

# Baird Mid Cap Growth Fund

Investor Class Shares | BMDSX

Annual Shareholder Report | December 31, 2024



Baird Funds

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

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

Fund Share Class	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Investor Class Shares   BMDSX	\$105	1.06%

## WHAT IMPACTED FUND PERFORMANCE IN 2024?

For the 12-month period ending December 31, 2024, the Investor Class Shares of the Baird Mid Cap Growth Fund delivered a net return of -1.17%, trailing the gain of 22.10% for the Russell Midcap® Growth Index, the Fund’s primary benchmark. Drivers of the Fund’s relative performance described below are compared to the Fund’s primary benchmark.

During the year a resilient economy and interest rate cuts from the Federal Reserve provided a favorable backdrop for broad positive U.S. equity market performance. However, the Fund trailed the strong benchmark return as stock selection decisions and adverse sector positioning more than offset the Fund holdings that performed well. Notable areas that restrained performance were the Fund’s mix of technology companies, weighted more towards services and software, which delivered more muted returns than the benchmark. In addition, the Fund did not hold several large-weighted benchmark companies in the technology sector that produced significant returns. The Fund’s positions in retail holdings and companies exposed to housing activity experienced weakness as they came under pressure as long-term interest rates remained elevated during the year. The Fund’s overweight position in the healthcare sector reflected an expectation for broad fundamental improvement, which did not materialize during the year. The net result of these factors was a slowing of the overall growth rate of Fund holdings in an environment where the overall equity market rewarded faster growth, with little apparent concern for high valuation levels.

### Contributors to Performance

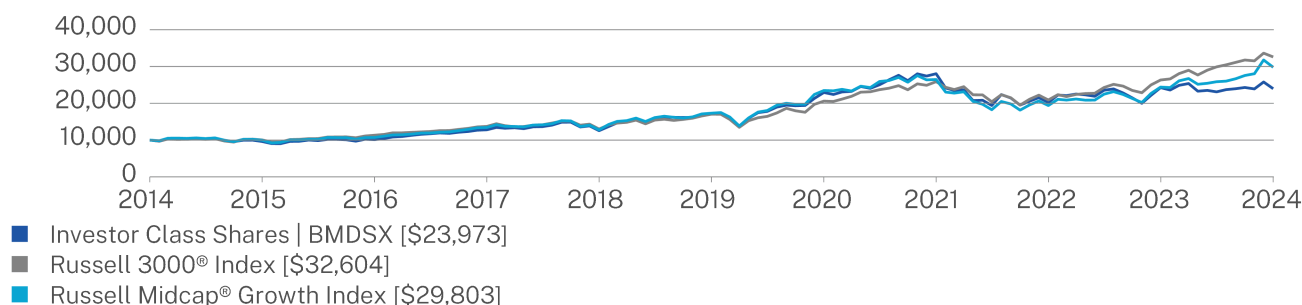
- Sectors: Energy, Telecommunications
- Positions: Dutch Bros, Inc. - Class A, HEICO Corp., Tyler Technologies, Inc.

### Detractors from Performance

- Sectors: Technology, Consumer Discretionary, Industrials
- Positions: Five Below Inc., Lamb Weston Holdings, Inc., ICON PLC

## HOW HAS THE FUND PERFORMED OVER THE PAST 10 YEARS?

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



## AVERAGE ANNUAL TOTAL RETURNS (%)

(as of December 31, 2024)

	1 Year	5 Years	10 Years
Investor Class Shares   BMSX	-1.17	7.02	9.14
Russell 3000® Index	23.81	13.86	12.55
Russell Midcap® Growth Index	22.10	11.47	11.54

Visit [www.bairdassetmanagement.com/baird-funds](http://www.bairdassetmanagement.com/baird-funds) for more recent performance information.

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

## KEY FUND STATISTICS (as of December 31, 2024)

Net Assets	\$1,973,233,176
Number of Holdings	57
Net Advisory Fee Paid	\$17,280,508
Portfolio Turnover Rate	40%

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

### Top 10 Securities

Globant SA	2.5%
Broadridge Financial Solutions, Inc.	2.5%
MSCI, Inc.	2.4%
Zebra Technologies Corp. - Class A	2.4%
Insulet Corp.	2.3%
Monolithic Power Systems, Inc.	2.3%
Burlington Stores, Inc.	2.3%
Tyler Technologies, Inc.	2.2%
Churchill Downs, Inc.	2.2%
Kinsale Capital Group, Inc.	2.2%

### Sector Breakdown

Industrials	26.4%
Information Technology	25.5%
Health Care	14.3%
Consumer Discretionary	11.5%
Financials	11.2%
Consumer Staples	5.7%
Real Estate	1.9%
Energy	1.5%
Money Market Funds	2.0%



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

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