

Baird Funds

Enclosed is the 2020 Tax Form for your account with the Baird Funds. The Form provides information on any applicable 2020 distributions and proceeds from redemptions. Please note that all information contained in this Statement has been provided to the Internal Revenue Service. In addition to the tax information provided on your enclosed Tax Form, below is supplemental information to assist you with the preparation of your 2020 income tax returns. Please consult your tax advisor for the specific application of any items below relating to the preparation of your tax returns.

Income from U.S. Government Obligations

Some states do not tax their residents on income from a mutual fund that is earned from U.S. Government Obligations. The following table shows the percentage of total ordinary income dividends shown in Box 1 of your 2020 Tax Form that were attributable to interest earned from direct U.S. Government Obligations:

<u>Fund Name</u>	<u>% of Ordinary Income Attributable to Direct U.S. Govt. Obligation (see Box 1)</u>
Baird Ultra Short Bond Fund	14.28%
Baird Short-Term Bond Fund	9.87%
Baird Intermediate Bond Fund	22.83%
Baird Aggregate Bond Fund	10.72%
Baird Core Plus Bond Fund	7.35%
Baird Short-Term Municipal Bond Fund	0.00%
Baird Strategic Municipal Bond Fund	0.00%
Baird Quality Intermediate Municipal Bond Fund	0.00%
Baird Core Intermediate Municipal Bond Fund	0.00%
Baird Municipal Bond Fund	0.00%
Baird Small Cap Value Fund	0.00%
Baird Small/Mid Cap Value Fund	0.00%
Baird Small/Mid Cap Growth Fund	0.00%
Baird Mid Cap Fund	0.00%
Chautauqua Global Growth Fund	0.00%
Chautauqua International Growth Fund	0.00%

Depending on your state's personal income tax laws, you may be entitled to declare the above portion of your 2020 ordinary income dividends (Box 1) as tax-exempt income on your state personal income tax return. However, some states do not allow the "pass through" of this exempt-interest income unless the percentage earned from U.S. Government Obligations exceeds certain thresholds or unless other requirements are met. Please consult your tax advisor or state authorities if you have any questions regarding the percentage of income you can exclude when calculating your state income tax.

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Income by State or U.S. Territory

The following chart provides information to assist you in determining the source of interest income earned on a state-by-state basis for the Baird Short-Term Municipal Bond Fund. Of course, the tax treatment of income paid by the portfolio depends upon the laws of your state or local authority. If you have any questions about the local tax treatment, we recommend you consult your tax advisor.

Note: For additional help in completing your state and local returns, please refer to your 2020 year-end statement that shows the non-taxable portion of your income.

State	Baird Short-Term Municipal Bond Fund
Alabama	2.07%
Alaska	2.34%
Arizona	1.88%
Arkansas	2.13%
California	2.50%
Colorado	3.38%
Connecticut	1.80%
Delaware	0.06%
District of Columbia	0.61%
Florida	2.98%
Georgia	2.97%
Guam	0.01%
Hawaii	0.00%
Idaho	0.25%
Illinois	8.42%
Indiana	2.41%
Iowa	1.66%
Kansas	0.90%
Kentucky	2.27%
Louisiana	1.82%
Maine	0.77%
Maryland	0.75%
Massachusetts	1.04%
Michigan	2.83%
Minnesota	1.77%
Mississippi	0.87%
Missouri	1.28%

State	Baird Short-Term Municipal Bond Fund
Montana	0.40%
Nebraska	0.47%
Nevada	0.49%
New Hampshire	0.03%
New Jersey	3.59%
New Mexico	0.80%
New York	4.59%
North Carolina	1.31%
North Dakota	2.66%
Ohio	3.34%
Oklahoma	1.04%
Oregon	1.11%
Other	0.66%
Pennsylvania	6.84%
Puerto Rico	0.23%
Rhode Island	0.37%
South Carolina	1.47%
South Dakota	0.05%
Tennessee	2.36%
Texas	11.00%
Utah	0.29%
Vermont	0.81%
Virginia	0.54%
Washington	1.04%
West Virginia	0.26%
Wisconsin	4.03%
Wyoming	0.45%

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Income by State or U.S. Territory

The following chart provides information to assist you in determining the source of interest income earned on a state-by-state basis for the Baird Strategic Municipal Bond Fund. Of course, the tax treatment of income paid by the portfolio depends upon the laws of your state or local authority. If you have any questions about the local tax treatment, we recommend you consult your tax advisor.

Note: For additional help in completing your state and local returns, please refer to your 2020 year-end statement that shows the non-taxable portion of your income.

State	Baird Strategic Municipal Bond Fund
Alabama	0.69%
Alaska	2.42%
Arizona	3.10%
Arkansas	1.65%
California	2.82%
Colorado	3.91%
Connecticut	1.00%
Delaware	0.00%
District of Columbia	0.57%
Florida	5.45%
Georgia	2.51%
Guam	0.31%
Hawaii	0.00%
Idaho	0.00%
Illinois	8.11%
Indiana	3.06%
Iowa	1.70%
Kansas	1.35%
Kentucky	1.27%
Louisiana	1.24%
Maine	0.16%
Maryland	0.06%
Massachusetts	0.51%
Michigan	1.73%
Minnesota	0.11%
Mississippi	1.05%
Missouri	4.54%

State	Baird Strategic Municipal Bond Fund
Montana	0.00%
Nebraska	0.41%
Nevada	0.73%
New Hampshire	0.08%
New Jersey	3.46%
New Mexico	0.56%
New York	7.80%
North Carolina	0.66%
North Dakota	2.91%
Ohio	2.45%
Oklahoma	0.78%
Oregon	1.74%
Other	1.96%
Pennsylvania	8.39%
Rhode Island	0.00%
South Carolina	1.98%
South Dakota	0.84%
Tennessee	1.68%
Texas	4.20%
Utah	1.32%
Vermont	0.40%
Virginia	0.19%
Washington	2.57%
West Virginia	0.40%
Wisconsin	5.15%
Wyoming	0.02%
Virgin Islands	0.00%

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Income by State or U.S. Territory

The following chart provides information to assist you in determining the source of interest income earned on a state-by-state basis for the Baird Quality Intermediate Municipal Bond Fund. Of course, the tax treatment of income paid by the portfolio depends upon the laws of your state or local authority. If you have any questions about the local tax treatment, we recommend you consult your tax advisor.

Note: For additional help in completing your state and local returns, please refer to your 2020 year-end statement that shows the non-taxable portion of your income.

State	Baird Quality Intermediate Municipal Bond Fund
Alabama	0.11%
Alaska	0.63%
Arizona	1.34%
Arkansas	0.90%
California	5.14%
Colorado	5.40%
Connecticut	1.39%
Delaware	0.00%
District of Columbia	0.30%
Florida	5.60%
Georgia	1.98%
Guam	0.00%
Hawaii	0.00%
Idaho	0.03%
Illinois	14.86%
Indiana	0.99%
Iowa	0.87%
Kansas	0.14%
Kentucky	0.05%
Louisiana	5.72%
Maine	0.00%
Maryland	1.93%
Massachusetts	0.52%
Michigan	2.97%
Minnesota	0.78%
Mississippi	0.38%
Missouri	0.66%

State	Baird Quality Intermediate Municipal Bond Fund
Montana	0.11%
Nebraska	0.41%
Nevada	0.20%
New Hampshire	0.02%
New Jersey	1.13%
New Mexico	0.61%
New York	4.73%
North Carolina	1.68%
North Dakota	0.95%
Ohio	1.55%
Oklahoma	0.04%
Oregon	1.14%
Other	0.21%
Pennsylvania	1.21%
Puerto Rico	2.03%
Rhode Island	0.49%
South Carolina	0.90%
South Dakota	0.09%
Tennessee	1.96%
Texas	17.62%
Utah	1.00%
Vermont	0.33%
Virginia	0.92%
Washington	3.56%
West Virginia	0.06%
Wisconsin	4.00%
Wyoming	0.36%

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Income by State or U.S. Territory

The following chart provides information to assist you in determining the source of interest income earned on a state-by-state basis for the Baird Core Intermediate Municipal Bond Fund. Of course, the tax treatment of income paid by the portfolio depends upon the laws of your state or local authority. If you have any questions about the local tax treatment, we recommend you consult your tax advisor.

Note: For additional help in completing your state and local returns, please refer to your 2020 year-end statement that shows the non-taxable portion of your income.

State	Baird Core Intermediate Municipal Bond Fund
Alabama	2.67%
Alaska	1.20%
Arizona	2.02%
Arkansas	3.44%
California	2.65%
Colorado	6.07%
Connecticut	1.79%
Delaware	0.00%
District of Columbia	0.89%
Florida	5.98%
Georgia	1.88%
Guam	0.00%
Hawaii	0.00%
Idaho	0.00%
Illinois	13.84%
Indiana	3.60%
Iowa	1.10%
Kansas	0.48%
Kentucky	1.35%
Louisiana	0.41%
Maine	0.62%
Maryland	0.67%
Massachusetts	1.10%
Michigan	2.48%
Minnesota	1.16%
Mississippi	1.56%
Missouri	1.59%

State	Baird Core Intermediate Municipal Bond Fund
Montana	0.24%
Nebraska	0.89%
Nevada	0.83%
New Hampshire	0.02%
New Jersey	3.08%
New Mexico	0.42%
New York	3.18%
North Carolina	0.49%
North Dakota	2.41%
Ohio	2.79%
Oklahoma	0.28%
Oregon	0.70%
Other	0.43%
Pennsylvania	3.79%
Puerto Rico	0.19%
Rhode Island	0.39%
South Carolina	1.88%
South Dakota	1.31%
Tennessee	2.18%
Texas	6.67%
Utah	1.50%
Vermont	0.33%
Virginia	0.64%
Washington	1.49%
Wisconsin	4.86%
Wyoming	0.42%
Virgin Islands	0.04%

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Income by State or U.S. Territory

The following chart provides information to assist you in determining the source of interest income earned on a state-by-state basis for the Baird Municipal Bond Fund. Of course, the tax treatment of income paid by the portfolio depends upon the laws of your state or local authority. If you have any questions about the local tax treatment, we recommend you consult your tax advisor.

Note: For additional help in completing your state and local returns, please refer to your 2020 year-end statement that shows the non-taxable portion of your income.

State	Baird Municipal Bond Fund
Alabama	3.59%
Alaska	1.06%
Arizona	2.31%
Arkansas	1.65%
California	3.12%
Colorado	2.39%
Connecticut	0.49%
Delaware	0.00%
District of Columbia	0.11%
Florida	7.45%
Georgia	0.20%
Guam	0.15%
Hawaii	0.00%
Idaho	0.00%
Illinois	8.80%
Indiana	4.00%
Iowa	1.62%
Kansas	0.94%
Kentucky	0.62%
Louisiana	1.00%
Maine	0.00%
Maryland	0.00%
Massachusetts	0.73%
Michigan	0.52%
Minnesota	0.78%
Mississippi	0.59%
Missouri	6.71%

State	Baird Municipal Bond Fund
Montana	0.00%
Nebraska	0.71%
Nevada	0.46%
New Hampshire	0.10%
New Jersey	5.42%
New Mexico	0.21%
New York	9.35%
North Carolina	0.48%
North Dakota	3.00%
Ohio	2.73%
Oklahoma	1.23%
Oregon	0.93%
Other	0.30%
Pennsylvania	6.20%
Rhode Island	1.05%
South Carolina	3.40%
South Dakota	1.22%
Tennessee	0.61%
Texas	3.65%
Utah	1.81%
Vermont	0.00%
Virginia	0.00%
Washington	2.84%
West Virginia	0.00%
Wisconsin	5.45%
Wyoming	0.02%
Virgin Islands	0.00%

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Income from Foreign Sources Subject to Foreign Tax Credit:

For the year ended December 31, 2020, the **Chautauqua Global Growth Fund** and **Chautauqua International Growth Fund** earned foreign source income and paid foreign taxes which they intend to pass through to their shareholders pursuant to Section 853 of the Internal Revenue Code.

See below to determine the foreign taxes paid and the foreign source income.

- 1) The shareholder's portion of foreign taxes paid (see Box 7 of your enclosed Tax Form for this information).
- 2) The shareholder's amount of foreign source gross income. This amount can be calculated as a percentage of your ordinary dividend shown in Box 1 of your 2020 Tax Form. Please see the information below for your foreign source gross income amount.

Fund Name	Foreign Source Gross Income (Use % listed below and apply to Ordinary Income as shown in Box 1 to compute)
Chautauqua Global Growth Fund	83.27%
Chautauqua International Growth Fund	100.00%