

PORTFOLIO COMMENTARY

Fellow shareholders,

Equities proved resilient during the second quarter despite numerous uncertainties. The Russell 2000 Index clawed back most of its Q1 loss, rising 8.5% in the period. The Equity Opportunity Fund outperformed modestly, posting a net return of 9.6%.*

Despite the initial shock from President Trump's wide-ranging tariff unveiling, equities bounced from April's losses to regain their footing in May and June. Large-cap tech once again led the way, while smaller-cap stocks lagged. With technology shares jumping and healthcare, consumer staples and energy bringing up the rear, it is not surprising that growth stocks outperformed value shares by a relatively wide margin, with the Russell 2000 Growth Index rising 12.0% compared to a 5.0% return for the Russell 2000 Value Index.

Sportradar Group and NCR Voyix were top contributors to performance during the quarter. Sportradar, a data provider to popular online gaming sites, continued to post strong results thanks to favorable secular global growth trends and rapidly expanding profit margins. The company also recently laid out a compelling multi-year growth strategy at its inaugural investor meeting and announced the attractive acquisition of one of its few remaining competitors. We continue to see the merits of Sportradar remaining a top holding in the Fund.

Following a weaker first quarter stock performance, stronger Q1 results drove NCR Voyix higher. Turnaround efforts are underway, and, while still early, are demonstrating real progress. Excellent new management, an array of refreshed product launches, a richer business model characterized by greater recurring revenues, and a much-improved balance sheet underpin our long-term thesis. We are mindful that turnarounds typically take time, but we are confident that our patient approach will be further rewarded over the longer term.

The top detractors in the period were Mister Car Wash, which has admittedly been a struggle since we initiated a position several years ago near current price levels, and Neogenomics. With respect to Mister Car Wash, our thesis centered on improving industry supply-demand, strong execution, improving same-store sales, and the belief in valuation enhancement that tends to come with these fundamental improvements. Much of the fundamental improvement has indeed occurred – without any measurable lift in valuation. Admittedly, the pace of industry rationalization has been slower than expected and the same-store sales improvement has not been meaningful enough to capture the market's attention. We know there is a fine line between being patient and stubborn, but we continue to view Mister Car Wash as a winning investment over time. Neogenomics had a tough first half, reeling from the loss of their CEO and a legal dispute that has temporarily removed a small but fast-growing product from the market. Stock decline aside, we are comfortable with Neogenomics' go-forward management team and its still strong growth prospects.

During the quarter, our largest exit was AvidXchange. While we had high hopes for the long-term growth potential of Avid's B2B payments offering, the company decided to go private at a solid premium. This decision was understandable in the context of the pressures that a difficult macro environment was exerting on near-term fundamentals and the relative indifference that most public market investors showed toward the stock. While the transaction has not yet closed, we exited the position just a few percent away from the offer price during Q2.

With equity markets at or near all-time highs entering the third quarter, it would be natural to feel that the proverbial "all-clear" siren has sounded. We see things differently. While general business uncertainty has subsided modestly since early in the year, there is still little clarity as it pertains to the Trump administration's tariff strategy. Related, while the Federal Reserve might be getting closer to easing monetary policy, economies could also be on the precipice of resurgent inflation, possibly further delaying the monetary stimulus that market participants seem to crave. At the same time, valuations have expanded, sentiment borders on complacency, interest in meme stocks and SPACs has returned, and key investor constituencies such as quantitatively driven algorithms, retail investors, and hedge funds appear to be all-in on stocks, or close to it.

These observations are not meant to create angst, but rather to offer our transparent views while underscoring why portfolio risk management remains critical. When seemingly few investors are nervous, we become more concerned. Thus, we remain committed to our risk-reward-driven process, focusing on fundamentals and refraining from chasing stock prices.

*Returns less than one year are not annualized. **The performance data quoted represents past performance. Past performance does not guarantee future results. Investment returns and principal value will fluctuate and shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the data quoted. Returns include reinvestment of dividends and capital gains. To obtain the most recent month-end performance data available, please visit [bairdfunds.com](https://www.bairdfunds.com).**

Baird Equity Opportunity Fund (Q2 2025)

Unfortunately, market participants do not know much more today versus three months ago in terms of tariff policy, and we surmise that certainty on this front will be required to continue pushing equities meaningfully higher. If that occurs, we feel confident that the portfolio is well-positioned to benefit. If it does not occur, we are comfortable that our disciplined process should aid the Fund's relative performance. We also continue to believe that smaller-cap stocks are increasingly poised to experience a relative upcycle after a long decade of underperformance versus large caps.

We hope you enjoy the rest of your summer, and we look forward to sharing another update in October.

Respectfully,

A handwritten signature in black ink, appearing to read "Joe Milano", written in a cursive style.

Joe Milano

Baird Equity Opportunity Fund (Q2 2025)

PERFORMANCE

Periods Ending June 30, 2025 (%)	Total Return (%)		Average Annual Total Returns (%)					Expense Ratios (Net/Gross)*
	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	
Equity Opportunity Fund Institutional Class (net)	9.55	-2.51	17.38	13.67	12.74	6.40	8.04	1.25 / 1.73
Equity Opportunity Fund Investor Class (net)	9.51	-2.53	17.22	13.46	12.50	6.16	7.79	1.50 / 1.98
Russell 2000 Index	8.50	-1.79	7.68	10.00	10.04	7.12	9.21	

Inception Date: 5/01/2012. Returns less than one year are not annualized. *The performance data quoted represents past performance. Past performance does not guarantee future results. Investment returns and principal value will fluctuate and shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the data quoted. Returns include reinvestment of dividends and capital gains. To obtain the most recent month-end performance data available, please visit bairdfunds.com.* *The Net Expense Ratio is the Gross Expense Ratio minus any reimbursement from the advisor. The advisor has contractually agreed to waive its fees and/or reimburse expenses at least through April 30, 2025, to the extent necessary to ensure that the total operating expenses do not exceed 1.50% of the Investor Class's average daily net assets and 1.25% of the Institutional Class's average daily net assets. Investor class expense ratios include a 0.25% 12b-1 fee.

TOP 10 HOLDINGS AS OF MARCH 31, 2025

Holdings	% of Fund
Sportradar Group AG (SRAD)	7.7
NCR Voyix Corporation (VYX)	5.8
BILL Holdings, Inc. (BILL)	5.0
Mister Car Wash, Inc. (MCW)	5.0
AvidXchange Holdings, Inc. (AVDX)	4.2
Chefs' Warehouse, Inc. (CHEF)	4.1
SS&C Technologies Holdings (SSNC)	4.0
Fluor Corporation (FLR)	3.9
ZoomInfo Technologies Inc (ZI)	3.8
Madison Square Garden Sports (MSGS)	3.6
Total	47.0%

INVESTMENT TEAM

Investment Professional	Years of Experience	Team Since	Coverage Responsibility
Joe Milano, CFA Portfolio Manager	29	2013	Generalist
Chip Morris, CFA Analyst	38	2014	Technology
Scott Barry Analyst	28	2014	Consumer Discretionary & Consumer Staples
Ben Landy Analyst	16	2014	Industrials & Materials
Scott Mafale Analyst	9	2021	Healthcare

Investors should consider the investment objectives, risks, charges and expense of each fund carefully before investing. This and other information is found in the prospectus and summary prospectus. For a prospectus or summary prospectus, visit bairdfunds.com. Please read the prospectus or summary prospectus carefully before investing.

Prior to December 12, 2021, the Baird Equity Opportunity Fund was managed in accordance with a different investment strategy. Greenhouse Funds LLLP became the Fund's subadvisor effective December 12, 2021. The performance results shown are from periods during which the Fund was managed by the Advisor prior to the retention of Greenhouse Funds LLLP.

As a non-diversified fund, the Fund may invest a larger percentage of its assets in a smaller number of companies compared to a diversified fund, which increases risk and volatility because each investment has a greater effect on the overall performance. The Fund focuses on small- and mid-cap stocks and therefore the performance of the fund may be more volatile, less liquid and more likely to be adversely affected by poor economic or market conditions than investment in larger companies. The fund may invest up to 15% of its total assets in the equity securities of foreign companies. Foreign investments involve additional risks such as currency rate fluctuations, the potential for political and economic instability, and different and sometimes less strict financial reporting standards and regulations.

Information in this document regarding market or economic trends, or the factors influencing historical or future performance, reflects the opinions of management as of the date of this document. These statements should not be relied upon for any other purpose. Holdings are subject to risk and can change without notice. The performance of any single fund holding is no indication of the performance of other holdings of the Baird Equity Opportunity Fund. References to individual securities should not be construed as a recommendation to buy, hold, or sell a security, and it should not be assumed that the holdings have been or will be profitable. The holdings identified do not represent all the securities held, purchased or sold during the period; past performance does not guarantee future results. Holdings are subject to risk and can change at any time. To obtain a complete list of holdings for the period, please contact Baird.

The Russell 2000® Index is a capitalization-weighted index representing the smallest 2,000 companies in the Russell 3000 Index, ranked by total market capitalization. Indices are unmanaged and are not available for direct investment.

The Equity Opportunity Fund (the "Fund") has been developed solely by Robert W. Baird & Co. Incorporated. The Fund is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the Russell 2000 Index (the "Index") vest in the relevant LSE Group company which owns the Index. Russell® is a trademark of the relevant LSE Group company and is used by any other LSE Group company under license. The Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Fund. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Fund or the suitability of the Index for the purpose to which it is being put by Robert W. Baird & Co. Incorporated.

CFA is a trademark owned by the CFA Institute.

Baird Funds are offered through Robert W. Baird & Co. Incorporated, a registered broker/dealer, member NYSE and SIPC. Robert W. Baird & Co. Incorporated also serves as investment advisor to the Fund and receives compensation for these services as disclosed in the current prospectus.

©2025 Robert W. Baird & Co. Incorporated. First use: 07/2025