

Baird Small/Mid Cap Growth Fund

Institutional – BSGIX | Investor – BSGSX

BAIRD

Baird Funds

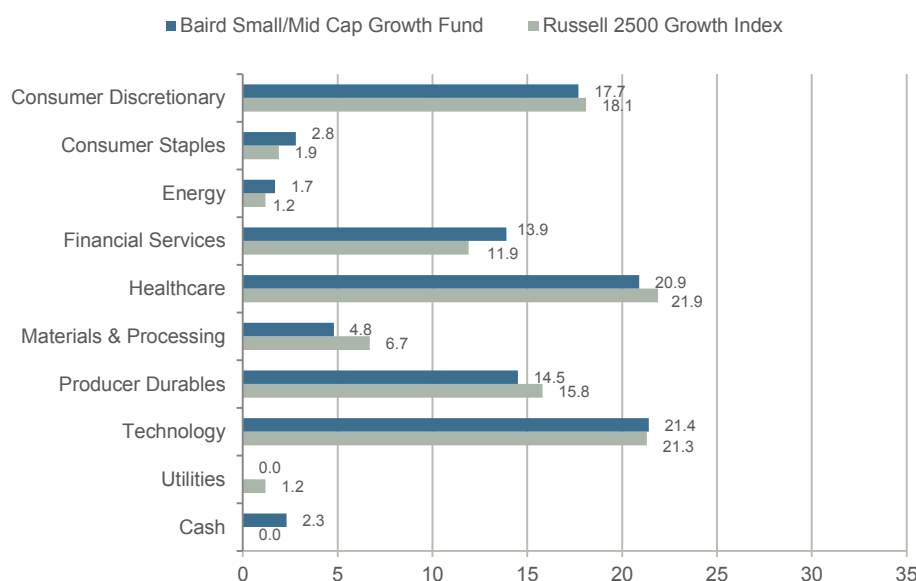
As of December 31, 2018

bairdfunds.com | 866-442-2473

FUND CHARACTERISTICS

	Baird Small/Mid Cap Growth Fund	Russell 2500 Growth Index
Average Weighted Market Cap (\$ Billions)	6.2	4.7
Profit Margin	8.4	5.3
Revenue Growth (1 year)*	25.1	19.5
LT Debt as % of Capital	31.9	40.1
P/E Ratio (Forward 12 mo)	25.1	18.1

SECTOR ALLOCATION



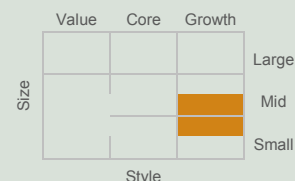
TOP TEN HOLDINGS

Security	% of Fund
Burlington Stores (BURL)	2.7
CDW Corp. (CDW)	2.6
Cable ONE (CABO)	2.6
Euronet Worldwide (EEFT)	2.6
Monolithic Power Systems (MPWR)	2.5
Pool Corporation (POOL)	2.5
IDEX Corporation (IEX)	2.4
Broadridge Financial Solutions (BR)	2.4
PRA Health Science (PRAH)	2.3
Cooper Companies (COO)	2.3

Source: FactSet

CATEGORY

Small/Mid Cap Growth



INVESTMENT OBJECTIVE

Long-term growth of capital

INVESTMENT STRATEGY

Invests primarily in high-quality common stocks selected for growth potential, with typically at least 80% of its net assets in small- and mid-size companies.

PORTFOLIO MANAGER

Jonathan Good
Portfolio Manager

Industry	Team
Years	Since
19	2006

INCEPTION DATE

10/31/18

EXPENSE RATIO²

	Net	Gross
Institutional Shares	0.85%	3.15%
Investor Shares	1.10%	3.40%

MINIMUM INITIAL INVESTMENT

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

TURNOVER (TRAILING 12 MONTH)

N/A

NUMBER OF EQUITY ISSUES

65

*Expense ratio as of 10/31/2018. 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, 2020 to the extent necessary to ensure that the total operating expenses do not exceed 1.10% of the Investor Class's average daily net assets and 0.85% 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 December 31, 2018)

	Cumulative Returns (%)			Average Annual Total Returns (%)		
	QTR	YTD	Since Inception (10/31/18)	1 Yr	3 Yr	5 Yr
Institutional Class	N/A	N/A	-10.50	N/A	N/A	N/A
Investor Class	N/A	N/A	-10.60	N/A	N/A	N/A
Russell 2500 Growth Index	N/A	N/A	-9.17	N/A	N/A	N/A

	Annual Returns (%)				
	2018	2017	2016	2015	2014
Institutional Class	N/A	N/A	N/A	N/A	N/A
Investor Class	N/A	N/A	N/A	N/A	N/A
Russell 2500 Growth Index	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 Baird Small/Mid Cap Growth Fund is a high conviction portfolio of 60-70 stocks, with a strong emphasis on fundamental, bottom-up research to discover unique, secular growth stories that we believe can drive above average sales and earnings growth. The team strongly believes in having a true "smid" portfolio invested in companies primarily between \$500 million and \$12 billion in market cap. The primary investment goal is to provide superior-to-market returns over a 3-5 year time horizon versus the Russell 2500 Growth Index. The team does this by finding companies for inclusion in the portfolio that have stronger growth, more favorable industry dynamics and competitive positioning, and the opportunity to expand profit margins.

INVESTMENT STRATEGY

The Fund normally invests at least 80% of its net assets in common stocks of companies with small and medium market capitalizations. Although the Fund principally invests in U.S. companies, 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. When analyzing equity securities to be purchased by the Fund, the Advisor emphasizes a company's growth prospects. The Fund's investments are selected using a variety of both quantitative techniques and fundamental research in seeking to maximize the Fund's expected return while controlling risk.

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.

The performance of Baird Small/Mid Cap Growth Fund is measured against the Russell 2500 Growth Index. The Russell 2500 Growth Index measures the performance of those Russell 2500 companies with above average price-to-book ratios and higher forecasted growth values. When sorted by market cap, the Russell 2500® Index consists of all of the companies in the Russell 3000® Index, except for the 500 largest companies by market capitalization in that index. The Russell Indices are a trademark of the Frank Russell Company. Indices are unmanaged and direct investment is not possible.

The fund focuses on small- and mid-cap growth 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 have 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. Specific securities identified do not represent all the securities purchased, sold or held and a reader should not assume these securities were or will be profitable.

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.

Profit margin is a ratio of profitability calculated as net income divided by revenues, or net profits divided by sales. **Debt/Capital ratio** is a measurement of a company's financial leverage. **Revenue Growth** is the total of operating revenues less various adjustments to gross sales. Revenue Growth does not include outliers defined by companies with Revenue Growth less than -50% and greater than 300%. **P/E ratio** is a valuation of a company's current share price compared to its expected per-share earnings. The holdings, characteristics and statistical measures used in this fact sheet are not a forecast of the fund's future performance and are subject to change.

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.