

**Baird Short-Term Bond Fund**  
**Schedule of Investments**  
**December 31, 2016**

	<u>Principal Amount</u>	<u>Value</u>	<u>% of Net Assets</u>
<b>LONG-TERM INVESTMENTS</b>			
<b>U.S. Treasury Securities</b>			
U.S. Treasury Bonds:			
2.625%, 08/15/2020	\$ 258,775,000	\$ 267,569,210	
1.375%, 08/31/2020	330,000,000	326,570,970	
2.000%, 08/31/2021	67,000,000	67,266,928	
		<u>661,407,108</u>	<u>17.1%</u>
<b>Other Government Related Securities</b>			
CNOOC Finance (2013) Ltd., 1.750%, 05/09/2018 f	1,000,000	994,751	
CNOOC Nexen Finance (2014) ULC, 1.625%, 04/30/2017 f	5,000,000	4,995,300	
CNPC General Capital Ltd., 1.802%, 05/14/2017 (Acquired 05/07/2014, Cost \$4,750,000) ∞ * f	4,750,000	4,752,479	
Corp Andina de Fomento, 5.750%, 01/12/2017 f	250,000	250,203	
Electricite de France SA: 1.341%, 01/20/2017 (Acquired 01/13/2014, Cost \$9,750,000) ∞ * f	9,750,000	9,750,790	
4.600%, 01/27/2020 (Acquired 11/22/2016, Cost \$3,122,331) * f	2,926,000	3,104,331	
Export-Import Bank of Korea, 1.631%, 01/17/2017 ∞ f	1,570,000	1,570,166	
Korea Expressway Corp., 1.625%, 04/28/2017 (Acquired 06/23/2014, Cost \$3,989,480) * f	4,000,000	3,997,708	
Korea Hydro & Nuclear Power Co. Ltd., 2.875%, 10/02/2018 (Acquired 09/25/2013, Cost \$2,982,150) * f	3,000,000	3,048,306	
Nexen Energy ULC, 6.200%, 07/30/2019 f	2,065,000	2,244,678	
Petroleos Mexicanos: 5.500%, 02/04/2019 (Acquired 01/28/2016, Cost \$3,200,000) * f	3,200,000	3,314,848	
8.000%, 05/03/2019 f	5,000,000	5,487,500	
Sinopec Group Overseas Development [2014] Ltd., 1.750%, 04/10/2017 (Acquired 04/02/2014, Cost \$6,984,110) * f	7,000,000	6,997,704	
Sinopec Group Overseas Development [2015] Ltd., 2.500%, 04/28/2020 (Acquired 04/21/2015, Cost \$2,987,280) * f	3,000,000	2,980,113	
Sinopec Group Overseas Development [2016] Ltd.: 2.125%, 05/03/2019 (Acquired 04/25/2016, Cost \$6,982,640) * f	7,000,000	6,972,980	
1.750%, 09/29/2019 (Acquired 09/22/2016, Cost \$2,365,761) * f	2,375,000	2,336,140	
The Korea Development Bank: 1.507%, 01/23/2017 ∞ f	5,000,000	4,999,720	
3.875%, 05/04/2017 f	2,350,000	2,366,802	
3.000%, 03/17/2019 f	2,475,000	2,525,780	
		<u>72,690,299</u>	<u>1.9%</u>
<b>Corporate Bonds</b>			
<b>Industrials</b>			
21st Century Fox America, Inc., 6.900%, 03/01/2019	9,225,000	10,132,140	
A.P. Meoller - Maersk A/S, 2.550%, 09/22/2019 (Acquired 09/15/2014, Cost \$4,540,672) * f	4,550,000	4,531,559	
Abbott Laboratories, 2.350%, 11/22/2019	14,125,000	14,141,653	
AbbVie, Inc., 1.800%, 05/14/2018	9,450,000	9,457,097	
Actavis Funding SCS: 2.450%, 06/15/2019 f	3,000,000	3,012,702	
2.208%, 03/12/2020 ∞ f	1,000,000	1,019,147	
3.000%, 03/12/2020 f	3,900,000	3,954,066	
ACTAVIS, Inc., 1.875%, 10/01/2017	1,392,000	1,394,660	
Agrium, Inc., 7.700%, 02/01/2017 f	5,000,000	5,017,515	
Alibaba Group Holding Ltd., 1.457%, 11/28/2017 ∞ f	2,500,000	2,496,465	
Altera Corp., 2.500%, 11/15/2018	3,000,000	3,051,807	
Amgen, Inc.: 1.296%, 05/22/2017 ∞	2,750,000	2,752,890	
5.700%, 02/01/2019	10,000,000	10,748,110	
Anadarko Petroleum Corp., 8.700%, 03/15/2019	2,970,000	3,375,307	
Anheuser-Busch InBev Finance, Inc., 1.900%, 02/01/2019	11,425,000	11,441,395	
Anheuser-Busch InBev Worldwide, Inc.: 1.576%, 08/01/2018 ∞	9,400,000	9,457,725	
7.750%, 01/15/2019	6,000,000	6,683,208	

AT&T, Inc.:		
5.800%, 02/15/2019	3,000,000	3,225,684
2.300%, 03/11/2019	9,682,000	9,719,121
1.928%, 06/30/2020 ∞	4,000,000	4,021,696
2.800%, 02/17/2021	4,025,000	3,993,029
Baxalta, Inc.:		
1.776%, 06/22/2018 ∞	3,500,000	3,500,864
2.000%, 06/22/2018	9,200,000	9,200,488
Beam Suntory, Inc.,		
1.875%, 05/15/2017	8,000,000	8,011,448
Bemis Co., Inc.,		
6.800%, 08/01/2019	9,075,000	10,037,540
Boardwalk Pipelines LP,		
5.500%, 02/01/2017	17,884,000	17,931,643
Boston Scientific Corp.:		
5.125%, 01/12/2017	3,500,000	3,502,660
2.650%, 10/01/2018	7,077,000	7,154,613
BP Capital Markets PLC:		
1.392%, 05/10/2018 ∞ f	1,575,000	1,577,670
1.627%, 09/26/2018 ∞ f	7,085,000	7,111,930
Bunge Limited Finance Corp.:		
3.200%, 06/15/2017	500,000	503,764
8.500%, 06/15/2019	10,255,000	11,748,682
Bunge NA Finance LP,		
5.900%, 04/01/2017	5,635,000	5,683,484
Celgene Corp.,		
2.125%, 08/15/2018	6,500,000	6,526,104
CF Industries, Inc.,		
6.875%, 05/01/2018	19,412,000	20,433,848
Charter Communications Operating LLC / Charter Communications Operating Capital,		
3.579%, 07/23/2020	3,000,000	3,060,705
Chevron Phillips Chemical Co. LLC / Chevron Phillips Chemical Co. LP,		
1.636%, 05/01/2020 (Acquired 05/07/2015, Cost \$5,050,000) ∞ *	5,050,000	5,001,126
Coca-Cola FEMSA SAB de CV,		
2.375%, 11/26/2018 f	4,000,000	4,027,780
Columbia Pipeline Group, Inc.,		
2.450%, 06/01/2018	7,000,000	7,034,209
Cox Communications, Inc.:		
6.250%, 06/01/2018 (Acquired 06/24/2015, Cost \$9,496,805) *	9,000,000	9,496,089
9.375%, 01/15/2019 (Acquired 02/10/2015 through 01/07/2016, Cost \$1,011,335) *	899,000	1,015,619
Crane Co.,		
2.750%, 12/15/2018	7,585,000	7,679,812
CSX Corp.,		
7.900%, 05/01/2017	2,221,000	2,268,065
CVS Health Corp.:		
2.800%, 07/20/2020	6,725,000	6,823,219
2.125%, 06/01/2021	5,000,000	4,902,720
Daimler Finance North America LLC:		
1.303%, 03/10/2017 (Acquired 03/03/2014, Cost \$2,000,000) ∞ *	2,000,000	2,000,788
1.226%, 08/01/2017 (Acquired 07/24/2014 through 11/10/2015, Cost \$2,698,285) ∞ *	2,700,000	2,702,006
1.591%, 08/03/2017 (Acquired 08/09/2016, Cost \$6,009,331) ∞ *	6,000,000	6,015,696
1.354%, 03/02/2018 (Acquired 08/05/2015, Cost \$747,094) ∞ *	750,000	751,160
1.746%, 08/01/2018 (Acquired 11/14/2014, Cost \$2,010,520) ∞ *	2,000,000	2,012,436
1.500%, 07/05/2019 (Acquired 09/30/2016, Cost \$5,676,288) *	5,700,000	5,608,088
DCP Midstream Operating LP,		
2.500%, 12/01/2017	400,000	398,000
Deutsche Telekom International Finance BV,		
6.750%, 08/20/2018 f	3,900,000	4,205,514
Diamond 1 Finance Corp. / Diamond 2 Finance Corp.,		
3.480%, 06/01/2019 (Acquired 05/17/2016 through 10/07/2016, Cost \$18,556,894) *	18,535,000	18,920,639
Dollar General Corp.,		
4.125%, 07/15/2017	17,321,000	17,572,328
Eaton Corp.,		
1.500%, 11/02/2017 f	5,000,000	5,004,160
Ecolab, Inc.,		
2.000%, 01/14/2019	14,250,000	14,260,944
El Paso Natural Gas Co. LLC,		
5.950%, 04/15/2017	2,050,000	2,073,044
Enable Midstream Partners LP,		
2.400%, 05/15/2019	3,000,000	2,945,394
Enbridge, Inc.,		
5.600%, 04/01/2017 f	5,125,000	5,177,649
Energy Transfer Partners LP:		
6.125%, 02/15/2017	645,000	648,342
2.500%, 06/15/2018	4,000,000	4,014,660
9.700%, 03/15/2019	6,994,000	8,027,594
4.150%, 10/01/2020	5,500,000	5,695,476
Enterprise Products Operating LLC:		
6.650%, 04/15/2018	5,000,000	5,301,895
1.650%, 05/07/2018	2,000,000	1,994,382
ERAC USA Finance LLC,		
2.350%, 10/15/2019 (Acquired 01/21/2015 through 10/26/2016, Cost \$19,143,622) *	19,000,000	18,983,128
Express Scripts Holding Co.,		
2.250%, 06/15/2019	2,157,000	2,156,756

Exxon Mobil Corp., 1.708%, 03/01/2019	8,000,000	8,017,288
Federal Express Corp. 1998 Pass Through Trust, Class 981B, 6.845%, 01/15/2019	2,262,717	2,343,496
Federal Express Corp. 2012 Pass Through Trust, 2.625%, 01/15/2018 (Acquired 01/20/2012 through 08/19/2015, Cost \$658,620) *	657,116	659,259
FedEx Corp., 2.300%, 02/01/2020	2,000,000	2,002,352
Fidelity National Information Services, Inc.:		
1.450%, 06/05/2017	3,000,000	3,001,188
2.000%, 04/15/2018	2,295,000	2,301,995
2.850%, 10/15/2018	11,640,000	11,842,455
3.625%, 10/15/2020	3,000,000	3,105,804
Fiserv, Inc., 2.700%, 06/01/2020	3,500,000	3,516,901
Ford Motor Credit Co. LLC:		
6.625%, 08/15/2017	9,100,000	9,376,931
1.724%, 12/06/2017	1,250,000	1,249,055
2.021%, 05/03/2019	7,000,000	6,935,768
1.897%, 08/12/2019	10,000,000	9,838,980
Forest Laboratories, Inc., 4.375%, 02/01/2019 (Acquired 08/13/2014 through 04/29/2015, Cost \$10,013,548) *	9,675,000	10,053,660
Fortive Corp., 1.800%, 06/15/2019 (Acquired 06/06/2016, Cost \$4,645,025) *	4,650,000	4,621,082
Freeport-McMoRan, Inc.:		
2.150%, 03/01/2017	2,000,000	1,987,500
2.300%, 11/14/2017	11,469,000	11,382,982
General Motors Financial Co., Inc.:		
2.625%, 07/10/2017	11,613,000	11,675,803
3.100%, 01/15/2019	2,825,000	2,854,982
2.400%, 05/09/2019	4,000,000	3,989,404
Georgia-Pacific LLC:		
2.539%, 11/15/2019 (Acquired 02/23/2016, Cost \$8,741,051) *	8,750,000	8,826,694
5.400%, 11/01/2020 (Acquired 03/12/2015 through 11/08/2016, Cost \$11,064,042) *	9,968,000	10,958,610
Gilead Sciences, Inc., 2.550%, 09/01/2020	5,000,000	5,052,695
Glencore Funding LLC:		
2.240%, 01/15/2019 (Acquired 06/17/2014 through 05/24/2016, Cost \$5,210,120) ∞ *	5,200,000	5,211,284
2.500%, 01/15/2019 (Acquired 05/22/2013, Cost \$597,012) *	600,000	598,680
3.125%, 04/29/2019 (Acquired 01/04/2016, Cost \$4,513,736) *	5,154,000	5,173,327
GTE Corp., 6.840%, 04/15/2018	140,000	148,189
Harris Corp., 1.999%, 04/27/2018	9,725,000	9,730,923
Heineken NV, 1.400%, 10/01/2017 (Acquired 10/02/2012, Cost \$1,993,400) * f	2,000,000	2,000,806
Hewlett Packard Enterprise Co.:		
2.850%, 10/05/2018	7,000,000	7,070,700
2.929%, 10/05/2018	9,000,000	9,198,783
HP, Inc., 1.821%, 01/14/2019 ∞	5,700,000	5,718,605
Husky Energy, Inc., 6.200%, 09/15/2017 f	1,000,000	1,033,191
Hutchison Whampoa International (14) Ltd., 1.625%, 10/31/2017 (Acquired 10/28/2014, Cost \$4,988,500) * f	5,000,000	4,988,375
Hyundai Capital America:		
2.400%, 10/30/2018 (Acquired 10/27/2015, Cost \$8,124,025) *	8,125,000	8,158,897
2.500%, 03/18/2019 (Acquired 03/14/2016, Cost \$2,997,930) *	3,000,000	3,008,022
1.750%, 09/27/2019 (Acquired 09/22/2016, Cost \$4,993,900) *	5,000,000	4,920,855
Hyundai Capital Services, Inc.:		
1.793%, 03/18/2017 (Acquired 04/04/2016, Cost \$2,000,345) ∞ * f	2,000,000	2,000,564
3.500%, 09/13/2017 (Acquired 06/04/2014 through 10/01/2015, Cost \$5,106,679) * f	5,050,000	5,100,934
Ingersoll-Rand Global Holding Co. Ltd.:		
6.875%, 08/15/2018	7,751,000	8,373,243
2.875%, 01/15/2019	10,153,000	10,334,789
Ingredion, Inc., 1.800%, 09/25/2017	10,100,000	10,112,777
Keysight Technologies, Inc., 3.300%, 10/30/2019	18,125,000	18,405,140
Kinder Morgan Energy Partners LP:		
6.000%, 02/01/2017	1,925,000	1,930,831
9.000%, 02/01/2019	2,692,000	3,031,332
Kinder Morgan, Inc./DE:		
2.000%, 12/01/2017	3,000,000	3,004,569
7.250%, 06/01/2018	1,710,000	1,822,292
Koninklijke Philips NV, 5.750%, 03/11/2018 f	1,000,000	1,048,027
Kraft Heinz Foods Co., 2.000%, 07/02/2018	10,000,000	10,002,250
Laboratory Corp. of America Holdings:		
2.500%, 11/01/2018	2,050,000	2,068,067
2.625%, 02/01/2020	2,000,000	1,998,038
LyondellBasell Industries NV, 5.000%, 04/15/2019 f	4,498,000	4,752,821

Marathon Oil Corp., 6.000%, 10/01/2017	7,805,000	8,038,182
Marathon Petroleum Corp., 2.700%, 12/14/2018	14,100,000	14,287,713
Masco Corp., 3.500%, 04/01/2021	1,000,000	1,002,500
McDonald's Corp., 2.100%, 12/07/2018	9,500,000	9,556,421
Medtronic, Inc., 1.763%, 03/15/2020 ∞ f	2,250,000	2,272,203
Merey Sweeny LP, 8.850%, 12/18/2019 (Acquired 11/16/2015 through 05/26/2016, Cost \$2,435,914) *	2,226,057	2,452,298
Molex Electronic Technologies LLC, 2.878%, 04/15/2020 (Acquired 01/05/2016, Cost \$2,258,985) *	2,300,000	2,294,811
Mondelez International Holdings Netherlands BV, 1.625%, 10/28/2019 (Acquired 10/19/2016, Cost \$9,728,940) * f	9,750,000	9,557,847
Mondelez International, Inc., 1.406%, 02/01/2019 ∞	9,337,000	9,336,477
Murphy Oil Corp., 3.500%, 12/01/2017	9,756,000	9,804,780
Mylan NV: 3.000%, 12/15/2018 (Acquired 08/18/2016 through 10/31/2016, Cost \$14,431,764) * f	14,095,000	14,196,935
2.500%, 06/07/2019 (Acquired 05/31/2016, Cost \$4,994,400) * f	5,000,000	4,972,940
Mylan, Inc., 2.600%, 06/24/2018	1,150,000	1,156,657
National Oilwell Varco, Inc., 1.350%, 12/01/2017	5,600,000	5,578,171
Newell Brands, Inc., 2.600%, 03/29/2019	4,250,000	4,296,635
Nissan Motor Acceptance Corp.: 1.492%, 03/03/2017 (Acquired 02/25/2014, Cost \$3,000,000) ∞ *	3,000,000	3,002,658
2.650%, 09/26/2018 (Acquired 07/29/2014 through 10/08/2015, Cost \$4,809,685) *	4,760,000	4,808,976
Noble Holding International Ltd.: 2.500%, 03/15/2017 f	5,510,000	5,489,338
5.250%, 03/16/2018 f	1,848,000	1,843,380
Norfolk Southern Railway Co., 9.750%, 06/15/2020	2,000,000	2,472,152
ONEOK Partners LP: 2.000%, 10/01/2017	2,858,000	2,865,897
8.625%, 03/01/2019	1,500,000	1,692,028
Pentair Finance SA: 1.875%, 09/15/2017 f	6,000,000	6,008,952
2.900%, 09/15/2018 f	13,075,000	13,226,108
Perrigo Co PLC, 2.300%, 11/08/2018 f	4,125,000	4,119,522
Perrigo Finance Unlimited Co., 3.500%, 03/15/2021 f	4,500,000	4,546,931
Petrofac Ltd., 3.400%, 10/10/2018 (Acquired 10/03/2013 through 09/25/2015, Cost \$12,146,802) * f	12,050,000	12,196,082
Phillips 66, 2.950%, 05/01/2017	3,000,000	3,016,734
Phillips 66 Partners LP, 2.646%, 02/15/2020	2,000,000	1,993,846
Pioneer Natural Resources Co.: 6.650%, 03/15/2017	1,260,000	1,272,853
6.875%, 05/01/2018	1,000,000	1,061,632
Potash Corp of Saskatchewan, Inc., 6.500%, 05/15/2019 f	11,500,000	12,561,462
Republic Services, Inc.: 3.800%, 05/15/2018	7,990,000	8,212,170
5.500%, 09/15/2019	6,446,000	7,014,827
Rogers Communications, Inc., 6.800%, 08/15/2018 f	3,233,000	3,485,973
Rohm and Haas Co., 6.000%, 09/15/2017	1,871,000	1,929,375
RPM International, Inc., 6.500%, 02/15/2018	3,870,000	4,055,923
Shire Acquisitions Investments Ireland DAC, 1.900%, 09/23/2019 f	9,775,000	9,651,073
Solvay Finance America LLC, 3.400%, 12/03/2020 (Acquired 05/04/2016, Cost \$7,212,658) *	7,000,000	7,122,451
Stryker Corp., 2.000%, 03/08/2019	6,250,000	6,253,063
Sunoco, Inc., 5.750%, 01/15/2017	600,000	600,670
Telefonica Emisiones SAU, 6.221%, 07/03/2017 f	1,344,000	1,374,162
Temple-Inland, Inc., 6.625%, 01/15/2018	4,676,000	4,885,896
Teva Pharmaceutical Finance Netherlands III BV, 1.700%, 07/19/2019 f	7,000,000	6,877,696
Texas Eastern Transmission LP, 6.000%, 09/15/2017 (Acquired 05/21/2015, Cost \$3,817,380) *	3,705,000	3,814,431
The Dow Chemical Co., 8.550%, 05/15/2019	14,777,000	16,935,639

The JM Smucker Co.:			
1.750%, 03/15/2018	2,550,000	2,553,325	
2.500%, 03/15/2020	2,725,000	2,737,941	
Thermo Fisher Scientific, Inc.,			
1.850%, 01/15/2018	13,000,000	13,018,603	
Thomson Reuters Corp.,			
1.650%, 09/29/2017 f	7,000,000	7,007,805	
Time Warner Cable LLC:			
5.850%, 05/01/2017	2,355,000	2,388,420	
6.750%, 07/01/2018	6,000,000	6,405,720	
8.750%, 02/14/2019	4,395,000	4,952,919	
8.250%, 04/01/2019	2,564,000	2,881,166	
Time Warner Co., Inc.,			
7.250%, 10/15/2017	7,831,000	8,182,072	
Time Warner, Inc.,			
4.875%, 03/15/2020	3,225,000	3,442,581	
Total Capital International SA:			
1.452%, 08/10/2018 ∞ f	4,350,000	4,361,410	
1.343%, 06/19/2019 ∞ f	7,700,000	7,669,185	
TransCanada Pipelines Ltd.:			
1.875%, 01/12/2018 f	4,000,000	4,006,280	
3.125%, 01/15/2019 f	6,800,000	6,941,875	
Transocean, Inc.,			
4.250%, 10/15/2017 f	7,400,000	7,474,000	
TSMC Global Ltd.,			
1.625%, 04/03/2018 (Acquired 08/05/2014 through 06/07/2016, Cost \$15,840,544) * f	15,919,000	15,858,126	
TTX Co.,			
2.250%, 02/01/2019 (Acquired 01/12/2016, Cost \$7,440,390) *	7,450,000	7,445,716	
Tyco Electronics Group SA,			
6.550%, 10/01/2017 f	860,000	892,035	
Valero Energy Corp.,			
9.375%, 03/15/2019	10,349,000	11,917,908	
Verisk Analytics, Inc.,			
4.875%, 01/15/2019	9,900,000	10,378,517	
Verizon Communications, Inc.,			
3.650%, 09/14/2018	14,000,000	14,462,238	
Viacom, Inc.,			
2.500%, 09/01/2018	11,005,000	11,037,993	
Vodafone Group PLC:			
5.625%, 02/27/2017 f	2,000,000	2,011,502	
1.250%, 09/26/2017 f	10,000,000	9,981,450	
Volkswagen Group of America Finance LLC:			
1.290%, 05/23/2017 (Acquired 05/15/2014, Cost \$2,750,000) ∞ *	2,750,000	2,747,088	
1.351%, 11/20/2017 (Acquired 11/12/2014, Cost \$4,500,000) ∞ *	4,500,000	4,488,403	
Walgreen Co.,			
5.250%, 01/15/2019	2,330,000	2,465,930	
Walgreens Boots Alliance, Inc.:			
1.750%, 11/17/2017	1,150,000	1,152,870	
1.750%, 05/30/2018	2,750,000	2,752,747	
Williams Partners LP / Williams Partners Finance Corp.,			
7.250%, 02/01/2017	3,085,000	3,097,050	
Xerox Corp.:			
6.750%, 02/01/2017	2,626,000	2,635,485	
2.950%, 03/15/2017	5,245,000	5,260,803	
Yara International ASA,			
7.875%, 06/11/2019 (Acquired 10/02/2014, Cost \$557,576) * f	500,000	559,039	
Zimmer Holdings, Inc.,			
2.700%, 04/01/2020	4,725,000	4,725,236	
Zoetis, Inc.:			
1.875%, 02/01/2018	11,000,000	10,999,967	
3.450%, 11/13/2020	7,932,000	8,141,095	
		<u>1,191,103,302</u>	<u>30.7%</u>
<b>Utilities</b>			
Beaver Valley II Funding Corp.,			
9.000%, 06/01/2017	39,000	39,004	
Commonwealth Edison Co.,			
6.150%, 09/15/2017	100,000	103,286	
Dominion Resources, Inc./VA:			
6.400%, 06/15/2018	3,550,000	3,765,059	
2.962%, 07/01/2019	4,000,000	4,049,628	
2.500%, 12/01/2019	9,500,000	9,601,527	
Exelon Corp.:			
1.550%, 06/09/2017	2,000,000	1,996,360	
2.850%, 06/15/2020	2,275,000	2,299,286	
National Rural Utilities Cooperative Finance Corp.,			
10.375%, 11/01/2018	1,075,000	1,239,719	
NextEra Energy Capital Holdings, Inc.:			
Class F, 2.056%, 09/01/2017	9,335,000	9,376,121	
1.649%, 09/01/2018	6,575,000	6,554,361	
NiSource Finance Corp.,			
6.400%, 03/15/2018	199,000	209,578	
Orange Cogen Funding Corp.,			
8.175%, 03/15/2022 (Acquired 02/10/2015 through 09/16/2015, Cost \$10,756,678) *	9,385,875	10,750,478	
Pacific Gas & Electric Co.,			
8.250%, 10/15/2018	8,320,000	9,236,290	

Public Service Co. of New Mexico, 7.950%, 05/15/2018	1,431,000	1,544,839	
Sempra Energy: 2.300%, 04/01/2017 9.800%, 02/15/2019	1,300,000 2,575,000	1,302,548 2,982,571	
Southern Power Co., 1.950%, 12/15/2019	4,600,000	4,561,438	
The Southern Co.: 1.850%, 07/01/2019 2.750%, 06/15/2020	4,750,000 11,000,000	4,735,294 11,094,259	
		85,441,646	2.2%
<b>Financials</b>			
<b>ABN AMRO Bank NV:</b>			
4.250%, 02/02/2017 (Acquired 08/23/2013 through 08/16/2016, Cost \$4,434,541) * f	4,425,000	4,434,549	
2.500%, 10/30/2018 (Acquired 03/04/2014 through 04/29/2015, Cost \$1,155,438) * f	1,150,000	1,159,062	
1.800%, 09/20/2019 (Acquired 09/13/2016, Cost \$4,743,635) * f	4,750,000	4,681,059	
American Express Bank FSB, 0.964%, 06/12/2017 ∞	750,000	749,743	
American Express Co.: 7.000%, 03/19/2018 1.506%, 05/22/2018 ∞	2,661,000 5,528,000	2,827,823 5,539,421	
American Express Credit Corp., 1.396%, 08/15/2019 ∞	2,000,000	2,003,676	
American International Group, Inc.: 2.300%, 07/16/2019 3.375%, 08/15/2020	1,400,000 2,000,000	1,406,608 2,057,600	
ANZ New Zealand (Int'l) Ltd./London: 2.600%, 09/23/2019 (Acquired 09/16/2014, Cost \$3,347,823) * f 2.850%, 08/06/2020 (Acquired 07/30/2015, Cost \$2,997,510) * f	3,350,000 3,000,000	3,378,307 3,020,724	
Australia & New Zealand Banking Group Ltd./New York NY: 1.875%, 10/06/2017 f 2.250%, 06/13/2019 f	750,000 1,000,000	752,996 1,003,237	
Australia and New Zealand Banking Group Ltd., 1.256%, 01/10/2017 (Acquired 01/06/2014, Cost \$750,000) ∞ * f	750,000	750,061	
Banco Santander (Chile), 1.776%, 04/11/2017 (Acquired 04/08/2014, Cost \$1,800,000) ∞ * f	1,800,000	1,797,840	
Bank of America Corp.: 5.750%, 12/01/2017 Class L, 2.600%, 01/15/2019 5.625%, 07/01/2020 2.625%, 10/19/2020	5,000,000 5,750,000 2,000,000 10,000,000	5,179,245 5,799,151 2,199,106 10,005,710	
Bank of Montreal: 1.476%, 04/09/2018 ∞ f 1.800%, 07/31/2018 f 1.900%, 08/27/2021 f	1,325,000 5,000,000 10,000,000	1,330,099 5,003,140 9,690,240	
Banque Federative du Credit Mutuel SA, 2.000%, 04/12/2019 (Acquired 04/06/2016 through 10/21/2016, Cost \$18,599,065) * f	18,600,000	18,524,186	
Barclays Bank PLC, 1.486%, 02/17/2017 ∞ f	4,000,000	4,001,372	
Barclays PLC: 2.000%, 03/16/2018 f 2.875%, 06/08/2020 f 3.250%, 01/12/2021 f	4,000,000 2,000,000 2,375,000	3,991,684 1,983,106 2,377,313	
BB&T Corp., 1.823%, 06/15/2018 ∞	4,150,000	4,173,037	
BNP Paribas SA: 2.375%, 09/14/2017 f 2.400%, 12/12/2018 f 2.375%, 05/21/2020 f	3,000,000 1,600,000 3,225,000	3,020,031 1,612,565 3,209,062	
BNZ International Funding Ltd./London: 1.900%, 02/26/2018 (Acquired 02/23/2015, Cost \$1,702,050) * f 2.350%, 03/04/2019 (Acquired 09/03/2014 through 11/13/2014, Cost \$7,236,996) * f	1,700,000 7,250,000	1,701,510 7,275,882	
BPCE SA, 2.500%, 12/10/2018 f	3,525,000	3,555,928	
Branch Banking & Trust Co., 1.220%, 05/23/2017 ∞	12,895,000	12,894,033	
Caisse Centrale Desjardins: 1.552%, 01/29/2018 (Acquired 01/26/2015, Cost \$10,000,000) ∞ * f 1.750%, 01/29/2018 (Acquired 04/06/2015, Cost \$4,008,501) * f	10,000,000 4,000,000	9,989,810 3,991,984	
Canadian Imperial Bank of Commerce/Canada, 1.600%, 09/06/2019 f	20,000,000	19,809,640	
Capital One Bank (USA) NA, 2.250%, 02/13/2019	1,500,000	1,506,697	
Capital One Financial Corp., 5.250%, 02/21/2017	1,100,000	1,105,282	
Capital One NA/Mclean VA: 1.500%, 09/05/2017 1.561%, 02/05/2018 ∞ 2.400%, 09/05/2019 1.850%, 09/13/2019	5,000,000 2,000,000 5,300,000 5,000,000	4,993,785 2,003,950 5,311,787 4,943,165	
Cigna Corp., 5.375%, 03/15/2017	2,300,000	2,317,537	

Citigroup, Inc.:		
1.550%, 08/14/2017	2,400,000	2,401,675
1.700%, 04/27/2018	2,000,000	1,995,592
2.150%, 07/30/2018	3,975,000	3,988,149
2.050%, 12/07/2018	4,000,000	3,999,552
Citizens Bank NA/Providence RI:		
1.600%, 12/04/2017	14,300,000	14,284,985
2.500%, 03/14/2019	2,700,000	2,720,801
CNA Financial Corp.,		
7.350%, 11/15/2019	14,915,000	16,915,445
Comerica Bank:		
5.200%, 08/22/2017	6,825,000	6,978,303
2.500%, 06/02/2020	7,000,000	6,997,431
Commonwealth Bank of Australia.		
1.353%, 03/12/2018 (Acquired 11/09/2016, Cost \$2,501,583) ∞ * f	2,500,000	2,498,162
Commonwealth Bank of Australia/New York NY:		
1.750%, 11/02/2018 f	15,000,000	14,962,860
2.050%, 03/15/2019 f	1,500,000	1,498,270
Compass Bank:		
1.850%, 09/29/2017	10,505,000	10,481,153
2.750%, 09/29/2019	8,337,000	8,291,622
Credit Suisse AG/New York NY:		
1.427%, 05/26/2017 ∞ f	2,000,000	2,001,536
6.000%, 02/15/2018 f	8,440,000	8,778,478
1.700%, 04/27/2018 f	2,500,000	2,494,490
Deutsche Bank AG/London:		
1.512%, 02/13/2017 ∞ f	5,450,000	5,448,703
1.405%, 05/30/2017 ∞ f	2,640,000	2,632,188
6.000%, 09/01/2017 f	3,467,000	3,549,033
1.875%, 02/13/2018 f	3,000,000	2,982,786
2.500%, 02/13/2019 f	3,000,000	2,975,958
Discover Bank/Greenwood DE:		
2.000%, 02/21/2018	1,875,000	1,874,659
2.600%, 11/13/2018	8,000,000	8,069,376
8.700%, 11/18/2019	5,395,000	6,125,494
Fifth Third Bancorp:		
5.450%, 01/15/2017	919,000	920,262
2.150%, 08/20/2018	2,000,000	2,012,636
2.875%, 07/27/2020	5,000,000	5,055,000
First Horizon National Corp.,		
3.500%, 12/15/2020	2,394,000	2,415,805
First Niagara Financial Group, Inc.,		
6.750%, 03/19/2020	3,850,000	4,342,419
First Tennessee Bank NA,		
2.950%, 12/01/2019	15,286,000	15,323,909
Guardian Life Global Funding,		
2.000%, 04/26/2021 (Acquired 04/19/2016, Cost \$7,814,671) *	7,825,000	7,631,597
HSBC Bank USA NA/New York NY,		
6.000%, 08/09/2017	925,000	949,567
HSBC Finance Corp.,		
6.676%, 01/15/2021	221,000	248,413
HSBC USA, Inc.:		
1.877%, 09/24/2018 ∞	1,000,000	1,002,282
1.512%, 11/13/2019 ∞	9,750,000	9,718,001
Humana, Inc.,		
7.200%, 06/15/2018	6,610,000	7,105,307
Huntington Bancshares Inc./OH,		
2.600%, 08/02/2018	7,375,000	7,446,840
ING Bank NV:		
3.750%, 03/07/2017 (Acquired 05/30/2013 through 01/13/2014, Cost \$3,210,432) * f	3,200,000	3,213,533
1.650%, 08/15/2019 (Acquired 08/08/2016, Cost \$9,989,800) * f	10,000,000	9,864,740
2.500%, 10/01/2019 (Acquired 04/18/2016, Cost \$9,081,627) * f	8,961,000	9,018,709
JPMorgan Chase & Co.:		
1.432%, 04/25/2018 ∞	3,500,000	3,509,863
Class 1, 1.520%, 01/28/2019 ∞	750,000	752,408
6.300%, 04/23/2019	5,000,000	5,463,685
2.250%, 01/23/2020	8,100,000	8,080,933
KEB Hana Bank,		
1.750%, 10/18/2019 (Acquired 10/11/2016, Cost \$17,942,040) * f	18,000,000	17,797,338
Kemper Corp.,		
6.000%, 05/15/2017	4,565,000	4,632,503
KeyBank NA/Cleveland OH:		
2.350%, 03/08/2019	6,500,000	6,537,349
1.600%, 08/22/2019	3,000,000	2,958,918
2.500%, 12/15/2019	5,325,000	5,380,460
Kookmin Bank:		
1.761%, 01/27/2017 (Acquired 01/21/2014 through 02/20/2014, Cost \$4,750,093) ∞ * f	4,750,000	4,751,207
1.625%, 07/14/2017 (Acquired 07/07/2014, Cost \$5,983,080) * f	6,000,000	5,991,702
1.625%, 08/01/2019 (Acquired 07/25/2016, Cost \$7,976,960) * f	8,000,000	7,879,920
LeasePlan Corp. NV,		
2.500%, 05/16/2018 (Acquired 05/07/2013 through 02/25/2016, Cost \$16,360,141) * f	16,435,000	16,458,896

Lloyds Bank PLC:		
4.200%, 03/28/2017 f	2,000,000	2,013,704
1.750%, 05/14/2018 f	5,825,000	5,817,241
2.000%, 08/17/2018 f	4,500,000	4,506,930
2.050%, 01/22/2019 f	4,000,000	3,996,168
M&I Marshall & Ilsley Bank,		
5.000%, 01/17/2017	2,488,000	2,490,630
Macquarie Bank Ltd.:		
1.516%, 10/27/2017 (Acquired 10/22/2014, Cost \$5,000,000) ∞ * f	5,000,000	5,005,545
2.400%, 01/21/2020 (Acquired 11/22/2016, Cost \$7,978,000) * f	8,000,000	7,927,840
Macquarie Group Ltd.,		
4.875%, 08/10/2017 (Acquired 10/29/2014 through 11/25/2014, Cost \$2,800,113) * f	2,750,000	2,798,312
Manufacturers & Traders Trust Co.:		
6.625%, 12/04/2017	1,000,000	1,043,957
1.971%, 12/28/2020 ∞	282,000	280,250
Marsh & McLennan Companies, Inc.,		
2.300%, 04/01/2017	1,297,000	1,296,586
Metropolitan Life Global Funding I,		
1.256%, 04/10/2017 (Acquired 04/07/2014, Cost \$8,500,000) ∞ *	8,500,000	8,507,268
Mizuho Bank Ltd.:		
2.550%, 03/17/2017 (Acquired 05/30/2013, Cost \$6,911,207) * f	6,900,000	6,918,623
1.310%, 04/16/2017 (Acquired 04/09/2014, Cost \$2,800,000) ∞ * f	2,800,000	2,801,411
1.447%, 09/25/2017 (Acquired 03/30/2016, Cost \$2,992,046) ∞ * f	3,000,000	2,998,080
1.637%, 03/26/2018 (Acquired 06/21/2016, Cost \$1,248,700) ∞ * f	1,250,000	1,250,155
2.071%, 10/20/2018 (Acquired 10/13/2015, Cost \$2,500,000) ∞ * f	2,500,000	2,512,705
2.450%, 04/16/2019 (Acquired 09/09/2016, Cost \$2,430,815) * f	2,400,000	2,410,174
Morgan Stanley:		
5.450%, 01/09/2017	2,950,000	2,951,451
1.738%, 01/05/2018 ∞	1,500,000	1,505,790
6.625%, 04/01/2018	2,000,000	2,115,056
1.732%, 01/24/2019 ∞	4,750,000	4,779,640
7.300%, 05/13/2019	3,000,000	3,342,834
2.026%, 01/27/2020 ∞	4,000,000	4,035,388
MUFG Union Bank NA,		
2.125%, 06/16/2017	3,500,000	3,511,323
National Bank of Canada,		
1.799%, 12/14/2018 ∞ f	1,000,000	1,004,456
National City Bank/Cleveland OH,		
5.800%, 06/07/2017	8,695,000	8,851,493
Nationwide Building Society,		
2.350%, 01/21/2020 (Acquired 01/12/2015, Cost \$4,998,350) * f	5,000,000	4,988,100
New York Life Global Funding,		
1.550%, 11/02/2018 (Acquired 10/27/2015, Cost \$9,486,415) *	9,500,000	9,472,830
Nomura Holdings, Inc.,		
2.750%, 03/19/2019 f	2,000,000	2,018,928
Nordea Bank AB:		
3.125%, 03/20/2017 (Acquired 10/03/2012 through 08/21/2013, Cost \$5,153,071) * f	5,140,000	5,163,336
1.250%, 04/04/2017 (Acquired 03/31/2014, Cost \$3,988,880) * f	4,000,000	4,001,084
1.618%, 09/30/2019 (Acquired 09/22/2016, Cost \$2,400,000) ∞ * f	2,400,000	2,400,657
Paine Webber Group, Inc.,		
7.990%, 06/09/2017	300,000	305,130
Pricoa Global Funding I,		
1.450%, 09/13/2019 (Acquired 09/06/2016, Cost \$11,998,920) *	12,000,000	11,820,552
Principal Life Global Funding II,		
1.500%, 04/18/2019 (Acquired 04/11/2016, Cost \$2,990,640) *	3,000,000	2,962,296
Protective Life Global Funding,		
1.555%, 09/13/2019 (Acquired 09/07/2016, Cost \$18,000,000) *	18,000,000	17,725,050
Prudential Financial, Inc.,		
7.375%, 06/15/2019	7,000,000	7,879,949
Regions Bank/Birmingham AL,		
7.500%, 05/15/2018	7,733,000	8,284,587
Reliance Standard Life Global Funding II:		
2.150%, 10/15/2018 (Acquired 10/13/2015 through 06/09/2016, Cost \$13,020,388) *	13,000,000	13,064,584
2.500%, 01/15/2020 (Acquired 01/07/2015, Cost \$5,979,540) *	6,000,000	5,963,604
Royal Bank of Canada,		
1.400%, 10/13/2017 f	8,450,000	8,449,324
Santander Bank NA,		
8.750%, 05/30/2018	2,238,000	2,408,728
Santander Holdings USA, Inc.,		
2.700%, 05/24/2019	5,000,000	4,996,195
Santander UK Group Holdings PLC,		
3.125%, 01/08/2021 f	3,500,000	3,491,824
Santander UK PLC,		
2.500%, 03/14/2019 f	10,000,000	10,058,400
Skandinaviska Enskilda Banken AB:		
2.375%, 11/20/2018 (Acquired 08/05/2015, Cost \$5,028,797) * f	5,000,000	5,032,415
2.375%, 03/25/2019 (Acquired 08/23/2016, Cost \$966,296) * f	950,000	952,439
2.450%, 05/27/2020 (Acquired 05/19/2015, Cost \$4,692,762) * f	4,700,000	4,681,275
Societe Generale SA:		
2.078%, 10/01/2018 ∞ f	6,000,000	6,051,144
2.625%, 10/01/2018 f	1,000,000	1,012,582



Standard Chartered PLC:		
1.291%, 09/08/2017 (Acquired 09/03/2014, Cost \$10,000,000) ∞ * f	10,000,000	9,990,030
1.520%, 04/17/2018 (Acquired 04/13/2015, Cost \$2,000,000) ∞ * f	2,000,000	1,992,332
2.100%, 08/19/2019 (Acquired 08/16/2016, Cost \$4,492,080) * f	4,500,000	4,448,579
2.400%, 09/08/2019 (Acquired 09/03/2014 through 10/12/2016, Cost \$4,234,371) * f	4,225,000	4,199,189
Sumitomo Mitsui Banking Corp.:		
1.306%, 01/10/2017 ∞ f	2,075,000	2,075,104
1.460%, 01/16/2018 ∞ f	2,885,000	2,888,618
1.950%, 07/23/2018 f	3,500,000	3,497,515
1.762%, 10/19/2018 f	5,000,000	4,979,130
1.822%, 01/18/2019 ∞ f	1,000,000	1,005,317
2.450%, 01/16/2020 f	4,500,000	4,481,383
SunTrust Bank/Atlanta GA,		
7.250%, 03/15/2018	154,000	163,356
SunTrust Banks, Inc.,		
6.000%, 09/11/2017	780,000	803,349
Svenska Handelsbanken AB:		
1.625%, 03/21/2018 f	1,100,000	1,098,689
1.483%, 06/17/2019 ∞ f	2,000,000	2,001,462
1.928%, 10/01/2020 ∞ f	10,000,000	10,000,000
Swedbank AB,		
2.125%, 09/29/2017 (Acquired 08/30/2016, Cost \$3,018,984) * f	3,000,000	3,014,394
Synchrony Financial:		
2.600%, 01/15/2019	2,000,000	2,010,116
3.000%, 08/15/2019	13,350,000	13,523,002
2.700%, 02/03/2020	3,250,000	3,240,364
The Bank of New York Mellon Corp.,		
1.446%, 08/01/2018 ∞	1,000,000	1,003,212
The Bank of Nova Scotia,		
1.423%, 06/11/2018 ∞ f	3,500,000	3,506,611
The Bank of Tokyo-Mitsubishi UFJ Ltd.:		
1.363%, 03/10/2017 (Acquired 11/24/2014 through 06/01/2016, Cost \$9,043,245) ∞ * f	9,050,000	9,052,317
2.150%, 09/14/2018 (Acquired 09/08/2015, Cost \$6,298,173) * f	6,300,000	6,305,197
The Bear Stearns Companies LLC:		
6.400%, 10/02/2017	7,700,000	7,976,784
7.250%, 02/01/2018	450,000	476,207
The Goldman Sachs Group, Inc.:		
2.053%, 12/10/2017 ∞	1,000,000	996,090
5.950%, 01/18/2018	1,045,000	1,088,621
6.150%, 04/01/2018	4,775,000	5,022,894
2.900%, 07/19/2018	1,000,000	1,013,810
7.500%, 02/15/2019	3,000,000	3,325,743
1.902%, 10/23/2019 ∞	2,751,000	2,773,258
2.300%, 12/13/2019	12,000,000	11,986,380
The Hartford Financial Services Group Inc.,		
5.500%, 03/30/2020	1,947,000	2,125,982
The Hartford Financial Services Group, Inc.:		
5.375%, 03/15/2017	3,145,000	3,170,468
6.300%, 03/15/2018	1,825,000	1,914,872
6.000%, 01/15/2019	455,000	489,617
The Huntington National Bank,		
2.000%, 06/30/2018	12,990,000	12,995,612
The Northern Trust Co.,		
6.500%, 08/15/2018	4,075,000	4,376,322
UBS AG/Stamford CT:		
1.800%, 03/26/2018 f	8,825,000	8,831,098
5.750%, 04/25/2018 f	3,351,000	3,519,643
UBS Group Funding Jersey Ltd.:		
2.437%, 09/24/2020 (Acquired 09/21/2015, Cost \$2,000,000) ∞ * f	2,000,000	2,023,162
3.000%, 04/15/2021 (Acquired 03/29/2016, Cost \$2,997,750) * f	3,000,000	3,001,581
UnitedHealth Group, Inc.,		
6.000%, 02/15/2018	2,625,000	2,752,341
Voya Financial, Inc.,		
2.900%, 02/15/2018	17,494,000	17,710,681
WEA Finance LLC / Westfield UK & Europe Finance PLC:		
2.700%, 09/17/2019 (Acquired 09/10/2014, Cost \$6,986,000) *	7,000,000	7,080,129
3.250%, 10/05/2020 (Acquired 09/28/2015, Cost \$4,982,850) *	5,000,000	5,085,010
Wells Fargo & Co.:		
Class N, 1.567%, 01/30/2020 ∞	1,975,000	1,974,030
2.600%, 07/22/2020	3,900,000	3,922,542
Westpac Banking Corp.:		
2.000%, 08/14/2017 f	8,000,000	8,035,008
1.650%, 05/13/2019 f	4,650,000	4,601,087
		<u>983,879,907</u>
<b>Total Corporate Bonds</b>		<u>2,260,424,855</u>
		<u>58.3%</u>
<b>Taxable Municipal Bonds</b>		
Chippewa Valley Schools,		
1.180%, 05/01/2017	7,175,000	7,183,825
City of Bristol VA,		
3.002%, 10/01/2020	8,210,000	8,263,775
City of Williston ND,		
3.100%, 07/15/2025 (Callable 01/20/2017)	5,630,000	5,630,225
Consolidated Municipalities Electric Power Systems Joint Powers Board,		
1.550%, 06/01/2017	590,000	590,501

Cook County School District No. 144 Prairie Hills:			
2.000%, 12/01/2017	810,000	815,889	
2.000%, 12/01/2017	120,000	120,223	
2.500%, 12/01/2018	745,000	749,962	
Illinois Housing Development Authority,			
4.000%, 02/01/2034 (Callable 08/01/2025)	10,445,000	10,695,471	
Indiana Bond Bank,			
1.689%, 01/15/2017	1,000,000	1,000,220	
Iowa Tobacco Settlement Authority,			
6.500%, 06/01/2023 (Callable 01/30/2017)	205,000	201,417	
Kentucky Asset Liability Commission,			
4.372%, 04/01/2017	2,400,000	2,419,080	
Metropolitan Government Nashville & Davidson County Health & Educational Facilities,			
1.750%, 07/01/2046 (Callable 12/30/2017) ∞	11,100,000	11,100,000	
New Hampshire Housing Finance Authority:			
1.500%, 01/01/2017	765,000	765,000	
1.650%, 07/01/2017	710,000	710,518	
4.000%, 07/01/2036 (Callable 07/10/2024)	9,800,000	10,033,142	
New Jersey Economic Development Authority:			
1.802%, 06/15/2017	475,000	476,662	
1.802%, 06/15/2017	2,505,000	2,508,257	
3.375%, 06/15/2017	5,000,000	5,050,250	
2.421%, 06/15/2018	10,000,000	9,993,200	
New Jersey Sports & Exposition Authority:			
6.076%, 03/01/2023	2,705,000	2,903,574	
5.976%, 03/01/2024	5,000,000	5,305,100	
Oakland Redevelopment Agency Successor Bonds,			
2.271%, 09/01/2018	1,675,000	1,679,858	
Public Finance Authority,			
2.625%, 11/01/2019 (Callable 05/01/2018)	4,500,000	4,469,130	
Rhode Island Housing & Mortgage Finance Corp./RI:			
1.930%, 04/01/2017	600,000	600,936	
3.000%, 10/01/2034 (Callable 10/01/2022)	7,405,000	7,441,285	
San Diego Metropolitan Transit System,			
4.840%, 12/01/2018	3,485,000	3,574,286	
Schenectady Metroplex Development Authority/NY,			
2.232%, 08/01/2017	200,000	200,664	
State of Hawaii Department of Business Economic Development & Tourism,			
1.467%, 07/01/2022	5,050,000	4,957,130	
State of Illinois:			
5.090%, 04/01/2017	2,785,000	2,807,753	
4.350%, 06/01/2018	737,000	748,188	
Tulsa Airports Improvement Trust:			
2.592%, 06/01/2017	115,000	115,867	
3.042%, 06/01/2018	100,000	101,962	
		<u>113,213,350</u>	<u>2.9%</u>
<b>Residential Mortgage-Backed Securities</b>			
<b>U.S. Government Agency Issues</b>			
Fannie Mae REMIC Trust,			
Series 2004-W6, Class 1A6, 5.500%, 07/25/2034	7,953	7,944	
Federal Home Loan Mortgage Corp. (FHLMC),			
Series 5, Class B, 1.404%, 05/15/2019 ∞	637	638	
		<u>8,582</u>	<u>0.0%</u>
<b>Non-U.S. Government Agency Issues</b>			
Accredited Mortgage Loan Trust:			
Series 2006-1, Class A3, 0.936%, 04/25/2036 ∞	1,864,439	1,861,578	
Series 2006-2, Class A3, 0.906%, 09/25/2036 ∞	5,192,718	5,171,300	
ACE Securities Corp. Home Equity Loan Trust:			
Series 2006-HE1, Class A1B1, 0.946%, 02/25/2036 ∞	5,739,299	5,684,118	
Series 2006-OP1, Class A2C, 0.906%, 04/25/2036 ∞	4,823,280	4,699,910	
Aegis Asset Backed Securities Trust,			
Series 2005-5, Class 1A3, 1.026%, 12/25/2035 ∞	2,561,427	2,536,286	
Alternative Loan Trust:			
Series 2004-12CB, Class 1A1, 5.000%, 07/25/2019	605,751	617,455	
Series 2005-50CB, Class 4A1, 5.000%, 11/25/2020 §	152,336	152,185	
Series 2004-J2, Class 3A3, 5.500%, 04/25/2034	181,263	182,347	
Series 2004-8CB, Class A, 1.026%, 06/25/2034 ∞	8,053,568	7,955,738	
Series 2005-73CB, Class 1A7, 5.500%, 01/25/2036	97,852	95,172	
Series 2006-28CB, Class A17, 6.000%, 10/25/2036	803,678	642,241	
Argent Securities Inc. Asset-Backed Pass-Through Certificates,			
Series 2005-W3, Class A2D, 1.096%, 11/25/2035 ∞	9,282,312	9,069,878	
Banc of America Alternative Loan Trust,			
Series 2004-2, Class 5A1, 5.500%, 03/25/2019	237,536	238,410	
Banc of America Mortgage Trust,			
Series 2004-B, Class 2A2, 3.047%, 03/25/2034 ∞	2,216,474	2,200,870	
Carrington Mortgage Loan Trust:			
Series 2006-NC1, Class A3, 0.966%, 01/25/2036 ∞	4,340,741	4,297,865	
Series 2006-OPT1, Class A3, 0.936%, 02/25/2036 ∞	3,502,134	3,435,781	
Countrywide Asset-Backed Certificates:			
Series 2006-2, Class 2A3, 1.056%, 06/25/2036 ∞	9,835,292	9,584,602	
Series 2006-13, Class 1AF3, 4.577%, 01/25/2037 ∞	865,718	1,338,191	
Credit-Based Asset Servicing & Securitization LLC,			
Series 2005-CB8, Class AF2, 3.986%, 12/25/2035	183,542	181,849	

CWABS Asset-Backed Certificates Trust:		
Series 2005-16, Class 3AV, 0.814%, 05/25/2036 ∞	4,343,850	4,294,181
Series 2006-9, Class 1AF3, 4.745%, 10/25/2046 ∞ §	940,916	843,626
First Franklin Mortgage Loan Trust,		
Series 2005-FF12, Class A2B, 1.016%, 11/25/2036 ∞	2,487,615	2,467,470
GE-WMC Asset-Backed Pass Through Certificates,		
Series 2005-1, Class A2C, 1.476%, 10/25/2035 ∞	3,527,640	3,496,791
GSAA Trust,		
Series 2005-8, Class A4, 1.026%, 06/25/2035 ∞	10,921,170	10,709,495
Home Equity Asset Trust,		
Series 2006-4, Class 2A3, 0.926%, 08/25/2036 ∞	964,881	959,185
J.P. Morgan Mortgage Acquisition Trust,		
Series 2006-CH1, Class A1, 0.886%, 07/25/2036 ∞	6,494,954	6,298,070
J.P. Morgan Mortgage Trust,		
Series 2005-A4, Class 1A1, 3.086%, 07/25/2035 ∞	1,147,573	1,140,399
Long Beach Mortgage Loan Trust,		
Series 2005-WL2, Class M1, 1.461%, 08/25/2035 ∞	4,829,231	4,803,236
MASTR Alternative Loan Trust:		
Series 2003-5, Class 7A1, 5.000%, 07/25/2018	2,037,110	2,037,487
Series 2003-9, Class 3A1, 4.750%, 11/25/2018	1,111,334	1,114,148
Series 2003-5, Class 4A1, 5.500%, 07/25/2033	5,055,314	5,277,334
MASTR Asset Backed Securities Trust,		
Series 2006-AB1, Class A2, 0.986%, 02/25/2036 ∞	323,826	322,668
Morgan Stanley ABS Capital I. Inc. Trust,		
Series 2005-HE2, Class A3B, 1.196%, 01/25/2035 ∞	2,854,631	2,846,775
New Century Home Equity Loan Trust,		
Series 2005-C, Class A1, 0.986%, 12/25/2035 ∞	7,579,682	7,439,529
Nomura Home Equity Loan, Inc. Home Equity Loan Trust,		
Series 2006-HE2, Class A3, 0.926%, 03/25/2036 ∞	2,975,799	2,914,052
Option One Mortgage Loan Trust Asset-Backed Certificates,		
Series 2005-5, Class A3, 0.966%, 12/25/2035 ∞	4,512,291	4,488,499
Park Place Securities, Inc.,		
Series 2005-WCW1, Class M1, 1.206%, 09/25/2035 ∞	7,241,937	7,196,918
Popular ABS Mortgage Pass-Through Trust,		
Series 2005-B, Class M2, 1.416%, 08/25/2035 ∞	3,192,862	3,133,325
RAMP Series Trust:		
Series 2003-RS11, Class A17, 4.828%, 12/25/2033 ∞	141,198	143,086
Series 2006-NC2, Class A2, 0.946%, 02/25/2036 ∞	2,579,914	2,548,720
Series 2006-RZ4, Class A2, 0.936%, 10/25/2036 ∞	2,398,289	2,381,412
RASC Series Trust:		
Series 2005-AHL2, Class A3, 1.106%, 10/25/2035 ∞	7,818,649	7,730,212
Series 2006-KS1, Class A4, 1.056%, 02/25/2036 ∞	3,525,939	3,493,545
Renaissance Home Equity Loan Trust,		
Series 2007-2, Class AF2, 5.675%, 06/25/2037	1,940,209	898,717
Saxon Asset Securities Trust 2006-2,		
Series 2006-2, Class A3C, 0.906%, 09/25/2036 ∞	1,637,966	1,588,944
Securitized Asset Backed Receivables LLC Trust,		
Series 2005-OP2, Class A1, 1.081%, 10/25/2035 (Acquired 03/13/2014, Cost \$5,274,022) ∞ *	5,339,092	5,321,353
Soundview Home Loan Trust:		
Series 2005-OPT4, Class 2A3, 1.016%, 12/25/2035 ∞	1,239,863	1,226,666
Series 2006-2, Class A4, 1.026%, 03/25/2036 ∞	3,906,033	3,881,997
Specialty Underwriting & Residential Finance Trust:		
Series 2005-BC4, Class A2C, 1.106%, 09/25/2036 ∞	1,607,575	1,605,877
Series 2006-BC1, Class A2D, 1.056%, 12/25/2036 ∞	9,580,345	9,476,225
Structured Asset Investment Loan Trust,		
Series 2004-9, Class A5, 1.756%, 10/25/2034 ∞	10,425,269	10,348,023
Structured Asset Securities Corp.,		
Series 2004-4XS, Class 1A6, 5.050%, 02/25/2034	212,727	215,606
Structured Asset Securities Corp. Mortgage Loan Trust,		
Series 2007-BC3, Class 2A2, 0.896%, 05/25/2047 ∞	623,836	613,658
Structured Asset Securities Corp. Mortgage Pass-Through Certificates,		
Series 2004-22, Class A2, 5.033%, 01/25/2035 ∞	5,579,190	5,771,007
Thornburg Mortgage Securities Trust,		
Series 2003-5, Class 3A, 2.831%, 10/25/2043 ∞	9,720,181	9,766,679
Towd Point Mortgage Trust:		
Series 2015-4, Class A1B, 2.750%, 04/25/2055 (Acquired 09/28/2016, Cost \$3,051,795) ∞ *	3,003,396	3,012,075
Series 2015-4, Class A1, 3.500%, 04/25/2055 (Acquired 06/09/2016, Cost \$6,636,753) ∞ *	6,467,709	6,594,031
Series 2016-5, Class A1, 2.500%, 10/25/2056 (Acquired 12/07/2016, Cost \$11,993,712) ∞ *	12,000,000	11,944,371
WaMu Mortgage Pass-Through Certificates Trust:		
Series 2004-CB4, Class 21A, 5.500%, 12/25/2019	45,184	45,956
Series 2004-CB4, Class 22A, 6.000%, 12/25/2019	112,059	114,602
Series 2004-AR3, Class A1, 2.800%, 06/25/2034 ∞	7,041,255	7,062,708
	227,514,434	227,514,434
		5.9%

**Commercial Mortgage-Backed Securities**

**U.S. Government Agency Issues**

Fannie Mae REMIC Trust:

Series 2012-M9, Class ASQ2, 1.513%, 12/25/2017	24,270,826	24,305,813
Series 2015-M1, Class ASQ2, 1.626%, 02/25/2018	24,170,737	24,228,161
Series 2016-M6, Class ASQ2, 1.785%, 06/25/2019	13,650,000	13,681,435

Freddie Mac Multifamily Structured Pass Through Certificates:

Series K502, Class A2, 1.426%, 08/25/2017	7,222,362	7,227,294
Series K701, Class A2, 3.882%, 11/25/2017 ∞	7,335,000	7,461,058
Series K703, Class A2, 2.699%, 05/25/2018	3,220,315	3,265,175
Series K-704, Class A2, 2.412%, 08/25/2018	5,765,710	5,837,613
Series K705, Class A2, 2.303%, 09/25/2018	2,700,000	2,731,053
Series K006, Class A2, 4.251%, 01/25/2020	15,000,000	15,878,226

104,615,828 2.7%

**Non-U.S. Government Agency Issues**

J.P. Morgan Chase Commercial Mortgage Securities Trust:

Series 2012-C8, Class ASB, 2.379%, 10/15/2045	16,100,000	16,174,965
Series 2011-C5, Class ASB, 3.678%, 08/15/2046	6,115,065	6,327,335

WFRBS Commercial Mortgage Trust,

Series 2012-C6, Class A4, 3.440%, 04/15/2045	7,050,000	7,364,618
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29,866,918 0.8%

**Other Asset Backed Securities**

American Express Credit Account Master Trust,

Series 2014-4, Class A, 1.430%, 06/15/2020	5,545,000	5,554,187
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Barclays Dryrock Issuance Trust,

Series 2015-1, Class A, 2.200%, 12/15/2022	6,750,000	6,779,809
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California Republic Auto Receivables Trust,

Series 2015-3, Class A3, 1.620%, 11/15/2019	20,500,000	20,534,083
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Capital Auto Receivables Asset Trust:

Series 2016-3, Class A2A, 1.360%, 04/22/2019	5,500,000	5,502,502
Series 2015-4, Class A3, 1.830%, 03/20/2020	3,400,000	3,405,435

Chase Issuance Trust,

Series 2015-A5, Class A5, 1.360%, 04/15/2020	13,750,000	13,741,914
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Chrysler Capital Auto Receivables Trust:

Series 2015-BA, Class A2, 1.460%, 12/17/2018 (Acquired 11/12/2015, Cost \$1,613,939) *	1,613,964	1,614,808
Series 2013-BA, Class A4, 1.270%, 03/15/2019 (Acquired 11/12/2015 through 12/18/2015, Cost \$2,227,815) *	2,232,862	2,232,223

Citibank Credit Card Issuance Trust,

Series 2008-A1, Class A1, 5.350%, 02/07/2020	2,325,000	2,425,822
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Conseco Financial Corp.:

Series 1998-2, Class A5, 6.240%, 12/01/2028 ∞	11,696	12,137
Series 1998-3, Class A5, 6.220%, 03/01/2030	171,353	181,438

Dell Equipment Finance Trust,

Series 2015-1, Class A2, 1.010%, 07/24/2017 (Acquired 04/15/2015 through 06/08/2016, Cost \$886,214) *	886,278	886,153
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Discover Card Execution Note Trust:

Series 2014-A5, Class A, 1.390%, 04/15/2020	7,399,000	7,409,976
Series 2016-A4, Class A4, 1.390%, 03/15/2022	19,075,000	18,857,270

Ford Credit Auto Owner Trust:

Series 2014-1, Class A, 2.260%, 11/15/2025 (Acquired 05/06/2014 through 11/18/2014, Cost \$17,933,705) *	17,894,000	18,046,743
Series 2014-2, Class A, 2.310%, 04/15/2026 (Acquired 01/06/2016 through 09/02/2016, Cost \$15,050,289) *	14,892,000	15,016,546
Series 2015-1, Class A, 2.120%, 07/15/2026 (Acquired 01/13/2015 through 03/14/2016, Cost \$12,566,749) *	12,592,000	12,616,795

Ford Credit Floorplan Master Owner Trust A,

Series 2016-1, Class A1, 1.760%, 02/15/2021	11,425,000	11,395,285
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GM Financial Automobile Leasing Trust,

Series 2016-3, Class A3, 1.610%, 12/20/2019	12,000,000	11,964,716
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GMF Floorplan Owner Revolving Trust,

Series 2015-1, Class A1, 1.650%, 05/15/2020 (Acquired 05/13/2015, Cost \$14,699,441) *	14,700,000	14,688,346
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Honda Auto Receivables Owner Trust:

Series 2016-1, Class A2, 1.010%, 06/18/2018	2,362,742	2,361,959
Series 2016-1, Class A3, 1.220%, 12/18/2019	13,000,000	12,970,031

Kubota Credit Owner Trust,

Series 2015-1A, Class A3, 1.540%, 03/15/2019 (Acquired 01/22/2015 through 07/21/2016, Cost \$20,226,877) *	20,225,000	20,252,002
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Leaf Receivables Funding 10 LLC,

Series 2015-1, Class A3, 1.490%, 03/15/2018 (Acquired 04/23/2015, Cost \$4,658,772) *	4,659,628	4,655,344
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Leaf Receivables Funding 11 LLC,

Series 2016-1, Class A3, 2.050%, 06/15/2019 (Acquired 05/18/2016, Cost \$9,999,075) *	10,000,000	9,977,589
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Mercedes-Benz Auto Lease Trust,

Series 2016-B, Class A3, 1.350%, 08/15/2019	18,800,000	18,748,845
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OneMain Financial Issuance Trust,

Series 2014-2A, Class A, 2.470%, 09/18/2024 (Acquired 02/05/2016 through 05/04/2016, Cost \$9,458,231) *	9,486,444	9,490,353
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Springleaf Funding Trust,

Series 2014-AA, Class A, 2.410%, 12/15/2022 (Acquired 09/11/2015 through 06/20/2016, Cost \$2,304,129) *	2,302,342	2,303,188
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Synchrony Credit Card Master Note Trust:

Series 2012-2, Class A, 2.220%, 01/15/2022	9,243,000	9,313,287
Series 2016-3, Class A, 1.580%, 09/15/2022	6,160,000	6,082,635

TCF Auto Receivables Owner Trust,

Series 2014-1A, Class A4, 1.560%, 01/15/2020 (Acquired 10/21/2015, Cost \$5,436,000) *	5,434,957	5,443,312
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Toyota Auto Receivables Owner Trust:

Series 2016-B, Class A2A, 1.020%, 10/15/2018	3,469,000	3,466,963
Series 2016-B, Class A3, 1.300%, 04/15/2020	7,000,000	6,977,559

Verizon Owner Trust:

Series 2016-1A, Class A, 1.420%, 01/20/2021 (Acquired 07/12/2016, Cost \$16,247,263) *	16,250,000	16,136,908
Series 2016-2A, Class A, 1.680%, 05/20/2021 (Acquired 11/16/2016, Cost \$12,748,678) *	12,750,000	12,698,634

313,744,797 8.1%

Total Long-Term Investments (Cost \$3,790,779,390)

3,783,486,171 97.7%

**SHORT-TERM INVESTMENT****Money Market Mutual Fund**

Fidelity Institutional Money Market Fund - Government Portfolio, Institutional Class, 0.43% «

Total Short-Term Investment (Cost \$116,128,236)

Total Investments (Cost \$3,906,907,626)

Liabilities in Excess of Other Assets

**TOTAL NET ASSETS**

	<u>Shares</u>		
	116,128,236	116,128,236	
		<u>116,128,236</u>	<u>3.0%</u>
		<u>3,899,614,407</u>	<u>100.7%</u>
		<u>(25,424,946)</u>	<u>(0.7)%</u>
<b>TOTAL NET ASSETS</b>		<u>\$ 3,874,189,461</u>	<u>100.0%</u>

Notes to Schedule of Investments

∞ Variable or Floating rate security. Floating rate securities are securities whose yields vary with a designated index rate. These securities' rates are as of December 31, 2016.

\* Restricted security as defined in Rule 144(a) under the Securities Act of 1933 and determined to be liquid. Purchased in a private placement transaction; resale to the public may require registration or may extend only to qualified institutional buyers. At December 31, 2016, the value of these securities total \$813,134,868, which represents 20.99% of total net assets.

f Foreign Security

§ Security in Default

« 7-Day Yield

**Baird Short-Term Bond Fund**  
**Summary Schedule of Investments, December 31, 2016**  
 Summary of Fair Value Exposure at December 31, 2016

The Fund has adopted authoritative fair valuation accounting standards which establish a definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value and a discussion on changes in valuation techniques and related inputs during the period. These standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy is organized into three levels based upon the assumptions (referred to as "inputs") used in pricing the asset or liability. These standards state that "observable inputs" reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from independent sources and "unobservable inputs" reflect an entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. These inputs are summarized into three broad levels and described below:

Level 1 - Unadjusted quoted prices in active markets for identical unrestricted securities.
Level 2 - Other significant observable inputs (including quoted prices for similar securities, quoted prices in inactive markets, dealer indications, interest rates, yield curves, prepayment speeds, credit risk, default rates, inputs corroborated by observable market data, etc.).
Level 3 - Significant unobservable inputs (including the Fund's own assumptions about the factors that market participants would use in valuing the security) based on the best information available.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used to value the Fund's investments as of December 31, 2016:

	Level 1	Level 2	Level 3	Total
<b>Long-Term Investments</b>				
U.S. Treasury Securities	\$ -	\$ 661,407,108	\$ -	\$ 661,407,108
Other Government Related Securities	-	72,690,299	-	72,690,299
Corporate Bonds	-	2,260,424,855	-	2,260,424,855
Taxable Municipal Bonds	-	113,213,350	-	113,213,350
Residential Mortgage-Backed Securities - U.S. Government Agency Issues	-	8,582	-	8,582
Residential Mortgage-Backed Securities - Non-U.S. Government Agency Issues	-	227,514,434	-	227,514,434
Commercial Mortgage-Backed Securities - U.S. Government Agency Issues	-	104,615,828	-	104,615,828
Commercial Mortgage-Backed Securities - Non-U.S. Government Agency Issues	-	29,866,918	-	29,866,918
Other Asset Backed Securities	-	313,744,797	-	313,744,797
<b>Total Long-Term Investments</b>	-	3,783,486,171	-	3,783,486,171
<b>Short-Term Investment</b>				
Money Market Mutual Fund	116,128,236	-	-	116,128,236
<b>Total Short-Term Investment</b>	116,128,236	-	-	116,128,236
<b>Total Investments</b>	\$ 116,128,236	\$ 3,783,486,171	\$ -	\$ 3,899,614,407

Changes in valuation techniques may result in transfers into or out of assigned levels within the fair value hierarchy. There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the reporting period, as compared to their classification from the prior year's annual report. See the Fund's valuation policy in Note 2a to the financial statements.