

**Baird Ultra Short Bond Fund**  
**Schedule of Investments**  
**December 31, 2017**

	<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:			
1.000%, 05/15/2018	\$ 58,200,000	\$ 58,118,156	
1.250%, 12/15/2018	57,000,000	56,701,641	
		<u>114,819,797</u>	<u>21.3%</u>
<b>Corporate Bonds</b>			
<b>Industrials</b>			
Abbott Laboratories, 2.000%, 09/15/2018	2,217,000	2,216,518	
AbbVie, Inc., 1.800%, 05/14/2018	3,500,000	3,498,287	
Actavis Funding SCS: 2.350%, 03/12/2018(1)	2,001,000	2,002,585	
2.804%, 03/12/2020 (3 Month LIBOR USD + 1.260%)(1)(3)	1,500,000	1,521,716	
Alimentation Couche-Tard, Inc., 2.074%, 12/13/2019 (3 Month LIBOR USD + 0.500%)(1)(2)(3)	3,500,000	3,502,131	
Allergan, Inc., 1.350%, 03/15/2018	650,000	649,178	
American Honda Finance Corp., 2.271%, 02/22/2019 (3 Month LIBOR USD + 0.830%)(3)	200,000	201,549	
Anheuser-Busch InBev Finance, Inc., 1.777%, 02/01/2019 (3 Month LIBOR USD + 0.400%)(3)	1,165,000	1,168,211	
AT&T, Inc.:			
1.750%, 01/15/2018	675,000	674,809	
5.500%, 02/01/2018	765,000	767,191	
5.600%, 05/15/2018	1,000,000	1,013,565	
2.372%, 11/27/2018 (3 Month LIBOR USD + 0.910%)(3)	400,000	402,389	
2.375%, 11/27/2018	2,000,000	2,006,130	
2.623%, 06/30/2020 (3 Month LIBOR USD + 0.930%)(3)	1,000,000	1,011,934	
Baxalta, Inc., 2.438%, 06/22/2018 (3 Month LIBOR USD + 0.780%)(3)	1,550,000	1,553,253	
British Telecommunications PLC, 5.950%, 01/15/2018(1)	1,280,000	1,281,713	
Canadian Natural Resources Ltd., 5.900%, 02/01/2018(1)	1,000,000	1,003,467	
Chevron Phillips Chemical Co. LLC / Chevron Phillips Chemical Co. LP, 2.127%, 05/01/2020 (3 Month LIBOR USD + 0.750%)(2)(3)	1,500,000	1,513,576	
Columbia Pipeline Group, Inc., 2.450%, 06/01/2018	2,088,000	2,089,234	
CVS Health Corp.:			
1.900%, 07/20/2018	3,700,000	3,698,885	
2.250%, 12/05/2018	700,000	700,928	
Deutsche Telekom International Finance BV, 1.933%, 01/17/2020 (3 Month LIBOR USD + 0.580%)(1)(2)(3)	2,000,000	2,005,161	
Dollar General Corp., 1.875%, 04/15/2018	1,500,000	1,499,132	
EI du Pont de Nemours & Co., 1.907%, 05/01/2020 (3 Month LIBOR USD + 0.530%)(3)	5,000,000	5,031,404	
Enbridge Energy Partners LP, 6.500%, 04/15/2018	4,000,000	4,053,008	
Energy Transfer Partners LP, 2.500%, 06/15/2018	2,000,000	2,002,981	
ERAC USA Finance LLC, 2.800%, 11/01/2018(2)	4,325,000	4,345,370	
Federal Express Corp. Pass Through Trust, 2.625%, 01/15/2018(2)	57,680	57,781	
Fidelity National Information Services, Inc., 2.850%, 10/15/2018	1,900,000	1,911,531	
Ford Motor Credit Co. LLC:			
5.000%, 05/15/2018	2,328,000	2,351,697	
2.339%, 06/12/2020 (3 Month LIBOR USD + 0.790%)(3)	2,000,000	2,013,097	
Fresenius Medical Care US Finance II, Inc., 6.500%, 09/15/2018(2)	3,000,000	3,093,327	
General Motors Financial Co., Inc.:			
2.400%, 04/10/2018	2,000,000	2,002,487	
2.853%, 05/09/2019 (3 Month LIBOR USD + 1.450%)(3)	2,000,000	2,027,166	
Glencore Funding LLC, 2.719%, 01/15/2019 (3 Month LIBOR USD + 1.360%)(2)(3)	2,000,000	2,016,760	
Harris Corp., 1.999%, 04/27/2018	4,000,000	3,995,820	
Hewlett Packard Enterprise Co.:			
2.850%, 10/05/2018	1,800,000	1,808,675	
3.273%, 10/05/2018 (3 Month LIBOR USD + 1.930%)(3)	1,000,000	1,012,764	
HP, Inc., 2.299%, 01/14/2019 (3 Month LIBOR USD + 0.940%)(3)	737,000	739,672	
Hyundai Capital America, Inc., 2.493%, 04/03/2020 (3 Month LIBOR USD + 0.800%)(2)(3)	3,000,000	2,995,551	
Ingersoll-Rand Global Holding Co. Ltd., 6.875%, 08/15/2018	570,000	586,509	
Kinder Morgan Energy Partners LP, 5.950%, 02/15/2018	500,000	502,325	
Kinder Morgan Finance Co. LLC,			

6.000%, 01/15/2018(2)	3,725,000	3,731,549	
Laboratory Corp. of America Holdings, 2.500%, 11/01/2018	2,000,000	2,006,137	
Lockheed Martin Corp., 1.850%, 11/23/2018	4,000,000	3,995,118	
Martin Marietta Materials, Inc., 2.125%, 12/20/2019 (3 Month LIBOR USD + 0.500%)(3)	4,500,000	4,507,330	
Medco Health Solutions, Inc., 7.125%, 03/15/2018	3,308,000	3,341,433	
Medtronic, Inc., 2.388%, 03/15/2020 (3 Month LIBOR USD + 0.800%)(3)	750,000	759,272	
Mondelez International, Inc., 1.897%, 02/01/2019 (3 Month LIBOR USD + 0.520%)(3)	500,000	501,220	
Monsanto Co., 5.125%, 04/15/2018	1,100,000	1,109,500	
Mylan, Inc., 2.600%, 06/24/2018	4,000,000	4,006,646	
Nabors Industries, Inc., 6.150%, 02/15/2018	1,998,000	2,002,995	
NBCUniversal Enterprise, Inc., 1.662%, 04/15/2018(2)	804,000	803,622	
Penske Truck Leasing Co. LP / PTL Finance Corp., 2.875%, 07/17/2018(2)	245,000	246,058	
Pentair Finance SA, 2.900%, 09/15/2018(1)	3,957,000	3,972,570	
Phillips 66, 2.109%, 04/15/2020 (3 Month LIBOR USD + 0.750%)(2)(3)	3,000,000	3,003,163	
Qualcomm, Inc.: 1.886%, 05/20/2020 (3 Month LIBOR USD + 0.450%)(3)	2,000,000	2,000,856	
1.986%, 05/20/2020 (3 Month LIBOR USD + 0.550%)(3)	1,500,000	1,503,470	
Republic Services, Inc., 3.800%, 05/15/2018	4,000,000	4,027,655	
Rogers Communications, Inc., 6.800%, 08/15/2018(1)	3,200,000	3,294,011	
Roper Technologies, Inc., 2.050%, 10/01/2018	3,573,000	3,572,623	
RPM International, Inc., 6.500%, 02/15/2018	2,750,000	2,764,161	
Seagate HDD Cayman, 3.750%, 11/15/2018(1)	3,000,000	3,043,500	
Telecom Italia Capital SA, 6.999%, 06/04/2018(1)	2,434,000	2,478,907	
Telefonica Emisiones SAU, 3.192%, 04/27/2018(1)	1,950,000	1,956,926	
Teva Pharmaceutical Finance Netherlands III BV, 1.400%, 07/20/2018(1)	4,500,000	4,470,042	
Thermo Fisher Scientific, Inc., 2.150%, 12/14/2018	4,000,000	4,005,492	
Total Capital International SA, 1.963%, 06/19/2019 (3 Month LIBOR USD + 0.350%)(1)(3)	250,000	250,833	
Toyota Motor Credit Corp., 1.677%, 01/12/2018 (3 Month LIBOR USD + 0.320%)(3)	900,000	900,045	
TransCanada PipeLines Ltd.: 2.147%, 01/12/2018 (3 Month LIBOR USD + 0.790%)(1)(3)	1,500,000	1,500,163	
3.125%, 01/15/2019(1)	1,000,000	1,009,142	
Vodafone Group PLC: 1.500%, 02/19/2018(1)	2,100,000	2,098,429	
4.625%, 07/15/2018(1)	1,775,000	1,799,451	
Zimmer Biomet Holdings, Inc., 2.000%, 04/01/2018	2,543,000	2,543,923	
		<u>155,735,709</u>	<u>28.9%</u>
<b>Utilities</b>			
Duke Energy Corp., 2.100%, 06/15/2018	1,700,000	1,700,472	
National Rural Utilities Cooperative Finance Corp., 10.375%, 11/01/2018	4,000,000	4,273,297	
PSEG Power LLC, 2.450%, 11/15/2018	3,000,000	3,007,581	
Sempra Energy, 6.150%, 06/15/2018	2,100,000	2,139,002	
The Southern Co., 1.550%, 07/01/2018	1,775,000	1,771,401	
Tri-State Pass Through Trust, 6.040%, 01/31/2018(2)	19,325	19,379	
United Utilities PLC, 4.550%, 06/19/2018(1)	750,000	757,090	
		<u>13,668,222</u>	<u>2.5%</u>
<b>Financials</b>			
ABN AMRO Bank NV, 1.994%, 01/18/2019 (3 Month LIBOR USD + 0.640%)(1)(2)(3)	4,500,000	4,518,585	
American Express Co., 7.000%, 03/19/2018	370,000	373,963	
Australia and New Zealand Banking Group Ltd., 1.799%, 01/16/2018 (3 Month LIBOR USD + 0.440%)(1)(2)(3)	1,000,000	1,000,105	
Bank of America Corp., 6.875%, 04/25/2018	3,000,000	3,045,832	
Bank of Montreal: 1.950%, 04/09/2018 (3 Month LIBOR USD + 0.600%)(1)(3)	1,095,000	1,096,358	
1.800%, 07/31/2018(1)	1,575,000	1,574,091	

The Bank of New York Mellon Corp., 1.937%, 08/01/2018 (3 Month LIBOR USD + 0.560%)(3)	1,000,000	1,002,350
Bank of Nova Scotia, 2.050%, 10/30/2018(1)	3,500,000	3,503,487
Barclays PLC, 2.000%, 03/16/2018(1)	3,900,000	3,900,023
BB&T Corp., 2.037%, 02/01/2019 (3 Month LIBOR USD + 0.660%)(3)	880,000	884,590
BPCE SA, 1.625%, 01/26/2018(1)	3,000,000	2,999,100
Caisse Centrale Desjardins, 2.043%, 01/29/2018 (3 Month LIBOR USD + 0.670%)(1)(2)(3)	1,000,000	1,000,208
Capital One Financial Corp., 2.173%, 05/12/2020 (3 Month LIBOR USD + 0.760%)(3)	1,700,000	1,707,807
Capital One NA, 2.071%, 02/05/2018 (3 Month LIBOR USD + 0.680%)(3)	500,000	500,001
Citigroup, Inc., 1.700%, 04/27/2018	3,000,000	2,997,014
Citizens Bank NA, 2.027%, 03/02/2020 (3 Month LIBOR USD + 0.540%)(3)	2,000,000	2,003,921
CNA Financial Corp., 6.950%, 01/15/2018	1,000,000	1,001,562
Commonwealth Bank of Australia: 1.949%, 03/12/2018 (3 Month LIBOR USD + 0.400%)(1)(2)(3)	1,000,000	1,000,341
2.500%, 09/20/2018(1)	500,000	501,695
Cooperatieve Rabobank UA, 2.250%, 01/14/2019(1)	1,000,000	1,001,075
Credit Agricole SA: 2.125%, 04/17/2018(1)(2)	2,000,000	2,001,204
2.506%, 06/10/2020 (3 Month LIBOR USD + 0.970%)(1)(2)(3)	1,000,000	1,014,222
Credit Suisse AG: 1.750%, 01/29/2018(1)	1,700,000	1,700,013
2.054%, 04/27/2018 (3 Month LIBOR USD + 0.680%)(1)(3)	1,000,000	1,001,467
Deutsche Bank AG: 1.875%, 02/13/2018(1)	1,200,000	1,199,820
2.093%, 02/13/2018 (3 Month LIBOR USD + 0.680%)(1)(3)	1,000,000	1,000,010
2.804%, 01/18/2019 (3 Month LIBOR USD + 1.450%)(1)(3)	1,000,000	1,009,235
Discover Bank, 2.000%, 02/21/2018	2,500,000	2,500,173
Fifth Third Bank, 2.300%, 03/15/2019	1,380,000	1,381,044
The Goldman Sachs Group, Inc.: 6.150%, 04/01/2018	2,500,000	2,526,311
2.516%, 11/15/2018 (3 Month LIBOR USD + 1.100%)(3)	1,285,000	1,292,951
HSBC USA, Inc.: 2.162%, 08/07/2018 (3 Month LIBOR USD + 0.770%)(3)	1,000,000	1,003,235
2.023%, 11/13/2019 (3 Month LIBOR USD + 0.610%)(3)	250,000	251,414
The Huntington National Bank: 1.700%, 02/26/2018	2,300,000	2,299,098
2.000%, 06/30/2018	1,360,000	1,360,510
ING Bank NV: 2.000%, 11/26/2018(1)(2)	1,400,000	1,399,297
2.788%, 03/22/2019 (3 Month LIBOR USD + 1.130%)(1)(2)(3)	800,000	809,196
Jefferies Group LLC, 5.125%, 04/13/2018	3,250,000	3,276,647
JPMorgan Chase & Co.: 2.008%, 01/28/2019 (3 Month LIBOR USD + 0.630%)(3)	250,000	251,162
2.318%, 01/23/2020 (3 Month LIBOR USD + 0.960%)(3)	1,000,000	1,013,353
KEB Hana Bank, 2.059%, 04/05/2020 (3 Month LIBOR USD + 0.730%)(1)(2)(3)	3,000,000	2,996,970
LeasePlan Corp. NV, 2.500%, 05/16/2018(1)(2)	4,000,000	4,000,467
MetLife, Inc., 6.817%, 08/15/2018	105,000	108,078
Mizuho Bank Ltd.: 2.315%, 03/26/2018 (3 Month LIBOR USD + 0.640%)(1)(2)(3)	1,350,000	1,351,481
2.553%, 10/20/2018 (3 Month LIBOR USD + 1.190%)(1)(2)(3)	500,000	503,623
Mizuho Financial Group, Inc., 2.837%, 04/12/2021 (3 Month LIBOR USD + 1.480%)(1)(2)(3)	1,500,000	1,537,237
Morgan Stanley: 2.083%, 01/05/2018 (3 Month LIBOR USD + 0.740%)(3)	500,000	500,012
6.625%, 04/01/2018	2,000,000	2,021,911
2.215%, 01/24/2019 (3 Month LIBOR USD + 0.850%)(3)	250,000	251,303
2.514%, 01/27/2020 (3 Month LIBOR USD + 1.140%)(3)	500,000	507,205
MUFG Union Bank NA, 2.625%, 09/26/2018	2,418,000	2,426,215
National Bank of Canada, 2.109%, 06/12/2020 (3 Month LIBOR USD + 0.560%)(1)(3)	4,000,000	4,026,150
Nordea Bank AB, 2.313%, 09/30/2019 (3 Month LIBOR USD + 0.620%)(1)(2)(3)	1,500,000	1,510,676
PNC Bank NA, 2.200%, 01/28/2019	2,240,000	2,240,682
Regions Bank, 7.500%, 05/15/2018	1,724,000	1,758,522
Reliance Standard Life Global Funding II, 2.150%, 10/15/2018(2)	1,500,000	1,501,236
Santander Holdings USA, Inc., 3.450%, 08/27/2018	425,000	427,852
Skandinaviska Enskilda Banken AB, 2.375%, 11/20/2018(1)(2)	3,000,000	3,005,769

Societe Generale SA, 2.775%, 10/01/2018 (3 Month LIBOR USD + 1.080%)(1)(3)	1,500,000	1,510,490	
Standard Chartered PLC, 1.993%, 04/17/2018 (3 Month LIBOR USD + 0.640%)(1)(2)(3)	1,200,000	1,201,284	
Sumitomo Mitsui Banking Corp.:			
1.939%, 01/16/2018 (3 Month LIBOR USD + 0.580%)(1)(3)	300,000	300,024	
2.103%, 07/23/2018 (3 Month LIBOR USD + 0.740%)(1)(3)	1,350,000	1,353,979	
2.027%, 10/19/2018 (3 Month LIBOR USD + 0.670%)(1)(3)	1,000,000	1,003,687	
Sumitomo Mitsui Trust Bank Ltd, 2.018%, 03/06/2019 (3 Month LIBOR USD + 0.510%)(1)(2)(3)	2,000,000	2,003,274	
Svenska Handelsbanken AB, 2.090%, 06/17/2019 (3 Month LIBOR USD + 0.490%)(1)(3)	850,000	854,127	
Synchrony Financial:			
2.600%, 01/15/2019	2,400,000	2,404,540	
2.615%, 02/03/2020 (3 Month LIBOR USD + 1.230%)(3)	1,000,000	1,014,073	
The Toronto-Dominion Bank, 1.951%, 11/05/2019 (3 Month LIBOR USD + 0.560%)(1)(3)	1,200,000	1,207,645	
UBS AG:			
2.375%, 03/26/2018 (3 Month LIBOR USD + 0.700%)(1)(3)	1,000,000	1,001,428	
5.750%, 04/25/2018(1)	1,000,000	1,012,264	
UBS Group Funding Switzerland AG, 3.115%, 09/24/2020 (3 Month LIBOR USD + 1.440%)(1)(2)(3)	500,000	511,052	
UnitedHealth Group, Inc., 6.000%, 02/15/2018	1,724,000	1,732,504	
Voya Financial, Inc., 2.900%, 02/15/2018	1,750,000	1,751,709	
Wells Fargo & Co., 2.058%, 01/30/2020 (3 Month LIBOR USD + 0.680%)(3)	1,000,000	1,008,272	
Westpac Banking Corp.:			
1.892%, 05/25/2018 (3 Month LIBOR USD + 0.430%)(1)(3)	1,500,000	1,501,615	
4.625%, 06/01/2018(1)	1,838,000	1,860,860	
		<u>117,810,686</u>	<u>21.8%</u>
		<u>287,214,617</u>	<u>53.2%</u>

#### Total Corporate Bonds

#### Taxable Municipal Bonds

Iowa Higher Education Loan Authority, 2.000%, 12/01/2018 (Callable 06/01/2018)	1,000,000	999,170	
Louisiana Public Facilities Authority, 1.838%, 12/15/2018	515,000	514,001	
		<u>1,513,171</u>	<u>0.3%</u>

#### Residential Mortgage-Backed Securities

##### U.S. Government Agency Issues

Federal National Mortgage Association (FNMA):			
5.000%, 12/01/2019	98,056	99,823	
4.500%, 04/01/2020	175,726	178,449	
5.000%, 04/01/2020	186,403	190,149	
		<u>468,421</u>	<u>0.1%</u>

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

Aames Mortgage Investment Trust, Series 2006-1, Class A3, 1.872%, 04/25/2036 (1 Month LIBOR USD + 0.320%)(3)	297,520	297,620	
Accredited Mortgage Loan Trust, Series 2005-4, Class A2D, 1.872%, 12/25/2035 (1 Month LIBOR USD + 0.320%)(3)	452,243	450,654	
ACE Securities Corp. Home Equity Loan Trust:			
Series 2006-HE1, Class A1B1, 1.742%, 02/25/2036 (1 Month LIBOR USD + 0.190%)(3)	151,538	151,545	
Series 2006-HE1, Class A1A, 1.752%, 02/25/2036 (1 Month LIBOR USD + 0.200%)(3)	7,088	7,088	
Carrington Mortgage Loan Trust:			
Series 2005-NC1, Class M2, 2.332%, 02/25/2035 (1 Month LIBOR USD + 0.780%)(3)	2,543,833	2,546,713	
Series 2006-NC1, Class A3, 1.762%, 01/25/2036 (1 Month LIBOR USD + 0.210%)(3)	1,832,539	1,830,409	
Series 2006-RFC1, Class A3, 1.702%, 05/25/2036 (1 Month LIBOR USD + 0.150%)(3)	636,019	634,876	
Series 2007-HE1, Class A2, 1.702%, 06/25/2037 (1 Month LIBOR USD + 0.150%)(3)	1,785,559	1,766,204	
Citigroup Mortgage Loan Trust, Inc.:			
Series 2007-WFH2, Class A4, 1.902%, 03/25/2037 (1 Month LIBOR USD + 0.350%)(3)	2,015,793	2,008,498	
Series 2007-AMC4, Class A2C, 1.722%, 05/25/2037 (1 Month LIBOR USD + 0.170%)(3)	613,247	608,039	
Countrywide Asset-Backed Certificates, Series 2006-BC4, Class 2A2, 1.712%, 11/25/2036 (1 Month LIBOR USD + 0.160%)(3)	1,425,420	1,414,938	
CWABS Asset-Backed Certificates Trust, Series 2006-14, Class 2A2, 1.702%, 02/25/2037 (1 Month LIBOR USD + 0.150%)(3)	1,746,936	1,738,818	
First Franklin Mortgage Loan Trust, Series 2006-FF4, Class A2, 1.742%, 03/25/2036 (1 Month LIBOR USD + 0.190%)(3)	2,627,767	2,624,656	
GSAMP Trust, Series 2006-HE4, Class A2C, 1.702%, 06/25/2036 (1 Month LIBOR USD + 0.150%)(3)	676,915	670,020	
Home Equity Asset Trust:			
Series 2006-2, Class 2A4, 1.862%, 05/25/2036 (1 Month LIBOR USD + 0.310%)(2)(3)	2,938,710	2,935,788	
Series 2006-3, Class 1A1, 1.752%, 07/25/2036 (1 Month LIBOR USD + 0.200%)(3)	1,582,726	1,579,870	
Series 2007-2, Class 2A2, 1.737%, 07/25/2037 (1 Month LIBOR USD + 0.190%)(3)	598,208	596,512	
HSI Asset Securitization Corp. Trust, Series 2007-WF1, Class 2A3, 1.722%, 05/25/2037 (1 Month LIBOR USD + 0.170%)(3)	197,265	197,123	
J.P. Morgan Mortgage Acquisition Trust, Series 2006-NC1, Class A4, 1.498%, 04/25/2036 (1 Month LIBOR USD + 0.170%)(3)	344,253	344,124	
Long Beach Mortgage Loan Trust:			
Series 2005-WL2, Class M1, 2.257%, 08/25/2035 (1 Month LIBOR USD + 0.710%)(3)	328,005	330,375	
Series 2006-WL2, Class 2A3, 1.752%, 01/25/2036 (1 Month LIBOR USD + 0.200%)(3)	13,707	13,657	
MASTR Alternative Loan Trust, Series 2004-13, Class 8A1, 5.500%, 01/25/2025	54,402	55,125	
Park Place Securities, Inc., Series 2005-WCW1, Class M1, 2.002%, 09/25/2035 (1 Month LIBOR USD + 0.450%)(3)	246,184	246,572	
RASC Series Trust:			
Series 2005-KS9, Class M2, 1.982%, 10/25/2035 (1 Month LIBOR USD + 0.430%)(3)	2,361,040	2,361,583	
Series 2006-KS1, Class A4, 1.852%, 02/25/2036 (1 Month LIBOR USD + 0.300%)(3)	31,700	31,711	
Series 2006-KS8, Class A3, 1.712%, 10/25/2036 (1 Month LIBOR USD + 0.160%)(3)	843,367	842,098	
Saxon Asset Securities Trust, Series 2006-1, Class A2C, 1.872%, 03/25/2036 (1 Month LIBOR USD + 0.320%)(3)	266,690	266,225	

Barclays Dryrock Issuance Trust,			
Capital Auto Receivables Asset Trust, Series 2016-3, Class A2A, 1.360%, 04/22/2019	101,143	101,112	
Carmax Auto Owner Trust: Series 2014-3, Class A3, 1.160%, 06/17/2019	228,239	228,130	
Series 2014-4, Class A3, 1.250%, 11/15/2019	269,353	269,039	
Chase Issuance Trust, Series 2013-A1, Class A1, 1.300%, 02/18/2020	4,135,000	4,132,672	
Chesapeake Funding II LLC, Series 2016-2A, Class A1, 1.880%, 06/15/2028(2)	3,962,419	3,954,872	
Chrysler Capital Auto Receivables Trust, Series 2016-BA, Class A2, 1.360%, 01/15/2020(2)	1,280,624	1,279,140	
Citibank Credit Card Issuance Trust: Series 2008-A1, Class A1, 5.350%, 02/07/2020	4,500,000	4,516,265	
Series 2014-A8, Class A8, 1.730%, 04/09/2020	4,000,000	4,000,000	
Conseco Financial Corp., Series 1998-4, Class A6, 6.530%, 04/01/2030(4)	414,608	438,493	
Dell Equipment Finance Trust, Series 2017-2, Class A2A, 1.970%, 02/24/2020(2)	2,600,000	2,594,811	
Enterprise Fleet Financing LLC, Series 2015-2, Class A2, 1.590%, 02/22/2021(2)	1,429,634	1,428,421	
First National Master Note Trust, Series 2017-1, Class A, 1.877%, 04/18/2022 (1 Month LIBOR USD + 0.400%)(3)	4,150,000	4,156,922	
Ford Credit Auto Owner Trust, Series 2015-B, Class A3, 1.160%, 11/15/2019	1,602,703	1,599,526	
GM Financial Automobile Leasing Trust: Series 2015-2, Class A3, 1.680%, 12/20/2018	755,305	755,162	
Series 2016-3, Class A2A, 1.350%, 02/20/2019	1,465,098	1,463,614	
Series 2017-1A, Class A2A, 1.510%, 03/16/2020(2)	4,761,581	4,754,374	
Harley-Davidson Motorcycle Trust: Series 2014-1, Class A3, 1.100%, 09/15/2019	37,172	37,161	
Series 2015-2, Class A3, 1.300%, 03/16/2020	791,959	791,135	
Series 2015-1, Class A3, 1.410%, 06/15/2020	773,226	771,970	
Honda Auto Receivables Owner Trust: Series 2016-1, Class A3, 1.220%, 12/18/2019	361,881	360,533	
Series 2015-1, Class A4, 1.320%, 11/16/2020	1,890,000	1,888,555	
Hyundai Auto Lease Securitization Trust: Series 2016-A, Class A3, 1.600%, 07/15/2019(2)	2,800,543	2,799,253	
Series 2015-B, Class A4, 1.660%, 07/15/2019(2)	1,800,000	1,799,535	
Kubota Credit Owner Trust, Series 2015-1A, Class A3, 1.540%, 03/15/2019(2)	312,571	312,353	
Master Credit Card Trust II, Series 2016-1A, Class A, 2.261%, 09/23/2019 (1 Month LIBOR USD + 0.750%)(1)(2)(3)	1,050,000	1,051,642	
Mercedes Benz Auto Lease Trust, Series 2015-B, Class A4, 1.530%, 05/17/2021	2,881,034	2,880,195	
Mercedes-Benz Auto Receivables Trust, Series 2015-1, Class A3, 1.340%, 12/16/2019	1,861,725	1,857,538	
MMAF Equipment Finance LLC: Series 2016-AA, Class A2, 1.390%, 12/17/2018(2)	1,690,186	1,688,985	
Series 2013-AA, Class A4, 1.680%, 05/11/2020(2)	2,974,340	2,973,297	
Series 2014-AA, Class A4, 1.590%, 02/08/2022(2)	2,400,000	2,391,076	
Nissan Auto Lease Trust, Series 2017-A, Class A2A, 1.640%, 09/16/2019	3,625,000	3,615,854	
Nissan Auto Receivables Owner Trust: Series 2015-C, Class A3, 1.370%, 05/15/2020	2,513,861	2,505,832	
Series 2017-B, Class A2A, 1.560%, 05/15/2020	3,250,000	3,240,545	
Series 2016-C, Class A3, 1.180%, 01/15/2021	2,925,000	2,894,893	
OneMain Financial Issuance Trust, Series 2014-2A, Class A, 2.470%, 09/18/2024(2)	8,456	8,458	
Santander Retail Auto Lease Trust, Series 2017-A, Class A2A, 2.020%, 03/20/2020(2)	4,000,000	3,993,255	
Springleaf Funding Trust, Series 2015-AA, Class A, 3.160%, 11/15/2024(2)	1,625,000	1,631,453	
Toyota Auto Receivables Owner Trust: Series 2015-A, Class A3, 1.120%, 02/15/2019	148,437	148,326	
Series 2017-C, Class A2A, 1.580%, 07/15/2020	2,535,000	2,527,325	
Verizon Owner Trust, Series 2016-1A, Class A, 1.420%, 01/20/2021(2)	2,084,000	2,070,312	
World Financial Network Credit Card Master Trust: Series 2012-C, Class A, 2.230%, 08/15/2022	5,000,000	5,009,232	
Series 2012-A, Class A, 3.140%, 01/17/2023	440,000	445,375	
		<u>95,370,708</u>	<u>17.7%</u>
Total Long-Term Investments (Cost \$530,932,399)		<u>530,880,849</u>	<u>98.4%</u>

#### SHORT-TERM INVESTMENT

	<u>Shares</u>		
<b>Money Market Mutual Fund</b>			
Fidelity Institutional Money Market Fund - Government Portfolio, Institutional Class, 1.19%(5)	5,520,721	5,520,721	
Total Short-Term Investment (Cost \$5,520,721)		<u>5,520,721</u>	<u>1.0%</u>
Total Investments (Cost \$536,453,120)		536,401,570	99.4%
Other Assets in Excess of Liabilities		<u>3,145,626</u>	<u>0.6%</u>
<b>TOTAL NET ASSETS</b>		<u>\$ 539,547,196</u>	<u>100.0%</u>

#### Notes to Schedule of Investments

- (1) Foreign Security.
- (2) 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, 2017, the value of these securities total \$102,819,331, which represents 19.06% of total net assets.
- (3) Variable rate security based on a reference index and spread. The rate reported is the rate in effect as of December 31, 2017.
- (4) Variable rate security. The coupon is based on an underlying pool of loans. The rate reported is the rate in effect as of December 31, 2017.
- (5) 7-Day Yield.

**Baird Ultra Short Bond Fund**  
**Schedule of Investments, December 31, 2017**

**Summary of Fair Value Exposure at December 31, 2017**

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, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Long-Term Investments</b>				
U.S. Treasury Securities	\$ -	\$ 114,819,797	\$ -	\$ 114,819,797
Corporate Bonds	-	287,214,617	-	287,214,617
Taxable Municipal Bonds	-	1,513,171	-	1,513,171
Residential Mortgage-Backed Securities - U.S. Government Agency Issues	-	468,421	-	468,421
Residential Mortgage-Backed Securities - Non-U.S. Government Agency Issues	-	29,122,501	-	29,122,501
Commercial Mortgage-Backed Securities - U.S. Government Agency Issues	-	2,371,634	-	2,371,634
Other Asset Backed Securities	-	95,370,708	-	95,370,708
<b>Total Long-Term Investments</b>	-	530,880,849	-	530,880,849
<b>Short-Term Investment</b>				
Money Market Mutual Fund	5,520,721	-	-	5,520,721
<b>Total Short-Term Investment</b>	5,520,721	-	-	5,520,721
<b>Total Investments</b>	\$ 5,520,721	\$ 530,880,849	\$ -	\$ 536,401,570

Changes in valuation techniques may result in transfers into or out of assigned levels within the fair value hierarchy. Transfers between levels are recognized at the end of the reporting period. 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.