

Baird Ultra Short Bond Fund

Investor Class Shares | BUBSX

Annual Shareholder Report | December 31, 2024



Baird Funds

This annual shareholder report contains important information about the Baird Ultra Short 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 BUBSX	\$41	0.40%

WHAT IMPACTED FUND PERFORMANCE IN 2024?

The shorter-maturity U.S. Investment-grade quality bond market produced attractive total returns for 2024. These total returns were driven primarily by 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 attractive returns for the year.

The Investor Class Shares of the Baird Ultra Short Bond Fund (BUBSX) posted a net total return of 5.47% in 2024. The Bloomberg U.S. Aggregate Index, a broad-based U.S. bond market index had a total return of 1.25% and the Fund’s primary benchmark, the Bloomberg Short-Term U.S. Government/Corporate Index, had a total return of 5.31%.

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

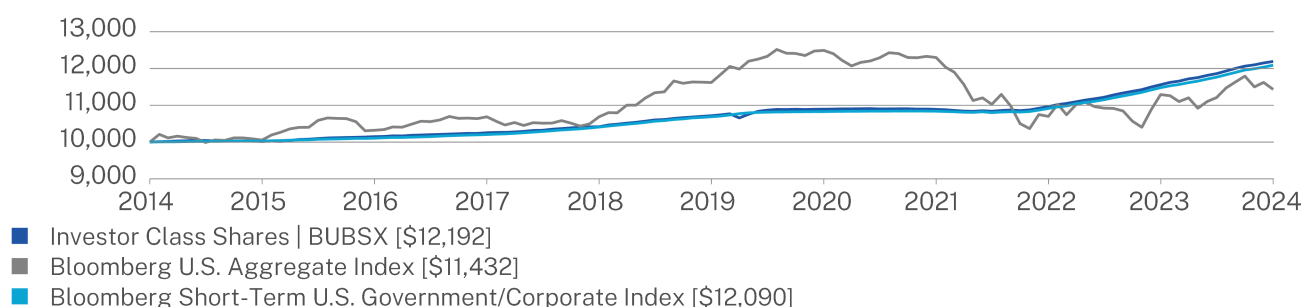
- Overweight investment grade credit
- Active positioning within investment grade credit - subsector and security selection decisions within industrials (spread across many subsectors), overweight financials as well as subsector and security selection decisions within financials (e.g., banking, insurance), and overweight BBB credit
- Overweight non-agency commercial mortgage-backed securities (CMBS) and asset-backed securities (ABS)

Detractors from Performance

- Underweight 6-month maturities and overweight 1- to 2-year maturities as the 6-month to 2-year yield curve steepened

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 BUBSX	5.47	2.61	2.00
Bloomberg U.S. Aggregate Index	1.25	-0.33	1.35
Bloomberg Short-Term U.S. Government/Corporate Index	5.31	2.50	1.92

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	\$7,774,579,259
Number of Holdings	365
Net Advisory Fee Paid	\$6,675,599
Portfolio Turnover Rate	90%
Average Credit Quality	A+
Average Effective Duration	0.51 years
Average Effective Maturity	0.53 years
SEC 30-Day Yield	4.25%
SEC 30-Day Unsubsidized Yield	4.10%

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

Security Type Breakdown

Corporate Bonds	48.0%
U.S. Treasury Bills	21.0%
Asset-Backed Securities	14.8%
Non-Agency CMBS	5.1%
Money Market Funds	4.7%
U.S. Treasury Securities	3.2%
Commercial Paper	2.1%
Municipal Bonds	0.6%
Non-Agency RMBS	0.5%
Other Government Related Securities	0.0%

Credit Rating Breakdown*

AAA	47.0%
AA	1.5%
A	17.4%
BBB	33.9%
Not Rated	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 householded, 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.