INVESTMENT OBJECTIVE
The investment objective of the Fund is to seek a high level of current income that is exempt from federal income tax and is consistent with preservation of capital.

INVESTMENT PHILOSOPHY
The Fund utilizes a national strategy monitoring valuations across all municipal sectors including state and local general obligations, essential service revenue bonds, transportation and healthcare sectors, sales tax issues and other municipal obligations. It targets an average maturity in the intermediate to long-term range, investing across the 1-30 year segment of the yield curve. The team utilizes yield curve positioning in the investment management process to capture pricing inefficiencies and optimize yield and “roll” while striving for tax efficiency.

INVESTMENT STRATEGY
The Fund invests in a broadly diversified portfolio of federally tax-exempt municipal obligations issued by governmental authorities throughout the U.S. and its territories. The Fund may invest in all types of municipal obligations, including pre-refunded bonds, general obligation bonds, revenue bonds, and municipal lease participations.

The Fund normally invests at least 80% of its net assets in municipal bonds and debentures, the income from which is exempt from federal income tax (including the federal AMT). The Fund invests principally in investment grade municipal obligations, rated at the time of purchase by at least one major rating agency, but may invest up to 15% of its net assets in non-investment grade municipal obligations and may invest in unrated obligations that are determined by Baird Advisors to be comparable in quality to the rated obligations.

While obligations of any maturity may be purchased, under normal circumstances, the Fund’s dollar-weighted average effective maturity is generally expected to be between five years and twelve years.

MORNINGSTAR CATEGORY | BENCHMARK
--- | ---
Muni National Long | Bloomberg Barclays Municipal Bond Index

FUND STATISTICS
| Description | Institutional Shares | Investor Shares |
--- | --- | ---
Fund Assets | $15,572,849 | |
Average Effective Duration | 5.35 Years | |
Average Effective Maturity | 5.68 Years | |
Annual Turnover Rate | 175.16% | |
Number of Holdings | 150 | |

YIELD INFORMATION
| Description | Institutional Shares | Investor Shares |
--- | --- | ---
SEC 30-Day Yield | 2.05% | 1.80% |
Distribution Frequency | Monthly | Monthly |

FUND INFORMATION
| Description | Institutional Shares | Investor Shares |
--- | --- | ---
Ticker | BMQIX | BMQSX |
CUSIP | 057071482 | 057071490 |
Net Asset Value (NAV) | $10.65 | $10.63 |
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% |
AMT Exposure | 4.92% | 4.92% |

PERFORMANCE INFORMATION (as of September 30, 2020)

| | YTD | 3 Months | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception (11/15/19) |
--- | --- | --- | --- | --- | --- | --- | --- |
Institutional | 7.06 | 1.98 | N/A | N/A | N/A | N/A | 8.34 |
Investor | 6.65 | 1.69 | N/A | N/A | N/A | N/A | 7.89 |
Benchmark | 3.33 | 1.23 | N/A | N/A | N/A | N/A | 4.19 |

Calendar Year Total Returns (%)

--- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
Institutional | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
Investor | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
Benchmark | N/A | N/A | N/A | N/A | N/A | 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. For performance current to the most recent month-end, please visit bairdfunds.com.
FUND MANAGEMENT TEAM

The Fund is managed by a very deep and seasoned portfolio management team. Baird Advisors uses a holistic approach to portfolio management that integrates the sector focus and expertise of various team members.

All team members are involved in the bottom-up portfolio construction and optimization process across the duration spectrum with cross sector relative value analysis and security selection occurring collaboratively across the team.

Named Portfolio Managers:
- Lyle J. Fitterer, CFA
- Duane A. McAllister, CFA
- Erik R. Schleicher, CFA
- Joseph J. Czechowicz, CFA

QUALITY PROFILE

<table>
<thead>
<tr>
<th></th>
<th>Fund</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>U.S. Agency</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>AAA</td>
<td>9.2%</td>
<td>15.7%</td>
</tr>
<tr>
<td>AA</td>
<td>34.0%</td>
<td>51.6%</td>
</tr>
<tr>
<td>A</td>
<td>21.4%</td>
<td>24.5%</td>
</tr>
<tr>
<td>BBB</td>
<td>20.9%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Below BBB</td>
<td>5.8%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Not Rated</td>
<td>8.7%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

SECTOR PROFILE

<table>
<thead>
<tr>
<th></th>
<th>Fund</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-refunded ETM</td>
<td>0.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>General Obligation</td>
<td>11.8%</td>
<td>27.6%</td>
</tr>
<tr>
<td>Revenue</td>
<td>87.1%</td>
<td>66.4%</td>
</tr>
<tr>
<td>Cash</td>
<td>1.1%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Baird Municipal Bond Fund
Institutional – BMQIX | Investor – BMQSX

Municipal securities may or may not be appropriate for all investors, especially for those in lower tax brackets.

Because the Fund may invest more than 25% of its total assets in municipal obligations issued by entities located in the same state or the interest on which is paid solely from revenues of similar projects, changes in economic, business or political conditions relating to a particular state or types of projects may have a disproportionate impact on the Fund.

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.

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

2The quality profile is calculated on a market value-weighted basis. Per the Baird Funds prospectus, each security in the Fund is assigned the highest credit quality rating provided by a nationally recognized statistical rating organization (e.g. S&P, Moody’s, Fitch). For pre-refunded securities, the reported credit quality reflects the highest reported rating from S&P, Moody’s or Fitch for the underlying collateral. Per the Bloomberg Barclays index controlling rating methodology, each security in the index is assigned a rating using S&P, Moody’s, and Fitch (middle of three ratings, lower of two ratings, or singular rating if rated by one rating agency). 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.


Carefully consider a fund’s investment objectives, risks, charges, and expenses before investing. For a current prospectus and summary prospectus, containing this and other information, visit bairdfunds.com. Read it carefully before investing.