



Baird LargeCap Fund

As of December 31, 2011

Morningstar Category

Large Growth

Morningstar Rating

Overall: ★★

3 Year: ★★

5 Year: ★★

10 Year: ★

Investment Objective

Long-term growth of capital

Investment Strategy

Invests primarily in high-quality common stocks selected for growth potential, with typically at least 80% of its net assets in large-capitalization companies.

Portfolio Managers

Douglas Guffy

Senior Portfolio Manager

Kenneth Hemauer, CFA

Co-Portfolio Manager

Inception Date

09/29/00

Expense Ratio (as of fiscal year end)

Gross¹

Institutional Shares: 1.17%

Investor Shares: 1.42%

Net¹

Institutional Shares: 0.75%

Investor Shares: 1.00%

Minimum Initial Investment

Institutional Shares: \$25,000

Investor Shares: \$2,500 (IRA: \$1,000)

Turnover

38.2%

Number of Equity Issues

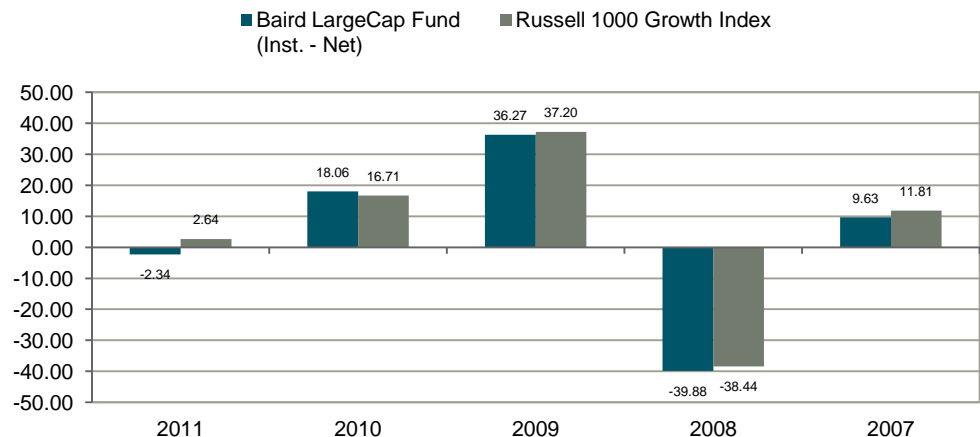
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Fund Performance

	Total Returns (%)	Average Annual Total Returns (%)					
	4Q2011	Year to Date	1 Yr	3 Yr	5 Yr	10 Yr	Life of Fund*
Baird LargeCap Fund Institutional Class (net)	11.96	-2.34	-2.34	16.26	0.70	0.50	-0.85
Baird LargeCap Fund Investor Class (net)	12.00	-2.58	-2.58	15.96	0.47	0.25	-1.10
Russell 1000 Growth Index	10.61	2.64	2.64	18.01	2.50	2.59	-1.87
Lipper Large-Cap Growth Funds Average	n/a	-1.91	-1.91	15.41	0.96	1.94	-1.67

*Since inception, 09/29/00

Calendar Year Returns (%)



Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value of an investment in the fund will fluctuate so that an investor's shares when redeemed may be worth more or less than their original cost. The fund's current performance may be lower or higher than the performance data quoted. Performance figures assume reinvestment of all dividends and capital gains. For performance current to the most recent month-end, please visit bairdfunds.com.

Risk Statistics (5-years vs. Russell 1000 Growth)

Alpha ¹	-1.64	
Beta ²	1.06	
R-Squared ³	95.37	
Information Ratio ⁴	-0.4	
Batting Average ⁵	43.3	
	Fund	Index
Sharpe Ratio ⁶	0.07	0.16
Standard Deviation ⁷	20.8%	19.1%

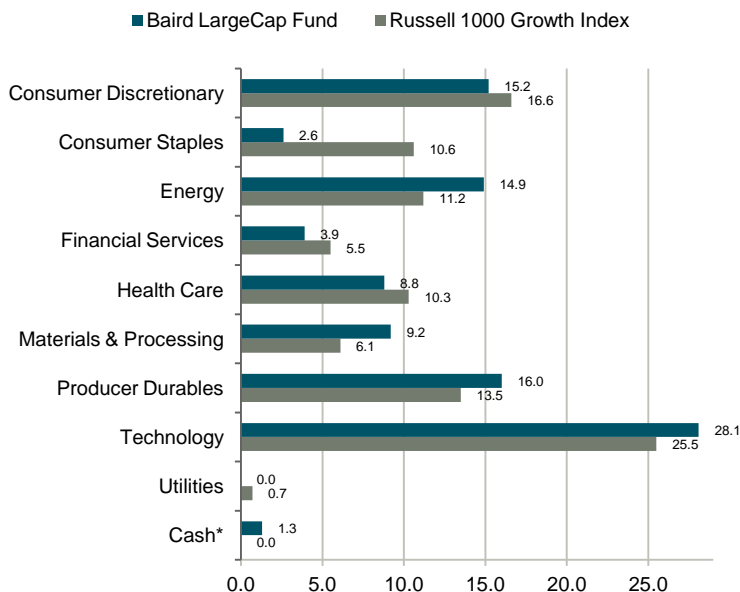
Investors should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. This and other information can be found in the prospectus. A prospectus may be obtained by visiting bairdfunds.com or calling 800-444-9102. Please read the prospectus carefully before you invest or send money.

¹The Net Expense Ratio is the Gross Expense Ratio minus any reimbursement from The Advisor. The Advisor has contractually agreed to waive its fees and/or reimburse expenses at least through April 30, 2012 to the extent necessary to ensure that the total operating expenses do not exceed 1.10% of the Investor Class's average daily net assets and 0.85% of the Institutional Class's average daily net assets. Investor class expense ratios include 0.25% 12b-1 fee.

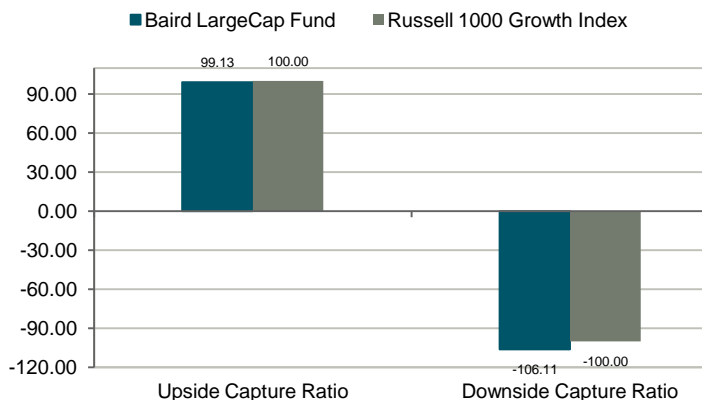
Top Five Holdings

Apple Computer (AAPL)	5.9%
Praxair (PX)	3.8%
Danaher (DHR)	3.5%
Emerson Electric (EMR)	3.2%
Occidental Petroleum (OXY)	3.0%

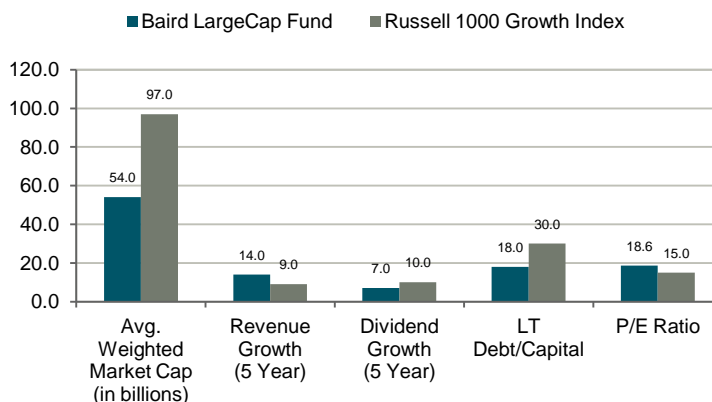
Sector Allocation and Returns



Upside/Downside Capture Ratios (5 Year)



Fund Characteristics vs. Benchmark



¹Alpha is a measure of a portfolio's risk relative to the market. An alpha of 1.0 means the portfolio outperformed the market 1.0%. A positive alpha is the extra return awarded to the investor for taking additional risk rather than accepting the market return. ²Beta is a measurement of a portfolio's trailing since-inception returns in relation to the overall market (or appropriate market index). Beta of 1 means share price will typically move with the market; Beta more than 1 means share price will typically be more volatile than the market; Beta less than 1 means share price will typically be less volatile in the market. ³R-Squared is a measurement of how closely the portfolio's performance correlates with the performance of a benchmark index, such as the Russell Mid Cap Growth. R2 is a proportion which ranges between 0.00 and 1.00. An R2 of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R2 of 0.00 indicates no correlation. Therefore, the lower the R2, the more the portfolio's performance is affected by factors other than the market as measured by that benchmark index. ⁴Information Ratio is a measure of portfolio management's performance against risk and return relative to a benchmark or alternative measure. ⁵Batting Average: A statistical measure used to measure an investment manager's ability to meet or beat an index. Batting average is calculated by dividing the number of days (or months, quarters, etc.) in which the manager beats or matches the index by the total number of days (or months, quarters, etc.) in the period of question and multiplying that factor by 100. ⁶Sharpe Ratio is a measure of 3-year historical adjusted performance calculated by dividing the portfolio's excess returns (average monthly returns minus the average monthly return of the Citigroup 3-month treasury bill benchmark) by the standard deviation of those returns. The higher the ratio, the better the portfolio's return per unit of risk. ⁷Standard Deviation is a statistical measure of the extent to which returns of an asset vary from its average. Top 5 Holdings and Sector Weights are subject to change. Sector weights based on equity sector values. *Cash may include money market and other comparable short-term investments.

The performance of Baird LargeCap Fund is measured against the Russell 1000 Growth Index. This is the primary prospectus benchmark. It measures the performance of the large-cap growth segment of the U.S. equity universe and includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values. The index is unmanaged and direct investment in an index is not possible. Lipper Large-Cap Growth funds will normally have an above-average price-to-earnings ratio, price-to-book ratio, and three-year earnings growth figure, compared to the U.S. diversified large-cap funds universe average. The Baird Large Cap Fund focuses on growth-style stocks and therefore the performance of the Fund will typically be more volatile than the performance of funds that focus on types of stocks that have a broader investment style. Foreign investments involve additional risks such as currency rate fluctuations, the potential for political and economic instability, and different and sometimes less strict financial reporting standards and regulation. The overall Morningstar rating for a fund is derived from a weighted average of the performance figures associated with a fund's three-, five- and ten-year Morningstar Rating metrics. The Institutional and Investor class of the Baird LargeCap Fund are in the Large Growth Morningstar Category and received three stars for the Overall, three and five year periods out of 1478, 1478 and 1279 funds respectively. It received two stars for the ten year period out of 804 funds. For each fund with at least a three year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.

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