### Part I Reporting Issuer

<table>
<thead>
<tr>
<th>1</th>
<th>Issuer's name</th>
<th>2</th>
<th>Issuer's employer identification number (EIN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Baird Funds, Inc. - Baird Quality Intermediate Municipal Bond Fund</td>
<td>2</td>
<td>39-2002096</td>
</tr>
<tr>
<td>3</td>
<td>Name of contact for additional information</td>
<td>4</td>
<td>Telephone No. of contact</td>
</tr>
<tr>
<td>5</td>
<td>Email address of contact</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Number and street (or P.O. box if mail is not delivered to street address) of contact</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>City, town, or post office, state, and ZIP code of contact</td>
<td></td>
<td></td>
</tr>
<tr>
<td>777 E Wisconsin Ave.</td>
<td>Milwaukee, WI 53202</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Part II Organizational Action

**RETURN OF CAPITAL DISTRIBUTION**

<table>
<thead>
<tr>
<th>10</th>
<th>CUSIP number</th>
<th>11</th>
<th>Serial number(s)</th>
<th>12</th>
<th>Ticker symbol</th>
<th>13</th>
<th>Account number(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>057071607</td>
<td>NOT APPLICABLE</td>
<td>RMBIX</td>
<td>NOT APPLICABLE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Attach additional statements if needed. See back of form for additional questions.**

14 **Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.**

**THE BAIRD FUNDS, INC. - BAIRD QUALITY INTERMEDIATE MUNICIPAL BOND FUND PAID CAPITAL DISTRIBUTIONS TO THE SHAREHOLDERS OF RECORD ON THE DATES LISTED BELOW, A PORTION OF WHICH CONSTITUTES A NON-TAXABLE RETURN.**

<table>
<thead>
<tr>
<th>RECORD DATE</th>
<th>PAYABLE DATE</th>
<th>RETURN OF CAPITAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/24/17</td>
<td>1/26/17</td>
<td>0.2435% OF TOTAL DISTRIBUTION</td>
</tr>
<tr>
<td>2/24/17</td>
<td>2/28/17</td>
<td>0.2435% OF TOTAL DISTRIBUTION</td>
</tr>
<tr>
<td>3/24/17</td>
<td>3/28/17</td>
<td>0.2435% OF TOTAL DISTRIBUTION</td>
</tr>
<tr>
<td>4/24/17</td>
<td>4/26/17</td>
<td>0.2435% OF TOTAL DISTRIBUTION</td>
</tr>
<tr>
<td>5/24/17</td>
<td>5/26/17</td>
<td>0.2435% OF TOTAL DISTRIBUTION</td>
</tr>
<tr>
<td>6/23/17</td>
<td>6/27/17</td>
<td>0.2435% OF TOTAL DISTRIBUTION</td>
</tr>
</tbody>
</table>

15 **Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.**


<table>
<thead>
<tr>
<th>RECORD DATE</th>
<th>PAYABLE DATE</th>
<th>RETURN OF CAPITAL PER SHARE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/24/17</td>
<td>1/26/17</td>
<td>.00004377</td>
</tr>
<tr>
<td>2/24/17</td>
<td>2/28/17</td>
<td>.00005630</td>
</tr>
<tr>
<td>3/24/17</td>
<td>3/28/17</td>
<td>.00005184</td>
</tr>
<tr>
<td>4/24/17</td>
<td>4/26/17</td>
<td>.00005590</td>
</tr>
<tr>
<td>5/24/17</td>
<td>5/26/17</td>
<td>.00005434</td>
</tr>
<tr>
<td>6/23/17</td>
<td>6/27/17</td>
<td>.00005370</td>
</tr>
</tbody>
</table>

16 **Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.**

**THE FUND COMPUTED THE AMOUNT OF EARNINGS AND PROFITS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2017. THE AMOUNT OF THE DISTRIBUTIONS THAT CONSTITUTE NONTAXABLE RETURN OF CAPITAL IS THE AMOUNT BY WHICH THE DISTRIBUTIONS MADE (ON A PER SHARE BASIS) EXCEEDED EARNINGS AND PROFITS PER SHARE.**
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► IRC 301,316

18 Can any resulting loss be recognized? ► NO LOSS CAN BE RECOGNIZED BY THE SHAREHOLDERS OF RECORD ON THE DATES LISTED BELOW FOR THE NONTAXABLE RETURN OF CAPITAL RECEIVED.

RECORD DATE 1/24/17
RECORD DATE 2/24/17
RECORD DATE 3/24/17
RECORD DATE 4/24/17
RECORD DATE 5/24/17
RECORD DATE 6/23/17

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► THE INFORMATION PROVIDED ABOVE WILL BE PROVIDED ON THE SHAREHOLDERS 2017 1099 DIV STATEMENT BOX 3.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ► Heidi Schneider  Date ► 3/5/18
Print your name ► Heidi Schneider

Paid Preparer Use Only
Print/Type preparer’s name  Preparer’s signature  Date  Check ☐ if self-employed  PTIN
Firm’s name ► Firm’s address ► Firm’s EIN ► Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054
Baird Funds, Inc. - Baird Quality Intermediate Municipal Bond Fund

Heidi Schneider
777 E Wisconsin Ave.
Milwaukee, WI 53202

Date of action

RETURN OF CAPITAL DISTRIBUTION

CUSIP number
Serial number(s)
Ticker symbol
Account number(s)

057071607
N/A
BMDK
N/A

Organizational Action

Describe the organizational action and, if applicable, the date of the action or the date against which shareholders’ ownership is measured for the action.

THE BAIRD FUNDS, INC. - BAIRD QUALITY INTERMEDIATE MUNICIPAL BOND FUND PAID CAPITAL DISTRIBUTIONS TO THE SHAREHOLDERS OF RECORD ON THE DATES LISTED BELOW, A PORTION OF WHICH CONSTITUTES A NON-TAXABLE RETURN.

RECORD DATE: 7/24/17; PAYABLE DATE 7/26/17; RETURN OF CAPITAL 0.2435% OF TOTAL DISTRIBUTION
RECORD DATE: 8/24/17; PAYABLE DATE 8/28/17; RETURN OF CAPITAL 0.2435% OF TOTAL DISTRIBUTION
RECORD DATE: 9/22/17; PAYABLE DATE 9/26/17; RETURN OF CAPITAL 0.2435% OF TOTAL DISTRIBUTION
RECORD DATE: 10/24/17; PAYABLE DATE 10/26/17; RETURN OF CAPITAL 0.2435% OF TOTAL DISTRIBUTION
RECORD DATE: 11/24/17; PAYABLE DATE 11/28/17; RETURN OF CAPITAL 0.2435% OF TOTAL DISTRIBUTION
RECORD DATE: 12/22/17; PAYABLE DATE 12/27/17; RETURN OF CAPITAL 0.2435% OF TOTAL DISTRIBUTION

Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.


RECORD DATE: 7/24/17; PAYABLE DATE 7/26/17; RETURN OF CAPITAL PER SHARE .00005660
RECORD DATE: 8/24/17; PAYABLE DATE 8/28/17; RETURN OF CAPITAL PER SHARE .00005577
RECORD DATE: 9/22/17; PAYABLE DATE 9/26/17; RETURN OF CAPITAL PER SHARE .00005202
RECORD DATE: 10/24/17; PAYABLE DATE 10/26/17; RETURN OF CAPITAL PER SHARE .00005153
RECORD DATE: 11/24/17; PAYABLE DATE 11/28/17; RETURN OF CAPITAL PER SHARE .00005260
RECORD DATE: 12/22/17; PAYABLE DATE 12/27/17; RETURN OF CAPITAL PER SHARE .00006314

Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

THE FUND COMPUTED THE AMOUNT OF EARNINGS AND PROFITS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2017. THE AMOUNT OF THE DISTRIBUTIONS THAT CONSTITUTE NON-TAXABLE RETURN OF CAPITAL IS THE AMOUNT BY WHICH THE DISTRIBUTIONS MADE (ON A PER SHARE BASIS) EXCEEDED EARNINGS AND PROFITS PER SHARE.
Part II  Organizational Action (continued)

17  List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based  IRC 301,316

18  Can any resulting loss be recognized?  NO LOSS CAN BE RECOGNIZED BY THE SHAREHOLDERS OF RECORD ON THE DATES LISTED BELOW FOR THE NONTAXABLE RETURN OF CAPITAL RECEIVED.

RECORD DATE 7/24/17
RECORD DATE 8/24/17
RECORD DATE 9/22/17
RECORD DATE 10/24/17
RECORD DATE 11/24/17
RECORD DATE 12/22/17

19  Provide any other information necessary to implement the adjustment, such as the reportable tax year  THE INFORMATION PROVIDED ABOVE WILL BE PROVIDED ON THE SHAREHOLDERS 2017 1099 DIV STATEMENT BOX 3.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature  Heidi Schneider  Date  3/5/18
Print your name  Heidi Schneider
Title  Treasurer

Paid Preparer Use Only
Print/Type preparer's name  Preparer's signature  Date  Check □ if self-employed  PTIN
Firm's name  
Firm's address  
Firm's EIN  
Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054