

# Baird Small/Mid Cap Growth Fund

**BAIRD****Institutional – BSGIX | Investor – BSGSX****Baird Funds**

As of December 31, 2023

**CATEGORY<sup>1</sup>****Small/Mid Cap Growth**  
523 funds in category**MORNINGSTAR OVERALL RATING<sup>1</sup>**Based on risk-adjusted  
Returns as of 12/31/2023**INDEX**

Russell 2500 Growth Index

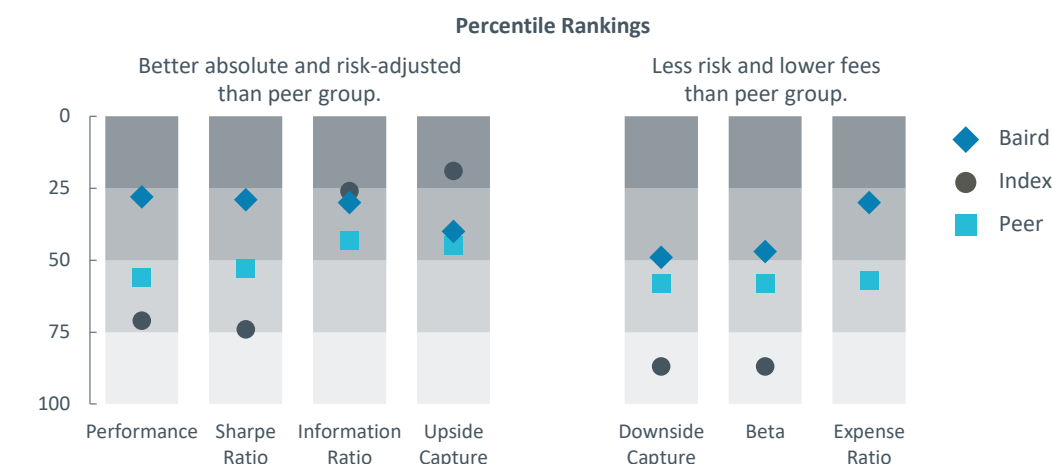
**EXPENSE RATIO\***

	Net	Gross
Institutional Shares	0.85%	0.98%
Investor Shares	1.10%	1.23%

**INVESTMENT TEAM****Jonathan Good**  
Senior Portfolio Manager  
Industry Years: 24 | Team Since: 2006**Ken Hemauer, CFA**  
Senior Research Analyst  
Industry Years: 30 | Team Since: 2001**Corbin Weyer, CFA, CPA**  
Director of Research &  
Senior Research Analyst  
Industry Years: 13 | Team Since: 2014**Karan Saberwal**  
Senior Research Analyst  
Industry Years: 7 | Team Since: 2019**Chris Brennan**  
Senior Research Analyst  
Industry Years: 5 | Fund Since: 2023**Josh Heinen**  
Research Analyst  
Industry Years: 3 | Team Since: 2021**Margaret Guanci**  
Research Analyst  
Industry Years: 2 | Team Since: 2022**Chuck Severson, CFA**  
Mid Cap Growth Senior PM  
Industry Years: 37 | Team Since: 1991**FUND PERFORMANCE (%)**

	Total Return (%)		Average Annual Total Returns (%)			
	QTR	YTD	1 Year	3 Year	5 Year	Since Inception*
<b>Small/Mid Cap Growth Fund</b> Institutional Class (net)	7.82	10.88	10.88	-1.47	13.63	10.76
<b>Small/Mid Cap Growth Fund</b> Investor Class (net)	7.80	10.60	10.60	-1.70	13.31	10.43
<b>Russell 2500 Growth Index</b>	12.59	18.93	18.93	-2.68	11.43	8.99
<b>Morningstar Percentile Rank<sup>2</sup></b> (Rank/Count)	N/A	N/A	95% (500/526)	58% (297/515)	28% (141/498)	45% (222/498)

Performance data represents past performance and does not guarantee future results. The investment return and principal value of the investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance data may be lower or higher than the data quoted. For performance data as of the most recent month-end, please visit [bairdfunds.com](https://www.bairdfunds.com). \*Inception Date 10/31/2018

**5-YEAR STATISTICS VS. RUSSELL 2500 GROWTH AND PEER GROUP<sup>3</sup>**

	Fund (Institutional Class, Net)	Index	Morningstar Category Average
<b>Performance</b>	13.63	11.43	12.32
<b>Sharpe Ratio</b>	0.60	0.49	0.55
<b>Information Ratio</b>	0.34	0.00	0.21
<b>Downside Capture</b>	87.17	100.00	89.67
<b>Upside Capture</b>	95.85	100.00	94.50
<b>Beta</b>	0.91	1.00	0.93
<b>Expense Ratio*</b>	0.85	N/A	1.08

<sup>1</sup>The Morningstar Overall Rating™ for funds is calculated for managed products with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. The Baird Small/Mid Cap Growth Fund (Institutional Class) was rated 3 stars out of 523 funds; 4 stars out of 492 funds in the Mid-Cap Growth category for the 3- and 5-year periods, respectively. Morningstar Rating is for the share class listed only; other classes may have different performance characteristics.

<sup>2</sup>The Morningstar Percentile Rank is based on the fund's total return relative to all funds in the US Mid Cap Growth category for the period. The highest (or most favorable) percentile rank is 1%, and the lowest (or least favorable) percentile rank is 100%. Morningstar total returns include both income and capital gains/losses and excludes sales charges.

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\*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 June 30, 2023, 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 a 0.25% 12b-1 fee. Expense Ratios as of 12/31/2022.

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Institutional – BSGIX | Investor – BSGSX

As of December 31, 2023

bairdfunds.com  
866-442-2473

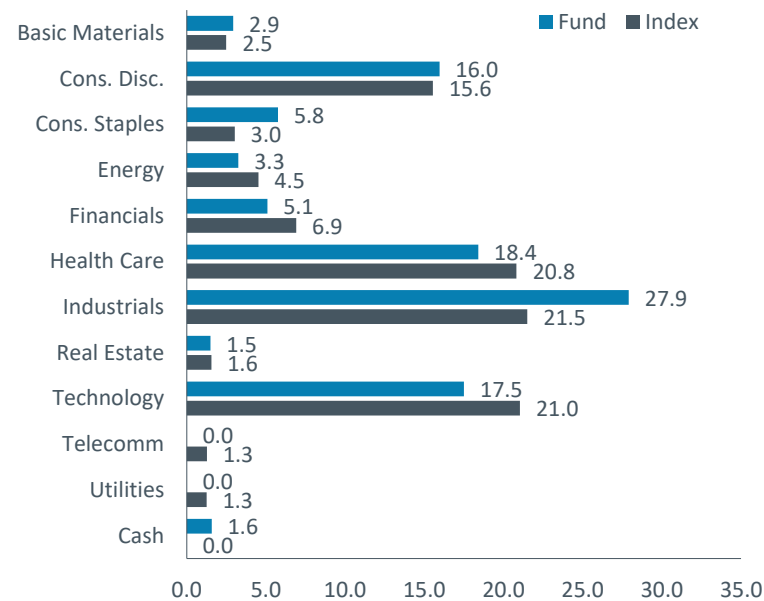
## FUND CHARACTERISTICS VS. BENCHMARK

Characteristics	Fund	Index
Weighted Avg. Market Cap (\$Bil)	10.1	6.5
Profit Margin (%)	9.9	3.6
LT Debt/Capital (%)	33.2	41.0
Revenue Growth (1 Yr.) (%)	13.0	16.0
P/E Ratio (Forward 12 mo.)	28.6x	21.3x
Turnover Ratio (Tr. 1 Yr.) (%)	48.4	N/A
Number of Holdings	56	1,268

## TOP TEN HOLDINGS

Top Ten Holdings	% of Fund
PTC Inc (PTC)	3.20
RBC Bearings Incorporated (RBC)	2.93
ICON Plc (ICLR)	2.78
Kadant Inc (KAI)	2.77
Watsco, Inc (WSO)	2.62
Pool Corporation (POOL)	2.48
BWX Technologies, Inc (BWXT)	2.46
Dynatrace, Inc (DT)	2.42
Descartes Systems Group Inc (DSGX)	2.27
IDEX Corporation (IEX)	2.27

## SECTOR ALLOCATION (%)



## CALENDAR-YEAR RETURNS (%)

	Fund Institutional Class*	Fund Investor Class*	Index
2023	10.88	10.60	18.93
2022	-27.14	-27.29	-26.21
2021	18.42	18.10	5.04
2020	44.57	43.89	40.47
2019	36.98	36.69	32.65

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The performance of Baird Small/Mid Cap Growth Fund is measured against the Russell 2500 Growth Index. It measures the performance of those Russell 2500 companies with higher price-to-book and higher forecasted growth values. When sorted by market cap, the Russell 2500® Index consists of all companies in the Russell 3000® Index, except for the 500 largest companies by market capitalization in that index. Indices are unmanaged and direct investment is not possible. Lipper Mid-Cap Growth funds will normally have an above-average price-to-earnings ratio, price-to-book ratio, and three-year earnings growth figure, compared to the U.S. diversified mid-cap funds universe average.

The Fund focuses on small- and mid-cap growth style stocks and therefore the performance of the Fund will typically 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.

<sup>3</sup>Source: Morningstar Direct. Percentile rankings are for the Institutional Share Class of the Fund and based on a comparison to the 498 funds in the Morningstar Direct US OE Mid Cap Growth category. **Beta** is measure of the fund's volatility relative to the market, as represented by the stated index. A beta greater than 1 indicates volatility greater than the market; beta less than 1 is less volatile than the market. **Information Ratio** is a measure of portfolio management's performance against risk and return relative to the benchmark. **Sharpe Ratio** is a measure of historical adjusted performance calculated by dividing the portfolio's excess returns (average monthly returns minus the average monthly return of the Citigroup 3-month Treasury bill benchmark) by the standard deviation of those returns. The higher the ratio, the better the portfolio's return per unit of risk. The **Upside Capture Ratio** is used to evaluate how well an investment manager performed relative to an index during periods when the index has risen. The **Downside Capture Ratio** is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped.

Fund Characteristics Table Source: FactSet. **Profit Margin** is a ratio of profitability calculated as net income divided by revenues, or net profits divided by sales.

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.

**Debt/Capital Ratio** is a measurement of a company's financial leverage. **Debt/Capital Ratio** does not include outliers defined as companies with Debt/Capital greater than 500%. **Revenue Growth** is the total of operating revenues less various adjustments to gross sales. Revenue Growth does not include outliers defined as companies with Revenue Growth less than -50% and greater than 300%. **P/E Ratio (Forward 12 month)** is a valuation of a company's current share price compared to its expended per-share earnings.

\*Calendar Year Returns reflect Net of Fees.

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. ©2023 Robert W. Baird & Co. Incorporated. First use: 01/2024