

Baird Aggregate Bond Fund

As of October 31, 2008

Institutional – BAGIX, Investor – BAGSX

Investment Objective

The investment objective of the Aggregate Bond Fund is to provide an annual rate of total return, before fund expenses, greater than the annual rate of total return of the Lehman Brothers Aggregate Bond Index. The Lehman Brothers Aggregate Bond Index is an unmanaged, market value weighted index of investment grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year.

Investment Management Team

The following individuals comprise the Investment Management Team at the Advisor that manage the Fund's investments. **Mary Ellen Stanek, CFA**, Managing Director and Chief Investment Officer; **Gary A. Elfe, CFA**, Managing Director and Senior Portfolio Manager; **Charles B. Groeschell**, Managing Director and Senior Portfolio Manager; **Warren D. Pierson, CFA**, Senior Vice President, Senior Portfolio Manager; **Daniel A. Tranchita, CFA**, Senior Vice President, Senior Portfolio Manager; **M. Sharon deGuzman**, First Vice President, Portfolio Manager.

Fund Performance – Baird Aggregate Bond Fund

Average Annual Rate of Return%	Through 10/31/2008						Through 9/30/2008				
	YTD	1 Mon	1 Yr	3 Yrs	5 Yrs	Since Incept 9/30/00	YTD	1 Yr	3 Yrs	5 Yrs	Since Incept 9/30/00
Institutional Class	-6.50	-4.01	-5.35	1.60	2.66	5.08	-2.59	-0.68	2.78	3.37	5.67
Investor Class	-6.72	-4.04	-5.55	1.36	2.45	4.84	-2.79	-0.90	2.54	3.16	5.44
Lehman Brothers Aggregate Bond Index	-1.74	-2.36	0.30	3.60	3.48	5.31	0.63	3.65	4.15	3.78	5.69

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 quoted. To obtain performance data current to the most recent month ended please go to www.bairdfunds.com. The performance of Baird Aggregate Bond Fund is measured against the Lehman Brothers Aggregate Bond Index, a benchmark which includes U.S. government and investment grade corporate, asset-backed, and mortgage-backed bonds with more than one year remaining until maturity. This is an unmanaged index and does not represent the past, present or future performance of the Baird Aggregate Bond Fund. An investment cannot be made directly in an index. Minimum investment for Institutional Class Shares is \$25,000 and minimum investment for Investor Class Shares is \$1,000 (IRA's) and \$2,500 (all other accounts).

Portfolio Characteristics – As of 10/31/2008

SEC 30-day yield	Quality Distributions (%)	Fund	Index	Sector Weights (%)	Fund	Index	
Institutional Class	6.23%	U.S. Treasury	11.6	23.9	U.S. Treasury	11.6	23.9
Investor Class	5.97%	U.S. Gov't Agency	30.9	50.2	Gov't Agency	10.5	10.7
Portfolio Expense Ratio	AAA	22.2	7.3	Other Gov't Related	0.1	2.8	
Institutional Class	0.30%	AA	6.1	4.2	Industrials	10.7	8.3
Investor Class	0.55%*	A	12.1	8.0	Utility	4.3	1.8
*includes 0.25% 12b-1 fee	BBB	16.3	6.4	Finance	15.6	7.0	
Total Number of Holdings	Below BBB	0.8	0.0	Mortgages/CMOs	31.2	40.6	
				Asset-Backed	7.4	0.7	
Portfolio Turnover Ratio				CMBS	5.3	4.2	
Net Assets	Average Effective Duration	4.71 years		Municipal	1.0	0.0	
	Average Effective Maturity	6.59 years		Cash	2.3	0.0	

NAV

Institutional Class	9.43
Investor Class	9.65

Returns shown include the reinvestment of all dividends and capital gains.

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 www.bairdfunds.com. Please read the prospectus carefully before you invest or send money. The Fund may invest in U.S. dollar denominated foreign securities which involve additional risks such as the potential for political and economic instability and less strict regulation. The Fund may also invest in mortgage and asset-backed securities which include interest rate and prepayment risks more pronounced than those of other fixed income securities. Investments in debt securities generally decrease in value when interest rates rise.

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.

Robert W. Baird & Co. 1-866-442-2473

www.bairdfunds.com