

Baird Aggregate Bond Fund

Investor Class Shares | BAGSX

Annual Shareholder Report | December 31, 2024



Baird Funds

This annual shareholder report contains important information about the Baird Aggregate Bond Fund (the “Fund”) for the period of January 1, 2024 to December 31, 2024. You can find additional information about the Fund at www.bairdassetmanagement.com/funddocuments. You can also request this information by contacting us at 1-866-442-2473.

WHAT WERE THE FUND COSTS FOR THE LAST YEAR? (based on a hypothetical \$10,000 investment)

Fund Share Class	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Investor Class Shares BAGSX	\$55	0.55%

WHAT IMPACTED FUND PERFORMANCE IN 2024?

The broader U.S. bond market produced solid total returns for 2024 even though yields on U.S. Treasuries generally rose, producing negative price returns on most bonds five years and longer in maturity. These solid total returns were produced despite the negative price returns because of the higher income levels that returned to the U.S. bond market following an extended period of interest rate hikes by the Federal Reserve in 2022 and 2023 to slow the economy and bring down the rate of inflation. The tightening of spreads in the non-U.S. Treasury sectors of credit and securitized also contributed to the solid returns for the year. The Fund ended 2024 with higher income than at the start of the year given the general rise in U.S. Treasury yields in 2024.

The Investor Class Shares of the Baird Aggregate Bond Fund (BAGSX) posted a net total return of 1.63% in 2024. The Bloomberg U.S. Aggregate Index, a broad-based U.S. bond market index and the Fund’s primary benchmark, had a total return of 1.25%.

The Fund outperformed its primary benchmark in 2024. Drivers of Fund performance described below are relative to the Fund’s primary benchmark.

Contributors to Performance

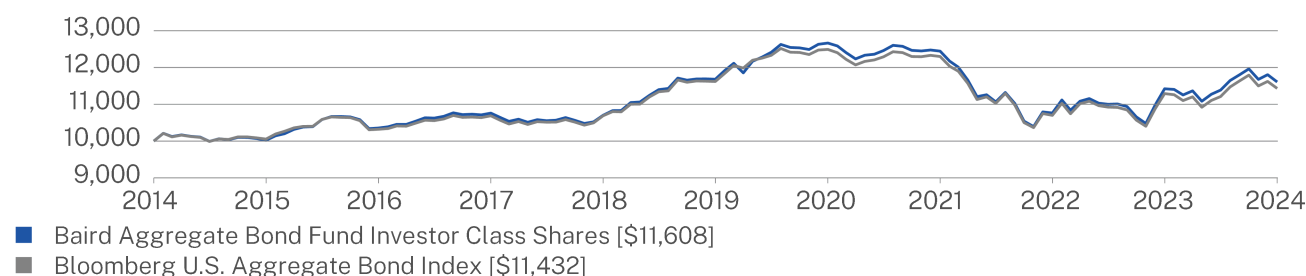
- Overweight investment grade credit
- Active positioning within investment grade credit - overweight financials as well as subsector and security selection decisions within financials (e.g., banking, insurance), subsector and security selection decisions within industrials (spread across many subsectors), overweight 5- to 10-year credit, and overweight BBB credit
- Overweight non-agency residential mortgage-backed securities (RMBS), non-agency commercial mortgage-backed securities (CMBS), and asset-backed securities (ABS)
- Positive convexity tilt of overall portfolio versus the benchmark driven by agency RMBS positioning (sector underweight and favoring profiles with more duration stability due to less prepayment sensitivity)

Detractors from Performance

- Underweight agency RMBS

HOW HAS THE FUND PERFORMED OVER THE PAST 10 YEARS?

CUMULATIVE PERFORMANCE (Initial Investment of \$10,000)



AVERAGE ANNUAL TOTAL RETURNS (%)

(as of December 31, 2024)	1 Year	5 Years	10 Years
Investor Class Shares BAGSX	1.63	-0.13	1.50
Bloomberg U.S. Aggregate Bond Index	1.25	-0.33	1.35

Visit www.bairdassetmanagement.com/baird-funds for more recent performance information.

The Fund's past performance is not a good predictor of how the Fund will perform in the future. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

KEY FUND STATISTICS (as of December 31, 2024)

Net Assets	\$50,850,365,936
Number of Holdings	1,880
Net Advisory Fee Paid	\$117,105,615
Portfolio Turnover Rate	34%
Average Credit Quality	AA
Average Effective Duration	6.08 years
Average Effective Maturity	8.14 years
SEC 30-Day Yield	4.15%

WHAT DID THE FUND INVEST IN? (% of total investments as of December 31, 2024)

Security Type Breakdown

Corporate Bonds	35.8%
U.S. Treasury Securities	28.7%
Agency RMBS	20.7%
Non-Agency RMBS	5.1%
Non-Agency CMBS	3.7%
Asset-Backed Securities	3.0%
Money Market Funds	1.4%
Agency CMBS	0.9%
Municipal Bonds	0.5%
Other Government Related Securities	0.2%

Credit Rating Breakdown*

AAA	62.8%
AA	3.2%
A	12.9%
BBB	20.9%
Below BBB	0.2%

* The credit rating quality profile is calculated on a market value-weighted basis and includes accrued interest as of the end of the period using the highest credit quality rating for each security held by the Fund given by a Nationally Recognized Statistical Rating Organization (NRSRO). NRSROs rate the credit quality of securities using a scale that generally ranges from AAA (highest) to D (lowest).



For additional information about the Fund, including its prospectus, financial information, holdings and proxy voting information, scan the QR code or visit www.bairdassetmanagement.com/funddocuments.

HOUSEHOLDING - To reduce Fund expenses, only one copy of most shareholder documents may be mailed to shareholders with multiple accounts at the same address (Householding). If you would prefer that your Fund documents not be househanded, please contact the Fund at 1-866-442-2473, or contact your financial intermediary. Your instructions will typically be effective within 30 days of receipt by the Fund or your financial intermediary.