXPENSE RATIO*

| | Net | Gross |
|----------------------|-------|-------|
| Institutional Shares | 0.95% | 1.92% |
| Investor Shares | 1.20% | 2.17% |

MINIMUM INITIAL INVESTMENT

Institutional Shares: \$25,000
Investor Shares: \$2,500 (IRA: \$1,000)

TURNOVER (TRAILING 12 MONTH)

54.7%

NUMBER OF EQUITY ISSUES

40

*Expense ratio as of 12/31/2017. 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 1.20% of the Investor Class's average daily net assets and 0.95% of the Institutional Class's average daily net assets. Investor class expense ratios include 0.25% 12b-1 fee.

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PERFORMANCE INFORMATION (as of March 31, 2018)

| | Cumulative Returns (%) | | Average Annual Total Returns (%) | | | |
|--------------------------|------------------------|-------|----------------------------------|------|------|----------------------------|
| | QTR | YTD | 1 Yr | 3 Yr | 5 Yr | Since Inception (11/30/15) |
| Institutional Class | -2.33 | -2.33 | 15.61 | N/A | N/A | 9.35 |
| Investor Class | -2.34 | -2.34 | 15.33 | N/A | N/A | 9.07 |
| Russell 2500 Value Index | -2.65 | -2.65 | 5.72 | N/A | N/A | 11.28 |

| | Annual Returns (%) | | | | | | |
|--------------------------|--------------------|-------|------|------|------|------|------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
| Institutional Class | 21.48 | 8.91 | N/A | N/A | N/A | N/A | N/A |
| Investor Class | 21.08 | 8.64 | N/A | N/A | N/A | N/A | N/A |
| Russell 2500 Value Index | 10.36 | 24.20 | N/A | N/A | N/A | N/A | N/A |

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.

INVESTMENT PHILOSOPHY

The Small/Mid Cap Value Fund invests in small- and medium-cap companies, typically defined as those with a market cap range of \$300 million to \$10 billion at time of purchase. The Fund seeks to own securities that Baird Equity Asset Management expects to exceed Wall Street expectations and that trade at a discount to Baird Equity Asset Management's proprietary calculations of fair value. The Fund typically owns companies exhibiting high-quality characteristics including, but not limited to, strong balance sheets, high returns on equity, competitive advantages, high barriers to entry and above average profit margins. To help control risks, the Fund is generally diversified among companies in a broad range of industries and economic sectors. Typically, no single holding in the Fund will exceed 5% of the Fund at cost or 8% of the Fund measured at market value.

INVESTMENT STRATEGY

The Fund normally invests at least 80% of its net assets in common stocks of value companies with small and medium market capitalizations. The Fund seeks to identify industries and business models that it believes are priced at a discount to their true value because they are currently out of favor with the market or have earnings or profit potential that may be underestimated by Wall Street analysts. The Fund seeks to purchase small-cap securities believed to have favorable valuation characteristics and opportunities for increased growth. The Fund may invest up to 15% of its total assets in equity securities (consisting of common stocks, ordinary shares and ADRs) of foreign companies that are traded on U.S. exchanges. Small capitalization stocks often are more volatile and face greater risks than larger, more established companies.

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 800-442-2473. Please read the prospectus or summary prospectus carefully before you invest or send money.

The performance of Baird Small/Mid Cap Fund is measured against the Russell 2500 Value Index. It includes those Russell 2500 Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell Indices are a trademark of the Frank Russell Company. Russell is a trademark of the Frank Russell Company. Indexes are unmanaged and direct investment is not possible.

The fund focuses on small- and mid-cap value style stocks and therefore the performance of the Fund may be more volatile than the performance of funds that focus on types of stocks that a broader investment style. The fund may invest up to 15% of its total assets in U.S. dollar denominated foreign securities and ADRs. Foreign investments involve additional risks such as currency rate fluctuations and the potential for political and economic instability, and different and sometimes less strict financial reporting standards and regulation.

The Morningstar Style Box is a proprietary nine-square grid that provides a graphical representation of the "investment style" of stock funds. It classifies securities according to market capitalization (the vertical axis) and growth and value factors (the horizontal axis). By providing an easy-to-understand visual representation of fund characteristics, the Morningstar Style Box allows for informed comparisons and portfolio construction based on actual holdings, as opposed to assumptions based on a fund's name or how it is marketed. The Style Box also forms the basis for Morningstar's style-based fund categories and market indexes.

Forward price to earning is a valuation metric comparing the price of a security to its Street consensus next 12 months forward earnings or funds from operations. **Price to book** is a ratio used to compare a stock's market value to its book value. The characteristics and statistical measures used in this fact sheet are not a forecast of the fund's future performance.

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.