

The logo for Baird, featuring the word "BAIRD" in white, serif, all-caps font, set against a blue parallelogram background that is tilted upwards to the right.

Prospectus

May 1, 2009

Baird LargeCap Fund

Baird MidCap Fund

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Please find the Privacy Policy for Baird Funds, Inc. inside the back cover of this prospectus.

Risk/Return Summary

This prospectus describes the Baird LargeCap Fund (“LargeCap Fund”) and Baird MidCap Fund (“MidCap Fund”) (each, a “Fund” and collectively, the “Funds”), two investment portfolios offered by Baird Funds, Inc. (“Baird Funds” or the “Company”). Robert W. Baird & Co. Incorporated (the “Advisor”) serves as the investment adviser to the Funds.

Investment Objectives

LargeCap Fund

The investment objective of the LargeCap Fund is to provide long-term growth of capital. Dividend income is a secondary consideration.

MidCap Fund

The investment objective of the MidCap Fund is to provide long-term growth of capital.

Principal Investment Strategies

LargeCap Fund

To achieve its investment objective, the LargeCap Fund invests, under normal circumstances, at least 80% of its net assets in the equity securities of large-capitalization companies, principally common stocks, preferred stocks and securities convertible into common stocks of U.S. issuers, as well as stocks of foreign issuers and American Depositary Receipts (“ADRs”) that are traded on major U.S. exchanges. The LargeCap Fund defines large-capitalization companies as those companies with a market capitalization within the range of companies in the Russell 1000[®] Growth Index at the time of investment. The LargeCap Fund emphasizes companies with market capitalizations between \$5 billion and \$80 billion. As of March 31, 2009, the weighted average and median capitalizations of the companies in the Russell 1000[®] Growth Index were \$53.8 billion and \$3.2 billion, respectively.

When analyzing equity securities to be purchased by the LargeCap Fund, the Advisor emphasizes a company’s growth prospects. The LargeCap Fund’s investments are selected using a variety of both quantitative techniques and fundamental research in seeking to maximize the LargeCap Fund’s expected return while controlling risk. The LargeCap Fund seeks a portfolio comprised of companies with one or more of the following attributes:

- Profitable earnings growth;
- Leadership positions in an attractive growth market;
- Sustainable, competitive advantage;
- Barriers to entry into their business;
- Well-articulated mission and value-added focus;
- Financial strength; and
- Realistic valuation.

The Advisor applies the following strategies when purchasing securities for the LargeCap Fund’s portfolio:

- Intentionally avoiding short-term trading strategies and rapid shifts in industry positions.
- Setting sector limits at the greater of 30% of the LargeCap Fund’s total assets or double the weighting of the Russell 1000[®] Growth Index in any one sector, as defined by such index. Thus, the LargeCap Fund may be heavily invested in a single sector. However, a single sector may include numerous subsectors or industries. The LargeCap Fund may therefore be concentrated in one sector, while being diversified among several industries.

- Typically holding the securities of fewer than 60 companies with exposure to approximately 20 industries.
- Seeking securities whose growth prospects, in the Advisor's opinion, are not reflected in their current stock prices.
- Limiting the size of any one new position. No security will represent more than 5% of the Fund's total assets at the time of purchase.

MidCap Fund

To achieve its investment objective, the MidCap Fund invests, under normal circumstances, at least 80% of its net assets in the equity securities of mid-capitalization companies, principally common stocks, preferred stocks and securities convertible into common stocks of U.S. issuers, as well as stocks of foreign issuers and ADRs that are traded on major U.S. exchanges. The MidCap Fund defines mid-capitalization companies as those companies with a market capitalization within the range of companies in the Russell Midcap[®] Growth Index at the time of investment. As of March 31, 2009, the weighted average and median capitalizations of the companies in the Russell Midcap[®] Growth Index were \$5.5 billion and \$2.4 billion, respectively.

When analyzing equity securities to be purchased by the MidCap Fund, the Advisor emphasizes a company's growth prospects. The MidCap Fund's investments are selected using a variety of both quantitative techniques and fundamental research in seeking to maximize the MidCap Fund's expected return while controlling risk. The MidCap Fund seeks a portfolio comprised of companies with one or more of the following attributes:

- Profitable earnings growth;
- Leadership position in an attractive growth market;
- Sustainable, competitive advantage;
- Barriers to entry into their business;
- Well-articulated mission and value-added focus;
- Financial strength; and
- Realistic valuation.

The Advisor applies the following strategies when purchasing securities for the MidCap Fund's portfolio:

- Intentionally avoiding short-term trading strategies and rapid shifts in industry positions.
- Setting sector limits at the greater of 30% of the MidCap Fund's total assets or double the weighting of the Russell Midcap[®] Growth Index in any one sector, as defined by such index. Thus, the MidCap Fund may be heavily invested in a single sector. However, a single sector may include numerous subsectors or industries. The MidCap Fund may therefore be concentrated in one sector, while being diversified among several industries.
- Typically holding the securities of fewer than 60 companies with exposure to approximately 20 industries.
- Seeking securities whose growth prospects, in the Advisor's opinion, are not reflected in their current stock prices.
- Limiting the size of any one new position. No security will represent more than 5% of the Fund's total assets at the time of purchase.

For both Funds, the Advisor may sell a security due to achievement of valuation targets, significant change in the initial investment premise or fundamental deterioration. Fundamental deterioration occurs when a company is no longer able to achieve the results generally expected by the investment management team due to a specific issue, such as a loss of a key customer or pricing pressure in the industry.

Each Fund will provide its shareholders with at least a 60-day notice of any change in such Fund's policy to invest at least 80% of its assets in the types of securities suggested by its name. For both Funds, the percentage limitations set forth under "Principal Investment Strategies" are measured at the time of investment.

Foreign Securities and American Depositary Receipts

Each Fund may invest in securities of foreign issuers and ADRs that are traded on a major U.S. exchange. ADRs are receipts generally issued by U.S. banks or trust companies evidencing ownership of the underlying foreign securities and denominated in U.S. dollars. Each Fund will limit its investments in ADRs to not more than 15% of its total assets.

Cash or Similar Investments; Temporary Strategies

Under normal market conditions, each Fund may invest up to 20% of its net assets in cash or similar short-term, investment grade securities such as U.S. government securities, repurchase agreements, commercial paper or certificates of deposit. In addition, each Fund may invest up to 100% of its total assets in cash or short-term, investment grade securities as a temporary defensive position during adverse market, economic or political conditions and in other limited circumstances. To the extent a Fund engages in any temporary strategies or maintains a substantial cash position, the Fund may not achieve its investment objective.

Investment Grade Securities are:
Securities rated in one of the four highest categories by Standard & Poor's ("S&P"), Moody's Investors Service, Inc., ("Moody's"), Fitch Ratings ("Fitch") or another nationally recognized statistical rating organization.

Principal Risks

The main risks of investing in each of the Funds are:

Stock Market Risks

Equity security prices vary and may fall, thus reducing the value of a Fund's investments. Certain stocks selected for a Fund's portfolio may decline in value more than the overall stock market. In general, the securities of mid-capitalization businesses may be more volatile than those of larger, more established businesses.

Growth-Style Investing Risks

Different types of stocks tend to shift into and out of favor with stock market investors depending on market and economic conditions. Because each Fund focuses on growth-style stocks, a Fund's performance may at times be better or worse than the performance of funds that focus on other types of stocks or that have a broader investment style. Growth stocks are often characterized by high price-to-earnings ratios, which may be more volatile than stocks with lower price-to-earnings ratios.

Management Risks

The Advisor's judgments about the attractiveness, value and potential appreciation of particular companies' stocks may prove to be incorrect. Such errors could result in a negative return and a loss to you.

Capitalization Risks

The MidCap Fund invests primarily in mid-capitalization stocks, which are often more volatile and less liquid than investments in larger companies. The frequency and volume of trading in securities of mid-size companies may be substantially less than is typical of larger companies. Therefore, the securities of mid-size companies may be subject to greater and more abrupt price fluctuations. In addition, mid-size companies may lack the management experience, financial resources and product diversification of larger companies, making them more susceptible to market pressures and business failure. You should expect that the value of the MidCap Fund's shares will be more volatile than the value of shares in a fund that invests primarily in large-capitalization companies.

Foreign Issuer Risks

To the extent a Fund invests in securities of a foreign issuer or ADRs, it is subject to certain inherent risks, such as political or economic instability of the country of issue, the difficulty of predicting international trade patterns and the possibility of imposition of exchange controls. Such securities may also be subject to greater fluctuations in price than

securities of domestic corporations. In addition, there may be less publicly available information about a foreign company than about a domestic company. Foreign companies generally are not subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to domestic companies. With respect to certain foreign countries, there is a possibility of expropriation or confiscatory taxation, or diplomatic developments, which could affect investment in those countries.

Recent Market Events

During 2008 and 2009, U.S. and international markets experienced dramatic volatility. The securities markets have experienced substantially lower valuations, reduced liquidity, price volatility, credit downgrades, increased likelihood of default and valuation difficulties. As a result, many of the above risks may be increased. Continuing market problems may have adverse effects on the Funds.

The Funds cannot guarantee that they will achieve their respective investment objectives. Please be aware that you may lose money by investing in the Funds.

Who May Want to Invest in the Funds

The Funds may be appropriate for investors who:

- Wish to invest for the long-term;
- Want to realize capital appreciation on investments in equity securities;
- Are looking for an equity component to their portfolio;
- Are willing to assume the risk of investing in equity securities; and
- Have long-term goals such as planning for retirement.

The Funds are not appropriate for investors who have short-term financial goals.

Before investing in a Fund, you should carefully consider:

- Your investment goals;
- The amount of time you are willing to leave your money invested; and
- The amount of risk you are willing to take.

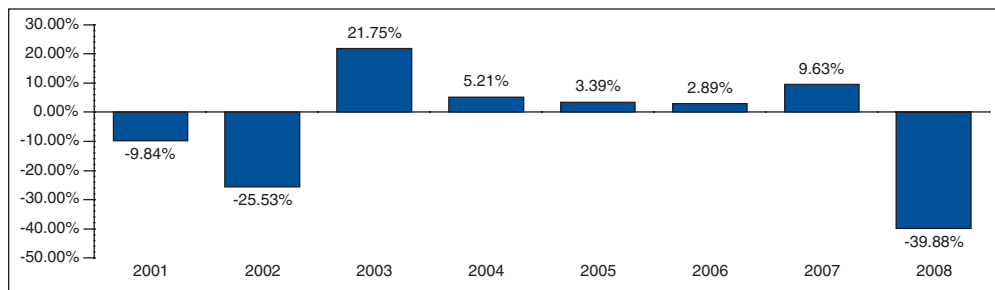
Performance Information

The performance information that follows gives some indication of how each Fund's performance can vary. The bar charts indicate the risks of investing in the Funds by showing the performance of each Fund from year-to-year (on a calendar year basis). The tables show each Fund's average annual returns compared to a broad-based securities market index. The information shown assumes reinvestment of dividends and distributions.

The after-tax returns for the Institutional Class shares of the Funds shown in the tables are intended to show the impact of assumed federal income taxes on an investment in the Funds. The "Return After Taxes on Distributions" shows the effect of taxable distributions (net investment income and capital gains distributions), but assumes that you still hold Fund shares at the end of the period. The "Return After Taxes on Distributions and Sale of Fund Shares" shows the effect of both taxable distributions and any taxable gain or loss that would be realized if Fund shares were sold at the end of the specified period. The after tax returns are calculated using the highest individual federal marginal income tax rates in effect and do not reflect the impact of state and local taxes. For 2008, the highest ordinary income and short-term gain rate was 35% and the highest long-term gain rate was 15%. In certain cases, the "Return After Taxes on

Distributions and Sale of Fund Shares” may be higher than the other return figures for the same period. This will occur when a capital loss is realized upon the sale of Fund shares and provides an assumed tax benefit that increases the return. Your actual after-tax returns depend on your tax situation and may differ from those shown. The after-tax returns are not relevant if you hold your Fund shares through a tax-deferred account, such as a 401(k) plan or an individual retirement account (“IRA”). After-tax returns for the Investor Class shares of the Funds will vary from those shown for the Institutional Class shares. Please remember that a Fund’s past performance (before and after taxes) does not reflect how the Fund may perform in the future.

LargeCap Fund
*Institutional Class**
Calendar Year Returns as of 12/31



* Please note that the *Institutional Class* has a lower level of expenses than the *Investor Class*. If the returns for the *Investor Class* were shown, the returns would have been lower. See “Fees and Expenses of the Funds.”

<i>Best quarter:</i>	4 th quarter 2001	13.95%
<i>Worst quarter:</i>	4 th quarter 2008	-26.49%

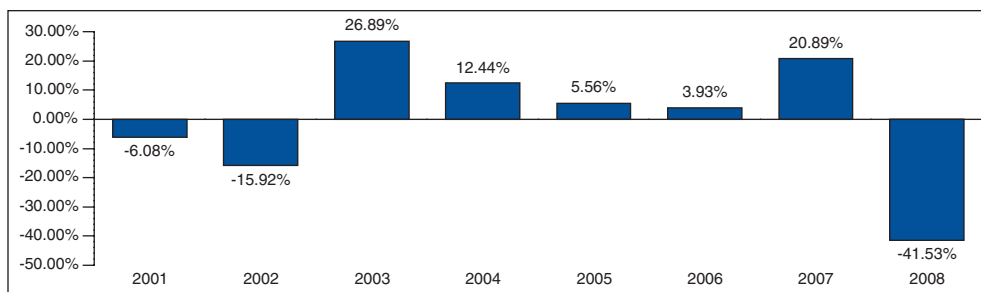
Average Annual Total Returns as of December 31, 2008

	<u>1 Year</u>	<u>5 Years</u>	<u>Since Inception⁽¹⁾</u>
LargeCap Fund			
<i>Institutional Class</i>			
Return Before Taxes	-39.88%	-5.90%	-6.43%
Return After Taxes on Distributions	-39.93%	-5.99%	-6.50%
Return After Taxes on Distributions and Sale of Fund Shares	-25.87%	-4.90%	-5.23%
<i>Investor Class</i>			
Return Before Taxes	-39.94%	-6.11%	-6.66%
Russell 1000[®] Growth Index⁽²⁾	-38.44%	-3.43%	-8.24%

(1) The returns shown are since the Fund’s inception date, September 29, 2000 (commencement of operations).

(2) The Russell 1000[®] Growth Index, constructed to provide a comprehensive and unbiased barometer of the large-cap growth market, measures the performance of those Russell 1000[®] companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000[®] Index consists of the 1,000 largest companies in the Russell 3000[®] Index, which represents approximately 92% of the total market capitalization of the Russell 3000[®] Index, which in turn consists of the 3,000 largest U.S. domiciled publicly-traded common stocks by market capitalization. These indices do not reflect any deduction for fees, expenses or taxes. A direct investment in an index is not possible.

MidCap Fund
*Institutional Class**
 Calendar Year Returns as of 12/31



* Please note that the *Institutional Class* has a lower level of expenses than the *Investor Class*. If the returns for the *Investor Class* were shown, the returns would have been lower. See "Fees and Expenses of the Funds."

Best quarter: 4th quarter 2001 16.05%
Worst quarter: 4th quarter 2008 -24.90%

Average Annual Total Returns as of December 31, 2008

	<u>1 Year</u>	<u>5 Years</u>	<u>Since Inception⁽¹⁾</u>
MidCap Fund			
<i>Institutional Class</i>			
Return Before Taxes	-41.53%	-2.70%	-2.05%
Return After Taxes on Distributions	-41.54%	-3.91%	-2.81%
Return After Taxes on Distributions and Sale of Fund Shares	-26.99%	-1.90%	-1.48%
<i>Investor Class</i>			
Return Before Taxes	-41.70%	-2.92%	-2.27%
Russell Midcap[®] Growth Index⁽²⁾	-44.32%	-2.33%	-4.08%

(1) The returns shown are since the Fund's inception date December 29, 2000 (commencement of operations).

(2) The Russell Midcap[®] Growth Index, constructed to provide a comprehensive and unbiased barometer of the mid-cap growth market, measures the performance of those Russell Midcap[®] companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap[®] Index consists of the 800 smallest companies in the Russell 1000[®] Index, which represents approximately 31% of the total market capitalization of the Russell 1000[®] Index. The Russell 1000[®] Index consists of the largest 1,000 companies in the Russell 3000[®] Index, which in turn consists of the 3,000 largest U.S. domiciled publicly traded common stocks by market capitalization. These indices do not reflect any deduction for fees, expenses or taxes. A direct investment in an index is not possible.

Fees and Expenses of the Funds

This table describes the fees and expenses that you may pay if you buy and hold Investor Class shares or Institutional Class shares of the Funds.

Shareholder Fees

(fees paid directly from your investment)

The shares of the Funds are no-load, so you pay no sales charges (loads) to buy or sell shares.*

Annual Fund Operating Expenses

(expenses that are deducted from Fund assets; as a percent of average net assets)

	<i>LargeCap Investor Class Shares</i>	<i>LargeCap Institutional Class Shares</i>	<i>MidCap Investor Class Shares</i>	<i>MidCap Institutional Class Shares</i>
Management Fees	0.65%	0.65%	0.75%	0.75%
Distribution and Service (12b-1) Fees ⁽¹⁾	0.25%	None	0.25%	None
Other Expenses ⁽²⁾	<u>0.52%</u>	<u>0.52%</u>	<u>0.44%</u>	<u>0.45%</u>
Total Annual Fund Operating Expenses ⁽³⁾	1.42%	1.17%	1.44%	1.20%
Less Expense Reimbursement	<u>-0.42%</u>	<u>-0.42%</u>	<u>-0.34%</u>	<u>-0.35%</u>
Net Annual Fund Operating Expenses	1.00%	0.75%	1.10%	0.85%

* The Funds will charge a \$15 fee for wire transfers of redemption proceeds. The wire transfer fee may be waived in limited circumstances. See "Payment of Redemption Proceeds."

- (1) Because each Fund pays 12b-1 distribution fees for its Investor Class shares, which are based upon the Fund's assets attributable to the Investor Class, if you own Investor Class shares of a Fund for a long period of time, these fees will increase the cost of your investment and may cost you more than paying other types of sales charges.
- (2) "Other Expenses" are based on amounts incurred during the last fiscal period and include custodian, administration, transfer agency and other customary Fund expenses. "Other expenses" also include the fees and expenses incurred by a fund in connection with its investments in other investment companies, if any, which are referred to as "acquired fund expenses." After voluntary reimbursement by the Advisor, acquired fund expenses incurred by each Fund were less than the annual rate of 0.005% of its average daily net assets for the fiscal year ended December 31, 2008.
- (3) The Advisor has contractually agreed to limit the LargeCap and MidCap Funds' Total Annual Fund Operating Expenses to 1.00% and 1.10%, respectively, of average daily net assets for the Investor Class shares and 0.75% and 0.85%, respectively, of average daily net assets for the Institutional Class shares of the Funds, at least through April 30, 2010. The Advisor's agreement to limit the Funds' expenses does not include taxes, brokerage commissions or extraordinary expenses incurred by the Funds. The Advisor can recapture any expenses or fees it has waived or reimbursed within a three-year period if the expense ratios in those future years are less than the limits specified above and less than the limits in effect at that future time. However, the Funds are not obligated to pay any such waived fees more than three years after the end of the fiscal year in which the fees were waived or reimbursed.

Example

The following example is intended to help you compare the cost of investing in a Fund with the cost of investing in other mutual funds.

The example assumes that:

- You invest \$10,000 in a Fund for the time periods indicated;
- You redeem all of your shares at the end of those periods;
- Your investment has a 5% return each year;

- Your distributions have been reinvested; and
- The Fund's operating expenses remain the same.

Please note that the one-year numbers below are based on the Funds' net expenses resulting from the expense limitation agreement described above. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
LargeCap Fund – Investor Class Shares	\$102	\$408	\$736	\$1,666
LargeCap Fund – Institutional Class Shares	\$ 77	\$330	\$603	\$1,383
MidCap Fund – Investor Class Shares	\$112	\$424	\$759	\$1,705
MidCap Fund – Institutional Class Shares	\$ 87	\$346	\$626	\$1,424

Management of the Funds

The Advisor

Robert W. Baird & Co. Incorporated, subject to the general supervision of the Company's Board of Directors (the "Board"), is responsible for the day-to-day management of the Funds in accordance with each Fund's respective investment objective and policies. This includes making investment decisions and buying and selling securities. Pursuant to an Investment Advisory Agreement between the Company and the Advisor, for its services, the Advisor receives an annual fee of 0.65% and 0.75% of the average daily net assets of the LargeCap Fund and MidCap Fund, respectively. The advisory fee is accrued daily and paid monthly.

However, the Advisor has contractually agreed to waive its fees and/or reimburse each Fund's operating expenses at least through April 30, 2010 to the extent necessary to ensure that the total operating expenses, excluding taxes, brokerage commissions and extraordinary expenses (on an annual basis) do not exceed:

- 1.00% of the Investor Class's average daily net assets and 0.75% of the Institutional Class's average daily net assets for the LargeCap Fund; and
- 1.10% of the Investor Class's average daily net assets and 0.85% of the Institutional Class's average daily net assets for the MidCap Fund.

The Advisor is permitted to recoup the fees waived and/or expenses paid within a three-year period to the extent of the expense limitation. Any waivers or reimbursements have the effect of lowering the overall expense ratio for the applicable Fund and increasing the overall return to investors at the time any such amounts are waived and/or reimbursed.

After expense waivers, the advisory fee paid to the Advisor for the fiscal period ended December 31, 2008 was equal to 0.23% of the LargeCap Fund's average daily net assets and 0.41% of the MidCap Fund's average daily net assets.

A discussion regarding the basis for the Board's approval of the Investment Advisory Agreement is available in the Funds' 2008 annual report.

The Advisor was founded in 1919 and has its main office at 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202. The Advisor provides investment management services for individuals and institutional clients including pension and profit sharing plans. As of December 31, 2008, the Advisor had over \$21 billion in assets under management.

The Investment Management Team

The individuals listed below are members of the Advisor's investment management team that manages the Funds' investments. No member of the investment management team is solely responsible for making recommendations for portfolio purchases and sales. The investment management team is supported by a staff of research analysts, traders and other investment professionals. Each Fund's co-managers jointly review and approve the analysts' recommendations and make the final buy and sell decisions for a Fund upon approval of a majority of the co-managers.

The Funds' SAI provides additional information about the members of the investment management team, including other accounts they manage, their ownership of Fund shares and their compensation.

Douglas E. Guffy

Mr. Guffy co-manages the *LargeCap Fund*. He is a Senior Portfolio Manager of the Advisor, having joined Baird Investment Management in April 2004. Previously, he had been a portfolio manager at American Express Financial Corp. He also served as a Group Director of Research and a research analyst during his nine years at American Express. Before joining American Express, he was an equity analyst for Banc One Investment Advisors. Mr. Guffy earned his B.S. in Economics and Government from Anderson University and his M.B.A. from Ball State University.

Kenneth M. Hemauer, CFA

Mr. Hemauer co-manages the *LargeCap Fund*. He is Director of Research for Baird Investment Management. He joined Baird Investment Management in 2001, after spending seven years as a Senior Analyst in the Equity Research Department of the Advisor. He received both a B.B.A. degree and an M.S. degree in Finance from the University of Wisconsin-Madison. He earned the Chartered Financial Analyst designation in 1995.

J. Bary Morgan, CFA

Mr. Morgan co-manages the *LargeCap Fund* and *MidCap Fund*. He is a Senior Portfolio Manager of the Advisor and Chief Investment Officer of Baird Investment Management. He joined Baird Investment Management in 1992. He concentrated his undergraduate studies in finance and accounting, earning a B.S. degree in Finance from Louisiana Tech University. Mr. Morgan received an M.B.A. from the Indiana University Graduate School of Business. He earned the Chartered Financial Analyst designation in 1995.

Carla N. Cooper, CFA

Ms. Cooper co-manages the *MidCap Fund*. She is a Portfolio Manager of the Advisor. In 2005, Ms. Cooper joined Baird Investment Management as a Senior Research Analyst, after serving as a Research Analyst for the Advisor since 1995. Ms. Cooper received a B.A. degree from Princeton University and an M.B.A. from the Kellogg School of Management at Northwestern University. She earned the Chartered Financial Analyst designation in 1993.

Charles F. Severson, CFA

Mr. Severson co-manages the *MidCap Fund*. He is a Senior Portfolio Manager of the Advisor. He joined the Advisor in 1987 as an Institutional Salesman. In 1991, Mr. Severson joined Baird Investment Management as a Portfolio Manager. He has a B.B.A. degree in Accounting and Finance and an M.S. degree in Finance from the University of Wisconsin-Madison. He earned the Chartered Financial Analyst designation in 1990.

Financial Highlights

The financial highlights table is intended to help you understand each Fund's financial performance for the period from the Fund's last five fiscal years or since commencement of operations through December 31, 2008. Certain information reflects financial results for a single Fund share. The total returns presented in the table represent the rate that an investor would have earned or lost on an investment in the Fund for the stated periods (assuming reinvestment of all dividends and distributions). The information for the fiscal years ended December 31, 2008, 2007, 2006 and 2005 were audited by Grant Thornton LLP, whose report, along with each Fund's financial statements, is included in the Funds' annual report, which is available upon request. The information for the fiscal year ended December 31, 2004 was audited by a different firm.

	Baird LargeCap Fund – Institutional Class				
	Year Ended December 31,				
	2008	2007	2006	2005	2004
Per Share Data:					
Net asset value, beginning of period	\$ 9.33	\$ 8.53	\$ 8.33	\$ 8.13	\$ 7.78
Income from investment operations:					
Net investment income	0.03	0.02	0.04	0.04 ⁽¹⁾	0.06 ⁽¹⁾
Net realized and unrealized gains (losses) on investments	(3.74)	0.80	0.20	0.24	0.35
Total from investment operations	(3.71)	0.82	0.24	0.28	0.41
Less distributions:					
Dividends from net investment income	(0.03)	(0.02)	(0.04)	(0.08)	(0.06)
Net asset value, end of period	\$ 5.59	\$ 9.33	\$ 8.53	\$ 8.33	\$ 8.13
Total return	(39.88%)	9.63%	2.89%	3.39%	5.21%
Supplemental data and ratios:					
Net assets, end of period	\$16,349,025	\$27,644,009	\$27,442,329	\$27,375,626	\$64,754,140
Ratio of expenses to average net assets	0.75%	0.75%	0.75%	0.75%	0.75%
Ratio of expenses to average net assets (before waivers)	1.17%	1.10%	1.12%	0.93%	0.93%
Ratio of net investment income to average net assets	0.32%	0.25%	0.44%	0.46%	0.72%
Ratio of net investment income (loss) to average net assets (before waivers)	(0.10%)	(0.10%)	0.07%	0.28%	0.54%
Portfolio turnover rate ⁽²⁾	43.0%	72.2%	63.9%	28.6%	23.2%

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

⁽²⁾ Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

Baird LargeCap Fund – Investor Class

	Year Ended December 31,				
	2008	2007	2006	2005	2004
Per Share Data:					
Net asset value, beginning of period	\$ 9.29	\$ 8.50	\$ 8.29	\$ 8.09	\$ 7.75
Income from investment operations:					
Net investment income	0.00 ⁽¹⁾	0.00 ⁽¹⁾	0.01	0.02 ⁽²⁾	0.04 ⁽²⁾
Net realized and unrealized gains (losses) on investments	(3.70)	0.79	0.21	0.23	0.35
Total from investment operations	(3.70)	0.79	0.22	0.25	0.39
Less distributions:					
Dividends from net investment income	—	—	(0.01)	(0.05)	(0.05)
Net asset value, end of period	\$ 5.59	\$ 9.29	\$ 8.50	\$ 8.29	\$ 8.09
Total return	(39.94%)	9.29%	2.64%	3.15%	5.00%
Supplemental data and ratios:					
Net assets, end of period	\$ 261,198	\$ 740,779	\$ 1,087,948	\$ 2,400,525	\$1,900,053
Ratio of expenses to average net assets	1.00%	1.00%	1.00%	1.00%	1.00%
Ratio of expenses to average net assets (before waivers)	1.42%	1.35%	1.37%	1.18%	1.18%
Ratio of net investment income to average net assets	0.07%	0.00%	0.19%	0.21%	0.47%
Ratio of net investment income (loss) to average net assets (before waivers)	(0.35%)	(0.35%)	(0.18%)	0.03%	0.29%
Portfolio turnover rate ⁽³⁾	43.0%	72.2%	63.9%	28.6%	23.2%

(1) Amount is less than \$0.01.

(2) Calculated using average shares outstanding during the period.

(3) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

Baird MidCap Fund – Institutional Class

	Year Ended December 31,				
	2008	2007	2006	2005	2004
Per Share Data:					
Net asset value, beginning of period	\$ 9.62	\$ 9.33	\$ 11.12	\$ 10.91	\$ 9.72
Income from investment operations:					
Net investment income (loss) ⁽¹⁾	0.01	(0.01)	(0.02)	(0.02)	(0.04)
Net realized and unrealized gains (losses) on investments	(3.99)	1.99	0.46	0.63	1.25
Total from investment operations	(3.98)	1.98	0.44	0.61	1.21
Less distributions:					
Distributions from net investment income	(0.01)	—	—	—	—
Distributions from net realized gains	—	(1.69)	(2.23)	(0.40)	(0.02)
Total distributions	(0.01)	(1.69)	(2.23)	(0.40)	(0.02)
Net asset value, end of period	<u>\$ 5.63</u>	<u>\$ 9.62</u>	<u>\$ 9.33</u>	<u>\$ 11.12</u>	<u>\$ 10.91</u>
Total return	(41.53%)	20.89%	3.93%	5.56%	12.44%
Supplemental data and ratios:					
Net assets, end of period	\$18,163,034	\$36,616,547	\$32,057,214	\$85,670,669	\$86,476,869
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)	1.19%	1.11%	1.01%	0.98%	1.05%
Ratio of net investment income (loss) to average net assets	0.06%	(0.06%)	(0.17%)	(0.21%)	(0.43%)
Ratio of net investment income (loss) to average net assets (before waivers)	(0.28%)	(0.32%)	(0.33%)	(0.34%)	(0.63%)
Portfolio turnover rate ⁽²⁾	74.0%	72.3%	78.6%	77.4%	77.9%

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

(2) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

Baird MidCap Fund – Investor Class

Year Ended December 31,

	2008	2007	2006	2005	2004
Per Share Data:					
Net asset value, beginning of period	\$ 9.40	\$ 9.17	\$ 10.99	\$ 10.82	\$ 9.65
Income from investment operations:					
Net investment loss ⁽¹⁾	(0.02)	(0.04)	(0.04)	(0.05)	(0.07)
Net realized and unrealized gains (losses) on investments	(3.89)	1.96	0.45	0.62	1.26
Total from investment operations	(3.91)	1.92	0.41	0.57	1.19
Less distributions:					
Distributions from net realized gains	—	(1.69)	(2.23)	(0.40)	(0.02)
Net asset value, end of period	\$ 5.49	\$ 9.40	\$ 9.17	\$ 10.99	\$ 10.82
Total return	(41.70%)	20.61%	3.73%	5.24%	12.32%
Supplemental data and ratios:					
Net assets, end of period	\$ 1,563,786	\$ 4,783,844	\$ 5,023,621	\$ 4,506,947	\$3,944,857
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)	1.44%	1.36%	1.26%	1.23%	1.30%
Ratio of net investment loss to average net assets	(0.19%)	(0.31%)	(0.42%)	(0.46%)	(0.68%)
Ratio of net investment loss to average net assets (before waivers)	(0.53%)	(0.57%)	(0.58%)	(0.59%)	(0.88%)
Portfolio turnover rate ⁽²⁾	74.0%	72.3%	78.6%	77.4%	77.9%

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

⁽²⁾ Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

Your Account

Distribution of Shares

Distributor

The Advisor, Robert W. Baird & Co. Incorporated, is also the distributor (the “Distributor”) for shares of the Funds, and a member of the Financial Industry Regulatory Authority.

Rule 12b-1 Plan

The Funds have adopted a distribution and shareholder service plan pursuant to Rule 12b-1 under the Investment Company Act of 1940 (the “Rule 12b-1 Plan”). Under the Rule 12b-1 Plan, the Investor Class shares pay the Distributor a fee of 0.25% of their average daily net asset value. The Distributor uses this fee primarily to finance activities that promote the sale of Investor Class shares. Such activities include, but are not necessarily limited to, compensating brokers, dealers, financial intermediaries and sales personnel for distribution and shareholder services, printing and mailing prospectuses to persons other than current shareholders, printing and mailing sales literature, and advertising. Because 12b-1 fees are ongoing, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges.

Sales and Networking Programs

The Distributor has established a referral program pursuant to which it may pay cash compensation to its sales personnel for sales of Institutional Class shares of the Funds. Compensation paid to participants in this program for sales of Institutional Class shares of the Funds may be more or less than compensation they receive for sales of shares of other investment companies. The Distributor will pay compensation under the referral program out of its own resources. Accordingly, the referral program will not affect the price an investor will pay for Institutional Class shares of the Funds. Please see “Fees and Expenses of the Funds” for information about the Funds’ fees and expenses.

From time to time, the Distributor may also pay brokers, dealers or other financial intermediaries for the provision of certain marketing support and administrative, shareholder and other services on behalf of their clients who are Fund shareholders, including the distribution and marketing of the Funds. In some circumstances, the Funds may directly pay the intermediary for performing sub-transfer agency and related services provided that the aggregate fee does not exceed what the Funds would pay the transfer agent if the intermediary’s clients were direct shareholders of the Funds. Any such payments in excess of these limitations will be made from the Distributor’s own resources and will not increase costs to the Funds. The payments to these firms may vary based on the types of services provided, the level of sales activity and amount of their clients’ assets invested in the Funds. These payments may influence the broker, dealer or intermediary to recommend a particular Fund, or a particular class of Fund shares, over another investment. The Distributor may be reimbursed for such payments, if permissible, under the Funds’ Rule 12b-1 Plan.

Description of Classes

Each Fund offers two classes of shares: Investor Class and Institutional Class. The classes differ with respect to their minimum investments. In addition, Investor Class shares impose a Rule 12b-1 fee that is assessed against the assets of a Fund attributable to that class.

The Distributor may select financial institutions, such as banks, fiduciaries, custodians, investment advisers and broker-dealers, as agents to provide sales or administrative services for their clients or customers who beneficially own Investor Class shares. Financial institutions will receive 12b-1 fees from the Distributor based upon shares owned by their clients or customers. The Distributor will determine the schedule of such fees and the basis upon which such fees will be paid.

Share Price

Shares of each class in a Fund are sold at their net asset value (“NAV”).

The NAV for each class of shares of a Fund is determined as of the close of regular trading on the New York Stock Exchange (the “NYSE”) (currently 3:00 p.m., Central time) Monday through Friday, except on days the NYSE is not open. If the NYSE closes at any other time, or if an emergency exists, NAV may be calculated at a different time. The NYSE is closed most national holidays and Good Friday. Please refer to the Funds’ SAI for a complete list of the days that the NYSE is closed.

When making a purchase request, make sure your request is in good order. “Good order” means your purchase request includes:

- The name of the Fund;
- The dollar amount of shares to be purchased;
- Purchase application or investment stub; and
- Check payable to Baird Funds or, if paying by wire, receipt of Federal Funds.

The NAV for a class of shares is determined by adding the value of each Fund’s investments, cash and other assets attributable to a particular share class, subtracting the liabilities attributable to that class and then dividing the result by the total number of shares outstanding in the class.

Each Fund’s investments are valued at market value when market quotations are readily available or otherwise at fair value in accordance with pricing and valuation policies and procedures approved by the Board of Directors. In general, the “fair value” of a security means the amount that a Fund might reasonably expect to receive for the security upon its current sale. Pursuant to Statement of Financial Accounting Standards No. 157, “fair value” means “the price that would be received to sell [a security] in an orderly transaction between market participants at the measurement date.”

Under the Funds’ pricing and valuation policies and procedures, the stocks are generally valued according to market value because market quotations for them are readily available. Most stocks held by the Funds are listed on a U.S. exchange, and their market values are equal to their last quoted sales prices (or, for NASDAQ-listed stocks, the NASDAQ Official Closing Prices). If there were no transactions on a particular trading day, stocks will be valued at the average of their most recent bid and asked prices. Investments in short-term money market instruments (i.e., debt securities with remaining maturities of 60 days or less) are generally valued at acquisition cost plus or minus any amortized premium or discount. Mutual fund shares are valued at their last calculated NAV. When a market quote for a security is not readily available or deemed to be inaccurate by the Advisor, the Advisor will value the security at “fair value” as determined in accordance with the Funds’ pricing and valuation policies and procedures. Accordingly, in such instances, the Advisor may use broker quotes or prices obtained from alternative independent pricing services or, if broker quotes or prices from alternative pricing services are unavailable or are deemed to be unreliable, fair value will be determined by the valuation committee of the Advisor. In determining fair value, the valuation committee takes into account all relevant factors and available information. Consequently, the price of the security used by a Fund to calculate its NAV may differ from a quoted or published price for the same security. Fair value pricing involves subjective judgments and it is possible that the fair value determined for a security is materially different than the value that could be realized upon the sale of that security.

Buying Shares

Minimum Investments

	<i>Initial Purchase</i>	<i>Subsequent Purchases</i>
Investor Class Shares	\$1,000 - IRAs \$2,500 - all other accounts	\$100 \$100
Institutional Class Shares	\$25,000	No minimum

Minimum Investment Reductions – Institutional Class Shares

The minimum initial investment amount for Institutional Class shares is waived for all employees, directors and officers of the Advisor or the Funds and members of their families (including parents, grandparents, siblings, spouses, children and in-laws of such employees, directors and officers). It is also waived for clients of the Advisor who acquire shares of a Fund made available through a mutual fund asset allocation program offered by the Advisor. Also, the minimum initial investment amount for Institutional Class shares may be waived or reduced at the discretion of the Distributor, including waivers or reductions for purchases made through certain registered investment advisers and qualified third-party platforms.

Timing of Requests

Your price per share will be the NAV next computed after your request is received in good order by a Fund or its agents. All requests received in good order before the close of regular trading on the NYSE will be executed at the NAV computed on that day. Requests received after the close of regular trading on the NYSE will receive the next business day's NAV.

Receipt of Orders

Shares may only be purchased on days the NYSE is open for business. The Funds may authorize one or more broker-dealers to accept on their behalf purchase and redemption orders that are in good order. In addition, these broker-dealers may designate other financial intermediaries to accept purchase and redemption orders on a Fund's behalf. Contracts with these agents require the agents to track the time that purchase and redemption orders are received. Purchase and redemption orders must be received by the Funds or authorized intermediaries before the close of regular trading on the NYSE to receive that day's share price.

Customer Identification Procedures

The Company, on behalf of each Fund, is required to comply with various anti-money laundering laws and regulations. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions, including mutual funds, to obtain, verify and record information that identifies each person who opens an account.

In compliance with the USA PATRIOT Act, please note that U.S. Bancorp Fund Services, LLC, the Company's transfer agent (the "Transfer Agent"), will verify certain information on your account application as part of the Funds' Anti-Money Laundering Program. As requested on the account application, you should supply your full name, date of birth, social security number and permanent street address. Mailing addresses containing only a P.O. Box will not be accepted. If you require assistance when completing your application, please call (toll free) 1-866-44BAIRD.

If the Company or the Transfer Agent does not have a reasonable belief of the identity of a shareholder, the initial purchase will be rejected or the shareholder will not be allowed to perform a transaction on the account until such

information is received. The Funds also reserve the right to close the account within five business days if clarifying information and/or documentation is not received. Any delay in processing your order will affect the purchase price you receive for your shares. The Company, the Distributor and the Transfer Agent are not liable for fluctuations in NAV experienced as a result of such delays in processing. If at any time the Company or the Transfer Agent detects suspicious behavior or if certain account information matches government lists of suspicious persons, the Company or the Transfer Agent may determine not to open an account, may reject additional purchases, may close an existing account, may file a suspicious activity report and/or may take other action.

The Funds may not be sold to investors residing outside the U.S. and its territories, except upon evidence of compliance with the laws of the applicable foreign jurisdictions.

Market Timing Policy

Depending on various factors (including the size of the Fund, the amount of assets the Advisor typically maintains in cash or cash equivalents, and the dollar amount, number and frequency of trades), short-term or excessive trading into and out of the Funds, generally known as market timing, may harm all shareholders by: disrupting investment strategies; increasing brokerage, administrative and other expenses; decreasing tax efficiency; diluting the value of shares held by long-term shareholders; and impacting Fund performance. The Board has approved policies that seek to discourage frequent purchases and redemptions and curb the disruptive effects of market timing (the “Market Timing Policy”). Pursuant to the Market Timing Policy, the Funds may decline to accept an application or may reject a purchase request, including an exchange, from a market timer or an investor who, in the Advisor’s sole discretion, has a pattern of short-term or excessive trading or whose trading has been or may be disruptive to the Funds. For these purposes, the Advisor may consider an investor’s trading history in the Funds or other Baird Funds. The Funds, the Advisor and affiliates thereof are prohibited from entering into arrangements with any shareholder or other person to permit frequent purchases and redemptions of Fund shares.

The Company monitors and enforces its market timing policy through:

- Regular reports to the Board by the Funds’ Chief Compliance Officer regarding any instances of suspected market timing;
- Monitoring of trade activity; and
- Restrictions and prohibitions on purchases and/or exchanges by persons believed to engage in frequent trading activity.

In addition, if market timing is detected in an omnibus account held by a financial intermediary, the Funds may request that the intermediary restrict or prohibit further purchases or exchanges of Fund shares by any shareholder that has been identified as having violated the Market Timing Policy. The Funds may also request that the intermediary provide identifying information, such as social security numbers, and trading information about the underlying shareholders in the account in order to review any unusual patterns of trading activity discovered in the omnibus account.

While the Funds seek to take action that will detect and deter market timing, the risks of market timing cannot be completely eliminated. For example, the Funds may not be able to identify or reasonably detect or deter market timing transactions that may be facilitated by financial intermediaries or made difficult to identify through the use of omnibus accounts by those intermediaries that transmit purchase, exchange, or redemption orders to the Funds on behalf of their customers who are the beneficial owners. More specifically, unless the financial intermediaries have the ability to detect and deter market timing transactions themselves, the Funds may not be able to determine whether the purchase or sale is connected with a market timing transaction. Additionally, there can be no assurance that the systems and procedures of the Transfer Agent will be able to monitor all trading activity in a manner that would detect market timing. However,

the Funds, the Advisor, the Distributor and the Transfer Agent will attempt to detect and deter market timing in transactions by all Fund investors, whether directly through the Transfer Agent or through financial intermediaries.

Householding

In an effort to decrease costs, the Funds intend to reduce the number of duplicate prospectuses and annual and semi-annual reports you receive by sending only one copy of each to those addresses shared by two or more accounts and to shareholders we reasonably believe are from the same family or household. Once implemented, if you would like to discontinue householding for your accounts, please call toll-free at 1-866-44BAIRD to request individual copies of these documents. Once the Funds receive notice to stop householding, we will begin sending individual copies 30 days after receiving your request. This policy does not apply to account statements.

Methods of Buying

	<i>To Open an Account</i>	<i>To Add to an Account</i>
By Telephone	You may not use the telephone purchase option for your initial purchase of a Fund's shares. However, you may call the Funds (toll-free) at 1-866-44BAIRD to open a new account by requesting an exchange into another Baird Fund. See "Exchanging Shares."	You may call the Funds (toll-free) at 1-866-44BAIRD to place your order for Fund shares. You will then be able to move money from your bank account to your Fund account upon request. Only bank accounts held at domestic institutions that are Automated Clearing House ("ACH") members may be used for telephone transactions. The minimum telephone purchase is \$100.
By Mail	Make your check payable to "Baird Funds." All checks must be in U.S. dollars drawn on U.S. financial institutions. Forward the check and your application to the address below. To prevent fraud, the Funds will not accept cash, money orders, third party checks, traveler's checks, credit card checks, starter checks or U.S. Treasury checks for the purchase of shares. If your check is returned for any reason, a \$25 fee will be assessed against your account and you will be responsible for any loss incurred by the Fund(s). The Funds will only accept payment by cashier's check when the cashier's check is in excess of \$10,000. The Funds are unable to accept post-dated checks, post-dated on-line bill pay checks or any conditional order or payment.	Fill out the investment stub from an account statement, or indicate the Fund name and account number on your check. Make your check payable to "Baird Funds." Forward the check and stub to the address below.

	<i>To Open an Account</i>	<i>To Add to an Account</i>
By Federal Funds Wire	Forward your application to Baird Funds at the address below. Call (toll-free) 1-866-44BAIRD to obtain an account number. Wire funds using the instructions to the right.	Notify the Funds of an incoming wire by calling (toll-free) 1-866-44BAIRD. Use the following instructions: U.S. Bank, N.A. 777 E. Wisconsin Ave. Milwaukee, WI 53202 ABA#: 075000022 Credit: U.S. Bancorp Fund Services, LLC Account #: 112-952-137 Further Credit: (name of Fund, share class) (name/title on the account) (account #) The Funds, the Advisor and the Transfer Agent are not responsible for the consequences of delays resulting from the banking or Federal Reserve Wire system, or from incomplete wiring instructions.
Automatic Investment Plan	Open a Fund account with one of the other methods. If by mail, be sure to include your checking account number on the appropriate section of your application and enclose a voided check or deposit slip with your initial purchase application.	If you did not set up an Automatic Investment Plan with your original application, call the Funds (toll-free) at 1-866-44BAIRD. Additional investments (minimum of \$100) will be taken from your checking account automatically monthly or quarterly. If you do not have sufficient funds in your account or if your account is closed at the time of the automatic transaction, you will be assessed a \$25 fee.
Through Shareholder Service Organizations	To purchase shares for another investor, call the Funds (toll-free) at 1-866-44BAIRD.	To purchase shares for another investor, call the Funds (toll-free) at 1-866-44BAIRD.
By Exchange	Call the Funds (toll-free) at 1-866-44BAIRD to obtain exchange information. See “Exchanging Shares.”	Call the Funds (toll-free) at 1-866-44BAIRD to obtain exchange information. See “Exchanging Shares.”

You should use the following addresses when sending documents by mail or by overnight delivery:

By Mail

Baird Funds, Inc.
c/o U.S. Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, Wisconsin 53201-0701

By Overnight Delivery

Baird Funds, Inc.
c/o U.S. Bancorp Fund Services, LLC
615 E. Michigan Street, Third Floor
Milwaukee, Wisconsin 53202

NOTE: The Funds and the Transfer Agent do not consider the U.S. Postal Service or other independent delivery services to be their agents.

Selling Shares

Methods of Selling

<i>To Sell Some or All of Your Shares</i>	
By Telephone	Call the Funds (toll-free) at 1-866-44BAIRD to place the order. (Note: for security reasons, requests by telephone will be recorded.) Telephone redemptions involving \$50,000 or more of Investor Class shares are not permitted.
By Mail	Send a letter to the Funds that indicates the dollar amount or number of shares you wish to redeem. The letter should contain the Fund's name, the account number and the number of shares or the dollar amount of shares to be redeemed. Be sure to have all shareholders sign the letter and, if necessary, have the signature guaranteed. For IRA accounts, requests submitted without an election regarding tax withholding will be subject to tax withholding.
Systematic Withdrawal Plan	The Funds offer shareholders a Systematic Withdrawal Plan. Call the Funds (toll-free) at 1-866-44BAIRD to arrange for regular monthly or quarterly fixed withdrawal payments. The minimum payment you may receive is \$50 per period. Note that this plan may deplete your investment and affect your income or yield.
Shareholder Service Organization	Consult your account agreement for information on redeeming shares.
By Exchange	Call the Funds (toll-free) at 1-866-44BAIRD to obtain exchange information. See "Exchanging Shares" for further information.

Payment of Redemption Proceeds

You may request redemption of your shares at any time. Your shares will be redeemed at the next NAV per share calculated after your order is received in good order by a Fund or its agents. You may receive the proceeds in one of three ways:

- 1) A check mailed to your account's address. Your proceeds will typically be sent on the business day following the day on which the Fund or its agent receives your request in good order. Checks will not be forwarded by the U.S. Postal Service, so please notify us if your address has changed prior to a redemption request. A redemption request made within 15 days of an address change will require a signature guarantee. Proceeds will be sent to you in this way, unless you request one of the alternatives described below.
- 2) The proceeds transmitted by Electronic Funds Transfer ("EFT") to a properly pre-authorized bank account. The proceeds usually will arrive at your bank two banking days after we process your redemption.
- 3) The proceeds transmitted by wire to a pre-authorized bank account for a \$15 fee. This fee will be deducted from your redemption proceeds for complete redemptions. In the case of a partial redemption, the fee will be deducted from the remaining account balance. The fee is paid to the Transfer Agent to cover costs associated with the transfer. The Advisor reserves the right to waive the wire fee in limited circumstances. The proceeds usually will arrive at your bank the first banking day after we process your redemption. Be sure to have all necessary information from your bank. Your bank may charge a fee to receive wired funds.

When making a redemption request, make sure your request is in good order. "Good order" means your letter of instruction includes:

- The name of the Fund;
- The number of shares or the dollar amount of shares to be redeemed;
- Signatures of all registered shareholders exactly as the shares are registered and, if necessary, with a signature guarantee; and
- The account number.

Before selling recently purchased shares, please note that if the Transfer Agent has not yet collected payment for the shares you are selling, there may be a delay in sending the proceeds until the payment is collected, which may take up to 12 calendar days from the purchase date. This procedure is intended to protect the Funds and their shareholders from loss.

The Transfer Agent will send redemption proceeds by wire or EFT only to the bank and account designated on the account application or in written instructions (with signatures guaranteed) subsequently received by the Transfer Agent, and only if the bank is a member of the Federal Reserve System. If the dollar or share amount requested to be redeemed is greater than the current value of your account, your entire account balance will be redeemed. If you choose to redeem your account in full, any Automatic Investment Plan currently in effect for the account will be terminated unless you indicate otherwise in writing and any Systematic Withdrawal Plan will be terminated.

Signature Guarantees

A signature guarantee of each owner is required to redeem shares in the following situations:

- If you change ownership on your account;
- When redemption proceeds are sent to any person, address or bank account not on record;
- For written requests to wire redemption proceeds (if not previously authorized on the account);
- If a change of address request has been received by the Transfer Agent within the last 15 days; and
- For all redemptions of Investor Class shares totaling \$50,000 or more from any shareholder account.

In addition to the situations described above, the Funds and/or the Transfer Agent reserve the right to require a signature guarantee in other instances based on the circumstances relative to the particular situation.

Signature guarantees are designed to protect both you and the Funds from fraud. Signature guarantees can be obtained from most banks, credit unions or saving associations, or from broker-dealers, national securities exchanges, registered securities exchanges or clearing agencies deemed eligible by the SEC. Notaries cannot provide signature guarantees.

Corporate, Trust and Other Accounts

Redemption requests from corporate, trust and institutional accounts, and executors, administrators and guardians, require documents in addition to those described above evidencing the authority of the officers, trustees or others. In order to avoid delays in processing redemption requests for these accounts, you should call the Funds (toll-free) at 1-866-44BAIRD before making the redemption request to determine what additional documents are required.

Transfer of Ownership

In order to change the account registrant or transfer ownership of an account, additional documents will be required. To avoid delays in processing these requests, you should call the Funds (toll-free) at 1-866-44BAIRD before making your request to determine what additional documents are required.

Exchanging Shares

You may exchange all or a portion of your investment from the same class of one Baird Fund to another. You may also exchange between classes of a Fund or other Baird Funds if you meet the minimum investment requirements for the class into which you would like to exchange. Any new account established through an exchange will be subject to the minimum investment requirements applicable to the shares acquired. Exchanges will be executed on the basis of the relative NAV of the shares exchanged. The exchange privilege may be exercised only in those states where the class of shares of the Fund being acquired legally may be sold.

An exchange is considered to be a sale of shares for federal income tax purposes on which you may realize a taxable gain or loss.

Call the Funds (toll-free) at 1-866-44BAIRD to learn more about exchanges and other Baird Funds.

More Information about the Exchange Privilege

The Funds are intended as long-term investment vehicles and not to provide a means of speculating on short-term market movements. In addition, excessive trading can hurt a Fund's performance and shareholders. Therefore, each Fund may terminate, without notice, the exchange privilege of any shareholder who uses the exchange privilege excessively. See "Your Account—Buying Shares—Market Timing Policy." The Funds may change or temporarily suspend the exchange privilege during unusual market conditions.

General Transaction Policies

The Funds reserve the right to:

- Vary or waive any minimum investment requirement.
- Refuse, change, discontinue, or temporarily suspend account services, including purchase, exchange, or telephone redemption privileges, for any reason.
- Reject any purchase or exchange request for any reason. Generally, a Fund does this if the purchase or exchange is disruptive to the efficient management of the Fund (due to the timing of the investment or a shareholder's history of excessive trading).
- Reinvest a distribution check in your account at a Fund's then-current NAV and reinvest all subsequent distributions if you elect to receive distributions in cash and the U.S. Postal Service cannot deliver your check, or if a distribution check remains uncashed for six months.
- Redeem all shares in your account if your balance falls below the Fund's minimum requirements for the applicable class of shares. If, within 60 days of a Fund's written request, you have not increased your account balance, you may be required to redeem your shares. The Funds will not require you to redeem shares if the value of your account drops below the investment minimum due to fluctuations of NAV.
- Delay paying redemption proceeds for up to seven days after receiving a request.
- Modify or terminate the Automatic Investment and Systematic Withdrawal Plans at any time.
- Modify or terminate the exchange privilege after a 60-day written notice to shareholders.
- Make a "redemption in kind" (a payment in portfolio securities rather than cash) if the amount you are redeeming is in excess of the lesser of (i) \$250,000 or (ii) 1% of a Fund's assets. In such cases, you may incur brokerage costs in converting these securities to cash.
- Reject any purchase or redemption request that does not contain all required documentation.

If you elect telephone privileges on the account application or in a letter to the Funds, you may be responsible for any fraudulent telephone orders as long as the Funds have taken reasonable precautions to verify your identity. In addition, once you place a telephone transaction request, it cannot be canceled or modified.

During periods of significant economic or market change, telephone transactions may be difficult to complete. If you are unable to contact the Funds by telephone, you may also mail the requests to the Funds at the address listed under “Buying Shares.”

Your broker-dealer or other financial organization may establish policies that differ from those of the Funds. For example, the organization may charge transaction fees, set higher minimum investments, or impose certain limitations on buying or selling shares in addition to those identified in this prospectus. Contact your broker-dealer or other financial organization for details.

Portfolio Holdings Disclosure Policy

Each Fund’s full portfolio holdings (without showing numbers of shares or dollar values) as of month-end and its top ten holdings as of quarter-end are posted on the Company’s website at www.bairdfunds.com no earlier than five business days after month-end and quarter-end, respectively. The monthly holdings information will remain posted on the website until the end of the following month. The quarterly top ten holdings information appears in each Fund’s fact sheet, which will remain posted on the website until the end of the following applicable calendar quarter. Each Fund also files its portfolio holdings as of the end of the first and third fiscal quarters with the SEC on Form N-Q within 60 days after the end of the quarter, and files its portfolio holdings as of the end of the second and fourth fiscal quarters with the SEC on Form N-CSR within 10 days after mailing its annual and semi-annual reports to shareholders. A description of the Funds’ policies and procedures with respect to the disclosure of the Funds’ portfolio holdings is available in the SAI and on the Company’s website at www.bairdfunds.com.

Distributions and Taxes

Distributions

Each Fund makes distributions to its shareholders from the Fund’s net investment income and any realized net capital gains.

Distributions from a Fund’s net investment income are declared and paid annually. Capital gains, if any, are generally distributed once a year. It is expected that each Fund’s distributions will be primarily distributions of capital gains.

Each share class determines its net investment income and capital gains distributions in the same manner. However, because Investor Class shares have Rule 12b-1 distribution fees, distributions of net investment income paid to Investor Class shareholders will be lower per share than those paid to Institutional Class shareholders.

All of your distributions from a Fund’s net investment income and capital gains will be reinvested in additional shares of the same class of that Fund unless you instruct otherwise on your account application or have redeemed all shares you held in the Fund.

Taxation

Fund distributions are taxable to most investors (unless your investment is in an IRA or other tax-advantaged account) regardless of whether the distributions are received in cash or reinvested in Fund shares. Distributions paid by a Fund

out of the Fund's net investment income (which includes dividends, interest, net short-term capital gains and net gains from foreign currency transactions), if any, generally are taxable to the Fund's shareholders as ordinary income, except to the extent any of the dividends are designated as attributable to "qualified dividends," as described below. Distributions from a Fund's net investment income may be eligible for the corporate dividends-received deduction.

To the extent that a Fund designates a distribution of net investment income to its shareholders as attributable to "qualified dividend" income, the receipt of such income may be eligible for the reduced rate of tax applicable to non-corporate shareholders on net long-term capital gains. If a Fund has gross income (excluding net capital gains) of which more than 95% was qualified dividends, all of that Fund's distributions attributable to net investment income will be eligible for the lower rates on qualified dividends. Certain holding period requirements also must be satisfied by both a Fund and the shareholder to obtain qualified dividend treatment. Distributions of net capital gains (the excess of net long-term capital gains over net short-term capital losses) are generally taxable as long-term capital gains whether reinvested in additional Fund shares or received in cash and regardless of the length of time a shareholder has owned Fund shares.

A distribution from a Fund's net investment income or capital gains declared by the Fund in October, November or December, but paid during January of the following year, will be considered to be paid on December 31 of the year it was declared.

If the value of shares is reduced below a shareholder's cost as a result of a distribution by a Fund, the distribution will be taxable even though it, in effect, represents a return of invested capital. Investors considering buying shares just prior to a distribution of a Fund's net investment income or capital gains should be aware that, although the price of shares purchased at that time may reflect the amount of the forthcoming distribution, those who purchase just prior to the record date for a distribution may receive a distribution which will be taxable to them.

Shareholders will be advised annually as to the federal tax status of all distributions made by each Fund for the preceding year. Distributions by the Funds may also be subject to state and local taxes. Please note that distributions of both net investment income and capital gains are taxable even if reinvested.

Shareholders who sell, exchange or redeem shares generally will have a capital gain or loss from the sale, exchange or redemption. The amount of the gain or loss and the rate of tax will depend mainly upon the amount paid for the shares, the amount received from the sale, exchange or redemption, and how long the shares were held by a shareholder.

Additional tax information may be found in the SAI. Because everyone's tax situation is unique, always consult your tax professional about federal, state and local tax consequences of an investment in the Funds.

BAIRD FUNDS, INC. PRIVACY POLICY

This disclosure is being made pursuant to Regulation S-P concerning the Funds' privacy policy. It is our policy to protect the privacy and security of your personal and financial information. We treat your information as confidential and recognize the importance of protecting access to it.

We collect and maintain information about you so that we can open and maintain your account in the Funds and provide various services to you. We may collect and maintain the following personal information about you:

- Information we receive from you or your financial advisor on account applications or other forms, correspondence, or conversations, such as your name, address, e-mail address, phone number, social security number, assets, income and date of birth; and
- Information about your transactions with us, our affiliates, or others, such as your account number and balance, positions, activity, history, cost basis information, and other financial information.

We do not sell any of your information to third parties. We do not disclose any nonpublic personal information about you to nonaffiliated third parties, except as requested or authorized by you, as necessary to process a transaction or service an account, as requested by regulatory authorities or as otherwise permitted or required by law. For example, we are permitted by law to disclose all of the information we collect, as described above, to our transfer agent to process your transactions. We may also provide your name and address to third party service providers who send account statements and other Fund-related materials to you. We restrict access to your nonpublic personal information to those persons who require such information to provide products or services to you. We maintain physical, electronic, and procedural safeguards to guard your nonpublic personal information.

In the event that you hold shares of the Funds through a financial intermediary, including, but not limited to, a broker-dealer, bank, or trust company, the privacy policy of your financial intermediary would govern how your nonpublic personal information would be shared with nonaffiliated third parties.

Not a part of the Prospectus.

For More Information

You can find more information about the Funds in the following documents:

Statement of Additional Information (“SAI”)

The SAI contains details about the investments and techniques of the Funds and certain other additional information. A current SAI is on file with the Securities and Exchange Commission (“SEC”) and is incorporated by reference into this prospectus. This means that the SAI is legally considered a part of this prospectus even though it is not physically within this prospectus.

Annual and Semi-Annual Reports

The Funds’ annual and semi-annual reports provide information regarding the Funds’ financial reports and portfolio holdings. The annual report contains a discussion of the market conditions and investment strategies that significantly affected the Funds’ performance during the Funds’ last fiscal year.

You can obtain a free copy of these documents, request other information, or make general inquiries about the Funds by calling the Funds (toll-free) at 1-866-44BAIRD or by writing to:

Baird Funds, Inc.
c/o U.S. Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, WI 53201-0701

The SAI and the annual and semi-annual reports are also available, free of charge, on the Funds’ website at www.bairdfunds.com.

You may write to the SEC’s Public Reference Room at the regular mailing address or the e-mail address below and ask them to mail you information about the Funds, including the SAI. They will charge you a fee for this duplicating service. You can also visit the SEC’s Public Reference Room and review and copy documents while you are there. For more information about the operation of the SEC’s Public Reference Room, call the SEC at the telephone number below.

Public Reference Section
Securities and Exchange Commission
100 F Street
Washington, D.C. 20549-1520
publicinfo@sec.gov
(202) 942-8090

Reports and other information about the Funds are also available on the IDEA database on the SEC’s Internet website at <http://www.sec.gov>.

BAIRD FUNDS, INC.

Retirement Account Application



Please complete this form to establish your Baird Funds Traditional/Rollover, Roth, SEP or SIMPLE IRA. If you are opening more than one type of retirement account (Traditional/Rollover, Roth, SEP or SIMPLE), please complete a separate Retirement Account Application for each account. If this is a conversion from a Traditional IRA to a Roth IRA, please call (toll-free) 1-866-44BAIRD for instructions. If you have questions about this application, please call (toll-free) 1-866-44BAIRD.

Overnight Express Mail To:
Baird Funds
c/o U.S. Bancorp Fund Services, LLC
615 E. Michigan Street, 3rd Floor
Milwaukee, WI 53202-5207

Mail To:
Baird Funds
c/o U.S. Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, WI 53201-0701

Important Information About Procedures for Opening Your Baird Funds Account

To help the government fight the funding of terrorism and money laundering activities, Federal laws require all financial institutions to obtain, verify and record information that identifies each person who opens an account. To comply with these Federal laws and help ensure that the Baird Funds are not being used in the funding of terrorist events or other illegal activities, we will ask for your name, address, date of birth and other information that will allow us to verify your true identity. We will return your application if any of this information is missing. Furthermore, we may request additional information such as a driver's license or other identifying documents. In the event and at the time that we are unable to verify your identity, the Baird Funds reserves the right to redeem your account as an age-appropriate distribution at the current net asset value, which may differ from the net asset value at the time your money was invested.

1. Account Registration

Owner's name (first, middle, last)	Social Security Number	Date of birth
Guardian's name (first, middle, last) (if owner is a minor)	Social Security Number	Date of birth
Driver's License (For Owner or Guardian, as applicable)	State of Issue	Expiration Date

2. Permanent Street Address

(Residential Address or Principal Place of Business— No P.O. Box addresses or foreign addresses)

Mailing Address (No foreign addresses)
If completed, this address will be used as the Address of Record for all statements, checks, and required mailings.

STREET	APT/SUITE
CITY	STATE ZIP CODE
DAYTIME PHONE NUMBER	EVENING PHONE NUMBER

STREET	APT/SUITE
CITY	STATE ZIP CODE

3. Fund Selection (Minimum initial investment is \$1,000 for Investor Class and \$25,000 for Institutional Class)

Baird Core Plus Bond Fund	<input type="checkbox"/> Investor Class (63) \$ _____ <input type="checkbox"/> Institutional Class (71) Initial Investment	Baird Intermediate Municipal Bond Fund	<input type="checkbox"/> Investor Class (66) \$ _____ <input type="checkbox"/> Institutional Class (74) Initial Investment
Baird Aggregate Bond Fund	<input type="checkbox"/> Investor Class (64) \$ _____ <input type="checkbox"/> Institutional Class (72) Initial Investment	Baird LargeCap Fund	<input type="checkbox"/> Investor Class (61) \$ _____ <input type="checkbox"/> Institutional Class (69) Initial Investment
Baird Intermediate Bond Fund	<input type="checkbox"/> Investor Class (62) \$ _____ <input type="checkbox"/> Institutional Class (70) Initial Investment	Baird MidCap Fund	<input type="checkbox"/> Investor Class (68) \$ _____ <input type="checkbox"/> Institutional Class (76) Initial Investment
Baird Short-Term Bond Fund	Institutional Class (73) \$ _____ Initial Investment		"

Investment method

Check \$ _____ (Please make payable to Baird Funds. We are unable to accept third party checks.)
 Wire \$ _____ Date of wire _____ (For wire instructions, please call 1-866-44BAIRD)

4. Type of IRA

If no tax year is indicated, we will assume it is for the current tax year.

Refer to disclosure statement for eligibility requirements and contribution limits.

TRADITIONAL IRA Choose one:
 Individual Account
 For tax year _____ or Rollover from another Traditional IRA (shareholder has receipt of funds)
 Direct Rollover/Transfer (Please complete an *IRA Transfer Form* and/or any additional form(s) required by your Plan Administrator.)
 IRA to IRA or Rollover IRA to Rollover IRA or Qualified Plan (403(b), 401(k), Defined Contribution) to Rollover IRA

ROTH IRA Choose one:
 Individual Account
 For tax year _____ or Rollover from another Roth IRA
 Conversion of assets (Please call 1-866-44BAIRD for instructions.)
 Transfer of assets-Roth IRA to Roth IRA (Please complete an *IRA Transfer Form*.)

SEP-IRA (Simplified Employee Pension Plan)
Each employee must complete an *Retirement Account Application* and the employer must complete IRS Form 5305-SEP.
 Contribution or Rollover or transfer from another SEP-IRA (Please complete an *IRA Transfer Form*.)

SIMPLE IRA (Must be accompanied by IRS forms 5305 SA and 5304 SIMPLE).

Retirement Account Application

5. Beneficiary Information

To name multiple primary or secondary beneficiaries, include all information in this section on a separate sheet. Unless noted, Baird Funds will assume equal distribution among beneficiaries.

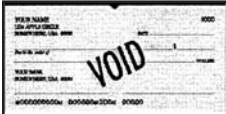
Please Note: Beneficiaries may not be named if owner is a minor.

Beneficiary's name (first, middle, last) or entity _____ Taxpayer Identification Number _____ Date of birth (if applicable) _____
Relationship to you _____ Street or P.O. Box _____ City _____ State _____ Zip Code _____

Spousal consent: If you name someone other than or in addition to your spouse and reside in a community or marital property state, including AZ, CA, ID, LA, NV, NM, TX, WA, or WI, your spouse must consent. Your spouse must sign below to consent to the beneficiary designation.

X _____ Date _____
Signature of spouse _____ Date _____

6. Account Options



Please include a voided bank check if you are establishing an Automatic Investment Plan, the Telephone Purchase Option, or the Telephone Redemption Option via electronic funds transfer (EFT) or wire.

Automatic Investment Plan (AIP) - You can make automatic purchases from your bank account into a Baird Funds account.

Amount invested each time (\$100 minimum) \$ _____

Fund name _____

Investment frequency: Once a month on the _____ day of the month.

This privilege will be effective 15 days after we receive your application in proper form. If no amount is chosen, your bank account will be debited \$100. If no date is chosen, your account will be debited on the 15th day of the month. If the date you choose falls on a weekend or holiday, your AIP will occur on the next business day.

All purchases made between January 1 and April 15 are to be considered: (please choose one)

Current year contributions Prior year contributions

If no box is checked, all investments will be considered **current** year contributions. Any changes to this election must be made in writing prior to the purchase taking place.

Each of the following account options will be added to your account. Unless a voided check is enclosed, the Telephone Purchase Option cannot be established. If you do not want these options, check the boxes below.

Telephone Exchange Option-you can sell shares by phone from one Baird Funds account and use this money to buy shares in an identically registered Baird Funds account of the same class. I do **not** want the Telephone Exchange Option.

Telephone Redemption Option-you can sell shares by phone and have the money sent to your address (in section 2), or to your bank account (via EFT or wire). I do **not** want the Telephone Redemption Option.

Telephone Purchase Option-you can purchase shares by phone with payment from your designated bank account (via EFT or wire). I do **not** want the Telephone Purchase Option.

For further information about these account options, refer to the prospectus.

7. Bank Information

If you want the Automatic Investment Plan (AIP), Telephone Redemption Option to your bank account or Telephone Purchase Option with payment by EFT, please attach a voided bank check. **To establish account options by EFT at any time, your bank account registration MUST have one name in common with your Baird Funds account.** If a voided bank check or savings account deposit slip is not enclosed with this application, but you do include a personal investment check, we will use the bank information contained in the personal investment check to establish the options listed in section 6. If you initiate a Telephone Purchase before 3:00 p.m. Central time, the transfer of funds from your bank account will normally occur on the following banking day. Robert W. Baird & Co. Incorporated, the applicable Fund, its transfer agent and any officers, directors, employees, or agents of these entities (collectively "Baird"), will not be responsible for banking system delays beyond their control. The following authorization is required for EFT transactions: By signing section 8, I authorize my bank to honor all entries to my bank account initiated through U.S. Bank, N.A., on behalf of the applicable Baird Fund. Baird will not be liable for acting upon instructions believed genuine and in accordance with the procedures described in the prospectus or the rules of the Automated Clearing House. When AIP or Telephone Purchase transactions are presented, sufficient collected funds must be in my account to pay them. I agree that my bank's treatment and rights to respect each entry shall be the same as if it were signed personally by me. I agree that if any such entries are dishonored with good or sufficient cause, my bank shall be under no liability whatsoever. I further agree that any such authorization, unless previously terminated by my bank in writing, is to remain in effect until the Fund's transfer agent receives and has had a reasonable amount of time to act upon a written notice of revocation.

8. Signature

I have read the IRA Disclosure Statement and Custodial Account Agreement. I adopt the Baird Funds IRA Custodial Account Agreement, as it may be revised from time to time, and appoint the custodian or its agent to perform those functions and appropriate administrative services specified. I have received and read the current prospectus for the Fund(s) in which I am investing. I will obtain the current prospectus for each Fund into which I may exchange before I request the exchange. I acknowledge and consent to the householding, (i.e., consolidation of mailings) of documents such as prospectuses, shareholder reports, proxies, and other similar documents. I may contact Baird Funds to revoke my consent. I agree to notify Baird Funds in writing of any errors or discrepancies within 45 days after the date of the statement confirming a transaction. The statement will be deemed to be correct, and the Fund and its transfer agent shall not be liable if I fail to notify Baird Funds within such time period. I represent that I am of legal age and have legal capacity to make this purchase.

If I am opening a Traditional IRA with a distribution from an employer-sponsored retirement plan, I elect to treat the distribution as a partial or total distribution and certify that the distribution qualifies as a rollover contribution. I understand the following fees may be collected by redeeming sufficient shares from each Fund account balance: (1) an annual \$15.00 maintenance fee per account (\$30 maximum), (2) a \$25 distribution fee, and (3) a \$25 fee for account transfers or refunds of excess contributions. The custodian or transfer agent may change the fee schedule.

To complete the application, you must sign here.

X _____ Date _____
Signature of owner or guardian (if IRA owner is a minor) _____ Date _____

Retirement Account Application

9. Dealer Information

Please be sure to complete representative's First Name and Middle Initial.

Dealer Name
DEALER HOME OFFICE

Address

City/State/Zip Code

Telephone Number

Representative's Last Name First Name MI
REPRESENTATIVE'S BRANCH OFFICE

Address

City/State/Zip Code

Telephone Number Rep No.

Before you mail, have you:	<input type="checkbox"/> Enclosed your check made payable to Baird Funds?	<input type="checkbox"/> Signed your application in section 8?
	<input type="checkbox"/> Entered your Social Security Number in section 1?	<input type="checkbox"/> Completed an IRA Transfer Form (if applicable)?
	<input type="checkbox"/> Included a voided check?	

BAIRD FUNDS, INC.



Non-Retirement Account Application

Do not use this application to open an IRA or other tax-advantaged retirement account.

If you have questions, call (toll-free) 1-866-44BAIRD.

Overnight Express Mail To:
 Baird Funds
 c/o U.S. Bancorp Fund Services, LLC
 615 E. Michigan Street, 3rd Floor
 Milwaukee, WI 53202-5207

Mail To:
 Baird Funds
 c/o U.S. Bancorp Fund Services, LLC
 P.O. Box 701
 Milwaukee, WI 53201-0701

Important Information About Procedures for Opening Your Baird Funds Account

To help the government fight the funding of terrorism and money laundering activities, Federal laws require all financial institutions to obtain, verify and record information that identifies each person who opens an account. To comply with these Federal laws and help ensure that the Baird Funds are not being used in the funding of terrorist events or other illegal activities, we will ask for your name, address, date of birth and other information that will allow us to verify your true identity. We will return your application if any of this information is missing. Furthermore, we may request additional information such as a driver's license or other identifying documents. In the event and at the time that we are unable to verify your identity, the Baird Funds reserve the right to redeem your account at the current net asset value, which may differ from the net asset value at the time your money was invested.

1. Account Registration (Please choose one)

Individual or

Joint Account

("Joint tenants with right of survivorship", unless otherwise specified).

Owner's name (first, middle, last)	Social Security Number	Date of birth (age 18 or older)
Owner's Driver's License or State I.D. Number	State of Issue	Expiration Date
Joint owner's name (first, middle, last)	Social Security Number of joint owner	Date of birth (age 18 or older)
Joint Owner's Driver's License or State I.D. Number	State of Issue	Expiration Date

Gift/Transfer to Minor (UGMA/UTMA)

Custodian's name (one name only)	Custodian's Social Security Number	Date of birth
Custodian's Driver's License or State I.D. Number	State of Issue	Expiration Date
Minor's name (first, middle, last)	Minor's Social Security Number	Minor's date of birth

Corporation*

Trust* or

Partnership* or Other Entity*

Name of Corporation, trust, partnership or other entity	State of Formation	Tax Identification Number
If a trust, name of trustee(s)		Date of trust

* You must supply documentation to substantiate existence of your organization (i.e. Certified Articles of Incorporation / Formation / Organization, Trust Agreement, Partnership Agreement, or other official documents.)

You must also include a separate sheet detailing the full name, date of birth, Social Security number, and permanent street address for all authorized individuals.

2. Permanent Street Address

(Residential Address or Principal Place of Business—
 No P.O. Box addresses or foreign addresses)

STREET	APT/SUITE
CITY	STATE ZIP CODE
DAYTIME PHONE NUMBER	EVENING PHONE NUMBER

Mailing Address (No foreign addresses)

If completed, this address will be used as the Address of Record for all statements, checks, and required mailings.

STREET	APT/SUITE
CITY	STATE ZIP CODE

3. Fund Selection (Minimum initial investment is \$2,500 for Investor Class and \$25,000 for Institutional Class)

Baird Core Plus Bond Fund	<input type="checkbox"/> Investor Class (63) \$ _____ <input type="checkbox"/> Institutional Class (71) Initial Investment	Baird Intermediate Municipal Bond Fund	<input type="checkbox"/> Investor Class (66) \$ _____ <input type="checkbox"/> Institutional Class (74) Initial Investment
Baird Aggregate Bond Fund	<input type="checkbox"/> Investor Class (64) \$ _____ <input type="checkbox"/> Institutional Class (72) Initial Investment	Baird LargeCap Fund	<input type="checkbox"/> Investor Class (61) \$ _____ <input type="checkbox"/> Institutional Class (69) Initial Investment
Baird Intermediate Bond Fund	<input type="checkbox"/> Investor Class (62) \$ _____ <input type="checkbox"/> Institutional Class (70) Initial Investment	Baird MidCap Fund	<input type="checkbox"/> Investor Class (68) \$ _____ <input type="checkbox"/> Institutional Class (76) Initial Investment
Baird Short-Term Bond Fund	Institutional Class (73) \$ _____ Initial Investment		

Investment method Check \$ _____ (Please make payable to Baird Funds. We are unable to accept third party checks.)
 Wire \$ _____ Date of wire _____ (For wire instructions, please call 1-866-44BAIRD)

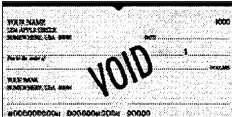
All dividends and capital gains will be automatically reinvested, unless you select one of the following:

Distributions

- Electronically transfer distribution to the bank account indicated on the voided bank check included with this application.
- Mail distribution check to the address in section 2.

Non-Retirement Account Application

4. Shareholder Account Options



Please include a voided bank check if you are establishing an AIP, Telephone Purchase Option, direct deposit of distributions, or the Telephone Redemption Option via electronic funds transfer (EFT) or wire.

Automatic Investment Plan (AIP) - you can make automatic purchases from your bank account into a Baird Funds account.

Amount invested each time (\$100 minimum) \$ _____

Fund name _____

Investment frequency: Once a month on the _____ day of the month.

This privilege will be effective 15 days after we receive your application in proper form. If no amount is chosen, your bank account will be debited \$100. If no date is chosen, your account will be debited on the 15th day of the month. If the date you choose falls on a weekend or holiday, your AIP will occur on the next business day.

Each of the following account options will be added to your account. Unless a voided check is enclosed, the Telephone Purchase Option cannot be established with this application. If you do not want these options, check the boxes below.

Telephone Exchange Option-you can sell shares by phone from one Baird Funds account and use this money to buy shares in an identically registered Baird Funds account. I do **not** want the Telephone Exchange Option.

Telephone Redemption Option-you can sell shares by phone and have the money sent to your address (in section 2), or to your bank account (via EFT or wire). I do **not** want the Telephone Redemption Option.

Telephone Purchase Option-you can purchase shares by phone with payment from your designated bank account by EFT. I do **not** want the Telephone Purchase Option.

For further information about these account options, refer to the prospectus.

5. Signatures

I acknowledge that I have received the current prospectus for the Fund(s) in which I am investing. I agree to be bound by the terms of the prospectus as it may be revised from time to time. I will obtain the current prospectus for each Fund into which I may exchange before I request the exchange. I acknowledge and consent to the householding (i.e., consolidation of mailings) of regulatory documents such as prospectuses, shareholder reports, proxies, and other similar documents. I may contact Baird Funds to revoke my consent. I agree to notify Baird Funds in writing of any errors or discrepancies within 45 days after the date of the statement confirming a transaction. The statement will be deemed to be correct, and the Fund and its transfer agent shall not be liable if I fail to notify Baird Funds within such time period. I represent that I am of legal age and have legal capacity to make this purchase.

I certify under penalties of perjury that: (1) the number shown on this form is the correct Taxpayer Identification Number (or that I am waiting for a number to be issued to me), and (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding. You must cross out item (2) above, if you have been notified by the IRS that you are subject to backup withholding because of under-reporting interest or dividends on your tax returns. (3) I am a U.S. person (including a U.S. resident alien).

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

To complete the application, you must sign here.

X _____
Signature of owner, trustee, or custodian Please print name (and title, if applicable) Date

X _____
Signature of joint owner, trustee, or custodian Please print name (and title, if applicable) Date

Corporations: Please include a certified copy of your corporate resolution, or call us for alternate form.

Trusts: Please use the title "Trustee" after each signature.

6. Bank Information

If a voided bank check or savings account deposit slip is not enclosed with this application, but you do include a personal investment check, we will use the bank information contained in the personal investment check to establish the options listed in section 4. If you initiate Telephone Purchase before 3:00 p.m. Central time, the transfer of funds from your bank account will normally occur on the following banking day. Robert W. Baird & Co. Incorporated, the applicable Fund, its transfer agent and any officers, directors, employees, or agents of these entities (collectively "Baird"), will not be responsible for banking system delays beyond their control. The following authorization is required for EFT transactions: By signing section 5, I authorize my bank to honor all entries to my bank account initiated through U.S. Bank, N.A., on behalf of the applicable Baird Fund. Baird will not be liable for acting upon instructions believed genuine and in accordance with the procedures described in the prospectus or the rules of the Automated Clearing House. When AIP or Telephone Purchase transactions are presented, sufficient collected funds must be in my account to pay them. I agree that my bank's treatment and rights to respect each entry shall be the same as if it were signed personally by me. I agree that if any such entries are dishonored with good or sufficient cause, my bank shall be under no liability whatsoever. I further agree that any such authorization, unless previously terminated by my bank in writing, is to remain in effect until the Fund's transfer agent receives and has had a reasonable amount of time to act upon a written notice of revocation.

7. Dealer Information

[Broker Use Only]

Please be sure to complete representative's First Name and Middle Initial.

Dealer Name _____
DEALER HOME OFFICE _____
Address _____
City/State/Zip Code _____
Telephone Number _____

Representative's Last Name _____ First Name _____ MI _____
REPRESENTATIVE'S BRANCH OFFICE _____
Address _____
City/State/Zip Code _____
Telephone Number _____ Rep No. _____

Before you mail, have you:

- Enclosed your check made payable to Baird Funds?
- Entered your Social Security or Tax ID Number in section 1?

- Included a voided check (if applicable)?
- Signed your application in section 5?