

# Core Financial Statements and Other Information Baird Funds

December 31, 2024

Baird Mid Cap Growth Fund  
Baird Small/Mid Cap Growth Fund  
Baird Equity Opportunity Fund  
Baird Chautauqua International Growth Fund  
Baird Chautauqua Global Growth Fund

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This report has been prepared for shareholders and may be distributed to others only if preceded or accompanied by a current prospectus.

**Item 7. Financial Statements and Financial Highlights for Open-End Investment Companies.**

**BAIRD MID CAP GROWTH FUND  
SCHEDULE OF INVESTMENTS  
December 31, 2024**

	Shares	Value		Shares	Value
<b>COMMON STOCKS - 98.1%</b>			<b>Health Care Technology - 1.8%</b>		
<b>Aerospace &amp; Defense - 2.7%</b>			Veeva Systems, Inc. - Class A <sup>(a)</sup> . . . . .		
BWX Technologies, Inc. . . . .	197,286	\$ 21,975,687		166,268	\$ 34,957,847
HEICO Corp. . . . .	130,362	<u>30,992,262</u>	<b>Hotels, Restaurants &amp; Leisure - 5.6%</b>		
		<u>52,967,949</u>	Churchill Downs, Inc. . . . .		
<b>Building Products - 4.8%</b>			Dutch Bros, Inc. - Class A <sup>(a)</sup> . . . . .		
AAON, Inc. . . . .	322,935	38,002,991	Texas Roadhouse, Inc. . . . .		
Lennox International, Inc. . . . .	42,405	25,837,367		170,934	<u>30,841,622</u>
Trex Co., Inc. <sup>(a)</sup> . . . . .	445,482	<u>30,751,622</u>			<u>111,177,632</u>
		<u>94,591,980</u>	<b>Household Durables - 1.2%</b>		
<b>Capital Markets - 5.9%</b>			DR Horton, Inc. . . . .		
MarketAxess Holdings, Inc. . . . .	126,173	28,520,145		166,441	<u>23,271,781</u>
MSCI, Inc. . . . .	79,671	47,803,397	<b>Insurance - 2.2%</b>		
Raymond James Financial, Inc. . . . .	258,904	<u>40,215,558</u>	Kinsale Capital Group, Inc. . . . .		
		<u>116,539,100</u>		93,861	<u>43,657,567</u>
<b>Commercial Services &amp; Supplies - 3.4%</b>			<b>IT Services - 4.6%</b>		
Copart, Inc. <sup>(a)</sup> . . . . .	573,768	32,928,545	EPAM Systems, Inc. <sup>(a)</sup> . . . . .		
Rollins, Inc. . . . .	728,148	<u>33,749,660</u>	Globant SA <sup>(a)</sup> . . . . .		
		<u>66,678,205</u>		173,458	40,557,949
<b>Consumer Staples Distribution &amp; Retail - 4.3%</b>				231,578	<u>49,654,955</u>
BJ's Wholesale Club Holdings, Inc. <sup>(a)</sup> . . . . .	484,588	43,297,938			<u>90,212,904</u>
Casey's General Stores, Inc. . . . .	104,882	<u>41,557,395</u>	<b>Life Sciences Tools &amp; Services - 4.2%</b>		
		<u>84,855,333</u>	Bio-Techne Corp. . . . .		
<b>Distributors - 1.4%</b>			ICON PLC <sup>(a)</sup> . . . . .		
Pool Corp. . . . .	80,536	<u>27,457,944</u>	Repligen Corp. <sup>(a)</sup> . . . . .		
<b>Electrical Equipment - 1.7%</b>				221,939	<u>31,945,900</u>
Vertiv Holdings Co. - Class A . . . . .	304,281	<u>34,569,364</u>			<u>82,032,454</u>
<b>Electronic Equipment, Instruments &amp; Components - 4.3%</b>			<b>Machinery - 5.5%</b>		
CDW Corp./DE . . . . .	215,720	37,543,909	Graco, Inc. . . . .		
Zebra Technologies Corp. - Class A <sup>(a)</sup> . . . . .	121,107	<u>46,773,945</u>		424,710	35,798,806
		<u>84,317,854</u>		172,949	36,196,496
<b>Financial Services - 3.1%</b>				408,608	<u>36,962,680</u>
Jack Henry & Associates, Inc. . . . .	228,398	40,038,169	<b>Oil, Gas &amp; Consumable Fuels - 1.5%</b>		
Shift4 Payments, Inc. - Class A <sup>(a)</sup> . . . . .	212,243	<u>22,026,579</u>	Diamondback Energy, Inc. . . . .		
		<u>62,064,748</u>		186,219	<u>30,508,259</u>
<b>Food Products - 1.4%</b>			<b>Professional Services - 4.7%</b>		
Lamb Weston Holdings, Inc. . . . .	399,941	<u>26,728,057</u>	Broadridge Financial Solutions, Inc. . . . .		
<b>Health Care Equipment &amp; Supplies - 8.4%</b>			Equifax, Inc. . . . .		
Dexcom, Inc. <sup>(a)</sup> . . . . .	280,616	21,823,506		216,300	48,903,267
IDEXX Laboratories, Inc. <sup>(a)</sup> . . . . .	75,605	31,258,131		168,819	<u>43,023,522</u>
Insulet Corp. <sup>(a)</sup> . . . . .	176,616	46,109,139			<u>91,926,789</u>
Penumbra, Inc. <sup>(a)</sup> . . . . .	180,295	42,816,457	<b>Real Estate Management &amp; Development - 1.9%</b>		
ResMed, Inc. . . . .	107,162	<u>24,506,878</u>	CoStar Group, Inc. <sup>(a)</sup> . . . . .		
		<u>166,514,111</u>		526,430	<u>37,687,124</u>
			<b>Semiconductors &amp; Semiconductor Equipment - 3.0%</b>		
			Microchip Technology, Inc. . . . .		
			Monolithic Power Systems, Inc. . . . .		
				230,213	13,202,716
				77,673	<u>45,959,114</u>
					<u>59,161,830</u>
			<b>Software - 12.6%</b>		
			Datadog, Inc. - Class A <sup>(a)</sup> . . . . .		
			Dscartes Systems Group, Inc. <sup>(a)</sup> . . . . .		
			Dynatrace, Inc. <sup>(a)</sup> . . . . .		
			HubSpot, Inc. <sup>(a)</sup> . . . . .		
			Manhattan Associates, Inc. <sup>(a)</sup> . . . . .		
			PTC, Inc. <sup>(a)</sup> . . . . .		
			Tyler Technologies, Inc. <sup>(a)</sup> . . . . .		
				272,497	38,937,096
				253,168	28,759,885
				421,198	22,892,111
				43,028	29,980,619
				155,104	41,915,305
				228,534	42,020,547
				76,864	<u>44,322,857</u>
					<u>248,828,420</u>

The accompanying notes are an integral part of these financial statements.

**BAIRD MID CAP GROWTH FUND**  
**SCHEDULE OF INVESTMENTS**  
December 31, 2024 (Continued)

	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS - Continued</b>		
<b>Specialty Retail - 3.3%</b>		
Burlington Stores, Inc. <sup>(a)</sup> . . . . .	158,389	\$ 45,150,368
Floor & Decor Holdings, Inc. - Class A <sup>(a)</sup> . . . . .	207,148	<u>20,652,656</u>
		<u>65,803,024</u>
<b>Technology Hardware, Storage &amp; Peripherals - 1.0%</b>		
Pure Storage, Inc. - Class A <sup>(a)</sup> . . . . .	333,431	<u>20,482,666</u>
<b>Trading Companies &amp; Distributors - 3.6%</b>		
Fastenal Co. . . . .	592,527	42,608,616
Ferguson Enterprises, Inc. . . . .	163,866	<u>28,442,222</u>
		<u>71,050,838</u>
<b>TOTAL COMMON STOCKS</b>		
(Cost \$1,366,381,521) . . . . .		<u>1,937,001,762</u>
<b>SHORT-TERM INVESTMENTS - 2.0%</b>		
<b>Money Market Funds - 2.0%</b>		
First American Government Obligations Fund - Class U, 4.43% <sup>(b)</sup> . . . . .	38,850,615	<u>38,850,615</u>
<b>TOTAL SHORT-TERM INVESTMENTS</b>		
(Cost \$38,850,615) . . . . .		<u>38,850,615</u>
<b>TOTAL INVESTMENTS - 100.1%</b>		
(Cost \$1,405,232,136) . . . . .		\$1,975,852,377
Liabilities in Excess of Other Assets - (0.1)% . . . . .		<u>(2,619,201)</u>
<b>TOTAL NET ASSETS - 100.0% . . . . .</b>		
		<u>\$1,973,233,176</u>

Percentages are stated as a percent of net assets.

The Global Industry Classification Standard ("GICS®") was developed by and/or is the exclusive property of MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"). GICS® is a service mark of MSCI and S&P and has been licensed for use by U.S. Bank Global Fund Services.

PLC - Public Limited Company

SA - Sociedad Anónima

<sup>(a)</sup> Non-income producing security.

<sup>(b)</sup> The rate shown represents the 7-day annualized effective yield as of December 31, 2024.

*The accompanying notes are an integral part of these financial statements.*

**BAIRD MID CAP GROWTH FUND**  
**SUMMARY OF FAIR VALUE DISCLOSURE**  
as of December 31, 2024

Baird Mid Cap Growth Fund has adopted authoritative fair value accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value, a discussion of changes in valuation techniques and related inputs during the year, and expanded disclosure of valuation levels for major security types. These inputs are summarized in the three broad levels listed below. The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The following is a summary of the fair valuation hierarchy of the Fund’s securities as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Investments:</u>				
Common Stocks . . . . .	\$1,937,001,762	\$ —	\$ —	\$1,937,001,762
Money Market Funds . . . . .	<u>38,850,615</u>	<u>—</u>	<u>—</u>	<u>38,850,615</u>
<b>Total Investments</b> . . . . .	<u><u>\$1,975,852,377</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$1,975,852,377</u></u>

Refer to the Schedule of Investments for further disaggregation of investment categories.

Changes in valuation techniques may result in transfers into or out of assigned levels within the fair value hierarchy. There were no transfers into or out of Level 3 during the year, as compared to the security classifications from the prior year’s annual report. See the Fund’s Valuation Policy in Note 2a to the financial statements.

*The accompanying notes are an integral part of these financial statements.*

**BAIRD SMALL/MID CAP GROWTH FUND**  
**SCHEDULE OF INVESTMENTS**  
December 31, 2024

	Shares	Value		Shares	Value
<b>COMMON STOCKS - 97.5%</b>			<b>Insurance - 2.5%</b>		
<b>Aerospace &amp; Defense - 2.0%</b>			Kinsale Capital Group, Inc. . . . .		
BWX Technologies, Inc. . . . .	34,163	\$ 3,805,417	10,259	\$	4,771,769
<b>Automobile Components - 0.7%</b>			<b>IT Services - 2.0%</b>		
XPEL, Inc. <sup>(a)</sup> . . . . .	34,245	1,367,745	Globant SA <sup>(a)</sup> . . . . .		
<b>Beverages - 1.9%</b>			17,687	3,792,447	
Vita Coco Co., Inc. <sup>(a)</sup> . . . . .	96,992	3,579,975	<b>Life Sciences Tools &amp; Services - 2.9%</b>		
<b>Biotechnology - 2.5%</b>			Bio-Techne Corp. . . . .		
Neurocrine Biosciences, Inc. <sup>(a)</sup> . . . . .	34,586	4,720,989	35,344	2,545,829	
<b>Building Products - 7.1%</b>			Repligen Corp. <sup>(a)</sup> . . . . .		
AAON, Inc. . . . .	39,621	4,662,599	20,145	2,899,671	
Lennox International, Inc. . . . .	7,613	4,638,601	5,445,500		
Simpson Manufacturing Co., Inc. . . . .	12,704	2,106,704	<b>Machinery - 3.5%</b>		
Trex Co., Inc. <sup>(a)</sup> . . . . .	28,654	1,977,986	Federal Signal Corp. . . . .		
		13,385,890	30,909	2,855,682	
<b>Capital Markets - 1.4%</b>			Kadant, Inc. . . . .		
FactSet Research Systems, Inc. . . . .	5,622	2,700,134	11,003	3,795,925	
<b>Construction &amp; Engineering - 2.9%</b>			6,651,607		
Everus Construction Group, Inc. <sup>(a)</sup> . . . . .	42,709	2,808,117	<b>Oil, Gas &amp; Consumable Fuels - 3.4%</b>		
WillScot Holdings Corp. <sup>(a)</sup> . . . . .	81,256	2,718,013	Matador Resources Co. . . . .		
		5,526,130	64,023	3,601,934	
<b>Consumer Staples Distribution &amp; Retail - 3.6%</b>			Viper Energy, Inc. . . . .		
BJ's Wholesale Club Holdings, Inc. <sup>(a)</sup> . . . . .	31,680	2,830,608	56,919	2,793,015	
Casey's General Stores, Inc. . . . .	9,867	3,909,601	6,394,949		
		6,740,209	<b>Pharmaceuticals - 4.6%</b>		
<b>Distributors - 2.0%</b>			Intra-Cellular Therapies, Inc. <sup>(a)</sup> . . . . .		
Pool Corp. . . . .	10,979	3,743,180	41,964	3,504,833	
<b>Electronic Equipment, Instruments &amp; Components - 3.6%</b>			Tarsus Pharmaceuticals, Inc. <sup>(a)</sup> . . . . .		
Badger Meter, Inc. . . . .	17,359	3,682,191	92,697	5,132,633	
Zebra Technologies Corp. - Class A <sup>(a)</sup> . . . . .	7,852	3,032,600	8,637,466		
		6,714,791	<b>Professional Services - 2.9%</b>		
<b>Financial Services - 1.5%</b>			ExlService Holdings, Inc. <sup>(a)</sup> . . . . .		
Shift4 Payments, Inc. - Class A <sup>(a)</sup> . . . . .	27,909	2,896,396	67,884	3,012,692	
<b>Health Care Equipment &amp; Supplies - 11.1%</b>			UL Solutions, Inc. . . . .		
Glaukos Corp. <sup>(a)</sup> . . . . .	17,520	2,626,949	50,663	2,527,070	
Inspire Medical Systems, Inc. <sup>(a)</sup> . . . . .	18,446	3,419,520	5,539,762		
Insulet Corp. <sup>(a)</sup> . . . . .	20,044	5,232,887	<b>Semiconductors &amp; Semiconductor Equipment - 3.0%</b>		
Masimo Corp. <sup>(a)</sup> . . . . .	16,971	2,805,306	Aster Labs, Inc. <sup>(a)</sup> . . . . .		
Penumbra, Inc. <sup>(a)</sup> . . . . .	16,545	3,929,107	19,755	2,616,550	
PROCEPT BioRobotics Corp. <sup>(a)</sup> . . . . .	35,287	2,841,309	Onto Innovation, Inc. <sup>(a)</sup> . . . . .		
		20,855,078	8,471	1,411,861	
<b>Hotels, Restaurants &amp; Leisure - 6.6%</b>			SiTime Corp. <sup>(a)</sup> . . . . .		
Churchill Downs, Inc. . . . .	32,028	4,277,019	7,719	1,655,957	
Dutch Bros, Inc. - Class A <sup>(a)</sup> . . . . .	87,460	4,581,155	5,684,368		
Texas Roadhouse, Inc. . . . .	19,697	3,553,930	<b>Software - 15.3%</b>		
		12,412,104	Clearwater Analytics Holdings, Inc. -		
			Class A <sup>(a)</sup> . . . . .		
			78,231	2,152,917	
			CyberArk Software Ltd. <sup>(a)</sup> . . . . .		
			7,912	2,635,883	
			Descartes Systems Group, Inc. <sup>(a)</sup> . . . . .		
			47,599	5,407,246	
			Dynatrace, Inc. <sup>(a)</sup> . . . . .		
			58,155	3,160,724	
			Elastic NV <sup>(a)</sup> . . . . .		
			27,875	2,761,855	
			Manhattan Associates, Inc. <sup>(a)</sup> . . . . .		
			13,127	3,547,441	
			Monday.com Ltd. <sup>(a)</sup> . . . . .		
			9,646	2,271,054	
			SPS Commerce, Inc. <sup>(a)</sup> . . . . .		
			14,978	2,755,802	
			Vertex, Inc. - Class A <sup>(a)</sup> . . . . .		
			77,037	4,109,924	
			28,802,846		
			<b>Specialized REITs - 1.3%</b>		
			National Storage Affiliates Trust . . . . .		
			66,171	2,508,543	
			<b>Specialty Retail - 6.0%</b>		
			Boot Barn Holdings, Inc. <sup>(a)</sup> . . . . .		
			29,188	4,431,322	
			Burlington Stores, Inc. <sup>(a)</sup> . . . . .		
			14,280	4,070,657	
			Floor & Decor Holdings, Inc. - Class A <sup>(a)</sup> . . . . .		
			27,181	2,709,946	
			11,211,925		

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**BAIRD SMALL/MID CAP GROWTH FUND**  
**SCHEDULE OF INVESTMENTS**  
December 31, 2024 (Continued)

	<u>Shares</u>	<u>Value</u>
<b>Technology Hardware, Storage &amp; Peripherals - 1.0%</b>		
Pure Storage, Inc. - Class A <sup>(a)</sup> . . . . .	30,745	\$ 1,888,665
<b>Trading Companies &amp; Distributors - 2.2%</b>		
Watsco, Inc. . . . .	8,812	4,175,919
<b>TOTAL COMMON STOCKS</b>		
(Cost \$152,161,556) . . . . .		<u>183,953,804</u>
<b>SHORT-TERM INVESTMENTS - 2.6%</b>		
<b>Money Market Funds - 2.6%</b>		
First American Government Obligations		
Fund - Class U, 4.43% <sup>(b)</sup> . . . . .	4,970,788	<u>4,970,788</u>
<b>TOTAL SHORT-TERM INVESTMENTS</b>		
(Cost \$4,970,788) . . . . .		<u>4,970,788</u>
<b>TOTAL INVESTMENTS - 100.1%</b>		
(Cost \$157,132,344) . . . . .		\$188,924,592
Liabilities in Excess of Other		
Assets - (0.1)% . . . . .		<u>(136,226)</u>
<b>TOTAL NET ASSETS - 100.0%</b> . . . . .		
		<u>\$188,788,366</u>

Percentages are stated as a percent of net assets.

The Global Industry Classification Standard (“GICS<sup>®</sup>”) was developed by and/or is the exclusive property of MSCI, Inc. (“MSCI”) and Standard & Poor’s Financial Services LLC (“S&P”). GICS<sup>®</sup> is a service mark of MSCI and S&P and has been licensed for use by U.S. Bank Global Fund Services.

NV - Naamloze Vennootschap

REIT - Real Estate Investment Trust

SA - Sociedad Anónima

<sup>(a)</sup> Non-income producing security.

<sup>(b)</sup> The rate shown represents the 7-day annualized effective yield as of December 31, 2024.

*The accompanying notes are an integral part of these financial statements.*

**BAIRD SMALL/MID CAP GROWTH FUND**  
**SUMMARY OF FAIR VALUE DISCLOSURE**  
as of December 31, 2024

Baird Small/Mid Cap Growth Fund has adopted authoritative fair value accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value, a discussion of changes in valuation techniques and related inputs during the year, and expanded disclosure of valuation levels for major security types. These inputs are summarized in the three broad levels listed below. The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The following is a summary of the fair valuation hierarchy of the Fund’s securities as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Investments:</u>				
Common Stocks . . . . .	\$183,953,804	\$ —	\$ —	\$183,953,804
Money Market Funds . . . . .	<u>4,970,788</u>	<u>—</u>	<u>—</u>	<u>4,970,788</u>
<b>Total Investments</b> . . . . .	<u>\$188,924,592</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$188,924,592</u>

Refer to the Schedule of Investments for further disaggregation of investment categories.

Changes in valuation techniques may result in transfers into or out of assigned levels within the fair value hierarchy. There were no transfers into or out of Level 3 during the year, as compared to the security classifications from the prior year’s annual report. See the Fund’s Valuation Policy in Note 2a to the financial statements.

*The accompanying notes are an integral part of these financial statements.*



**BAIRD EQUITY OPPORTUNITY FUND**  
**SCHEDULE OF INVESTMENTS**  
December 31, 2024

	Shares	Value		Shares	Value
<b>COMMON STOCKS - 95.1%</b>			<b>Interactive Media &amp; Services - 3.2%</b>		
<b>Aerospace &amp; Defense - 3.6%</b>			ZoomInfo Technologies, Inc. <sup>(a)(b)</sup> . . . . .		
Cadre Holdings, Inc. . . . .	84,896	\$ 2,742,141		234,697	\$ 2,466,665
<b>Building Products - 2.0%</b>			<b>Leisure Products - 1.0%</b>		
Hayward Holdings, Inc. <sup>(a)</sup> . . . . .	98,851	1,511,432		160,005	721,623
<b>Construction &amp; Engineering - 8.1%</b>			<b>Machinery - 1.9%</b>		
Fluor Corp. <sup>(a)(b)</sup> . . . . .	73,619	3,630,889		4,908	1,468,179
Valmont Industries, Inc. . . . .	5,589	1,713,979	<b>Professional Services - 3.3%</b>		
WillScot Holdings Corp. <sup>(a)(b)</sup> . . . . .	24,422	816,916		33,242	2,519,079
		<u>6,161,784</u>	<b>Semiconductors &amp; Semiconductor</b>		
<b>Consumer Staples Distribution &amp; Retail - 5.3%</b>			<b>Equipment - 4.8%</b>		
Chefs' Warehouse, Inc. <sup>(a)</sup> . . . . .	82,161	4,052,181		7,371	976,289
<b>Diversified Consumer Services - 3.6%</b>				18,352	2,683,062
Mister Car Wash, Inc. <sup>(a)</sup> . . . . .	376,308	2,743,285			<u>3,659,351</u>
<b>Diversified Telecommunication Services - 2.4%</b>			<b>Software - 16.4%</b>		
Globalstar, Inc. <sup>(a)</sup> . . . . .	873,478	1,808,099		45,147	3,824,402
<b>Electrical Equipment - 0.4%</b>				69,826	1,860,165
nVent Electric PLC . . . . .	4,079	278,025		60,957	1,704,358
<b>Electronic Equipment, Instruments &amp; Components - 0.5%</b>				23,807	1,341,524
Mirion Technologies, Inc. <sup>(a)</sup> . . . . .	23,214	405,084		271,532	3,758,003
<b>Energy Equipment &amp; Services - 3.0%</b>					<u>12,488,452</u>
Oceaneering International, Inc. <sup>(a)</sup> . . . . .	88,660	2,312,253	<b>TOTAL COMMON STOCKS</b>		
<b>Entertainment - 3.8%</b>					(Cost \$56,329,674). . . . .
Madison Square Garden Sports Corp. <sup>(a)</sup> . . . . .	12,822	2,893,669		<u>Notional</u>	<u>Contracts</u>
<b>Financial Services - 9.2%</b>				<u>Amount</u>	<u>Value</u>
AvidXchange Holdings, Inc. <sup>(a)</sup> . . . . .	277,147	2,865,700	<b>PURCHASED OPTIONS - 0.3%</b>		
Global Payments, Inc. <sup>(b)</sup> . . . . .	18,195	2,038,932	<b>Call Options - 0.3% <sup>(d)(e)</sup></b>		
Toast, Inc. - Class A <sup>(a)</sup> . . . . .	58,157	2,119,822	Capri Holdings Ltd., Expiration:		
		<u>7,024,454</u>	03/21/2025; Exercise Price:		
<b>Health Care Equipment &amp; Supplies - 1.6%</b>			\$22.50 <sup>(b)</sup> . . . . . \$ 579,150		
Merit Medical Systems, Inc. <sup>(a)</sup> . . . . .	12,326	1,192,171	275		
<b>Health Care Providers &amp; Services - 6.9%</b>			45,375		
HealthEquity, Inc. <sup>(a)</sup> . . . . .	28,367	2,721,814	Clear Secure, Inc., Expiration:		
NeoGenomics, Inc. <sup>(a)(c)</sup> . . . . .	153,284	2,526,120	05/16/2025; Exercise Price:		
		<u>5,247,934</u>	\$30.00 <sup>(b)</sup> . . . . . 1,009,656		
<b>Health Care Technology - 3.1%</b>			379		
Phreesia, Inc. <sup>(a)</sup> . . . . .	93,876	2,361,920	89,065		
<b>Hotels, Restaurants &amp; Leisure - 11.0%</b>			Global Payments, Inc.		
Norwegian Cruise Line Holdings Ltd. <sup>(a)</sup> . . . . .	108,131	2,782,211	Expiration: 01/17/2025;		
Sportradar Group AG - Class A <sup>(a)</sup> . . . . .	321,477	5,574,411	Exercise Price: \$110.00 <sup>(b)</sup> . . . . . 818,038		
		<u>8,356,622</u>	73		
			29,638		
			Expiration: 01/17/2025;		
			Exercise Price: \$120.00 <sup>(b)</sup> . . . . . 818,038		
			73		
			2,920		
			Mister Car Wash, Inc.,		
			Expiration: 05/16/2025;		
			Exercise Price: \$10.00 . . . . . 459,999		
			631		
			15,775		
			SPDR S&P Biotech ETF,		
			Expiration: 01/17/2025;		
			Exercise Price: \$100.00 <sup>(b)</sup> . . . . . 819,546		
			91		
			910		
			WillScot Holdings Corp.,		
			Expiration: 01/17/2025;		
			Exercise Price: \$40.00 <sup>(b)</sup> . . . . . 615,480		
			184		
			3,220		
			ZoomInfo Technologies, Inc.,		
			Expiration: 12/19/2025;		
			Exercise Price: \$12.50 <sup>(b)</sup> . . . . . 37,836		
			36		
			7,560		
			<b>TOTAL PURCHASED OPTIONS</b>		
			(Cost \$269,144) . . . . .		
			<u>194,463</u>		

The accompanying notes are an integral part of these financial statements.

**BAIRD EQUITY OPPORTUNITY FUND**  
**SCHEDULE OF INVESTMENTS**  
December 31, 2024 (Continued)

	<u>Shares</u>	<u>Value</u>
<b>SHORT-TERM INVESTMENTS - 4.5%</b>		
<b>Money Market Funds - 4.5%</b>		
First American Government Obligations		
Fund - Class U, 4.43% <sup>(f)</sup> . . . . .	3,450,661	\$ 3,450,661
<b>TOTAL SHORT-TERM INVESTMENTS</b>		
(Cost \$3,450,661) . . . . .		<u>3,450,661</u>
<b>TOTAL INVESTMENTS - 99.9%</b>		
(Cost \$60,049,479) . . . . .		\$76,059,527
Other Assets in Excess of		
Liabilities - 0.1% . . . . .		<u>92,162</u>
<b>TOTAL NET ASSETS - 100.0%</b> . . . . .		<u>\$76,151,689</u>

Percentages are stated as a percent of net assets.

The Global Industry Classification Standard (“GICS<sup>®</sup>”) was developed by and/or is the exclusive property of MSCI, Inc. (“MSCI”) and Standard & Poor’s Financial Services LLC (“S&P”). GICS<sup>®</sup> is a service mark of MSCI and S&P and has been licensed for use by U.S. Bank Global Fund Services.

AG - Aktiengesellschaft

PLC - Public Limited Company

- (a) Non-income producing security.
- (b) Held in connection with written option contracts. See Schedule of Options Written for further information.
- (c) All or a portion of security has been pledged as collateral. The total value of assets committed as collateral as of December 31, 2024 is \$2,389,600 which represented 3.1% of net assets.
- (d) 100 shares per contract.
- (e) Exchange-traded.
- (f) The rate shown represents the 7-day annualized effective yield as of December 31, 2024.

*The accompanying notes are an integral part of these financial statements.*

**BAIRD EQUITY OPPORTUNITY FUND**  
**SCHEDULE OF WRITTEN OPTIONS**  
December 31, 2024

	<u>Notional Amount</u>	<u>Contracts</u>	<u>Value</u>
<b>WRITTEN OPTIONS - (0.3)%<sup>(a)(b)</sup></b>			
<b>Call Options - (0.2)%</b>			
Astera Labs, Inc., Expiration: 01/17/2025; Exercise Price: \$125.00 . . . . .	\$ (728,475)	(55)	\$ (66,000)
Capri Holdings Ltd., Expiration: 03/21/2025; Exercise Price: \$32.50 . . . . .	(37,908)	(18)	(360)
Clear Secure, Inc., Expiration: 05/16/2025; Exercise Price: \$40.00 . . . . .	(1,009,656)	(379)	(28,046)
Fluor Corp., Expiration: 06/20/2025; Exercise Price: \$60.00 . . . . .	(483,336)	(98)	(20,580)
Gitlab, Inc., Expiration: 03/21/2025; Exercise Price: \$75.00 . . . . .	(202,860)	(36)	<u>(3,420)</u>
<b>Total Call Options</b> . . . . .			<u>(118,406)</u>
<b>Put Options - (0.1)%</b>			
Clear Secure, Inc., Expiration: 05/16/2025; Exercise Price: \$20.00 . . . . .	(1,009,656)	(379)	(33,163)
Global Payments, Inc., Expiration: 01/17/2025; Exercise Price: \$85.00 . . . . .	(1,636,076)	(146)	(730)
SPDR S&P Biotech ETF, Expiration: 01/17/2025; Exercise Price: \$90.00 . . . . .	(819,546)	(91)	(18,564)
WillScot Holdings Corp. Expiration: 01/17/2025; Exercise Price: \$35.00 . . . . .	(150,525)	(45)	(16,200)
Expiration: 01/17/2025; Exercise Price: \$32.50 . . . . .	(307,740)	(92)	(5,520)
ZoomInfo Technologies, Inc., Expiration: 12/19/2025; Exercise Price: \$10.00 . . . . .	(115,610)	(110)	<u>(19,250)</u>
<b>Total Put Options</b> . . . . .			<u>(93,427)</u>
<b>TOTAL WRITTEN OPTIONS</b> (Premiums received \$322,879) . . . . .			<u><u>\$(211,833)</u></u>

Percentages are stated as a percent of net assets.

<sup>(a)</sup> 100 shares per contract.

<sup>(b)</sup> Exchange-traded.

*The accompanying notes are an integral part of these financial statements.*

**BAIRD EQUITY OPPORTUNITY FUND  
SUMMARY OF FAIR VALUE DISCLOSURE**

as of December 31, 2024

Baird Equity Opportunity Fund has adopted authoritative fair value accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value, a discussion of changes in valuation techniques and related inputs during the year, and expanded disclosure of valuation levels for major security types. These inputs are summarized in the three broad levels listed below. The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The following is a summary of the fair valuation hierarchy of the Fund’s securities as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets:</b>				
<u>Investments:</u>				
Common Stocks . . . . .	\$72,414,403	\$ —	\$ —	\$72,414,403
Purchased Options . . . . .	167,908	26,555	—	194,463
Money Market Funds . . . . .	<u>3,450,661</u>	<u>—</u>	<u>—</u>	<u>3,450,661</u>
<b>Total Investments</b> . . . . .	<u>\$76,032,972</u>	<u>\$ 26,555</u>	<u>\$ —</u>	<u>\$76,059,527</u>
<b>Liabilities:</b>				
<u>Investments:</u>				
Written Options . . . . .	\$ (158,330)	\$ (53,503)	\$ —	\$ (211,833)
<b>Total Investments</b> . . . . .	<u>\$ (158,330)</u>	<u>\$ (53,503)</u>	<u>\$ —</u>	<u>\$ (211,833)</u>

Refer to the Schedule of Investments and Schedule of Written Options for further disaggregation of investment categories.

Changes in valuation techniques may result in transfers into or out of assigned levels within the fair value hierarchy. There were no transfers into or out of Level 3 during the year, as compared to the security classifications from the prior year’s annual report. See the Fund’s Valuation Policy in Note 2a to the financial statements.

*The accompanying notes are an integral part of these financial statements.*

**BAIRD CHAUTAUQUA INTERNATIONAL GROWTH FUND****SCHEDULE OF INVESTMENTS**

December 31, 2024

	Shares	Value		Shares	Value
<b>COMMON STOCKS - 97.7%</b>					
<b>Canada - 11.8%</b>			<b>IT Services - 4.7%</b>		
<b>Independent Power and Renewable Electricity Producers - 3.0%</b>			Tata Consultancy Services Ltd. . . . .	1,001,348	\$ 47,785,814
Brookfield Renewable Corp. . . . .	1,097,215	\$ 30,348,967	<b>Total India. . . . .</b>		<u>86,470,095</u>
<b>Insurance - 4.0%</b>			<b>Indonesia - 2.6%</b>		
Fairfax Financial Holdings Ltd. . . . .	29,581	41,157,605	<b>Banks - 2.6%</b>		
<b>Software - 4.8%</b>			Bank Rakyat Indonesia Persero Tbk PT . . . . .	105,564,631	26,649,646
Constellation Software, Inc. . . . .	15,638	48,356,119	<b>Italy - 2.0%</b>		
<b>Total Canada . . . . .</b>		<u>119,862,691</u>	<b>Passenger Airlines - 2.0%</b>		
<b>China - 14.3%</b>			Ryanair Holdings PLC - ADR . . . . .	466,714	20,344,063
<b>Biotechnology - 3.5%</b>			<b>Japan- 14.1%</b>		
BeiGene Ltd. - ADR <sup>(a)</sup> . . . . .	195,317	36,077,003	<b>Automobiles - 3.5%</b>		
<b>Broadline Retail - 6.3%</b>			Suzuki Motor Corp. . . . .	3,207,805	35,941,363
Alibaba Group Holding Ltd. - ADR . . . .	261,000	22,130,190	<b>Electronic Equipment, Instruments &amp; Components - 3.8%</b>		
Prosus NV . . . . .	1,044,590	41,496,210	Keyence Corp. . . . .	93,738	38,101,841
		<u>63,626,400</u>	<b>Machinery - 2.9%</b>		
<b>Life Sciences Tools &amp; Services - 1.2%</b>			FANUC Corp. . . . .	1,124,353	29,371,425
Wuxi Biologics Cayman, Inc. <sup>(a)(b)</sup> . . . .	5,675,234	12,718,696	<b>Professional Services - 3.9%</b>		
<b>Real Estate Management &amp; Development - 3.3%</b>			Recruit Holdings Co. Ltd. . . . .	574,547	39,935,566
KE Holdings, Inc. - ADR . . . . .	1,805,040	33,248,837	<b>Total Japan . . . . .</b>		<u>143,350,195</u>
<b>Total China . . . . .</b>		<u>145,670,936</u>	<b>Netherlands- 7.8%</b>		
<b>Denmark - 8.4%</b>			<b>Financial Services - 4.7%</b>		
<b>Biotechnology - 2.4%</b>			Adyen NV <sup>(a)(b)</sup> . . . . .	31,909	47,419,327
Genmab AS <sup>(a)</sup> . . . . .	115,803	24,184,608	<b>Semiconductors &amp; Semiconductor Equipment - 3.1%</b>		
<b>Health Care Equipment &amp; Supplies - 3.0%</b>			ASML Holding NV . . . . .	45,429	31,485,931
Coloplast AS - Class B . . . . .	280,884	30,774,260	<b>Total Netherlands . . . . .</b>		<u>78,905,258</u>
<b>Pharmaceuticals - 3.0%</b>			<b>Singapore - 7.3%</b>		
Novo Nordisk AS - ADR . . . . .	352,116	30,289,018	<b>Banks - 4.1%</b>		
<b>Total Denmark . . . . .</b>		<u>85,247,886</u>	DBS Group Holdings Ltd. . . . .	1,289,964	41,337,496
<b>France - 3.7%</b>			<b>Entertainment - 3.2%</b>		
<b>Aerospace &amp; Defense - 3.7%</b>			Sea Ltd. - ADR <sup>(a)</sup> . . . . .	309,504	32,838,374
Safran SA . . . . .	171,010	37,469,623	<b>Total Singapore . . . . .</b>		<u>74,175,870</u>
<b>Hong Kong - 1.3%</b>			<b>Switzerland - 2.4%</b>		
<b>Capital Markets - 1.3%</b>			<b>Software - 2.4%</b>		
Hong Kong Exchanges & Clearing Ltd. . . . .	369,449	13,828,014	Temenos AG. . . . .	349,220	24,675,997
<b>India - 8.5%</b>			<b>Taiwan, Province Of China - 5.2%</b>		
<b>Banks - 3.8%</b>			<b>Semiconductors &amp; Semiconductor Equipment - 5.2%</b>		
HDFC Bank Ltd. - ADR . . . . .	605,767	38,684,281	Taiwan Semiconductor Manufacturing Co. Ltd. - ADR . . . .	265,736	52,480,203

The accompanying notes are an integral part of these financial statements.

**BAIRD CHAUTAUQUA INTERNATIONAL GROWTH FUND**  
**SCHEDULE OF INVESTMENTS**  
December 31, 2024 (Continued)

	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS - (Continued)</b>		
<b>United States - 8.3%</b>		
<b>Commercial Services &amp; Supplies - 4.7%</b>		
Waste Connections, Inc. . . . .	276,475	\$ 47,437,580
<b>Software - 3.6%</b>		
Atlassian Corp. - Class A <sup>(a)</sup> . . . . .	150,315	36,583,665
<b>Total United States</b> . . . . .		<u>84,021,245</u>
<b>TOTAL COMMON STOCKS</b>		
(Cost \$770,701,267) . . . . .		<u>993,151,722</u>
	<u>Contracts</u>	
<b>WARRANTS - 0.0%<sup>(e)</sup></b>		
<b>Canada - 0.0%<sup>(e)</sup></b>		
<b>Software - 0.0%<sup>(e)</sup></b>		
Constellation Software, Inc., Expires 03/31/2040, Exercise Price \$0.00 <sup>(a)(d)</sup> . . . . .	14,550	<u>0</u>
<b>TOTAL WARRANTS</b>		
(Cost \$0) . . . . .		<u>0</u>
	<u>Shares</u>	
<b>SHORT-TERM INVESTMENTS - 2.2%</b>		
<b>Money Market Funds - 2.2% . . . . .</b>		
First American Government Obligations Fund - Class U, 4.43% <sup>(e)</sup> . . . . .	22,457,412	<u>22,457,412</u>
<b>TOTAL SHORT-TERM INVESTMENTS</b>		
(Cost \$22,457,412). . . . .		<u>22,457,412</u>
<b>TOTAL INVESTMENTS - 99.9%</b>		
(Cost \$793,158,679) . . . . .		\$1,015,609,134
Other Assets in Excess of Liabilities - 0.1% . . . . .		<u>844,209</u>
<b>TOTAL NET ASSETS - 100.0%</b> . . . . .		<u>\$1,016,453,343</u>

Percentages are stated as a percent of net assets.

The Global Industry Classification Standard ("GICS<sup>®</sup>") was developed by and/or is the exclusive property of MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"). GICS<sup>®</sup> is a service mark of MSCI and S&P and has been licensed for use by U.S. Bank Global Fund Services.

ADR - American Depositary Receipt

AG - Aktiengesellschaft

AS - Aksjeselskap

NV - Naamloze Vennootschap

PLC - Public Limited Company

SA - Sociedad Anónima

<sup>(a)</sup> Non-income producing security.

<sup>(b)</sup> Security is exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may only be resold in transactions exempt from registration to qualified institutional investors. As of December 31, 2024, the value of these securities total \$60,138,023 or 5.9% of the Fund's net assets.

<sup>(c)</sup> Represents less than 0.05% of net assets.

<sup>(d)</sup> Fair value determined using significant unobservable inputs in accordance with procedures established by and under the supervision of the Advisor, acting as Valuation Designee (See Note 2). These securities represented \$0 or 0.0% of net assets as of December 31, 2024.

<sup>(e)</sup> The rate shown represents the 7-day annualized effective yield as of December 31, 2024.

*The accompanying notes are an integral part of these financial statements.*

**BAIRD CHAUTAUQUA INTERNATIONAL GROWTH FUND**  
**SUMMARY OF FAIR VALUE EXPOSURE**  
as of December 31, 2024

Baird Chautauqua International Growth Fund has adopted authoritative fair value accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value, a discussion of changes in valuation techniques and related inputs during the year, and expanded disclosure of valuation levels for major security types. These inputs are summarized in the three broad levels listed below. The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The following is a summary of the fair valuation hierarchy of the Fund’s securities as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Investments:</u>				
Common Stocks . . . . .	\$542,958,046	\$450,193,676	\$ —	\$ 993,151,722
Warrants . . . . .	—	—	— <sup>(a)</sup>	— <sup>(a)</sup>
Money Market Funds . . . . .	<u>22,457,412</u>	<u>—</u>	<u>—</u>	<u>22,457,412</u>
<b>Total Investments</b> . . . . .	<u><u>\$565,415,458</u></u>	<u><u>\$450,193,676</u></u>	<u><u>\$ —<sup>(a)</sup></u></u>	<u><u>\$1,015,609,134</u></u>

Refer to the Schedule of Investments for further disaggregation of investment categories.

<sup>(a)</sup> Amount is less than \$0.50.

Changes in valuation techniques may result in transfers into or out of assigned levels within the fair value hierarchy. There were no transfers into or out of Level 3 during the year, as compared to the security classifications from the prior year’s annual report. See the Fund’s Valuation Policy in Note 2a to the financial statements.

*The accompanying notes are an integral part of these financial statements.*

**BAIRD CHAUTAUQUA GLOBAL GROWTH FUND**  
**SCHEDULE OF INVESTMENTS**  
December 31, 2024

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS - 97.9%</b>					
<b>Canada - 8.9%</b>			<b>IT Services - 3.0%</b>		
<b>Independent Power and Renewable Electricity Producers - 2.1%</b>			Tata Consultancy Services Ltd. . . . .	229,379	\$ 10,946,307
Brookfield Renewable Corp. . . . .	275,826	\$ 7,629,347	<b>Total India. . . . .</b>		<u>21,039,188</u>
<b>Insurance - 2.7%</b>			<b>Indonesia - 2.0%</b>		
Fairfax Financial Holdings Ltd. . . . .	7,231	10,060,872	<b>Banks - 2.0%</b>		
<b>Software - 4.1%</b>			Bank Rakyat Indonesia Persero Tbk PT . . . . .	29,666,131	7,489,174
Constellation Software, Inc. . . . .	4,873	15,068,382	<b>Italy - 1.7%</b>		
<b>Total Canada . . . . .</b>		<u>32,758,601</u>	<b>Passenger Airlines - 1.7%</b>		
<b>China - 8.5%</b>			Ryanair Holdings PLC - ADR . . . . .	139,959	6,100,813
<b>Biotechnology - 2.0%</b>			<b>Japan - 8.9%</b>		
BeiGene Ltd. - ADR <sup>(a)</sup> . . . . .	40,132	7,412,782	<b>Automobiles - 2.2%</b>		
<b>Broadline Retail - 3.4%</b>			Suzuki Motor Corp. . . . .	736,044	8,246,893
Alibaba Group Holding Ltd. - ADR . . .	43,300	3,671,407	<b>Electronic Equipment, Instruments &amp; Components - 2.1%</b>		
Prosus NV . . . . .	224,862	8,932,616	Keyence Corp. . . . .	18,963	7,707,922
		<u>12,604,023</u>	<b>Machinery - 1.9%</b>		
<b>Life Sciences Tools &amp; Services - 0.9%</b>			FANUC Corp. . . . .	263,231	6,876,372
Wuxi Biologics Cayman, Inc. <sup>(a)(b)</sup> . . . . .	1,498,428	3,358,108	<b>Professional Services - 2.7%</b>		
<b>Real Estate Management &amp; Development - 2.2%</b>			Recruit Holdings Co. Ltd. . . . .	140,375	9,757,174
KE Holdings, Inc. - ADR . . . . .	432,694	7,970,223	<b>Total Japan . . . . .</b>		<u>32,588,361</u>
<b>Total China . . . . .</b>		<u>31,345,136</u>	<b>Netherlands - 5.6%</b>		
<b>Denmark - 6.2%</b>			<b>Financial Services - 3.2%</b>		
<b>Biotechnology - 1.7%</b>			Adyen NV <sup>(a)(b)</sup> . . . . .	7,888	11,722,199
Genmab AS <sup>(a)</sup> . . . . .	29,604	6,182,579	<b>Semiconductors &amp; Semiconductor Equipment - 2.4%</b>		
<b>Health Care Equipment &amp; Supplies - 1.9%</b>			ASML Holding NV . . . . .	12,715	8,812,512
Coloplast AS - Class B . . . . .	64,869	7,107,188	<b>Total Netherlands . . . . .</b>		<u>20,534,711</u>
<b>Pharmaceuticals - 2.6%</b>			<b>Singapore - 5.0%</b>		
Novo Nordisk AS - ADR . . . . .	111,970	9,631,659	<b>Banks - 2.5%</b>		
<b>Total Denmark . . . . .</b>		<u>22,921,426</u>	DBS Group Holdings Ltd. . . . .	286,173	9,170,547
<b>France - 2.5%</b>			<b>Entertainment - 2.5%</b>		
<b>Aerospace &amp; Defense - 2.5%</b>			Sea Ltd. - ADR <sup>(a)</sup> . . . . .	86,501	9,177,756
Safran SA . . . . .	42,453	9,301,783	<b>Total Singapore . . . . .</b>		<u>18,348,303</u>
<b>Hong Kong - 1.0%</b>			<b>Switzerland - 1.0%</b>		
<b>Capital Markets - 1.0%</b>			<b>Software - 1.0%</b>		
Hong Kong Exchanges & Clearing Ltd. . . . .	101,270	3,790,410	Temenos AG. . . . .	54,068	3,820,462
<b>India - 5.7%</b>			<b>Taiwan, Province Of China - 4.2%</b>		
<b>Banks - 2.7%</b>			<b>Semiconductors &amp; Semiconductor Equipment - 4.2%</b>		
HDFC Bank Ltd. - ADR . . . . .	158,047	10,092,881	Taiwan Semiconductor Manufacturing Co. Ltd. - ADR . . . . .	77,238	15,253,733

*The accompanying notes are an integral part of these financial statements.*



**BAIRD CHAUTAUQUA GLOBAL GROWTH FUND**  
**SCHEDULE OF INVESTMENTS**  
December 31, 2024 (Continued)

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS - (Continued)</b>			<b>SHORT-TERM INVESTMENTS - 2.1%</b>		
<b>United States - 36.7%<sup>(c)</sup></b>			<b>Money Market Funds - 2.1%</b>		
<b>Biotechnology - 4.7%</b>			First American Government		
Incyte Corp. <sup>(a)</sup> . . . . .	125,045	\$ 8,636,858	Obligations Fund - Class U,		
Regeneron Pharmaceuticals,			4.43% <sup>(f)</sup> . . . . .		
Inc. <sup>(a)</sup> . . . . .	12,319	8,775,193	7,562,315	\$	7,562,315
		<u>17,412,051</u>			
<b>Broadline Retail - 3.7%</b>			<b>TOTAL SHORT-TERM INVESTMENTS</b>		
Amazon.com, Inc. <sup>(a)</sup> . . . . .	61,390	13,468,352	(Cost \$7,562,315). . . . .		
		<u>13,468,352</u>	<u>7,562,315</u>		
<b>Capital Markets - 2.7%</b>			<b>TOTAL INVESTMENTS - 100.0%</b>		
Charles Schwab Corp. . . . .	134,215	9,933,252	(Cost \$279,510,869) . . . . .		
		<u>9,933,252</u>	\$367,695,193		
<b>Commercial Services &amp; Supplies - 3.6%</b>			Other Assets in Excess of		
Waste Connections, Inc. . . . .	77,346	13,271,027	Liabilities - 0.0% <sup>(d)</sup> . . . . .		
		<u>13,271,027</u>	<u>142,382</u>		
<b>Financial Services - 4.6%</b>			<b>TOTAL NET ASSETS - 100.0% . . .</b>		
Mastercard, Inc. - Class A . . . . .	32,087	16,896,052	<u>\$367,837,575</u>		
		<u>16,896,052</u>			
<b>Interactive Media &amp; Services - 3.9%</b>			Percentages are stated as a percent of net assets.		
Alphabet, Inc. - Class A . . . . .	76,779	14,534,265	The Global Industry Classification Standard ("GICS®") was developed by and/or is the exclusive property of MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"). GICS® is a service mark of MSCI and S&P and has been licensed for use by U.S. Bank Global Fund Services.		
		<u>14,534,265</u>	ADR - American Depositary Receipt		
<b>Life Sciences Tools &amp; Services - 0.9%</b>			AG - Aktiengesellschaft		
Illumina, Inc. <sup>(a)</sup> . . . . .	24,423	3,263,645	AS - Aksjeselskap		
		<u>3,263,645</u>	NV - Naamloze Vennootschap		
<b>Semiconductors &amp; Semiconductor Equipment - 6.3%</b>			PLC - Public Limited Company		
Micron Technology, Inc. . . . .	87,387	7,354,490	SA - Sociedad Anónima		
NVIDIA Corp. . . . .	91,649	12,307,544	(a) Non-income producing security.		
Universal Display Corp. . . . .	23,505	3,436,431	(b) Security is exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may only be resold in transactions exempt from registration to qualified institutional investors. As of December 31, 2024, the value of these securities total \$15,080,307 or 4.1% of the Fund's net assets.		
		<u>23,098,465</u>	(c) To the extent that the Fund invests a significant portion of its assets in the securities of companies of a single country or region, it is more likely to be impacted by events or conditions affecting the country or region.		
<b>Software - 2.7%</b>			(d) Represents less than 0.05% of net assets.		
Atlassian Corp. - Class A <sup>(a)</sup> . . . . .	40,077	9,753,940	(e) Fair value determined using significant unobservable inputs in accordance with procedures established by and under the supervision of the Advisor, acting as Valuation Designee (See Note 2). These securities represented \$0 or 0.0% of net assets as of December 31, 2024.		
		<u>9,753,940</u>	(f) The rate shown represents the 7-day annualized effective yield as of December 31, 2024.		
<b>Specialty Retail - 3.6%</b>					
TJX Cos., Inc. . . . .	109,343	13,209,728			
		<u>13,209,728</u>			
<b>Total United States . . . . .</b>					
		<u>134,840,777</u>			
<b>TOTAL COMMON STOCKS</b>					
(Cost \$271,948,554) . . . . .		<u>360,132,878</u>			
			<b>Contracts</b>		
<b>WARRANTS - 0.0%<sup>(d)</sup></b>					
<b>Canada - 0.0%<sup>(d)</sup></b>					
<b>Software - 0.0%<sup>(d)</sup></b>					
Constellation Software, Inc.,					
Expires 03/31/2040, Exercise					
Price \$0.00 <sup>(a)(e)</sup> . . . . .			5,137	0	
<b>TOTAL WARRANTS</b>					
(Cost \$0) . . . . .				0	

*The accompanying notes are an integral part of these financial statements.*

**BAIRD CHAUTAUQUA GLOBAL GROWTH FUND**  
**SUMMARY OF FAIR VALUE DISCLOSURE**

as of December 31, 2024

Baird Chautauqua Global Growth Fund has adopted authoritative fair value accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value, a discussion of changes in valuation techniques and related inputs during the year, and expanded disclosure of valuation levels for major security types. These inputs are summarized in the three broad levels listed below. The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The following is a summary of the fair valuation hierarchy of the Fund’s securities as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Investments:</u>				
Common Stocks . . . . .	\$254,655,761	\$105,477,117	\$ —	\$360,132,878
Warrants . . . . .	—	—	— <sup>(a)</sup>	— <sup>(a)</sup>
Money Market Funds . . . . .	<u>7,562,315</u>	<u>—</u>	<u>—</u>	<u>7,562,315</u>
<b>Total Investments</b> . . . . .	<u><u>\$262,218,076</u></u>	<u><u>\$105,477,117</u></u>	<u><u>\$ —<sup>(a)</sup></u></u>	<u><u>\$367,695,193</u></u>

Refer to the Schedule of Investments for further disaggregation of investment categories.

<sup>(a)</sup> Amount is less than \$0.50.

Changes in valuation techniques may result in transfers into or out of assigned levels within the fair value hierarchy. There were no transfers into or out of Level 3 during the year, as compared to the security classifications from the prior year’s annual report. See the Fund’s Valuation Policy in Note 2a to the financial statements.

*The accompanying notes are an integral part of these financial statements.*

**BAIRD FUNDS, INC.**  
**STATEMENTS OF ASSETS AND LIABILITIES**  
December 31, 2024

	<u>Baird Mid Cap Growth Fund</u>	<u>Baird Small/Mid Cap Growth Fund</u>	<u>Baird Equity Opportunity Fund</u>
<b>ASSETS:</b>			
Investments, at value (cost \$1,405,232,136, \$157,132,344 and \$60,049,479, respectively) . . . . .	\$1,975,852,377	\$188,924,592	\$76,059,527
Dividends receivable . . . . .	616,478	21,854	3,353
Interest receivable . . . . .	221,391	20,843	12,956
Receivable for Fund shares sold . . . . .	836,763	10,145	397,405
Prepaid expenses and other assets . . . . .	<u>20,535</u>	<u>24,191</u>	<u>11,217</u>
<b>Total assets</b> . . . . .	<u>1,977,547,544</u>	<u>189,001,625</u>	<u>76,484,458</u>
<b>LIABILITIES:</b>			
Written option contracts, at value (premiums received \$0, \$0, and \$322,879, respectively) . . . . .	—	—	211,833
Payable for investments purchased . . . . .	—	—	15,310
Payable for Fund shares redeemed . . . . .	2,722,914	37,229	—
Payable to Advisor, net (Note 5) . . . . .	1,337,381	116,404	48,841
Payable to Directors . . . . .	20,434	20,434	20,434
Accrued fund accounting and administration fees . . . . .	21,946	6,289	5,456
Accrued shareholder servicing fees . . . . .	94,148	6,170	5,767
Accrued professional fees . . . . .	20,385	20,385	21,521
Accrued custody fees . . . . .	3,598	909	1,410
Accrued Rule 12b-1 fees (Note 7) . . . . .	60,958	817	472
Accrued expenses and other liabilities . . . . .	<u>32,604</u>	<u>4,622</u>	<u>1,725</u>
<b>Total liabilities</b> . . . . .	<u>4,314,368</u>	<u>213,259</u>	<u>332,769</u>
<b>NET ASSETS</b> . . . . .	<u>\$1,973,233,176</u>	<u>\$188,788,366</u>	<u>\$76,151,689</u>
<b>Net Assets Consist of:</b>			
Paid-in capital . . . . .	\$1,372,312,540	\$180,307,215	\$58,637,147
Total distributable earnings . . . . .	<u>600,920,636</u>	<u>8,481,151</u>	<u>17,514,542</u>
<b>Net Assets</b> . . . . .	<u>\$1,973,233,176</u>	<u>\$188,788,366</u>	<u>\$76,151,689</u>
<b>Institutional Class Shares</b>			
Net Assets. . . . .	\$1,840,666,243	\$188,206,598	\$76,148,507
Shares outstanding (\$0.01 par value, unlimited shares authorized) . . . . .	78,173,845	10,905,074	4,658,434
Net asset value, offering and redemption price per share . . . . .	<u>\$ 23.55</u>	<u>\$ 17.26</u>	<u>\$ 16.35</u>
<b>Investor Class Shares</b>			
Net Assets. . . . .	\$ 132,566,933	\$ 581,768	\$ 3,182
Shares outstanding (\$0.01 par value, unlimited shares authorized) . . . . .	6,237,483	34,336	197
Net asset value, offering and redemption price per share . . . . .	<u>\$ 21.25</u>	<u>\$ 16.94</u>	<u>\$ 16.19</u>

*The accompanying notes are an integral part of these financial statements.*

**BAIRD FUNDS, INC.**  
**STATEMENTS OF ASSETS AND LIABILITIES**  
December 31, 2024 (Continued)

	<u>Baird Chautauqua International Growth Fund</u>	<u>Baird Chautauqua Global Growth Fund</u>
<b>ASSETS:</b>		
Investments, at value (cost \$793,158,679 and \$279,510,869, respectively) . . . . .	\$1,015,609,134	\$367,695,193
Foreign currency, at value (cost \$1,508,982 and \$318,855, respectively) . . . . .	1,492,743	308,343
Dividends receivable . . . . .	1,446,758	443,026
Interest receivable . . . . .	92,464	28,466
Receivable for Fund shares sold . . . . .	1,177,222	262,204
Prepaid expenses and other assets . . . . .	<u>20,419</u>	<u>5,109</u>
<b>Total assets</b> . . . . .	<u>1,019,838,740</u>	<u>368,742,341</u>
<b>LIABILITIES:</b>		
Payable for Fund shares redeemed . . . . .	432,229	34,050
Payable to Advisor, net (Note 5) . . . . .	613,648	217,922
Payable to Directors . . . . .	20,434	20,434
Accrued fund accounting and administration fees . . . . .	14,204	9,026
Accrued shareholder servicing fees . . . . .	48,773	10,189
Accrued professional fees . . . . .	22,485	22,485
Accrued custody fees . . . . .	23,812	8,094
Accrued Rule 12b-1 fees (Note 7) . . . . .	8,174	957
Deferred tax . . . . .	2,173,013	576,980
Accrued expenses and other liabilities . . . . .	<u>28,625</u>	<u>4,629</u>
<b>Total liabilities</b> . . . . .	<u>3,385,397</u>	<u>904,766</u>
<b>NET ASSETS</b> . . . . .	<u>\$1,016,453,343</u>	<u>\$367,837,575</u>
<b>Net Assets Consist of:</b>		
Paid-in capital . . . . .	\$ 825,862,663	\$281,498,262
Total distributable earnings . . . . .	<u>190,590,680</u>	<u>86,339,313</u>
<b>Net Assets</b> . . . . .	<u>\$1,016,453,343</u>	<u>\$367,837,575</u>
<b>Institutional Class Shares</b>		
Net Assets . . . . .	\$1,002,156,330	\$366,848,208
Shares outstanding (\$0.01 par value, unlimited shares authorized) . . . . .	53,022,056	15,523,208
Net asset value, offering and redemption price per share . . . . .	<u>\$ 18.90</u>	<u>\$ 23.63</u>
<b>Investor Class Shares</b>		
Net Assets . . . . .	\$ 14,297,013	\$ 989,367
Shares outstanding (\$0.01 par value, unlimited shares authorized) . . . . .	762,593	42,385
Net asset value, offering and redemption price per share . . . . .	<u>\$ 18.75</u>	<u>\$ 23.34</u>

*The accompanying notes are an integral part of these financial statements.*

**BAIRD FUNDS, INC.**  
**STATEMENTS OF OPERATIONS**  
Year Ended December 31, 2024

	<u>Baird Mid Cap Growth Fund</u>	<u>Baird Small/Mid Cap Growth Fund</u>	<u>Baird Equity Opportunity Fund</u>
<b>INVESTMENT INCOME:</b>			
Dividends (net of issuance fees and/or foreign taxes withheld of \$0, \$475, and \$0, respectively) . . . . .	\$ 13,386,646	\$ 735,432	\$ 195,071
Interest . . . . .	<u>3,345,902</u>	<u>315,547</u>	<u>53,494</u>
<b>Total investment income.</b> . . . . .	<u>16,732,548</u>	<u>1,050,979</u>	<u>248,565</u>
<b>EXPENSES:</b>			
Investment advisory fees (Note 5) . . . . .	17,280,508	1,324,047	812,811
Shareholder servicing fees . . . . .	819,034	32,414	24,128
Directors fees . . . . .	104,612	104,612	104,612
Federal and state registration . . . . .	109,345	66,235	49,524
Fund accounting and administration fees . . . . .	142,645	42,280	36,769
Professional fees . . . . .	49,167	49,277	74,357
Reports to shareholders . . . . .	144,592	12,324	6,925
Custody fees . . . . .	22,376	3,592	12,803
Interest expense (Note 6) . . . . .	—	—	68
Miscellaneous expenses . . . . .	2,919	466	422
Rule 12b-1 fees - Investor Class Shares (Note 7) . . . . .	<u>364,064</u>	<u>1,627</u>	<u>7</u>
Total expenses . . . . .	<u>19,039,262</u>	<u>1,636,874</u>	<u>1,122,426</u>
Fee waiver by Advisor (Note 5) . . . . .	—	(134,659)	(309,540)
Net expenses . . . . .	<u>19,039,262</u>	<u>1,502,215</u>	<u>812,886</u>
<b>Net investment loss</b> . . . . .	<u>(2,306,714)</u>	<u>(451,236)</u>	<u>(564,321)</u>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:</b>			
Net realized gain on:			
Investments . . . . .	129,402,428	7,439,860	5,858,273
Written option contracts . . . . .	—	—	59,743
Net change in unrealized appreciation/depreciation on:			
Investments . . . . .	(147,596,140)	6,350,905	9,280,582
Written option contracts . . . . .	—	—	94,244
<b>Net realized and unrealized gain (loss) on investments.</b> . . . .	<u>(18,193,712)</u>	<u>13,790,765</u>	<u>15,292,842</u>
<b>NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS.</b> . . . . .	<u>\$ (20,500,426)</u>	<u>\$13,339,529</u>	<u>\$14,728,521</u>

*The accompanying notes are an integral part of these financial statements.*

**BAIRD FUNDS, INC.**  
**STATEMENTS OF OPERATIONS**  
Year Ended December 31, 2024 (Continued)

	<b>Baird Chautauqua International Growth Fund</b>	<b>Baird Chautauqua Global Growth Fund</b>
<b>INVESTMENT INCOME:</b>		
Dividends (net of issuance fees and/or foreign taxes withheld of \$2,041,404 and \$550,933, respectively) . . . . .	\$ 12,807,435	\$ 3,807,756
Interest . . . . .	<u>1,268,235</u>	<u>440,163</u>
<b>Total investment income</b> . . . . .	<u>14,075,670</u>	<u>4,247,919</u>
<b>EXPENSES:</b>		
Investment advisory fees (Note 5) . . . . .	7,202,293	2,701,118
Shareholder servicing fees . . . . .	315,921	52,502
Directors fees . . . . .	104,612	104,612
Custody fees . . . . .	140,661	42,326
Federal and state registration . . . . .	121,151	60,890
Fund accounting and administration fees . . . . .	87,394	58,552
Professional fees . . . . .	51,294	51,405
Reports to shareholders . . . . .	56,178	14,479
Miscellaneous expenses . . . . .	19,054	15,059
Rule 12b-1 fees - Investor Class Shares (Note 7) . . . . .	<u>38,128</u>	<u>2,570</u>
Total expenses . . . . .	<u>8,136,686</u>	<u>3,103,513</u>
Fee waiver by Advisor (Note 5) . . . . .	(416,113)	(219,751)
Net expenses . . . . .	<u>7,720,573</u>	<u>2,883,762</u>
<b>Net investment income</b> . . . . .	<u>6,355,097</u>	<u>1,364,157</u>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY TRANSLATION:</b>		
Net realized gain (loss) on:		
Investments (net of foreign taxes paid of \$61,933 and \$3,130, respectively) . . .	(9,421,939)	8,627,971
Foreign currency transactions . . . . .	(315,603)	(46,760)
Net change in unrealized appreciation/depreciation on:		
Investments . . . . .	107,850,951	43,085,298
Deferred tax . . . . .	(1,202,757)	(304,408)
Foreign currency translation . . . . .	<u>(38,161)</u>	<u>(19,526)</u>
<b>Net realized and unrealized gain on investments and foreign currency translation</b> . . . . .	<u>96,872,491</u>	<u>51,342,575</u>
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b> . . .	<u>\$103,227,588</u>	<u>\$52,706,732</u>

*The accompanying notes are an integral part of these financial statements.*

**BAIRD FUNDS, INC.**  
**STATEMENTS OF CHANGES IN NET ASSETS**

	<u>Baird Mid Cap Growth Fund</u>		<u>Baird Small/Mid Cap Growth Fund</u>	
	<u>Year Ended December 31,</u>		<u>Year Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>OPERATIONS:</b>				
Net investment loss . . . . .	\$ (2,306,714)	\$ (1,308,750)	\$ (451,236)	\$ (362,143)
Net realized gain (loss) on investments . . .	129,402,428	102,098,984	7,439,860	(10,960,374)
Net change in unrealized appreciation/depreciation on investments . . . . .	<u>(147,596,140)</u>	<u>290,593,196</u>	<u>6,350,905</u>	<u>27,715,416</u>
<b>Net increase (decrease) in net assets resulting from operations . . . . .</b>	<u>(20,500,426)</u>	<u>391,383,430</u>	<u>13,339,529</u>	<u>16,392,899</u>
<b>CAPITAL SHARE TRANSACTIONS:</b>				
Proceeds from shares sold . . . . .	311,632,653	722,927,473	28,268,574	29,411,729
Shares issued to holders in reinvestment of distributions . . . . .	71,817,023	49,173,891	—	—
Cost of shares redeemed . . . . .	<u>(838,796,759)</u>	<u>(494,791,697)</u>	<u>(29,504,116)</u>	<u>(16,983,990)</u>
<b>Net increase (decrease) in net assets resulting from capital share transactions . . . . .</b>	<u>(455,347,083)</u>	<u>277,309,667</u>	<u>(1,235,542)</u>	<u>12,427,739</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>				
Distributions to shareholders:				
Institutional Class . . . . .	(74,505,176)	(51,408,482)	—	—
Investor Class . . . . .	<u>(5,827,772)</u>	<u>(4,277,963)</u>	<u>—</u>	<u>—</u>
<b>Total distributions to shareholders. . . . .</b>	<u>(80,332,948)</u>	<u>(55,686,445)</u>	<u>—</u>	<u>—</u>
<b>Total increase (decrease) in net assets . . . . .</b>	<u>(556,180,457)</u>	<u>613,006,652</u>	<u>12,103,987</u>	<u>28,820,638</u>
<b>NET ASSETS:</b>				
Beginning of year . . . . .	<u>2,529,413,633</u>	<u>1,916,406,981</u>	<u>176,684,379</u>	<u>147,863,741</u>
End of year . . . . .	<u>\$1,973,233,176</u>	<u>\$2,529,413,633</u>	<u>\$188,788,366</u>	<u>\$176,684,379</u>

*The accompanying notes are an integral part of these financial statements.*

**BAIRD FUNDS, INC.**  
**STATEMENTS OF CHANGES IN NET ASSETS (Continued)**

	<b>Baird Equity Opportunity Fund</b>	
	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>OPERATIONS:</b>		
Net investment income (loss) . . . . .	\$ (564,321)	\$ 11,163
Net realized gain (loss) on investments and written option contracts . . . . .	5,918,016	(2,157,034)
Net change in unrealized appreciation/depreciation on investments and written option contracts . . . . .	<u>9,374,826</u>	<u>9,432,022</u>
<b>Net increase in net assets resulting from operations</b> . . . . .	<u>14,728,521</u>	<u>7,286,151</u>
<b>CAPITAL SHARE TRANSACTIONS:</b>		
Proceeds from shares sold . . . . .	8,521,629	6,853,485
Shares issued to holders in reinvestment of distributions . . . . .	848,751	6,261
Cost of shares redeemed . . . . .	<u>(7,336,847)</u>	<u>(11,710,271)</u>
<b>Net increase (decrease) in net assets resulting from capital share transactions</b> . . . . .	<u>2,033,533</u>	<u>(4,850,525)</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Distributions to shareholders:		
Institutional Class . . . . .	(854,131)	(6,327)
Investor Class . . . . .	<u>(36)</u>	<u>—</u>
<b>Total distributions to shareholders</b> . . . . .	<u>(854,167)</u>	<u>(6,327)</u>
<b>Total increase in net assets</b> . . . . .	<u>15,907,887</u>	<u>2,429,299</u>
<b>NET ASSETS:</b>		
Beginning of year . . . . .	<u>60,243,802</u>	<u>57,814,503</u>
End of year . . . . .	<u>\$76,151,689</u>	<u>\$ 60,243,802</u>

*The accompanying notes are an integral part of these financial statements.*



**BAIRD FUNDS, INC.**  
**STATEMENTS OF CHANGES IN NET ASSETS (Continued)**

	<u>Baird Chautauqua International Growth Fund</u>		<u>Baird Chautauqua Global Growth Fund</u>	
	<u>Year Ended December 31,</u>		<u>Year Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>OPERATIONS:</b>				
Net investment income . . . . .	\$ 6,355,097	\$ 4,995,699	\$ 1,364,157	\$ 1,596,543
Net realized gain (loss) on investments and foreign currency transactions . . . . .	(9,737,542)	2,703,202	8,581,211	(457,343)
Net change in unrealized appreciation/depreciation on investments, deferred tax, and foreign currency translation . . . . .	<u>106,610,033</u>	<u>62,270,476</u>	<u>42,761,364</u>	<u>42,773,944</u>
<b>Net increase in net assets resulting from operations . . . . .</b>	<u>103,227,588</u>	<u>69,969,377</u>	<u>52,706,732</u>	<u>43,913,144</u>
<b>CAPITAL SHARE TRANSACTIONS:</b>				
Proceeds from shares sold . . . . .	241,983,488	401,673,235	24,997,741	32,304,361
Shares issued to holders in reinvestment of distributions . . . . .	5,483,381	1,494,819	6,280,277	1,236,689
Cost of shares redeemed . . . . .	<u>(152,035,871)</u>	<u>(140,522,720)</u>	<u>(29,039,911)</u>	<u>(22,510,079)</u>
<b>Net increase in net assets resulting from capital share transactions. . . . .</b>	<u>95,430,998</u>	<u>262,645,334</u>	<u>2,238,107</u>	<u>11,030,971</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>				
Distributions to shareholders:				
Institutional Class. . . . .	(6,149,447)	(1,649,060)	(6,593,481)	(1,307,617)
Investor Class. . . . .	<u>(62,531)</u>	<u>(24,611)</u>	<u>(16,689)</u>	<u>(1,777)</u>
<b>Total distributions to shareholders.</b>	<u>(6,211,978)</u>	<u>(1,673,671)</u>	<u>(6,610,170)</u>	<u>(1,309,394)</u>
<b>Total increase in net assets. . . . .</b>	<u>192,446,608</u>	<u>330,941,040</u>	<u>48,334,669</u>	<u>53,634,721</u>
<b>NET ASSETS:</b>				
Beginning of year. . . . .	<u>824,006,735</u>	<u>493,065,695</u>	<u>319,502,906</u>	<u>265,868,185</u>
End of year. . . . .	<u>\$1,016,453,343</u>	<u>\$ 824,006,735</u>	<u>\$367,837,575</u>	<u>\$319,502,906</u>

*The accompanying notes are an integral part of these financial statements.*

**BAIRD MID CAP GROWTH FUND  
FINANCIAL HIGHLIGHTS  
INSTITUTIONAL CLASS**

	Year Ended December 31,				
	2024	2023	2022	2021	2020
<b>PER SHARE DATA:</b>					
Net asset value, beginning of year . . . . .	\$ 24.69	\$ 21.01	\$ 29.50	\$ 28.17	\$ 22.90
<b>INCOME FROM INVESTMENT OPERATIONS:</b>					
Net investment loss <sup>(1)</sup> . . . . .	(0.02)	(0.01)	(0.07)	(0.15)	(0.08)
Net realized and unrealized gains (losses) on investments . . . . .	(0.15)	4.24	(8.08)	6.30	7.99
<b>Total from investment operations . . . . .</b>	<b>(0.17)</b>	<b>4.23</b>	<b>(8.15)</b>	<b>6.15</b>	<b>7.91</b>
<b>LESS DISTRIBUTIONS:</b>					
Distributions from net realized gains . . . . .	(0.97)	(0.55)	(0.34)	(4.82)	(2.64)
<b>Total distributions . . . . .</b>	<b>(0.97)</b>	<b>(0.55)</b>	<b>(0.34)</b>	<b>(4.82)</b>	<b>(2.64)</b>
<b>Net asset value, end of year . . . . .</b>	<b>\$ 23.55</b>	<b>\$ 24.69</b>	<b>\$ 21.01</b>	<b>\$ 29.50</b>	<b>\$ 28.17</b>
Total return . . . . .	(0.90)%	20.17%	(27.64)%	22.51%	34.81%
<b>SUPPLEMENTAL DATA AND RATIOS:</b>					
Net assets, end of year (millions) . . . . .	\$1,840.7	\$2,351.4	\$1,762.8	\$2,334.3	\$2,065.5
Ratio of expenses to average net assets . . . . .	0.81%	0.81%	0.81%	0.80%	0.82%
Ratio of net investment loss to average net assets . . . . .	(0.08)%	(0.04)%	(0.29)%	(0.49)%	(0.35)%
Portfolio turnover rate <sup>(2)</sup> . . . . .	40%	42%	26%	31%	47%

<sup>(1)</sup> Calculated using average shares outstanding during the year.

<sup>(2)</sup> Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued and excludes in-kind transactions, where applicable.

*The accompanying notes are an integral part of these financial statements.*

**BAIRD MID CAP GROWTH FUND  
FINANCIAL HIGHLIGHTS  
INVESTOR CLASS**

	Year Ended December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>PER SHARE DATA:</b>					
Net asset value, beginning of year . . . . .	\$22.43	\$19.18	\$ 27.04	\$26.22	\$21.53
<b>INCOME FROM INVESTMENT OPERATIONS:</b>					
Net investment loss <sup>(1)</sup> . . . . .	(0.07)	(0.06)	(0.11)	(0.21)	(0.14)
Net realized and unrealized gains (losses) on investments . . . . .	<u>(0.14)</u>	<u>3.86</u>	<u>(7.41)</u>	<u>5.85</u>	<u>7.47</u>
<b>Total from investment operations . . . . .</b>	<u>(0.21)</u>	<u>3.80</u>	<u>(7.52)</u>	<u>5.64</u>	<u>7.33</u>
<b>LESS DISTRIBUTIONS:</b>					
Distributions from net realized gains . . . . .	<u>(0.97)</u>	<u>(0.55)</u>	<u>(0.34)</u>	<u>(4.82)</u>	<u>(2.64)</u>
<b>Total distributions . . . . .</b>	<u>(0.97)</u>	<u>(0.55)</u>	<u>(0.34)</u>	<u>(4.82)</u>	<u>(2.64)</u>
<b>Net asset value, end of year . . . . .</b>	<u>\$21.25</u>	<u>\$22.43</u>	<u>\$ 19.18</u>	<u>\$27.04</u>	<u>\$26.22</u>
Total return . . . . .	(1.17)%	19.86%	(27.82)%	22.25%	34.32%
<b>SUPPLEMENTAL DATA AND RATIOS:</b>					
Net assets, end of year (millions) . . . . .	\$132.6	\$178.0	\$ 153.6	\$233.7	\$200.3
Ratio of expenses to average net assets . . . . .	1.06%	1.06%	1.06%	1.05%	1.07%
Ratio of net investment loss to average net assets . . . . .	(0.33)%	(0.29)%	(0.54)%	(0.74)%	(0.60)%
Portfolio turnover rate <sup>(2)</sup> . . . . .	40%	42%	26%	31%	47%

<sup>(1)</sup> Calculated using average shares outstanding during the year.

<sup>(2)</sup> Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued and excludes in-kind transactions, where applicable.

*The accompanying notes are an integral part of these financial statements.*

**BAIRD SMALL/MID CAP GROWTH FUND  
FINANCIAL HIGHLIGHTS  
INSTITUTIONAL CLASS**

	Year Ended December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>PER SHARE DATA:</b>					
Net asset value, beginning of year . . . . .	\$16.00	\$14.43	\$ 19.94	\$17.39	\$12.26
<b>INCOME FROM INVESTMENT OPERATIONS:</b>					
Net investment loss <sup>(1)</sup> . . . . .	(0.04)	(0.03)	(0.05)	(0.12)	(0.06)
Net realized and unrealized gains (losses) on investments . . . . .	<u>1.30</u>	<u>1.60</u>	<u>(5.36)</u>	<u>3.29</u>	<u>5.52</u>
<b>Total from investment operations</b> . . . . .	<u>1.26</u>	<u>1.57</u>	<u>(5.41)</u>	<u>3.17</u>	<u>5.46</u>
<b>LESS DISTRIBUTIONS:</b>					
Distributions from net realized gains . . . . .	<u>—</u>	<u>—</u>	<u>(0.10)</u>	<u>(0.62)</u>	<u>(0.33)</u>
<b>Total distributions</b> . . . . .	<u>—</u>	<u>—</u>	<u>(0.10)</u>	<u>(0.62)</u>	<u>(0.33)</u>
<b>Net asset value, end of year</b> . . . . .	<u>\$17.26</u>	<u>\$16.00</u>	<u>\$ 14.43</u>	<u>\$19.94</u>	<u>\$17.39</u>
Total return . . . . .	7.88%	10.88%	(27.14)%	18.42%	44.57%
<b>SUPPLEMENTAL DATA AND RATIOS:</b>					
Net assets, end of year (millions) . . . . .	\$188.2	\$175.9	\$ 147.1	\$164.3	\$ 51.2
Ratio of expenses to average net assets . . . . .	0.85%	0.85%	0.85%	0.85%	0.85%
Ratio of expenses to average net assets (before waivers) . . . . .	0.93%	0.92%	0.98%	1.00%	1.43%
Ratio of net investment loss to average net assets . . . . .	(0.24)%	(0.22)%	(0.33)%	(0.63)%	(0.41)%
Ratio of net investment loss to average net assets (before waivers) . . . . .	(0.32)%	(0.29)%	(0.45)%	(0.78)%	(0.99)%
Portfolio turnover rate <sup>(2)</sup> . . . . .	78%	48%	39%	50%	65%

<sup>(1)</sup> Calculated using average shares outstanding during the year.

<sup>(2)</sup> Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued and excludes in-kind transactions, where applicable.

*The accompanying notes are an integral part of these financial statements.*

**BAIRD SMALL/MID CAP GROWTH FUND  
FINANCIAL HIGHLIGHTS  
INVESTOR CLASS**

	Year Ended December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>PER SHARE DATA:</b>					
Net asset value, beginning of year . . . . .	\$15.75	\$14.24	\$ 19.72	\$17.25	\$12.21
<b>INCOME FROM INVESTMENT OPERATIONS:</b>					
Net investment loss <sup>(1)</sup> . . . . .	(0.08)	(0.07)	(0.09)	(0.17)	(0.09)
Net realized and unrealized gains (losses) on investments . . . . .	<u>1.27</u>	<u>1.58</u>	<u>(5.29)</u>	<u>3.26</u>	<u>5.46</u>
<b>Total from investment operations</b> . . . . .	<u>1.19</u>	<u>1.51</u>	<u>(5.38)</u>	<u>3.09</u>	<u>5.37</u>
<b>LESS DISTRIBUTIONS:</b>					
Distributions from net realized gains . . . . .	<u>—</u>	<u>—</u>	<u>(0.10)</u>	<u>(0.62)</u>	<u>(0.33)</u>
<b>Total distributions</b> . . . . .	<u>—</u>	<u>—</u>	<u>(0.10)</u>	<u>(0.62)</u>	<u>(0.33)</u>
<b>Net asset value, end of year</b> . . . . .	<u>\$16.94</u>	<u>\$15.75</u>	<u>\$ 14.24</u>	<u>\$19.72</u>	<u>\$17.25</u>
Total return . . . . .	7.56%	10.60%	(27.29)%	18.10%	43.89%
<b>SUPPLEMENTAL DATA AND RATIOS:</b>					
Net assets, end of year (thousands) . . . . .	\$581.8	\$826.0	\$ 779.4	\$863.7	\$661.0
Ratio of expenses to average net assets . . . . .	1.10%	1.10%	1.10%	1.10%	1.10%
Ratio of expenses to average net assets (before waivers) . . . . .	1.18%	1.17%	1.23%	1.25%	1.68%
Ratio of net investment loss to average net assets . . . . .	(0.49)%	(0.47)%	(0.58)%	(0.88)%	(0.66)%
Ratio of net investment loss to average net assets (before waivers) . . . . .	(0.57)%	(0.54)%	(0.70)%	(1.03)%	(1.24)%
Portfolio turnover rate <sup>(2)</sup> . . . . .	78%	48%	39%	50%	65%

<sup>(1)</sup> Calculated using average shares outstanding during the year.

<sup>(2)</sup> Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued and excludes in-kind transactions, where applicable.

*The accompanying notes are an integral part of these financial statements.*

**BAIRD EQUITY OPPORTUNITY FUND  
FINANCIAL HIGHLIGHTS  
INSTITUTIONAL CLASS**

	Year Ended December 31,				
	2024	2023	2022	2021	2020
<b>PER SHARE DATA:</b>					
Net asset value, beginning of year . . . . .	\$13.33	\$11.72	\$ 17.68	\$15.56	\$15.96
<b>INCOME FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>(1)</sup> . . . . .	(0.12)	0.00 <sup>(2)</sup>	(0.09)	0.14	0.03
Net realized and unrealized gains (losses) on investments and written option contracts . . . .	<u>3.32</u>	<u>1.61</u>	<u>(1.95)</u>	<u>2.82</u>	<u>0.43<sup>(3)</sup></u>
<b>Total from investment operations . . . . .</b>	<u>3.20</u>	<u>1.61</u>	<u>(2.04)</u>	<u>2.96</u>	<u>0.46</u>
<b>LESS DISTRIBUTIONS:</b>					
Distributions from net investment income . . . . .	(0.00) <sup>(2)</sup>	(0.00) <sup>(2)</sup>	—	(0.17)	(0.03)
Distributions from net realized gains . . . . .	<u>(0.18)</u>	<u>—</u>	<u>(3.92)</u>	<u>(0.67)</u>	<u>(0.83)</u>
<b>Total distributions . . . . .</b>	<u>(0.18)</u>	<u>(0.00)<sup>(2)</sup></u>	<u>(3.92)</u>	<u>(0.84)</u>	<u>(0.86)</u>
<b>Net asset value, end of year . . . . .</b>	<u>\$16.35</u>	<u>\$13.33</u>	<u>\$ 11.72</u>	<u>\$17.68</u>	<u>\$15.56</u>
Total return . . . . .	24.01%	13.75%	(11.56)%	19.40%	2.85%
<b>SUPPLEMENTAL DATA AND RATIOS:</b>					
Net assets, end of year (millions) . . . . .	\$ 76.1	\$ 60.2	\$ 57.8	\$ 61.0	\$ 30.4
Ratio of expenses to average net assets . . . . .	1.25%	1.25%	1.25%	0.98% <sup>(4)</sup>	0.95%
Ratio of expenses to average net assets (before waivers) . . . . .	1.73%	1.70%	1.73%	1.53%	1.64%
Ratio of net investment income (loss) to average net assets . . . . .	(0.87)%	0.02%	(0.55)%	0.82%	0.21%
Ratio of net investment income (loss) to average net assets (before waivers) . . . . .	(1.34)%	(0.43)%	(1.02)%	0.27%	(0.48)%
Portfolio turnover rate <sup>(6)</sup> . . . . .	76%	67%	72%	67% <sup>(5)</sup>	61%

<sup>(1)</sup> Calculated using average shares outstanding during the year.

<sup>(2)</sup> Amount is less than \$0.005.

<sup>(3)</sup> Due to timing of capital share transactions, the per share amount of net realized and unrealized gain (loss) on investments varies from the amounts shown in the Statement of Operations for the fiscal year ended December 31, 2020.

<sup>(4)</sup> Blended rate. Pursuant to the Expense Cap/Reimbursement Agreement effective December 12, 2021, the expense cap increased to 1.25%. Prior to December 12, 2021, the expense cap was 0.95%.

<sup>(5)</sup> The cost of purchases and the proceeds from sales of securities that were incurred by the Fund subsequent to Greenhouse's appointment as subadvisor to the Baird Equity Opportunity Fund that related to the alignment of the Fund's portfolio with Greenhouse's investment style are excluded from the portfolio turnover rate calculation. If such amounts had not been excluded, the portfolio turnover rate would have been 189% for the year ended December 31, 2021.

<sup>(6)</sup> Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued and excludes in-kind transactions, where applicable.

*The accompanying notes are an integral part of these financial statements.*

**BAIRD EQUITY OPPORTUNITY FUND  
FINANCIAL HIGHLIGHTS  
INVESTOR CLASS**

	Year Ended December 31,				
	2024	2023	2022	2021	2020
<b>PER SHARE DATA:</b>					
Net asset value, beginning of year . . . . .	\$13.23	\$11.65	\$ 17.65	\$15.52	\$ 15.97
<b>INCOME FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>(1)</sup> . . . . .	(0.16)	(0.03)	(0.13)	0.10	(0.01)
Net realized and unrealized gains (losses) on investments and written option contracts . . . .	<u>3.30</u>	<u>1.61</u>	<u>(1.95)</u>	<u>2.83</u>	<u>0.42</u> <sup>(3)</sup>
<b>Total from investment operations . . . . .</b>	<u>3.14</u>	<u>1.58</u>	<u>(2.08)</u>	<u>2.93</u>	<u>0.41</u>
<b>LESS DISTRIBUTIONS:</b>					
Distributions from net investment income . . . . .	(0.00) <sup>(2)</sup>	—	—	(0.13)	(0.03)
Distributions from net realized gains . . . . .	<u>(0.18)</u>	<u>—</u>	<u>(3.92)</u>	<u>(0.67)</u>	<u>(0.83)</u>
<b>Total distributions . . . . .</b>	<u>(0.18)</u>	<u>—</u>	<u>(3.92)</u>	<u>(0.80)</u>	<u>(0.86)</u>
<b>Net asset value, end of year . . . . .</b>	<u>\$16.19</u>	<u>\$13.23</u>	<u>\$ 11.65</u>	<u>\$17.65</u>	<u>\$ 15.52</u>
Total return . . . . .	23.72%	13.56%	(11.77)%	19.16%	2.54%
<b>SUPPLEMENTAL DATA AND RATIOS:</b>					
Net assets, end of year (thousands). . . . .	\$ 3.2	\$ 2.6	\$ 2.3	\$ 2.6	\$ 295.7
Ratio of expenses to average net assets . . . . .	1.50%	1.50%	1.50%	1.23% <sup>(4)</sup>	1.20%
Ratio of expenses to average net assets (before waivers) . . . . .	1.98%	1.95%	1.98%	1.78%	1.89%
Ratio of net investment income (loss) to average net assets . . . . .	(1.12)%	(0.23)%	(0.80)%	0.57%	(0.04)%
Ratio of net investment income (loss) to average net assets (before waivers) . . . . .	(1.59)%	(0.68)%	(1.27)%	0.02%	(0.73)%
Portfolio turnover rate <sup>(6)</sup> . . . . .	76%	67%	72%	67% <sup>(5)</sup>	61%

<sup>(1)</sup> Calculated using average shares outstanding during the year.

<sup>(2)</sup> Amount is less than \$0.005.

<sup>(3)</sup> Due to timing of capital share transactions, the per share amount of net realized and unrealized gain (loss) on investments varies from the amounts shown in the Statement of Operations for the fiscal year ended December 31, 2020.

<sup>(4)</sup> Blended rate. Pursuant to the Expense Cap/Reimbursement Agreement effective December 12, 2021, the expense cap increased to 1.50%. Prior to December 12, 2021, the expense cap was 1.20%.

<sup>(5)</sup> The cost of purchases and proceeds from sales of securities that were incurred by the Fund subsequent to Greenhouse's appointment as subadvisor to the Baird Equity Opportunity Fund that related to the alignment of the Fund's portfolio with Greenhouse's investment style are excluded from the portfolio turnover rate calculation. If such amounts had not been excluded, the portfolio turnover rate would have been 189% for the year ended December 31, 2021.

<sup>(6)</sup> Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued and excludes in-kind transactions, where applicable.

*The accompanying notes are an integral part of these financial statements.*

**BAIRD CHAUTAUQUA INTERNATIONAL GROWTH FUND  
FINANCIAL HIGHLIGHTS  
INSTITUTIONAL CLASS**

	Year Ended December 31,				
	2024	2023	2022	2021	2020
<b>PER SHARE DATA:</b>					
Net asset value, beginning of year . . . . .	\$ 17.04	\$15.19	\$ 18.65	\$17.51	\$ 12.62
<b>INCOME FROM INVESTMENT OPERATIONS:</b>					
Net investment income <sup>(1)</sup> . . . . .	0.12	0.13	0.06	0.04	0.01
Net realized and unrealized gains (losses) on investments and foreign currency translation . . . . .	<u>1.86</u>	<u>1.76</u>	<u>(3.38)</u>	<u>1.19</u>	<u>5.00</u>
<b>Total from investment operations</b> . . . . .	<u>1.98</u>	<u>1.89</u>	<u>(3.32)</u>	<u>1.23</u>	<u>5.01</u>
<b>LESS DISTRIBUTIONS:</b>					
Distributions from net investment income . . . . .	(0.12)	(0.04)	(0.03)	(0.09)	(0.12)
Distributions from net realized gains . . . . .	<u>—</u>	<u>—</u>	<u>(0.11)</u>	<u>—</u>	<u>—</u>
<b>Total distributions</b> . . . . .	<u>(0.12)</u>	<u>(0.04)</u>	<u>(0.14)</u>	<u>(0.09)</u>	<u>(0.12)</u>
Paid in capital from redemption fees <sup>(2)</sup> . . . . .	<u>—</u>	<u>—</u>	<u>—</u>	<u>0.00<sup>(3)</sup></u>	<u>0.00<sup>(3)</sup></u>
<b>Net asset value, end of year</b> . . . . .	<u>\$ 18.90</u>	<u>\$17.04</u>	<u>\$ 15.19</u>	<u>\$18.65</u>	<u>\$ 17.51</u>
Total return . . . . .	11.59%	12.41%	(17.84)%	6.90%	39.84%
<b>SUPPLEMENTAL DATA AND RATIOS:</b>					
Net assets, end of year (millions) . . . . .	\$1,002.2	\$808.4	\$ 479.1	\$468.2	\$ 321.8
Ratio of expenses to average net assets . . . . .	0.80%	0.80%	0.80%	0.80%	0.80%
Ratio of expenses to average net assets (before waivers) . . . . .	0.84%	0.86%	0.87%	0.86%	0.90%
Ratio of net investment income to average net assets . . . . .	0.67%	0.78%	0.37%	0.20%	0.07%
Ratio of net investment income (loss) to average net assets (before waivers) . . . . .	0.62%	0.73%	0.31%	0.14%	(0.03)%
Portfolio turnover rate <sup>(4)</sup> . . . . .	18%	12%	23%	14%	31%

(1) Calculated using average shares outstanding during the year.

(2) Effective December 1, 2021, the Fund eliminated the 2.00% redemption fee charged on amounts redeemed for shares held 90 days or less.

(3) Amount is less than \$0.005.

(4) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued and excludes in-kind transactions, where applicable.

*The accompanying notes are an integral part of these financial statements.*



**BAIRD CHAUTAUQUA INTERNATIONAL GROWTH FUND**  
**FINANCIAL HIGHLIGHTS**  
**INVESTOR CLASS**

	Year Ended December 31,				
	2024	2023	2022	2021	2020
<b>PER SHARE DATA:</b>					
Net asset value, beginning of year . . . . .	\$ 16.92	\$ 15.11	\$ 18.58	\$17.48	\$ 12.60
<b>INCOME FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>(1)</sup> . . . . .	0.08	0.09	0.02	(0.01)	(0.02)
Net realized and unrealized gains (losses) on investments and foreign currency translation . . . . .	<u>1.83</u>	<u>1.75</u>	<u>(3.37)</u>	<u>1.20</u>	<u>4.95<sup>(2)</sup></u>
<b>Total from investment operations</b> . . . . .	<u>1.91</u>	<u>1.84</u>	<u>(3.35)</u>	<u>1.19</u>	<u>4.93</u>
<b>LESS DISTRIBUTIONS:</b>					
Distributions from net investment income . . . . .	(0.08)	(0.03)	(0.01)	(0.09)	(0.05)
Distributions from net realized gains . . . . .	<u>—</u>	<u>—</u>	<u>(0.11)</u>	<u>—</u>	<u>—</u>
<b>Total distributions</b> . . . . .	<u>(0.08)</u>	<u>(0.03)</u>	<u>(0.12)</u>	<u>(0.09)</u>	<u>(0.05)</u>
Paid in capital from redemption fees <sup>(3)</sup> . . . . .	<u>—</u>	<u>—</u>	<u>—</u>	<u>0.00<sup>(4)</sup></u>	<u>0.00<sup>(4)</sup></u>
<b>Net asset value, end of year</b> . . . . .	<u>\$ 18.75</u>	<u>\$ 16.92</u>	<u>\$ 15.11</u>	<u>\$18.58</u>	<u>\$ 17.48</u>
Total return . . . . .	11.30%	12.15%	(18.03)%	6.62%	39.37%
<b>SUPPLEMENTAL DATA AND RATIOS:</b>					
Net assets, end of year (thousands) . . . . .	\$14,297.0	\$15,656.4	\$13,993.5	\$608.0	\$ 697.4
Ratio of expenses to average net assets . . . . .	1.05%	1.05%	1.05%	1.05%	1.05%
Ratio of expenses to average net assets (before waivers) . . . . .	1.09%	1.11%	1.12%	1.11%	1.15%
Ratio of net investment income (loss) to average net assets . . . . .	0.42%	0.53%	0.12%	(0.05)%	(0.18)%
Ratio of net investment income (loss) to average net assets (before waivers) . . . . .	0.37%	0.48%	0.06%	(0.11)%	(0.28)%
Portfolio turnover rate <sup>(5)</sup> . . . . .	18%	12%	23%	14%	31%

(1) Calculated using average shares outstanding during the year.

(2) Due to timing of capital share transactions, the per share amount of net realized and unrealized gain (loss) on investments varies from the amounts shown in the Statement of Operations for the fiscal year ended December 31, 2020.

(3) Effective December 1, 2021, the Fund eliminated the 2.00% redemption fee charged on amounts redeemed for shares held 90 days or less.

(4) Amount is less than \$0.005.

(5) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued and excludes in-kind transactions, where applicable.

*The accompanying notes are an integral part of these financial statements.*

**BAIRD CHAUTAUQUA GLOBAL GROWTH FUND  
FINANCIAL HIGHLIGHTS  
INSTITUTIONAL CLASS**

	Year Ended December 31,				
	2024	2023	2022	2021	2020
<b>PER SHARE DATA:</b>					
Net asset value, beginning of year . . . . .	\$20.67	\$17.84	\$ 22.36	\$ 19.85	\$ 14.47
<b>INCOME FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>(1)</sup> . . . . .	0.09	0.11	0.04	0.00 <sup>(2)</sup>	(0.03)
Net realized and unrealized gains (losses) on investments and foreign currency translation . . . . .	<u>3.30</u>	<u>2.81</u>	<u>(4.54)</u>	<u>2.59</u>	<u>5.49</u>
<b>Total from investment operations . . . . .</b>	<u>3.39</u>	<u>2.92</u>	<u>(4.50)</u>	<u>2.59</u>	<u>5.46</u>
<b>LESS DISTRIBUTIONS:</b>					
Distributions from net investment income . . . . .	(0.07)	(0.09)	—	(0.08)	(0.09)
Distributions from net realized gains . . . . .	<u>(0.36)</u>	<u>—</u>	<u>(0.02)</u>	<u>—</u>	<u>—</u>
<b>Total distributions . . . . .</b>	<u>(0.43)</u>	<u>(0.09)</u>	<u>(0.02)</u>	<u>(0.08)</u>	<u>(0.09)</u>
Paid in capital from redemption fees <sup>(3)</sup> . . . . .	<u>—</u>	<u>—</u>	<u>—</u>	<u>0.00<sup>(2)</sup></u>	<u>0.01</u>
<b>Net asset value, end of year . . . . .</b>	<u>\$23.63</u>	<u>\$20.67</u>	<u>\$ 17.84</u>	<u>\$ 22.36</u>	<u>\$ 19.85</u>
Total return . . . . .	16.32%	16.34%	(20.11)%	12.93%	37.97%
<b>SUPPLEMENTAL DATA AND RATIOS:</b>					
Net assets, end of year (millions) . . . . .	\$366.8	\$318.5	\$ 264.9	\$ 314.7	\$ 137.3
Ratio of expenses to average net assets . . . . .	0.80%	0.80%	0.80%	0.80%	0.80%
Ratio of expenses to average net assets (before waivers) . . . . .	0.86%	0.88%	0.92%	0.92%	1.04%
Ratio of net investment income (loss) to average net assets . . . . .	0.38%	0.54%	0.20%	0.01%	(0.17)%
Ratio of net investment income (loss) to average net assets (before waivers) . . . . .	0.32%	0.46%	0.09%	(0.11)%	(0.41)%
Portfolio turnover rate <sup>(4)</sup> . . . . .	15%	14%	12%	13%	24%

(1) Calculated using average shares outstanding during the year.

(2) Amount is less than \$0.005.

(3) Effective December 1, 2021, the Fund eliminated the 2.00% redemption fee charged on amounts redeemed for shares held 90 days or less.

(4) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued and excludes in-kind transactions, where applicable.

*The accompanying notes are an integral part of these financial statements.*

**BAIRD CHAUTAUQUA GLOBAL GROWTH FUND  
FINANCIAL HIGHLIGHTS  
INVESTOR CLASS**

	Year Ended December 31,				
	2024	2023	2022	2021	2020
<b>PER SHARE DATA:</b>					
Net asset value, beginning of year . . . . .	\$20.44	\$ 17.65	\$ 22.18	\$ 19.74	\$ 14.36
<b>INCOME FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>(1)</sup> . . . . .	0.03	0.06	(0.01)	(0.05)	(0.06)
Net realized and unrealized gains (losses) on investments and foreign currency translation . . . . .	<u>3.27</u>	<u>2.77</u>	<u>(4.50)</u>	<u>2.57</u>	<u>5.44</u>
<b>Total from investment operations . . . . .</b>	<u>3.30</u>	<u>2.83</u>	<u>(4.51)</u>	<u>2.52</u>	<u>5.38</u>
<b>LESS DISTRIBUTIONS:</b>					
Distributions from net investment income . . . . .	(0.04)	(0.04)	—	(0.08)	(0.05)
Distributions from net realized gains . . . . .	<u>(0.36)</u>	<u>—</u>	<u>(0.02)</u>	<u>—</u>	<u>—</u>
<b>Total distributions . . . . .</b>	<u>(0.40)</u>	<u>(0.04)</u>	<u>(0.02)</u>	<u>(0.08)</u>	<u>(0.05)</u>
Paid in capital from redemption fees <sup>(3)</sup> . . . . .	<u>—</u>	<u>—</u>	<u>—</u>	<u>0.00<sup>(2)</sup></u>	<u>0.05</u>
<b>Net asset value, end of year . . . . .</b>	<u>\$23.34</u>	<u>\$ 20.44</u>	<u>\$ 17.65</u>	<u>\$ 22.18</u>	<u>\$ 19.74</u>
Total return . . . . .	16.07%	16.01%	(20.32)%	12.64%	37.94%
<b>SUPPLEMENTAL DATA AND RATIOS:</b>					
Net assets, end of year (thousands). . . . .	\$989.4	\$1,037.9	\$ 931.8	\$1,590.1	\$1,676.7
Ratio of expenses to average net assets . . . . .	1.05%	1.05%	1.05%	1.05%	1.05%
Ratio of expenses to average net assets (before waivers) . . . . .	1.11%	1.13%	1.17%	1.17%	1.29%
Ratio of net investment income (loss) to average net assets . . . . .	0.13%	0.29%	(0.05)%	(0.24)%	(0.42)%
Ratio of net investment income (loss) to average net assets (before waivers) . . . . .	0.07%	0.21%	(0.16)%	(0.36)%	(0.66)%
Portfolio turnover rate <sup>(4)</sup> . . . . .	15%	14%	12%	13%	24%

(1) Calculated using average shares outstanding during the year.

(2) Amount is less than \$0.005.

(3) Effective December 1, 2021, the Fund eliminated the 2.00% redemption fee charged on amounts redeemed for shares held 90 days or less.

(4) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued and excludes in-kind transactions, where applicable.

*The accompanying notes are an integral part of these financial statements.*

**BAIRD FUNDS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2024

**1. ORGANIZATION**

Baird Funds, Inc. (the “Company”) was incorporated on June 9, 2000, as a Wisconsin corporation and is registered as an open-end management investment company under the Investment Company Act of 1940, as amended (the “1940 Act”). The accompanying financial statements include the Baird Mid Cap Growth Fund, the Baird Small/Mid Cap Growth Fund, the Baird Equity Opportunity Fund, the Baird Chautauqua International Growth Fund and the Baird Chautauqua Global Growth Fund (each, a “Fund,” and collectively, the “Funds”), five of the fifteen active funds in the series comprising the Company. Pursuant to the 1940 Act, the Funds are “diversified” series of the Company except for the Baird Equity Opportunity Fund, which is a non-diversified fund. The investment advisor to the Funds is Robert W. Baird & Co. Incorporated (“Baird” or the “Advisor”). The investment subadvisor to the Baird Equity Opportunity Fund is Greenhouse Funds LLLP (“Greenhouse” or the “Subadvisor”).

The following table presents the class-specific inception dates for each of the Funds:

Fund	Inception Date	
	Institutional Class	Investor Class
Baird Mid Cap Growth Fund . . . . .	December 29, 2000	December 29, 2000
Baird Small/Mid Cap Growth Fund . . . . .	October 31, 2018	October 31, 2018
Baird Equity Opportunity Fund . . . . .	May 1, 2012	May 1, 2012
Baird Chautauqua International Growth Fund . . . . .	April 15, 2016	April 15, 2016
Baird Chautauqua Global Growth Fund . . . . .	April 15, 2016	April 15, 2016

Institutional Class shares are not subject to a distribution and service (12b-1) fee, while Investor Class shares are subject to a distribution and service (12b-1) fee up to 0.25%. See Note 7.

The Baird Mid Cap Growth Fund seeks to provide long-term growth of capital through investments in equity securities of mid-capitalization companies.

The Baird Small/Mid Cap Growth Fund seeks to provide long-term growth of capital through investments in equity securities of small- and mid-capitalization companies.

The Baird Equity Opportunity Fund seeks to provide long-term capital appreciation through investments in equity securities of small- and medium-capitalization companies.

The Baird Chautauqua International Growth Fund seeks to provide long-term capital appreciation. The Fund invests primarily in equity securities of non-U.S. companies with medium to large market capitalizations.

The Baird Chautauqua Global Growth Fund seeks to provide long-term capital appreciation. The Fund invests primarily in equity securities of both U.S. and non-U.S. companies with medium to large market capitalizations.

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of the fund, under Section 2(a)(9) of the 1940 Act. As of December 31, 2024, the Advisor, in its capacity as sponsor of the Baird Profit Sharing & Savings Plan and the Baird Non-Qualified Compensation Plan, and the Baird Foundation, an entity related to the Advisor, on a combined basis, owned a controlling ownership in the Baird Equity Opportunity Fund.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of significant accounting policies consistently followed by the Funds in the preparation of their financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The Funds are investment companies and therefore follow the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946, *Financial Services – Investment Companies*.

- a) *Investment Valuation* – Section 2(a)(41) of the 1940 Act, together with the rules and interpretations of the U.S. Securities and Exchange Commission (the “SEC”), require the Funds, in computing net asset value (“NAV”), to value their portfolio securities using market quotations when they are “readily available.” When

**BAIRD FUNDS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2024 (Continued)

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market quotations are not readily available (e.g., because there is no regular market quotation for such securities), the securities are valued at fair value using methods determined by the Advisor as the Valuation Designee of the Board of Directors of the Company (the “Board”) in accordance with policies and procedures adopted pursuant to Rule 2a-5 of the 1940 Act, as discussed further below. Per GAAP, the “fair value” of a security means the price that would be received to sell a security in an orderly transaction between market participants at the measurement date.

The Funds determine the fair value of their investments and compute their NAV per share as of the close of regular trading of the New York Stock Exchange (generally, 4:00 p.m. ET).

Consistent with Section 2(a)(41) of the 1940 Act, the Funds price their securities as follows: equity securities, including common stocks, ETFs and closed end funds, that are listed on a securities exchange (other than NASDAQ) are valued at the last quoted sales price. Securities traded on NASDAQ are valued at the NASDAQ Official Closing Price. Price information on listed stocks is taken from the exchange where the security is primarily traded. Securities that were not traded on the valuation date, as well as stocks that are not listed on an exchange, including NASDAQ, are valued at the average of the current bid and ask price. Debt securities are valued at their evaluated bid prices as provided by an independent pricing service based on various market inputs such as benchmark yields, market transactions and dealer quotations. Investments in mutual funds, including money market funds, are valued at their stated NAV. Other assets and securities for which market quotations are not readily available are valued at fair value as determined in good faith by the Advisor in accordance with the Funds’ fair value procedures pursuant to Rule 2a-5 of the 1940 Act. In accordance with such procedures, the Advisor may, under certain circumstances, use alternative valuation methodologies, such as broker quotes. If prices are unavailable or deemed to be unreliable, fair value will be determined by the Advisor, subject to the oversight of the Board. The Advisor, as Valuation Designee, has further designated its valuation committee to be responsible for fair value determinations. In determining fair value, the valuation committee takes into account factors deemed relevant by the valuation committee and available information. Consequently, the price of the security used by a Fund to calculate its NAV may differ from quoted or published prices for the same security. Fair value pricing involves subjective judgments and there is no single standard for determining a security’s fair value. As a result, different mutual funds could reasonably arrive at a different fair value for the same security. It is possible that the fair value determined for a security is materially different from the value that could be realized upon the sale of that security or from the values that other mutual funds may determine. The prices determined for any individual security on any given day may vary significantly from the amount that can be obtained in an actual sale of that security, and a Fund’s NAV may fluctuate significantly from day to day or from period to period.

Put and call options will be valued at the last sale price or, in the absence of such a price, at the mean between bid and asked prices. See Note 2(d) for additional information regarding financial derivative instruments.

The Baird Chautauqua International Growth, Baird Chautauqua Global Growth, and Baird Equity Opportunity Funds have retained an independent fair value pricing service to assist in valuing foreign securities traded on a foreign exchange in order to adjust for possible changes in value that may occur between the close of the foreign exchange and the time at which the Funds calculate their NAVs. The fair value pricing service uses statistical data based on historical performance of securities and markets, and other data in developing factors used to estimate fair value for that day. Occasionally, significant events that affect these values and exchange rates may occur after the close of the exchange on which such securities are traded. If such events materially affect the value of a Fund’s securities, these securities may be valued at their fair value pursuant to the Funds’ fair value procedures.

- b) *Foreign Securities* – The Baird Mid Cap Growth Fund, Baird Small/Mid Cap Growth Fund, and Baird Equity Opportunity Fund may invest in common stocks, ADRs or other depositary shares or receipts, or ordinary shares of publicly-traded foreign issuers, and ADRs that are traded on a major U.S. exchange. The Baird Chautauqua International Growth Fund and Baird Chautauqua Global Growth Fund may invest in common stocks, preferred stocks, depositary shares and receipts, rights, warrants and ETFs of non-U.S. companies. Investing in securities of foreign companies and foreign governments involves special risks and

considerations not typically associated with investing in U.S. companies and the U.S. government. These risks include foreign currency fluctuations and adverse political and economic developments. Moreover, securities of many foreign companies and foreign governments and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. companies and the U.S. government.

- c) *Foreign Currency Translation* – Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at date of valuation. Purchases and sales of portfolio securities and income items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. When a Fund purchases or sells a foreign security, it will customarily enter into a foreign exchange contract to minimize foreign exchange risk from the trade date to the settlement date of such transaction. The Funds do not isolate the portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held nor currency gains or losses realized between the trade and settlement dates on securities transactions. Such fluctuations are included with the net realized and unrealized gain or loss from investments. Net realized gain (loss) on foreign currency transactions include those gains and losses arising from the sale of foreign currencies, currency gains or losses realized between the trade and settlement dates on foreign currency transactions, the differences between the amounts of dividends, and foreign withholding taxes recorded on a Fund’s books, and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized appreciation (depreciation) on investments includes changes in the value of investments resulting from exchange rates.
- d) *Financial Derivatives Instruments* – Financial derivatives instruments, such as option contracts, derive their value from the performance of an underlying asset or index. The Baird Equity Opportunity Fund (the “Fund”) may purchase and sell (write) put options and call options on securities or indices in standardized contracts listed on securities exchanges. The Fund may also purchase and sell (write) over-the-counter (“OTC”) put options and call options. The Fund qualifies as a “limited derivatives user” under Rule 18f-4 of the 1940 Act.

A call option gives the purchaser of the option the right to buy, and a writer the obligation to sell, the underlying security or index at the stated exercise price at any time prior to the expiration of the option, regardless of the market price of the security. The premium paid to the writer is in consideration for undertaking the obligations under the option contract. A put option gives the purchaser the right to sell the underlying security or index at the stated exercise price at any time prior to the expiration date of the option, regardless of the market price of the security or index. In contrast to an option on a particular security, an option on an index provides the holder with the right to make or receive a cash settlement upon exercise of the option. The amount of this settlement will be equal to the difference between the closing price of the index at the time of exercise and the exercise price of the option expressed in dollars, times a specified multiple.

*Writing Put and Call Options*

As the writer of a put option, the Fund has a risk of loss should the underlying reference instrument decline in value. If the value of the underlying reference instrument declines below the exercise price of the put option and the put option is exercised, the Fund, as the writer of the put option, will be required to buy the instrument at the exercise price, which will exceed the market value of the underlying reference instrument at that time. The Fund will incur a loss to the extent that the current market value of the underlying reference instrument is less than the exercise price of the put option. However, the loss will be offset in part by the premium received from the buyer of the put. If a put option written by the Fund expires unexercised, the Fund will realize a gain in the amount of the premium received.

By writing a call option on a security, the Fund foregoes the opportunity to profit from an increase in the market price of the underlying security above the exercise price except insofar as the premium represents such a profit, and it is not able to sell the underlying security until the option expires or is exercised or the Fund effects a closing purchase transaction by purchasing an option of the same series. Except to the extent that a written call option on an index is covered by an option on the same index purchased by the Fund, movements in the index may result in a loss to the Fund; however, such losses may be mitigated by changes in the value of securities held by the Fund during the period the option was outstanding.



**BAIRD FUNDS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2024 (Continued)

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If a call option on a security is exercised, the Fund may deliver the underlying security held by the Fund or purchase the underlying security in the open market. In either event, the proceeds of the sale will be increased by the net premium originally received, and the Fund will realize a gain or loss.

At December 31, 2024, the Baird Equity Opportunity Fund pledged securities with a fair value of \$2,389,600 as collateral for option contracts. See the Fund's Schedule of Investments for the securities pledged as collateral.

- e) *Income Tax Status* – The Funds qualify and intend to continue to qualify as regulated investment companies as provided in Subchapter M of the Internal Revenue Code and to distribute substantially all of their taxable income to their shareholders in a manner which results in no tax expense to the Funds. Therefore, no federal income or excise tax provision is recorded.

There is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken on the tax return for the year ended December 31, 2024, or for any other tax years which are open for exam. As of December 31, 2024, open tax years include the tax years ended December 31, 2021 through 2024. The Funds are not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next 12 months. The Funds recognize interest and penalties, if any, related to unrecognized tax benefits as interest expense and other expense, respectively, in the Statements of Operations. During the period, the Funds did not incur any interest or penalties.

- f) *Allocation of Income and Expenses* – Each Fund is charged for those expenses directly attributable to it. Expenses directly attributable to a class of shares, such as Rule 12b-1 distribution fees, are charged to that class of shares. Income, expenses and realized and unrealized gains and losses are allocated to the classes based on their respective net assets. Expenses that are not directly attributable to a Fund are allocated among the Funds in the series in proportion to their respective assets or are divided equally amongst the Funds.
- g) *Shareholder Transactions and Distributions* – Shareholder transactions are recorded on trade date. Dividends from net investment income, if any, are declared and paid annually. Distributions of net realized capital gains, if any, are declared and paid at least annually. All distributions to shareholders are recorded on the ex-dividend date. The book basis character of distributions may differ from their ultimate characterization for Federal income tax purposes. GAAP requires that permanent financial reporting and tax differences be reclassified in the capital accounts.
- h) *Use of Estimates* – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.
- i) *Securities Transactions and Investment Income* – The Funds determine the gain or loss realized from investment transactions using the identified cost basis. For financial reporting purposes, investment transactions are recorded on the trade date. When a capital gain tax is determined to apply, the Funds may record an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date. Dividend income is recognized on the ex-dividend date net of withholding taxes, if any, and interest income is recognized on an accrual basis. Withholding taxes on foreign dividends have been accounted for in accordance with the Funds' interpretation of applicable tax laws of the countries in which they invest. Distributions received from underlying investments in real estate investment trusts ("REITs") may be classified as dividends, capital gains or return of capital.
- j) *Guarantees and Indemnifications* – In the normal course of business, the Funds enter into contracts with service providers that contain general indemnification clauses. The Funds' maximum exposure under these arrangements is unknown and would involve future claims against the Funds that have not yet occurred. Based on experience, the Funds would expect the risk of loss to be low.

**BAIRD FUNDS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2024 (Continued)

- k) *New Regulatory and Accounting Pronouncements* – In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (“ASU 2023-07”). ASU 2023-07 is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses, allowing financial statement users to better understand the components of a segment's profit or loss and assess potential future cash flows for each reportable segment and the entity as a whole. The amendments expand a public entity's segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker, clarifying when an entity may report one or more additional measures to assess segment performance, requiring enhanced interim disclosures and providing new disclosure requirements for entities with a single reportable segment, among other new disclosure requirements.

Management has evaluated the impact of adopting ASU 2023-07 with respect to the financial statements and disclosures and determined there is no material impact for the Funds. Each Fund operates as a single segment entity. Each Fund's income, expenses, assets, and performance are regularly monitored and assessed by the Advisor, who serves as the chief operating decision maker, using the information presented in the financial statements and financial highlights.

**3. CAPITAL SHARE TRANSACTIONS**

The following table summarizes the capital share transactions of each Fund for the past two years:

**Baird Mid Cap Growth Fund**

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Shares	Amount	Shares	Amount
<b>Institutional Class Shares</b>				
Shares sold . . . . .	11,882,999	\$ 289,699,737	29,037,067	\$ 684,051,811
Shares issued to shareholders in reinvestment of distributions . . . . .	2,657,298	66,113,574	1,856,978	44,994,578
Shares redeemed . . . . .	(31,594,540)	(773,639,184)	(19,556,605)	(450,452,068)
Net increase (decrease) . . . . .	(17,054,243)	<u>\$(417,825,873)</u>	11,337,440	<u>\$ 278,594,321</u>
Shares Outstanding:				
Beginning of year . . . . .	<u>95,228,088</u>		<u>83,890,648</u>	
End of year . . . . .	<u>78,173,845</u>		<u>95,228,088</u>	
<b>Investor Class Shares</b>				
Shares sold . . . . .	975,630	\$ 21,932,916	1,839,593	\$ 38,875,662
Shares issued to shareholders in reinvestment of distributions . . . . .	253,938	5,703,449	189,883	4,179,313
Shares redeemed . . . . .	(2,927,311)	(65,157,575)	(2,104,022)	(44,339,629)
Net decrease . . . . .	(1,697,743)	<u>\$(37,521,210)</u>	(74,546)	<u>\$ (1,284,654)</u>
Shares Outstanding:				
Beginning of year . . . . .	<u>7,935,226</u>		<u>8,009,772</u>	
End of year . . . . .	<u>6,237,483</u>		<u>7,935,226</u>	
Total net increase (decrease) . . . . .		<u>\$(455,347,083)</u>		<u>\$ 277,309,667</u>



**BAIRD FUNDS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2024 (Continued)

**Baird Small/Mid Cap Growth Fund**

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Shares	Amount	Shares	Amount
<b>Institutional Class Shares</b>				
Shares sold . . . . .	1,742,754	\$ 28,256,174	1,890,067	\$ 29,260,638
Shares issued to shareholders in reinvestment of distributions . . . . .	—	—	—	—
Shares redeemed . . . . .	(1,831,236)	(29,209,149)	(1,089,756)	(16,795,892)
Net increase (decrease) . . . . .	(88,482)	\$ (952,975)	800,311	\$ 12,464,746
Shares Outstanding:				
Beginning of year . . . . .	10,993,556		10,193,245	
End of year . . . . .	<u>10,905,074</u>		<u>10,993,556</u>	

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Shares	Amount	Shares	Amount
<b>Investor Class Shares</b>				
Shares sold . . . . .	766	\$ 12,400	9,764	\$ 151,091
Shares issued to shareholders in reinvestment of distributions . . . . .	—	—	—	—
Shares redeemed . . . . .	(18,890)	(294,967)	(12,042)	(188,098)
Net decrease . . . . .	(18,124)	\$ (282,567)	(2,278)	\$ (37,007)
Shares Outstanding:				
Beginning of year . . . . .	52,460		54,738	
End of year . . . . .	<u>34,336</u>		<u>52,460</u>	
Total net increase (decrease) . . . . .		\$ (1,235,542)		\$ 12,427,739

**Baird Equity Opportunity Fund**

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Shares	Amount	Shares	Amount
<b>Institutional Class Shares</b>				
Shares sold . . . . .	608,423	\$ 8,521,629	544,710	\$ 6,853,485
Shares issued to shareholders in reinvestment of distributions . . . . .	50,362	848,715	465	6,261
Shares redeemed . . . . .	(519,735)	(7,336,847)	(959,077)	(11,710,271)
Net increase (decrease) . . . . .	139,050	\$ 2,033,497	(413,902)	\$ (4,850,525)
Shares Outstanding:				
Beginning of year . . . . .	4,519,384		4,933,286	
End of year . . . . .	<u>4,658,434</u>		<u>4,519,384</u>	

**BAIRD FUNDS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2024 (Continued)

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Shares	Amount	Shares	Amount
<b>Investor Class Shares</b>				
Shares sold . . . . .	—	\$ —	—	\$ —
Shares issued to shareholders in reinvestment of distributions . . . . .	3	36	—	—
Shares redeemed. . . . .	—	—	—	—
Net increase . . . . .	3	\$ 36	—	\$ —
Shares Outstanding:				
Beginning of year . . . . .	194		194	
End of year . . . . .	197		194	
Total net increase (decrease) . . . . .		\$ 2,033,533		\$ (4,850,525)

**Baird Chautauqua International Growth Fund**

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Shares	Amount	Shares	Amount
<b>Institutional Class Shares</b>				
Shares sold . . . . .	13,261,166	\$ 240,354,905	24,161,666	\$ 398,499,097
Shares issued to shareholders in reinvestment of distributions . . . . .	283,820	5,420,961	86,180	1,470,224
Shares redeemed. . . . .	(7,962,485)	(147,422,328)	(8,352,531)	(137,364,324)
Net increase . . . . .	5,582,501	\$ 98,353,538	15,895,315	\$ 262,604,997
Shares Outstanding:				
Beginning of year . . . . .	47,439,555		31,544,240	
End of year . . . . .	53,022,056		47,439,555	

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Shares	Amount	Shares	Amount
<b>Investor Class Shares</b>				
Shares sold . . . . .	88,556	\$ 1,628,583	192,145	\$ 3,174,138
Shares issued to shareholders in reinvestment of distributions . . . . .	3,294	62,420	1,453	24,595
Shares redeemed. . . . .	(254,842)	(4,613,543)	(194,323)	(3,158,396)
Net increase (decrease). . . . .	(162,992)	\$ (2,922,540)	(725)	\$ 40,337
Shares Outstanding:				
Beginning of year . . . . .	925,585		926,310	
End of year . . . . .	762,593		925,585	
Total net increase . . . . .		\$ 95,430,998		\$ 262,645,334

**BAIRD FUNDS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2024 (Continued)

**Baird Chautauqua Global Growth Fund**

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Shares	Amount	Shares	Amount
<b>Institutional Class Shares</b>				
Shares sold . . . . .	1,087,000	\$ 24,866,962	1,649,691	\$ 32,128,385
Shares issued to shareholders in reinvestment of distributions . . . . .	253,813	6,264,114	59,665	1,235,054
Shares redeemed . . . . .	(1,227,474)	(28,708,652)	(1,146,580)	(22,297,065)
Net increase . . . . .	113,339	\$ 2,422,424	562,776	\$ 11,066,374
Shares Outstanding:				
Beginning of year . . . . .	15,409,869		14,847,093	
End of year . . . . .	15,523,208		15,409,869	

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Shares	Amount	Shares	Amount
<b>Investor Class Shares</b>				
Shares sold . . . . .	5,580	\$ 130,779	9,165	\$ 175,976
Shares issued to shareholders in reinvestment of distributions . . . . .	662	16,163	80	1,635
Shares redeemed . . . . .	(14,625)	(331,259)	(11,257)	(213,014)
Net decrease . . . . .	(8,383)	\$ (184,317)	(2,012)	\$ (35,403)
Shares Outstanding:				
Beginning of year . . . . .	50,768		52,780	
End of year . . . . .	42,385		50,768	
Total net increase . . . . .		\$ 2,238,107		\$ 11,030,971

**4. INVESTMENT TRANSACTIONS AND INCOME TAX INFORMATION**

During the year ended December 31, 2024, purchases and sales of investment securities (excluding short-term investments) were as follows:

	Baird Mid Cap Growth Fund	Baird Small/Mid Cap Growth Fund	Baird Equity Opportunity Fund	Baird Chautauqua International Growth Fund	Baird Chautauqua Global Growth Fund
Purchases: . . . . .	\$ 883,273,405	\$132,959,537	\$49,034,773	\$282,346,837	\$53,891,117
Sales: . . . . .	1,370,583,291	136,739,471	49,876,724	169,191,020	57,058,232

The Funds did not purchase or sell U.S. Government securities during the year ended December 31, 2024.

**BAIRD FUNDS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2024 (Continued)

As of December 31, 2024, the components of accumulated earnings (accumulated losses) for income tax purposes were as follows:

	Baird Mid Cap Growth Fund	Baird Small/Mid Cap Growth Fund	Baird Equity Opportunity Fund	Baird Chautauqua International Growth Fund	Baird Chautauqua Global Growth Fund
<b>Cost of investments</b> . . . . .	\$1,410,794,497	\$157,826,538	\$60,968,696	\$812,068,129	\$282,326,738
Gross unrealized appreciation . . . . .	600,447,259	36,682,569	18,587,770	281,114,483	116,665,434
Gross unrealized depreciation . . . . .	(35,389,379)	(5,584,515)	(3,496,939)	(79,746,491)	(31,873,959)
<b>Net unrealized appreciation</b> . . . . .	565,057,880	31,098,054	15,090,831	201,367,992	84,791,475
Undistributed ordinary income . . . . .	6,707,370	—	2,312,665	4,375,192	889,526
Undistributed long-term capital gains. . . . .	29,155,386	—	—	—	671,627
<b>Distributable earnings.</b> . . . . .	35,862,756	—	2,312,665	4,375,192	1,561,153
<b>Other accumulated gains (losses)</b> . . . . .	—	(22,616,903)	111,046	(15,152,504)	(13,315)
<b>Total distributable earnings</b> . . . . .	<u>\$ 600,920,636</u>	<u>\$ 8,481,151</u>	<u>\$17,514,542</u>	<u>\$190,590,680</u>	<u>\$ 86,339,313</u>

The difference between book-basis and tax-basis unrealized appreciation is attributable primarily to the tax deferral of losses on wash sales and mark-to-market on passive foreign investment companies.

Additionally, GAAP requires that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications are primarily due to differing treatments for equalization accounting for tax purposes and net operating losses. These reclassifications have no effect on net assets or NAV per share.

For the year ended December 31, 2024, the following table shows the reclassifications made:

Fund	Total Distributable Earnings	Paid-in Capital
Baird Mid Cap Growth Fund . . . . .	\$(8,103,547)	\$8,103,547
Baird Small/Mid Cap Growth Fund . . . . .	466,953	(466,953)
Baird Chautauqua Global Growth Fund . . . . .	(213,435)	213,435

**Distributions to Shareholders**

Each Fund generally pays dividends from net investment income and distributes net realized capital gains, if any, at least annually. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP. Certain Funds also utilize earnings and profits distributed to shareholders on redemptions of shares as part of the dividends paid deduction.

The tax components of distributions paid during the years shown below were as follows:

Fund	Year Ended December 31, 2024		
	Ordinary Income	Long-Term Capital Gains	Total
Baird Mid Cap Growth Fund . . . . .	\$ —	\$80,332,948	\$80,332,948
Baird Equity Opportunity Fund . . . . .	195,277	658,890	854,167
Baird Chautauqua International Growth Fund . . . . .	6,211,978	—	6,211,978
Baird Chautauqua Global Growth Fund . . . . .	1,087,467	5,522,703	6,610,170

**BAIRD FUNDS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2024 (Continued)

Fund	Year Ended December 31, 2023		
	Ordinary Income	Long-Term Capital Gains	Total
Baird Mid Cap Growth Fund	\$ —	\$55,686,445	\$55,686,445
Baird Equity Opportunity Fund	6,327	—	6,327
Baird Chautauqua International Growth Fund	1,673,671	—	1,673,671
Baird Chautauqua Global Growth Fund	1,309,394	—	1,309,394

The Funds in the table above designated as long-term capital gain dividend, pursuant to Internal Revenue Code Section 852(b)(3), the amount necessary to reduce the earnings and profits of the Funds related to net capital gain to zero for the tax year ended December 31, 2024.

At December 31, 2024, no Funds deferred, on a tax basis, qualified late year losses.

At December 31, 2024, accumulated capital loss carryovers without expiration were:

Fund	Capital Loss Carryover		Year of Expiration	
	Short-term	Long-term	Short-term	Long-term
Baird Small/Mid Cap Growth Fund	\$19,477,532	\$ 3,139,371	Indefinitely	Indefinitely
Baird Chautauqua International Growth Fund	769,216	14,362,424	Indefinitely	Indefinitely

During the year ended December 31, 2024, the Funds utilized capital loss carryover as follows:

Fund	Capital Loss Carryover Utilized	
	Short-term	Long-term
Baird Small/Mid Cap Growth Fund	\$ —	\$12,379,945
Baird Equity Opportunity Fund	1,549,548	311,492
Baird Chautauqua International Growth Fund	2,255,593	—
Baird Chautauqua Global Growth Fund	641,323	1,413,051

**5. INVESTMENT ADVISORY AND OTHER AGREEMENTS**

The Funds have entered into Investment Advisory Agreements with Baird for the provision of investment advisory services. In addition, Baird has entered into a Subadvisory Agreement with Greenhouse related to the Baird Equity Opportunity Fund. Pursuant to the Investment Advisory Agreements, the Advisor is entitled to receive a fee, calculated daily and payable monthly, at the annual rates as follows:

Fund	Investment Advisory Fees
Baird Mid Cap Growth Fund	0.75%
Baird Small/Mid Cap Growth Fund	0.75%
Baird Equity Opportunity Fund	1.25%
Baird Chautauqua International Growth Fund	0.75%
Baird Chautauqua Global Growth Fund	0.75%

Under the Subadvisory Agreement, Baird is obligated to pay Greenhouse its subadvisory fee out of the advisory fee paid to Baird by the Baird Equity Opportunity Fund.

The Advisor has contractually agreed to waive its investment advisory fee and/or reimburse the Funds' operating expenses, to the extent necessary to ensure that total operating expenses, including the fees and expenses incurred by the Funds in connection with the Funds' investments in other investment companies (to the extent, in the aggregate, such

**BAIRD FUNDS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2024 (Continued)

fees and expenses on an annual basis exceed 0.0049% of the Fund’s average daily net assets) and interest expense, but excluding taxes, brokerage commissions and extraordinary expenses, do not exceed the following annual percentages of the average daily net assets attributable to the Funds’ Institutional Class and Investor Class shares:

<b>Fund</b>	<b>Institutional Class</b>	<b>Investor Class</b>
Baird Mid Cap Growth Fund . . . . .	0.85%	1.10%
Baird Small/Mid Cap Growth Fund . . . . .	0.85%	1.10%
Baird Equity Opportunity Fund . . . . .	1.25%	1.50%
Baird Chautauqua International Growth Fund . . . . .	0.80%	1.05%
Baird Chautauqua Global Growth Fund . . . . .	0.80%	1.05%

The Expense Cap/Reimbursement Agreements are in effect through at least April 30, 2026 for all Funds.

To the extent that the Advisor reimburses or absorbs fees and expenses, it may seek payment of such amounts for three years after the date in which expenses were reimbursed or absorbed for the Baird Mid Cap Growth Fund, the Baird Small/Mid Cap Growth Fund, the Baird Chautauqua International Growth Fund and the Baird Chautauqua Global Growth Fund. A Fund will make no such payment, however, if its total annual operating expenses exceed the expense limits in effect at the time the expenses were reimbursed or at the time these payments are proposed.

	<b>Fiscal Year Ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Recoverable amounts reimbursed during:			
Subject to recovery on or before:	<b>2027</b>	<b>2026</b>	<b>2025</b>

<b>Fund</b>			
Baird Small/Mid Cap Growth Fund . . . . .	\$134,659	\$115,155	\$189,890
Baird Chautauqua International Growth Fund . . . . .	416,113	357,653	315,901
Baird Chautauqua Global Growth Fund . . . . .	219,751	243,392	317,746

The Advisor is not entitled to recoup any fees waived and/or expenses reimbursed by the Baird Equity Opportunity Fund under the Expense Cap/Reimbursement Agreement or under prior agreements. For the year ended December 31, 2024, the Advisor waived the following amount pursuant to the Expense Cap/Reimbursement Agreement between the Advisor and the Company on behalf of the Baird Equity Opportunity Fund:

<b>Fund</b>	<b>Waived Amount</b>
Baird Equity Opportunity Fund . . . . .	\$309,540

U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services, serves as transfer agent, administrator, and accounting services agent for the Funds. U.S. Bank, N.A. (“U.S. Bank”) serves as custodian for the Funds.

Robert W. Baird & Co. Incorporated (the “Distributor”) is the sole distributor of the Funds pursuant to a distribution agreement.

No commissions were earned by the Distributor for services rendered as a registered broker-dealer in securities transactions for the year ended December 31, 2024 for the Funds.

Certain officers and employees of the Advisor are also officers of the Funds.

**6. LINE OF CREDIT**

The Company maintains an uncommitted line of credit (“LOC”) with U.S. Bank to provide the fifteen Funds comprising the Company a temporary liquidity source to meet unanticipated redemptions or other permissible borrowing needs. The LOC is unsecured at all times and is subject to certain restrictions and covenants. Under the terms of the LOC, borrowings for each Fund are limited to one third of the total eligible net assets (including the amount borrowed) of the respective Fund, or \$1,000,000,000 of total borrowings for the Funds comprising the Company, whichever is less.

**BAIRD FUNDS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2024 (Continued)

U.S. Bank charges annualized interest at the greater of 1.00% and the Prime Rate minus 2.00%. As of December 31, 2024, the Prime Rate was 7.50%. The LOC matures on May 19, 2025, unless renewed. The Company has authorized U.S. Bank to charge any of the accounts of the borrowing Fund subject to the agreement for any missed payments.

During the year ended December 31, 2024, the Funds borrowed from the LOC as follows:

Fund	Amount Borrowed	Interest Charges Accrued	Borrowing Rate
Baird Equity Opportunity Fund . . . . .	\$ 74,000	\$ 13	6.50%
Baird Equity Opportunity Fund . . . . .	150,000	54	6.50%

No other borrowings occurred during the year ended December 31, 2024, nor were any other borrowings outstanding under the LOC as of December 31, 2024.

**7. DISTRIBUTION AND SHAREHOLDER SERVICE PLAN**

The Funds have adopted a distribution and shareholder service plan (the “Plan”) pursuant to Rule 12b-1 under the 1940 Act. The Plan allows the Funds to compensate the Distributor for the costs incurred in distributing the Funds’ Investor Class shares, including amounts paid to brokers or dealers, at an annual rate of 0.25% of the average daily net assets of the Funds’ Investor Class shares.

For the year ended December 31, 2024, the Funds’ Investor Class shares incurred fees pursuant to the Plan as follows:

Fund	
Baird Mid Cap Growth Fund . . . . .	\$364,064
Baird Small/Mid Cap Growth Fund . . . . .	1,627
Baird Equity Opportunity Fund . . . . .	7
Baird Chautauqua International Growth Fund . . . . .	38,128
Baird Chautauqua Global Growth Fund . . . . .	2,570

**8. OTHER DERIVATIVES INFORMATION**

As a principal investment strategy, the Baird Equity Opportunity Fund may purchase and write options to hedge its portfolio and enhance returns. Options are subject to various risks including market risk, liquidity risk, volatility risk, counterparty risk, legal risk, and operations risk.

Management has adopted authoritative standards regarding disclosure about derivatives and hedging activities and how they affect a Fund’s Statement of Assets and Liabilities and Statement of Operations. Since the derivatives may be held for speculative trading purposes, the derivative instruments are not designated as hedging instruments. Accordingly, all realized gains and losses, as well as any change in net unrealized gains or losses on open contracts from the preceding period, are recognized as part of realized and unrealized gain (loss) in the Statement of Operations. These contracts are not subject to a master netting agreement.

The following table presents the fair value of derivative instruments for the Baird Equity Opportunity Fund as of December 31, 2024 as presented on the Fund’s Statement of Assets and Liabilities:

Derivatives Not Accounted for as Hedging Instruments	Statement of Assets and Liabilities Location	Fair Value	
		Assets	Liabilities
<b>Baird Equity Opportunity Fund</b>			
Option Contracts			
Purchased option contracts . . . . .	Investments, at value	\$194,463	\$ —
Written option contracts . . . . .	Written option contracts, at value	—	211,833
Total Option Contracts . . . . .		<u>\$194,463</u>	<u>\$211,833</u>

**BAIRD FUNDS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2024 (Continued)

The following table presents the results of the derivatives trading and information related to volume for the year ended December 31, 2024. The below captions of “Net Realized” and “Net Change in Unrealized” correspond to the captions in the Fund’s Statement of Operations.

	<u>Gain (Loss) from Trading</u>	
	<u>Net Realized</u>	<u>Net Change in Unrealized Appreciation/Depreciation</u>
<b>Baird Equity Opportunity Fund</b>		
Option Contracts		
Purchased option contracts <sup>(a)</sup>		
Equity . . . . .	\$612,296	\$(43,281)
Written option contracts		
Equity . . . . .	59,743	94,244
Total Option Contracts . . . . .	<u>\$672,039</u>	<u>\$ 50,963</u>

<sup>(a)</sup> Purchased options are included in the net realized gain (loss) on investments and net change in unrealized appreciation/depreciation on investments.

The average monthly notional amount is shown as an indicator of volume. The average monthly notional amounts during the year ended December 31, 2024 were:

	<u>Average Notional</u>	
	<u>Purchased</u>	<u>Written</u>
<b>Baird Equity Opportunity Fund</b>		
Option contracts		
Equity . . . . .	\$8,814,229	\$2,448,764

Please refer to the Fund’s prospectus for a full listing of risks associated with these investments.

**9. SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events after December 31, 2024. There were no subsequent events since December 31, 2024, through the date the financial statements were issued that would warrant adjustment to or additional disclosure in these financial statements.



**BAIRD FUNDS, INC.**  
**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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To the Shareholders and Board of Directors of  
Baird Funds, Inc.

Opinion on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedule of written options of Baird Equity Opportunity Fund and the schedules of investments of Baird Mid Cap Growth Fund, Baird Small/Mid Cap Growth Fund, Baird Equity Opportunity Fund, Baird Chautauqua International Growth Fund, and Baird Chautauqua Global Growth Fund (the “Funds”), each a series of Baird Funds, Inc., as of December 31, 2024, the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of December 31, 2024, the results of their operations for the year then ended, the changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Funds’ management. Our responsibility is to express an opinion on the Funds’ financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2024, by correspondence with the custodian and brokers. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Funds’ auditor since 2017.

*Cohen & Company, Ltd.*

COHEN & COMPANY, LTD.  
Milwaukee, Wisconsin  
February 27, 2025

**BAIRD FUNDS, INC.**  
**ADDITIONAL INFORMATION (Unaudited)**

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**Qualified Dividend Income/Dividends Received Deduction**

For the fiscal year ended December 31, 2024, certain dividends paid by the Funds may be subject to a maximum tax rate of 15%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003.

The percentage of dividends declared from ordinary income designated as qualified dividend income was as follows:

Baird Equity Opportunity Fund .....	37.36%
Baird Chautauqua International Growth Fund .....	100.00%
Baird Chautauqua Global Growth Fund .....	100.00%

For corporate shareholders, the percent of ordinary income distributions qualifying for the corporate dividends received deduction for the fiscal year ended December 31, 2024 was as follows:

Baird Equity Opportunity Fund .....	37.36%
Baird Chautauqua Global Growth Fund .....	23.96%

For the fiscal year ended December 31, 2024, the percentage of taxable ordinary income distributions that are designated as short-term capital gain distributions under Internal Revenue Section 871(k)(2)(C) for each Fund were as follows:

Baird Equity Opportunity Fund .....	97.52%
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**Item 8. Changes in and Disagreements with Accountants for Open-End Investment Companies. (Unaudited)**

There were no changes in or disagreements with accountants during the two most recent fiscal years.

**Item 9. Proxy Disclosure for Open-End Investment Companies. (Unaudited)**

A special meeting of shareholders of Baird Funds, Inc. (the “Company”) was held on April 4, 2024. At the special meeting, shareholders voted on a proposal to elect five directors to serve on the Board of Directors of the Company. Further details regarding the proposal and the special meeting are contained in a definitive proxy statement filed with the Securities and Exchange Commission on February 7, 2024.

At the special meeting, the following action was taken:

The following individuals were elected to serve on the Board of Directors by the shareholders of the Funds, voting together in the aggregate:

<u>NAME OF DIRECTOR</u>	<u>FOR</u>	<u>WITHHOLD</u>
Darren R. Jackson . . . . .	6,171,540,543.793	123,948,245.995
Leonard R. (Randy) Johnson . . . . .	6,273,130,858.572	22,357,931.216
David J. Lubar . . . . .	6,170,596,757.787	124,892,032.001
Cory L. Nettles . . . . .	5,943,884,523.663	351,604,266.125
Marlyn J. Spear . . . . .	6,170,833,180.312	124,655,609.476

Mr. Jackson, Mr. Lubar, Mr. Nettles and Ms. Spear were each continuing incumbent directors. Mr. Johnson was elected as a new member of the Board of Directors effective May 1, 2024. There were no abstentions or broker non-votes.

**Item 10. Remuneration Paid to Directors, Officers, and Others of Open-End Investment Companies.**  
**(Unaudited)**

See Statements of Operations within Item 7.

## **Item 11. Statement Regarding Basis for Approval of Investment Advisory and Subadvisory Contracts. (Unaudited)**

### **Disclosure Regarding Approval of the Investment Advisory Agreements and Subadvisory Agreement for Baird Equity Funds**

The Board of Directors (the “Board”) of Baird Funds, Inc. (the “Company”), comprised of directors who are not “interested persons” of the Company within the meaning of the Investment Company Act of 1940 (the “Independent Directors”), met on August 12, 2024 and August 19, 2024 to consider the annual renewal of the investment advisory agreements between Robert W. Baird & Co. Incorporated (“Baird” or the “Advisor”) and the Company on behalf of the Baird Mid Cap Growth Fund, the Baird Small/Mid Cap Growth Fund, the Baird Equity Opportunity Fund, the Baird Chautauqua International Growth Fund and the Baird Chautauqua Global Growth Fund (the “Equity Funds” or the “Funds”).

The Board, which is comprised solely of Independent Directors, approved the continuation of the investment advisory agreements for the Equity Funds through a process that concluded at the August 19, 2024 meeting. At the August 19, 2024 meeting, the Board also considered the continuation of the subadvisory agreement between the Company and Greenhouse Funds LLLP (“Greenhouse”), the subadvisor to the Baird Equity Opportunity Fund (the “Equity Opportunity Fund”). In connection with the consideration of the investment advisory and subadvisory agreements, the Board reviewed and discussed various information that had been provided prior to the meeting, including a copy of the investment advisory and subadvisory agreements and the Funds’ fee schedules, the expense cap agreements for the Funds, a memorandum provided by the Funds’ legal counsel summarizing the guidelines relevant to the Board’s consideration of the investment advisory and subadvisory agreements, a memorandum and other information provided in response to a request from the Board by the Advisor, a copy of the Advisor’s Form ADV Part 1A and the Form ADV brochures and brochure supplements for the Advisor and Greenhouse, organizational charts for Baird Equity Asset Management and Greenhouse, financial information for the Advisor, its parent company and Greenhouse, a profitability analysis, comparative information about the Funds’ performance for the applicable periods ended June 30, 2024, comparative information about management fees and expense ratios, composite performance information for similar accounts managed by the Advisor and Greenhouse, trading and brokerage commission information and information related to payments to financial intermediaries.

The Board reviewed the Advisor’s 15(c) response with representatives of the Advisor and separately with legal counsel to the Independent Directors at the August 12, 2024 special meeting. The Board also took into account knowledge gained over time through its experience with the Advisor and Greenhouse as well as information reviewed periodically throughout the year, including information about performance, asset flows and expenses; discussions with management about personnel, succession planning and services provided to the Funds and their shareholders; discussions with the Company’s Chief Compliance Officer about compliance matters and discussions with the Funds’ portfolio managers.

In considering the investment advisory and subadvisory agreements and reaching its conclusions, the Board reviewed and analyzed various factors that it determined were relevant, including the factors below. In deciding to approve the renewal of the investment advisory agreements for each Fund and the subadvisory agreement for the Equity Opportunity Fund, the Board did not identify any single factor as determinative but considered all factors together.

#### **Nature, Extent and Quality of Services Provided to the Funds**

The Board considered the nature, extent and quality of the services provided by the Advisor to the Funds. The Board noted the Advisor’s focus on delivering competitive long-term investment results and in providing quality services to Fund shareholders. The Board considered the continuity and experience of the portfolio management teams employed to manage the investments of the Funds, noting that the Advisor provides supervision of Greenhouse’s portfolio management in the case of the Equity Opportunity Fund. The Board considered the depth and quality of the Advisor’s personnel who provide services to the Funds, including investment management, shareholder services, legal, compliance, information technology, cybersecurity and accounting personnel. The Board also considered the Advisor’s continued investment in resources that benefit the Funds, including investments in personnel, systems, technology, and research. With respect to the Equity Opportunity Fund, the Board noted that the Advisor is responsible for overseeing Greenhouse as subadvisor to the Fund and also provides administrative, compliance and support services to the Fund.

The Board considered the Advisor’s disciplined investment decision-making processes used for the applicable Funds. The Board noted that, for all Funds other than the Equity Opportunity Fund, Baird makes investment decisions, selects broker-dealers for the execution of portfolio transactions, votes proxies and provides other customary investment management services. The Board also considered other services that the Advisor provides the Funds in its capacity as their investment advisor, such as providing key personnel to serve as officers of the Funds, ensuring adherence to the

Funds' investment policies and restrictions, compliance services, shareholder servicing, administering the Funds' liquidity risk management program, administering the Funds' cybersecurity program and business continuity plan, providing valuation services and fair value services as valuation designee to the Board, providing support services to the Board and the committees of the Board and overseeing the Funds' other service providers. The Board considered the strength of the Advisor's legal and compliance department and the qualifications of the Funds' Chief Compliance Officer. The Board noted the effective operation of the Advisor's risk management, valuation and liquidity risk management processes. With respect to the Equity Opportunity Fund, the Board considered the quality of Greenhouse's subadvisory services to the Fund. The Board considered Greenhouse's investment decision-making process used for the Fund, the experience and credentials of the Fund's portfolio manager, and the investment management, trading, compliance, proxy voting and other services provided by Greenhouse.

The Board concluded that the Advisor provides a high quality of services to the Funds and the nature, extent and quality of the services provided by the Advisor to each Fund were appropriate. The Board also concluded that the nature, extent and quality of the services provided by Greenhouse to the Equity Opportunity Fund were appropriate.

#### Investment Performance of the Advisor, Greenhouse and the Funds

In considering the investment performance of each Fund, the Board reviewed information as of June 30, 2024 regarding the performance of each class of the Fund for applicable one-year, three-year, five-year, ten-year and since-inception periods in comparison to its benchmark index and its peer group as determined by Lipper. The Board reviewed the composite investment performance of Baird Equity Asset Management with respect to accounts that are managed in the same strategy as the applicable Funds but did not consider it to be a material factor in the 15(c) process. The Board considered the performance of Greenhouse's long-only equity fund and Greenhouse's discussion of the fund's performance as compared to the Equity Opportunity Fund.

The Board considered the performance challenges experienced by the Baird Mid Cap Growth Fund and the Baird Small/Mid Cap Growth Fund in the past year and the Advisor's commentary regarding the difficulties experienced by the Advisor's high-quality style of investing in the recent momentum driven market environment. The Board noted that the performance of the Institutional Class of the Mid Cap Growth Fund trailed the benchmark for all time periods except the since-inception period and the performance of the Institutional Class of the Small/Mid Cap Growth Fund trailed the benchmark for the one-year and three-year periods and exceeded the benchmark for the five-year and since-inception periods. The Board considered that the performance of the Institutional Class of the Mid Cap Growth Fund was below the Lipper peer group average for the one-year period and was in line with or exceeded the Lipper peer group average over longer time periods. The Board considered that the Institutional Class of the Small/Mid Cap Growth Fund had underperformed the Lipper peer group average for the one-year and three-year periods and had outperformed the peer group for the five-year and since-inception periods. The Board considered the Advisor's commentary regarding the performance headwinds and portfolio positioning that contributed to the Funds' performance challenges in the past year and noted that the one-year performance has negatively impacted the Funds' performance over other time periods.

The Board noted that the Institutional Class of the Baird Chautauqua International Growth Fund and the Baird Chautauqua Global Growth Fund (the "Chautauqua Funds") underperformed the benchmark index for the one- and three-year periods and outperformed the benchmark index for the five-year and since inception periods. The Board noted that the Chautauqua Funds have underperformed the applicable Lipper peer group average for the one-year period and outperformed the peer group average over longer time periods. The Board considered the Advisor's commentary regarding the Chautauqua Funds' relative underperformance compared to the benchmark for recent time periods.

The Board noted that the Institutional Class of the Equity Opportunity Fund underperformed the benchmark index for the one-year period and outperformed the benchmark index for the three-year period. The Board noted that the Institutional Class of the Equity Opportunity Fund underperformed the Lipper peer group average for the one-year period and outperformed the peer group average for the three-year period. The Board considered the Fund's overall improved performance since Greenhouse became the Fund's subadviser at the end of 2021. The Board considered Greenhouse's commentary regarding the Fund's underperformance in 2023.

The Board also considered the quarterly portfolio commentaries and discussions with personnel of the Advisor and Greenhouse regarding the Funds' performance and the investment strategies employed by the Advisor and Greenhouse, as applicable. The Board concluded that each Fund and its shareholders were likely to benefit from the continued management by the Advisor, and that the Equity Opportunity Fund and its shareholders were likely to benefit from the continued management by Greenhouse.

### Advisory Fees and Expenses

The Board reviewed the fee and expense information for each of the Funds, including a comparison of each Fund's advisory fee and total net expense ratio to industry data for all funds in the same Morningstar category (excluding ETFs and index funds). The Board noted that the advisory fee for the Mid Cap Growth Fund and the Small/Mid Cap Growth Fund is above the Morningstar category average, the advisory fee for the Chautauqua International Growth Fund is above the Morningstar category average and the advisory fee for the Chautauqua Global Growth Fund is equal to the category average. The Board noted that the advisory fee of the Equity Opportunity Fund is higher than the Morningstar category average and considered the level of the subadvisory fee paid to Greenhouse as part of the Fund's advisory fee. The Board also considered the portion of the advisory fee retained by the Advisor and the level of the subadvisory fee in light of the services provided by each of the Advisor and Greenhouse. The Board considered the Advisor's analysis and commentary regarding the appropriateness of the advisory fee for each Fund.

The Board also considered the net expense ratio of each Fund, after fee waivers and expense reimbursements by the Advisor, relative to the Morningstar category. The Board noted that the net expense ratio of the Institutional Class of each of the Mid Cap Growth Fund, the Small/Mid Cap Growth Fund, the Chautauqua International Growth Fund and the Chautauqua Global Growth Fund is below the Morningstar category average and the net expense ratio of the Institutional Class of the Equity Opportunity Fund is above the Morningstar category average.

The Board also considered management fees charged by the Advisor to other accounts managed in similar strategies, including separately managed accounts, subadvised funds and other pooled investment funds, but did not consider these comparisons to be a material factor given the Advisor's greater level of responsibilities and additional services provided with respect to the Funds. The Board also considered the level of the subadvisory fee as compared to the fee payable by investors in Greenhouse's long-only private fund as well as Greenhouse's commentary regarding additional services it provides to the Fund.

The Board concluded that the advisory fee and total expense ratio of each Fund were reasonable in light of the nature and quality of services provided and fees paid by comparable funds. With respect to the Equity Opportunity Fund, the Board concluded that the subadvisory fee was appropriate.

### Costs and Profitability

The Board considered the fees realized, and the costs incurred, by the Advisor in providing investment management services to the Funds and a profitability analysis with respect to each Fund. The Board considered that the Advisor's profitability information does not reflect costs incurred for various internal support services and systems to the Funds such as information technology, cybersecurity, compliance, risk, human resources, legal and finance. With respect to the Equity Opportunity Fund, the Board considered information regarding the fee revenue retained by the Advisor, taking into account the Advisor's parent company's ownership interest in Greenhouse, and the fee revenue retained by Greenhouse.

The Board reviewed the financial condition of the Advisor and its parent company and determined it to be sound. The Board noted that certain Funds were not profitable to the Advisor. The Board concluded that the Advisor's current level of profitability for each Fund, where applicable, was reasonable.

### Economies of Scale and Fee Levels Reflecting Those Economies

The Board considered the extent to which economies of scale might be realized as each Fund grows and to the extent which each Fund's advisory fee reflects those economies of scale for the benefit of Fund investors.

The Board considered the expense cap agreements in place for the Funds and noted that the Advisor is waiving fees or reimbursing expenses for each of the Funds other than the Mid Cap Growth Fund. The Board considered expenses incurred and management fees waived in the past by the Advisor. The Board also considered investments made by the Advisor in resources that benefit the Funds as well as hard dollar payments for research. The Directors concluded that the current fee structure of each Fund was reasonable and provides for a sharing of any economies of scale with the Fund's investors.

### Benefits Derived from the Relationship with the Funds

The Board considered other benefits to the Advisor from serving as advisor to the Funds (in addition to the advisory fee). Those benefits include Rule 12b-1 fees received by the Distributor and its representatives. The Board noted that the Advisor and Greenhouse derive ancillary benefits from their association with the Equity Funds in the form of research



services received from unaffiliated broker-dealers who execute portfolio trades for the Funds. With respect to the Equity Opportunity Fund, the Board noted that the Advisor indirectly shares in the subadvisory fee paid to Greenhouse due to its ownership interest in Greenhouse. The Board noted that the Advisor's asset management and other institutional businesses may experience indirect benefits from the Advisor's association with the Funds. The Board considered that Greenhouse may derive some reputational benefits by virtue of its management of the Equity Opportunity Fund.

The Board concluded that the other benefits realized by the Advisor and Greenhouse from their relationship with the Funds were appropriate.

Based on its evaluation of the above factors, the Directors concluded that (1) the continuation of the investment advisory agreements was in the best interest of each Fund and its shareholders and (2) the continuation of the subadvisory agreement was in the best interest of the Equity Opportunity Fund and its shareholders.

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David J. Lubar  
Cory L. Nettles  
Marlyn J. Spear (Chair)  
Leonard R. (Randy) Johnson

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