



BAIRD

Semi-Annual Report – Baird Funds

June 30, 2018

Baird MidCap Fund

Baird Small/Mid Cap Value Fund

Baird SmallCap Value Fund

Chautauqua International Growth Fund

Chautauqua Global Growth Fund

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This report has been prepared for shareholders and may be distributed to others only if preceded or accompanied by a current prospectus.

Cautionary Note on Analyses, Opinions and Outlooks: In this report we offer analyses and opinions on the performance of individual securities, companies, industries, sectors, markets, interest rates and governmental policies, including predictions, forecasts and outlooks regarding possible future events. These can generally be identified as such because the context of the statements may include such words as “believe,” “should,” “will,” “expects,” “anticipates,” “hopes” and words of similar effect. These statements reflect the portfolio managers’ good faith beliefs and judgments and involve risks and uncertainties, including the risk that the portfolio managers’ analyses, opinions and outlooks are or will prove to be inaccurate. It is inherently difficult to correctly assess and explain the performance of particular securities, sectors, markets, interest rate movements, governmental actions or general economic trends and conditions, and many unforeseen factors contribute to the performance of Baird Funds. Investors are, therefore, cautioned not to place undue reliance on subjective judgments contained in this report.

Baird MidCap Fund

June 30, 2018 (Unaudited)

Portfolio Characteristics

A June 30, 2018 summary of the Fund's top 10 holdings and equity sector analysis compared to the Russell Midcap[®] Growth Index is shown below.

Top 10 Holdings⁽¹⁾

Broadridge Financial Solutions, Inc.	2.6%
Edwards Lifesciences Corp.	2.5%
Fiserv, Inc.	2.4%
Burlington Stores, Inc.	2.4%
Vail Resorts, Inc.	2.4%
ICON PLC	2.3%
Verisk Analytics, Inc.	2.3%
Pool Corp.	2.2%
Tyler Technologies, Inc.	2.2%
EPAM Systems, Inc.	2.1%

Net Assets:	\$1,497,477,503
Portfolio Turnover Rate ⁽⁵⁾ :	24%
Number of Equity Holdings:	59

Annualized Portfolio Expense Ratio⁽³⁾:

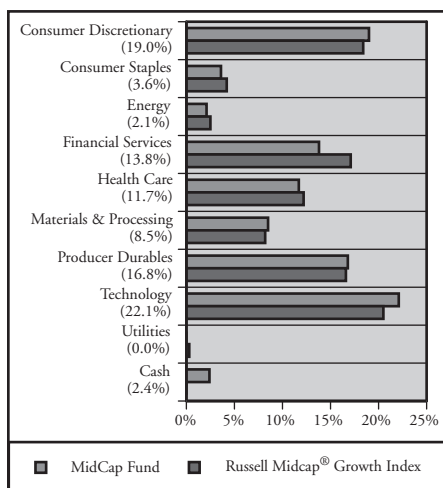
Gross

Institutional Class:	0.84%
Investor Class:	1.09% ⁽⁴⁾

Net

Institutional Class:	0.84%
Investor Class:	1.09% ⁽⁴⁾

Equity Sector Analysis⁽²⁾



- (1) The Fund's portfolio composition is subject to change and there is no assurance that the Fund will continue to hold any particular security. Percentages shown relate to the Fund's total net assets as of June 30, 2018.
- (2) Percentages shown in parentheses relate to the Fund's total value of investments as of June 30, 2018, and may not add up to 100% due to rounding.
- (3) Reflects expense ratios as stated in the Fund's current prospectus. The Advisor has contractually agreed to limit the Fund's total annual fund operating expenses to 0.85% of average daily net assets for the Institutional Class shares and 1.10% of average daily net assets for the Investor Class shares, at least through April 30, 2019.
- (4) Includes 0.25% 12b-1 fee.
- (5) Not annualized.

Baird MidCap Fund

June 30, 2018 (Unaudited)

Total Returns

<i>For the Periods Ended June 30, 2018</i>	Six Months	One Year	Five Year	Average Annual	
				Ten Year	Since Inception ⁽¹⁾
Institutional Class Shares	6.89%	16.84%	11.53%	11.00%	7.55%
Investor Class Shares	6.75%	16.55%	11.27%	10.73%	7.29%
Russell Midcap [®] Growth Index ⁽²⁾	5.40%	18.52%	13.37%	10.45%	7.11%

(1) For the period from December 29, 2000 (inception date) through June 30, 2018.

(2) The Russell Midcap[®] Growth Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap[®] Index companies with higher price-to-book ratios and higher forecasted growth values. This index does not reflect any deduction for fees, expenses or taxes. A direct investment in the index is not possible.

The returns shown in the table above reflect reinvestment of dividends and/or capital gains distributions in additional shares. The returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The returns reflect the actual performance for each period and do not include the impact of trades executed on the last business day of the period that were recorded on the first business day of the next period.

The gross expense ratio for each Class, as reflected in the Fund's current prospectus, is set forth under "Portfolio Characteristics".

The 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. The Fund may invest up to 15% of its total assets in U.S. dollar denominated foreign securities and ADRs. Foreign investments involve additional risks such as currency rate fluctuations, political and economic instability, and different and sometimes less strict financial reporting standards and regulation. The Fund invests a substantial portion of its assets in the stocks of mid-capitalization companies. Mid-capitalization companies often are more volatile and face greater risks than larger, more established companies.

Past performance does not guarantee future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

For information about the performance of the Fund as of the most recent month-end, please call 1-866-44BAIRD or visit www.bairdfunds.com. Mutual fund performance changes over time and current performance may be lower or higher than that stated.

Baird MidCap Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Common Stocks

	<i>Shares</i>	<i>Value</i>	<i>% of Net Assets</i>
Aerospace & Defense			
BWX Technologies, Inc.	308,020	\$ 19,195,806	1.3%
Mercury Systems, Inc. ⁽¹⁾	364,096	13,857,494	0.9%
		33,053,300	2.2%
Auto Components			
Visteon Corp. ⁽¹⁾	114,938	14,854,587	1.0%
Banks			
East West Bancorp, Inc.	438,915	28,617,258	1.9%
Biotechnology			
Alexion Pharmaceuticals, Inc. ⁽¹⁾	121,812	15,122,960	1.0%
Building Products			
AO Smith Corp.	531,228	31,422,136	2.1%
Capital Markets			
Affiliated Managers Group, Inc.	116,133	17,265,493	1.1%
MarketAxess Holdings, Inc.	89,645	17,737,160	1.2%
		35,002,653	2.3%
Commercial Services & Supplies			
Cintas Corporation	81,718	15,123,550	1.0%
Distributors			
LKQ Corp. ⁽¹⁾	713,054	22,746,423	1.5%
Pool Corp.	220,748	33,443,322	2.2%
		56,189,745	3.7%
Electrical Equipment			
Rockwell Automation, Inc.	146,746	24,393,588	1.6%
Electronic Equipment, Instruments & Components			
CDW Corp.	362,223	29,263,996	2.0%
Cognex Corp.	214,365	9,562,823	0.6%
Littelfuse, Inc.	102,518	23,392,557	1.6%
Trimble Navigation Ltd. ⁽¹⁾	661,237	21,715,023	1.4%
		83,934,399	5.6%
Food Products			
Lamb Weston Holdings, Inc.	342,045	23,433,503	1.6%
Health Care Equipment & Supplies			
The Cooper Cos., Inc.	57,050	13,432,423	0.9%
Edwards Lifesciences Corp. ⁽¹⁾	260,883	37,976,738	2.5%
IDEXX Laboratories, Inc. ⁽¹⁾	110,929	24,175,866	1.6%
		75,585,027	5.0%
Health Care Providers & Services			
Henry Schein, Inc. ⁽¹⁾	386,665	28,087,346	1.9%
Health Care Technology			
Veeva Systems, Inc. ⁽¹⁾	298,011	22,905,125	1.5%

The accompanying notes are an integral part of these financial statements.

Baird MidCap Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Common Stocks (cont.)

	<i>Shares</i>	<i>Value</i>	<i>% of Net Assets</i>
Hotels, Restaurants & Leisure			
Dominos Pizza, Inc.	101,415	\$ 28,616,271	1.9%
Vail Resorts, Inc.	128,726	35,295,382	2.4%
		63,911,653	4.3%
Insurance			
Arthur J Gallagher & Co.	288,720	18,847,642	1.3%
Internet Software & Services			
GrubHub, Inc. ⁽¹⁾	301,245	31,603,613	2.1%
IT Services			
Broadridge Financial Solutions, Inc.	336,495	38,730,574	2.6%
EPAM Systems, Inc. ⁽¹⁾	256,361	31,873,363	2.1%
Euronet Worldwide, Inc. ⁽¹⁾	328,005	27,476,979	1.8%
Fiserv, Inc. ⁽¹⁾	487,503	36,119,097	2.4%
Gartner, Inc. ⁽¹⁾	168,141	22,345,939	1.5%
Global Payments, Inc.	195,140	21,756,159	1.5%
		178,302,111	11.9%
Life Sciences Tools & Services			
ICON PLC ⁽¹⁾⁽²⁾	256,280	33,964,788	2.3%
Machinery			
Graco, Inc.	560,111	25,328,220	1.7%
Oshkosh Truck Corporation	228,987	16,102,366	1.1%
WABCO Holdings, Inc. ⁽¹⁾	143,960	16,846,199	1.1%
Xylem, Inc.	188,330	12,689,675	0.8%
		70,966,460	4.7%
Media			
Cable One, Inc.	40,637	29,798,706	2.0%
Multiline Retail			
Dollar General Corp.	184,911	18,232,225	1.2%
Ollie's Bargain Outlet Holdings, Inc. ⁽¹⁾	393,923	28,559,418	1.9%
		46,791,643	3.1%
Oil, Gas & Consumable Fuels			
Diamondback Energy, Inc.	223,972	29,467,996	2.0%
Pharmaceuticals			
Jazz Pharmaceuticals PLC ⁽¹⁾⁽²⁾	153,117	26,382,059	1.8%
Professional Services			
Verisk Analytics, Inc. ⁽¹⁾	315,353	33,944,597	2.3%
Road & Rail			
J.B. Hunt Transport Services, Inc.	254,717	30,960,851	2.1%
Semiconductors & Semiconductor Equipment			
Microchip Technology, Inc.	349,800	31,814,310	2.1%
Monolithic Power Systems, Inc.	212,147	28,357,689	1.9%
		60,171,999	4.0%

The accompanying notes are an integral part of these financial statements.

Baird MidCap Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Common Stocks (cont.)

	<u>Shares</u>	<u>Value</u>	<u>% of Net Assets</u>
Software			
Red Hat, Inc. ⁽¹⁾	105,985	\$ 14,241,204	0.9%
ServiceNow, Inc. ⁽¹⁾	174,177	30,040,307	2.0%
Synopsys, Inc. ⁽¹⁾	280,448	23,997,935	1.6%
Tyler Technologies, Inc. ⁽¹⁾	145,206	32,250,253	2.2%
The Ultimate Software Group, Inc. ⁽¹⁾	102,119	26,276,240	1.8%
		<u>126,805,939</u>	<u>8.5%</u>
Specialty Retail			
Burlington Stores, Inc. ⁽¹⁾	239,080	35,988,712	2.4%
O'Reilly Automotive, Inc. ⁽¹⁾	111,423	30,481,990	2.0%
		<u>66,470,702</u>	<u>4.4%</u>
Textiles, Apparel & Luxury Goods			
Lululemon Athletica, Inc. ⁽¹⁾	139,420	17,406,587	1.2%
Trading Companies & Distributors			
Beacon Roofing Supply, Inc. ⁽¹⁾	643,110	27,409,348	1.8%
Fastenal Co.	439,057	21,131,813	1.4%
Univar, Inc. ⁽¹⁾	789,455	20,715,299	1.4%
Watsco, Inc.	151,566	27,021,187	1.8%
		<u>96,277,647</u>	<u>6.4%</u>
Total Common Stocks (Cost \$1,040,931,422)		<u>1,449,800,170</u>	<u>96.8%</u>

Short-Term Investment

Money Market Mutual Fund

Fidelity Institutional Money Market Fund –

Government Portfolio, Institutional Class 1.81%⁽³⁾

48,900,750	<u>48,900,750</u>	<u>3.3%</u>
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Total Short-Term Investment

(Cost \$48,900,750)	<u>48,900,750</u>	<u>3.3%</u>
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Total Investments

(Cost \$1,089,832,172)	<u>1,498,700,920</u>	<u>100.1%</u>
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Liabilities in Excess of Other Assets	<u>(1,223,417)</u>	<u>(0.1)%</u>
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TOTAL NET ASSETS	<u>\$1,497,477,503</u>	<u>100.0%</u>
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Notes to Schedule of Investments

(1) Non-Income Producing.

(2) Foreign Security.

(3) 7-Day Yield.

Industry classifications shown in the Schedule of Investments are based off of the Global Industry Classification Standard (GICS®). GICS was developed by and/or is the exclusive property of MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"). GICS is a service mark of MSCI and S&P and has been licensed for use by U.S. Bancorp Fund Services, LLC.

The accompanying notes are an integral part of these financial statements.

Baird MidCap Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Summary of Fair Value Exposure at June 30, 2018 (Unaudited)

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 June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity				
Common Stocks	\$1,449,800,170	\$ —	\$ —	\$1,449,800,170
Total Equity	1,449,800,170	—	—	1,449,800,170
Short-Term Investment				
Money Market Mutual Fund	48,900,750	—	—	48,900,750
Total Short-Term Investment	48,900,750	—	—	48,900,750
Total Investments*	\$1,498,700,920	\$ —	\$ —	\$1,498,700,920

* Additional information regarding the industry classifications of these investments is disclosed in the Schedule of Investments.

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.

The accompanying notes are an integral part of these financial statements.

Baird Small/Mid Cap Value Fund

June 30, 2018 (Unaudited)

Portfolio Characteristics

A June 30, 2018 summary of the Fund's top 10 holdings and equity sector analysis compared to the Russell 2500® Value Index is shown below.

Top 10 Holdings⁽¹⁾

Boingo Wireless, Inc.	5.1%
ICU Medical, Inc.	4.6%
Stamps.com, Inc.	4.2%
ZAGG, Inc.	3.9%
Bofi Holding, Inc.	3.7%
American Financial Group, Inc.	3.2%
Meta Financial Group, Inc.	3.2%
Silicon Motion Technology Corp.	3.0%
Cypress Semiconductor Corp.	2.8%
Lamb Weston Holdings, Inc.	2.7%

Net Assets: \$19,560,865

Portfolio Turnover Rate⁽⁵⁾: 9%

Number of Equity Holdings: 42

Annualized Portfolio Expense Ratio⁽³⁾:

Gross

Institutional Class: 1.92%

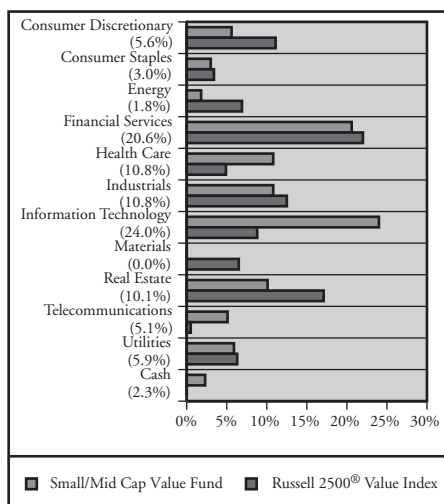
Investor Class: 2.17%⁽⁴⁾

Net

Institutional Class: 0.95%

Investor Class: 1.20%⁽⁴⁾

Equity Sector Analysis⁽²⁾



- (1) The Fund's portfolio composition is subject to change and there is no assurance that the Fund will continue to hold any particular security. Percentages shown relate to the Fund's total net assets as of June 30, 2018.
- (2) Percentages shown in parentheses relate to the Fund's total value of investments as of June 30, 2018, and may not add up to 100% due to rounding.
- (3) Reflects expense ratios as stated in the Fund's current prospectus. The Advisor has contractually agreed to limit the Fund's total annual fund operating expenses to 0.95% of average daily net assets for the Institutional Class shares and 1.20% of average daily net assets for the Investor Class shares, at least through April 30, 2019.
- (4) Includes 0.25% 12b-1 fee.
- (5) Not annualized.

Baird Small/Mid Cap Value Fund

June 30, 2018 (Unaudited)

Total Returns

<i>For the Periods Ended June 30, 2018</i>	Six Months	One Year	Average Annual
			Since Inception ⁽¹⁾
Institutional Class Shares	0.00%	14.68%	9.40%
Investor Class Shares	-0.08%	14.31%	9.12%
Russell 2500 [®] Value Index ⁽²⁾	3.00%	11.49%	12.57%

(1) For the period from November 30, 2015 (inception date) through June 30, 2018.

(2) The Russell 2500[®] Value Index measures the performance of the small cap value segment of the U.S. equity universe. It includes those Russell 2500[®] Index companies with lower price-to-book ratios and lower forecasted growth values. This index does not reflect any deduction for fees, expenses or taxes. A direct investment in the index is not possible.

The returns shown in the table above reflect reinvestment of dividends and/or capital gains distributions in additional shares. The returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The returns reflect the actual performance for each period and do not include the impact of trades executed on the last business day of the period that were recorded on the first business day of the next period.

The gross expense ratio for each Class, as reflected in the Fund's current prospectus, is set forth under "Portfolio Characteristics".

The Fund focuses on small to mid cap value style stocks and therefore the performance of the Fund may be more volatile than the performance of funds that focus on types of stocks that have a broader investment style. The Fund may invest up to 15% of its total assets in U.S. dollar denominated foreign securities and ADRs. Foreign investments involve additional risks such as currency rate fluctuations and the potential for political and economic instability, and different and sometimes less strict financial reporting standards and regulation.

Past performance does not guarantee future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

For information about the performance of the Fund as of the most recent month-end, please call 1-866-44BAIRD or visit www.bairdfunds.com. Mutual fund performance changes over time and current performance may be lower or higher than that stated.

Baird Small/Mid Cap Value Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Common Stocks

	<i>Shares</i>	<i>Value</i>	<i>% of Net Assets</i>
Aerospace & Defense			
Hexcel Corp.	6,200	\$ 411,556	2.1%
Air Freight & Logistics			
Air Transport Services Group, Inc. ⁽¹⁾	21,047	475,451	2.4%
Atlas Air Worldwide Holdings, Inc. ⁽¹⁾	6,445	462,107	2.4%
		937,558	4.8%
Banks			
Hilltop Holdings, Inc.	12,318	271,858	1.4%
Capital Markets			
Diamond Hill Investment Group, Inc.	1,550	301,367	1.5%
Commercial Services & Supplies			
Deluxe Corp.	4,731	313,240	1.6%
Communications Equipment			
Resonant, Inc. ⁽¹⁾	40,706	229,582	1.2%
Construction & Engineering			
Quanta Services, Inc. ⁽¹⁾	13,623	455,008	2.3%
Distributors			
LKQ Corp. ⁽¹⁾	10,523	335,684	1.7%
Electric Utilities			
Alliant Energy Corp.	8,484	359,043	1.8%
Pinnacle West Capital Corp.	4,976	400,866	2.1%
		759,909	3.9%
Electronic Equipment, Instruments & Components			
Belden, Inc.	5,629	344,044	1.8%
Dolby Laboratories, Inc. – Class A	6,445	397,593	2.0%
		741,637	3.8%
Energy Equipment & Services			
Solaris Oilfield Infrastructure, Inc. ⁽¹⁾	24,391	348,547	1.8%
Equity Real Estate Investment Trusts(REITs)			
Agree Realty Corp.	9,381	495,036	2.6%
CyrusOne, Inc.	6,526	380,857	1.9%
Physicians Realty Trust	24,881	396,603	2.0%
Ryman Hospitality Properties, Inc.	4,731	393,383	2.0%
Sunstone Hotel Investors, Inc.	17,947	298,279	1.5%
		1,964,158	10.0%
Food Products			
Lamb Weston Holdings, Inc.	7,668	525,334	2.7%

The accompanying notes are an integral part of these financial statements.

Baird Small/Mid Cap Value Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Common Stocks (cont.)

	<i>Shares</i>	<i>Value</i>	<i>% of Net Assets</i>
Health Care Equipment & Supplies			
ICU Medical, Inc. ⁽¹⁾	3,100	\$ 910,315	4.6%
Health Care Providers & Services			
DaVita, Inc. ⁽¹⁾	5,792	402,196	2.1%
Laboratory Corp. of America Holdings ⁽¹⁾	2,284	410,047	2.1%
		812,243	4.2%
Household Durables			
ZAGG, Inc. ⁽¹⁾	43,399	750,802	3.9%
Household Products			
Orchids Paper Products Co. ⁽¹⁾	16,968	67,533	0.3%
Independent Power and Renewable Electricity Producers			
Algonquin Power & Utilities Corp. ⁽²⁾	40,462	391,268	2.0%
Insurance			
American Financial Group, Inc.	5,874	630,456	3.2%
Internet Software & Services			
j2 Global, Inc.	5,955	515,763	2.7%
Stamps.com, Inc. ⁽¹⁾	3,181	804,952	4.2%
VeriSign, Inc. ⁽¹⁾	3,426	470,801	2.4%
		1,791,516	9.3%
IT Services			
Leidos Holdings, Inc.	6,118	360,962	1.8%
Mortgage Real Estate Investment Trusts (REITs)			
Blackstone Mortgage Trust, Inc.	14,521	456,395	2.3%
Pharmaceuticals			
Jazz Pharmaceuticals PLC ⁽¹⁾⁽²⁾	2,284	393,533	2.0%
Semiconductors & Semiconductor Equipment			
Cypress Semiconductor Corp.	35,731	556,689	2.8%
Integrated Device Technology, Inc. ⁽¹⁾	12,971	413,515	2.1%
Silicon Motion Technology Corp. – ADR ⁽²⁾	11,013	582,478	3.0%
		1,552,682	7.9%
Thriffs & Mortgage Finance			
Bofi Holding, Inc. ⁽¹⁾	17,457	714,166	3.7%
Essent Group Ltd. ⁽¹⁾⁽²⁾	8,321	298,058	1.5%
Meta Financial Group, Inc.	6,363	619,756	3.2%
NMI Holdings, Inc. – Class A ⁽¹⁾	23,086	376,302	1.9%
		2,008,282	10.3%
Trading Companies & Distributors			
Air Lease Corp.	8,729	366,356	1.9%

The accompanying notes are an integral part of these financial statements.

Baird Small/Mid Cap Value Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Common Stocks (cont.)

	<u>Shares</u>	<u>Value</u>	<u>% of Net Assets</u>
Wireless Telecommunication Services			
Boingo Wireless, Inc. ⁽¹⁾	44,159	\$ 997,552	5.1%
Total Common Stocks (Cost \$15,912,745)		19,085,333	97.6%

Short-Term Investment

Money Market Fund

Fidelity Institutional Money Market Fund –

Government Portfolio, Institutional Class, 1.81%⁽³⁾

451,517

451,517

2.3%

Total Short-Term Investment

(Cost \$451,517)

451,517

2.3%

Total Investments

(Cost \$16,364,262)

19,536,850

99.9%

Other Assets in Excess of Liabilities

24,015

0.1%

TOTAL NET ASSETS

\$19,560,865

100.0%

Notes to Schedule of Investments

(1) Non-Income Producing.

(2) Foreign Security.

(3) 7-Day Yield.

Industry classifications shown in the Schedule of Investments are based off of the Global Industry Classification Standard (GICS®). GICS was developed by and/or is the exclusive property of MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"). GICS is a service mark of MSCI and S&P and has been licensed for use by U.S. Bancorp Fund Services, LLC.

The accompanying notes are an integral part of these financial statements.

Baird Small/Mid Cap Value Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Summary of Fair Value Exposure at June 30, 2018 (Unaudited)

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. Management has determined that these standards have no material impact on the Fund's financial statements. 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 June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity				
Common Stocks	\$19,085,333	\$ —	\$ —	\$19,085,333
Total Equity	19,085,333	—	—	19,085,333
Short-Term Investment				
Money Market Fund	451,517	—	—	451,517
Total Short-Term Investment	451,517	—	—	451,517
Total Investments*	<u>\$19,536,850</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$19,536,850</u>

* Additional information regarding the industry classifications of these investments is disclosed in the Schedule of Investments.

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.

The accompanying notes are an integral part of these financial statements.

Baird SmallCap Value Fund

June 30, 2018 (Unaudited)

Portfolio Characteristics

A June 30, 2018 summary of the Fund's top 10 holdings and equity sector analysis compared to the Russell 2000® Value Index is shown below.

Top 10 Holdings⁽¹⁾

ICU Medical, Inc.	5.9%
Boingo Wireless, Inc.	5.2%
Stamps.com, Inc.	4.0%
ZAGG, Inc.	3.8%
Bofi Holding, Inc.	3.6%
Lamb Weston Holdings, Inc.	3.3%
j2 Global, Inc.	3.2%
NMI Holdings, Inc.	3.1%
Meta Financial Group, Inc.	3.1%
Merchants Bancorp	2.9%

Net Assets: \$37,001,349

Portfolio Turnover Rate⁽⁵⁾: 14%

Number of Equity Holdings: 39

Annualized Portfolio Expense Ratio⁽³⁾:

Gross

Institutional Class: 1.35%

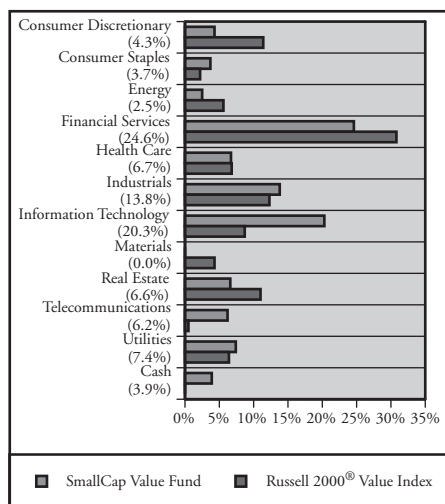
Investor Class: 1.60%⁽⁴⁾

Net

Institutional Class: 1.00%

Investor Class: 1.25%⁽⁴⁾

Equity Sector Analysis⁽²⁾



- (1) The Fund's portfolio composition is subject to change and there is no assurance that the Fund will continue to hold any particular security. Percentages shown relate to the Fund's total net assets as of June 30, 2018.
- (2) Percentages shown in parentheses relate to the Fund's total value of investments as of June 30, 2018, and may not add up to 100% due to rounding.
- (3) Reflects expense ratios as stated in the Fund's current prospectus. The Advisor has contractually agreed to limit the Fund's total annual fund operating expenses to 1.00% of average daily net assets for the Institutional Class shares and 1.25% of average daily net assets for the Investor Class shares, at least through April 30, 2019.
- (4) Includes 0.25% 12b-1 fee.
- (5) Not annualized.

Baird SmallCap Value Fund

June 30, 2018 (Unaudited)

Total Returns

<i>For the Periods Ended June 30, 2018</i>	Six Months	One Year	Average Annual	
			Five Year	Since Inception ⁽¹⁾
Institutional Class Shares	1.41%	15.88%	9.70%	10.98%
Investor Class Shares	1.30%	15.64%	9.43%	10.70%
Russell 2000® Value Index ⁽²⁾	5.44%	13.10%	11.18%	12.66%

(1) For the period from May 1, 2012 (inception date) through June 30, 2018.

(2) The Russell 2000® Value Index measures the performance of the small-cap value segment of the U.S. equity universe. It includes those Russell 2000® Index companies with lower price-to-book ratios and lower forecasted growth values. This index does not reflect any deduction for fees, expenses or taxes. A direct investment in the index is not possible.

The returns shown in the table above reflect reinvestment of dividends and/or capital gains distributions in additional shares. The returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The returns reflect the actual performance for each period and do not include the impact of trades executed on the last business day of the period that were recorded on the first business day of the next period.

The gross expense ratio for each Class, as reflected in the Fund's current prospectus, is set forth under "Portfolio Characteristics".

The Fund focuses on small cap value style stocks and therefore the performance of the Fund may be more volatile than the performance of funds that focus on types of stocks that have a broader investment style. The Fund may invest up to 15% of its total assets in U.S. dollar denominated foreign securities and ADRs. Foreign investments involve additional risks such as currency rate fluctuations and the potential for political and economic instability, and different and sometimes less strict financial reporting standards and regulation.

Past performance does not guarantee future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

For information about the performance of the Fund as of the most recent month-end, please call 1-866-44BAIRD or visit www.bairdfunds.com. Mutual fund performance changes over time and current performance may be lower or higher than that stated.

Baird SmallCap Value Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Common Stocks

	<i>Shares</i>	<i>Value</i>	<i>% of Net Assets</i>
Aerospace & Defense			
Hexcel Corp.	12,965	\$ 860,617	2.3%
Air Freight & Logistics			
Air Transport Services Group, Inc. ⁽¹⁾	39,055	882,252	2.4%
Atlas Air Worldwide Holdings, Inc. ⁽¹⁾	12,005	860,759	2.3%
		1,743,011	4.7%
Banks			
Hilltop Holdings, Inc.	23,049	508,691	1.4%
Biotechnology			
Eagle Pharmaceuticals, Inc. ⁽¹⁾	8,003	605,507	1.6%
Building Products			
Patrick Industries, Inc. ⁽¹⁾	11,124	632,399	1.7%
Capital Markets			
Diamond Hill Investment Group, Inc.	4,162	809,218	2.2%
Commercial Services & Supplies			
Deluxe Corp.	10,244	678,255	1.8%
Communications Equipment			
Resonant, Inc. ⁽¹⁾	81,471	459,496	1.3%
Construction & Engineering			
Quanta Services, Inc. ⁽¹⁾	26,090	871,406	2.4%
Electric Utilities			
Alliant Energy Corp.	20,168	853,510	2.3%
Electronic Equipment, Instruments & Components			
Belden, Inc.	10,404	635,892	1.7%
Knowles Corp. ⁽¹⁾	49,139	751,827	2.1%
		1,387,719	3.8%
Energy Equipment & Services			
Solaris Oilfield Infrastructure, Inc. ⁽¹⁾	52,020	743,366	2.0%
Equity Real Estate Investment Trusts (REITs)			
Agree Realty Corp.	20,008	1,055,822	2.9%
CyrusOne, Inc.	12,325	719,287	2.0%
Physicians Realty Trust	44,817	714,383	1.9%
Ryman Hospitality Properties, Inc.	8,963	745,274	2.0%
Sunstone Hotel Investors, Inc.	33,453	555,989	1.5%
		3,790,755	10.3%
Food Products			
Lamb Weston Holdings, Inc.	17,767	1,217,217	3.3%

The accompanying notes are an integral part of these financial statements.

Baird SmallCap Value Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Common Stocks (cont.)

	<i>Shares</i>	<i>Value</i>	<i>% of Net Assets</i>
Health Care Equipment & Supplies			
ICU Medical, Inc. ⁽¹⁾	7,422	\$ 2,179,470	5.9%
Household Durables			
ZAGG, Inc. ⁽¹⁾	81,951	1,417,752	3.8%
Household Products			
Orchids Paper Products Co. ⁽¹⁾	30,432	121,119	0.3%
Independent Power and Renewable Electricity Producers			
Algonquin Power & Utilities Corp. ⁽²⁾	103,879	1,004,510	2.7%
Internet Software & Services			
j2 Global, Inc.	13,605	1,178,329	3.2%
Stamps.com, Inc. ⁽¹⁾	5,922	1,498,562	4.0%
		2,676,891	7.2%
Mortgage Real Estate Investment Trusts (REITs)			
Blackstone Mortgage Trust, Inc. – Class A	27,851	875,357	2.4%
Capstead Mortgage Corp.	84,032	752,086	2.0%
		1,627,443	4.4%
Semiconductors & Semiconductor Equipment			
Cypress Semiconductor Corp.	67,546	1,052,367	2.8%
Integrated Device Technology, Inc. ⁽¹⁾	24,009	765,407	2.1%
Silicon Motion Technology Corp. – ADR ⁽²⁾	20,008	1,058,223	2.9%
		2,875,997	7.8%
Technology Hardware, Storage & Peripherals			
Immersion Corp. ⁽¹⁾	43,826	676,674	1.8%
Thriffs & Mortgage Finance			
Bofi Holding, Inc. ⁽¹⁾	32,012	1,309,611	3.6%
Merchants Bancorp	37,294	1,063,998	2.9%
Meta Financial Group, Inc.	11,845	1,153,703	3.1%
NMI Holdings, Inc. ⁽¹⁾	71,067	1,158,392	3.1%
		4,685,704	12.7%
Trading Companies & Distributors			
Air Lease Corp.	16,166	678,487	1.8%
Wireless Telecommunication Services			
Boingo Wireless, Inc. ⁽¹⁾	85,574	1,933,117	5.2%
Total Common Stocks (Cost \$25,575,968)		35,038,331	94.7%

The accompanying notes are an integral part of these financial statements.

Baird SmallCap Value Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Short-Term Investment

	<u>Shares</u>	<u>Value</u>	<u>% of Net Assets</u>
Money Market Mutual Fund			
Fidelity Institutional Money Market Fund – Government Portfolio, Institutional Class 1.81% ⁽³⁾	1,913,578	\$ 1,913,578	5.2%
Total Short-Term Investment (Cost \$1,913,578)		1,913,578	5.2%
Total Investments (Cost \$27,489,546)		36,951,909	99.9%
Other Assets in Excess of Liabilities		49,440	0.1%
TOTAL NET ASSETS		\$37,001,349	100.0%

Notes to Schedule of Investments

(1) Non-Income Producing.

(2) Foreign Security.

(3) 7-Day Yield.

ADR – American Depository Receipt

Industry classifications shown in the Schedule of Investments are based off of the Global Industry Classification Standard (GICS®). GICS was developed by and/or is the exclusive property of MSCI, Inc. (“MSCI”) and Standard & Poor’s Financial Services LLC (“S&P”). GICS is a service mark of MSCI and S&P and has been licensed for use by U.S. Bancorp Fund Services, LLC.

The accompanying notes are an integral part of these financial statements.

Baird SmallCap Value Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Summary of Fair Value Exposure at June 30, 2018 (Unaudited)

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 June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity				
Common Stocks	\$35,038,331	\$ —	\$ —	\$35,038,331
Total Equity	<u>35,038,331</u>	<u>—</u>	<u>—</u>	<u>35,038,331</u>
Short-Term Investment				
Money Market Mutual Fund	1,913,578	—	—	1,913,578
Total Short-Term Investment	<u>1,913,578</u>	<u>—</u>	<u>—</u>	<u>1,913,578</u>
Total Investments*	<u>\$36,951,909</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$36,951,909</u>

* Additional information regarding the industry classifications of these investments is disclosed in the Schedule of Investments.

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.

The accompanying notes are an integral part of these financial statements.

Chautauqua International Growth Fund

June 30, 2018 (Unaudited)

Portfolio Characteristics

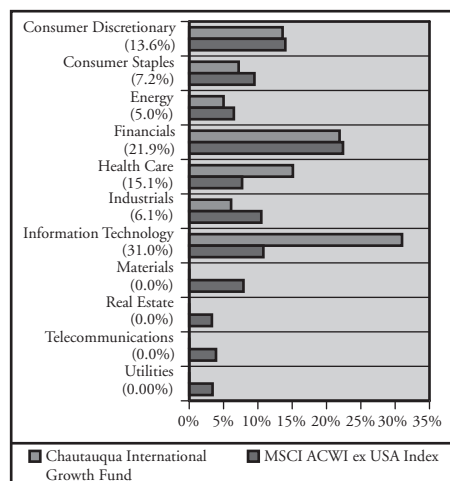
A June 30, 2018 summary of the Fund's top 10 holdings and equity sector analysis compared to the MSCI ACWI ex USA Index is shown below.

Top 10 Holdings⁽¹⁾

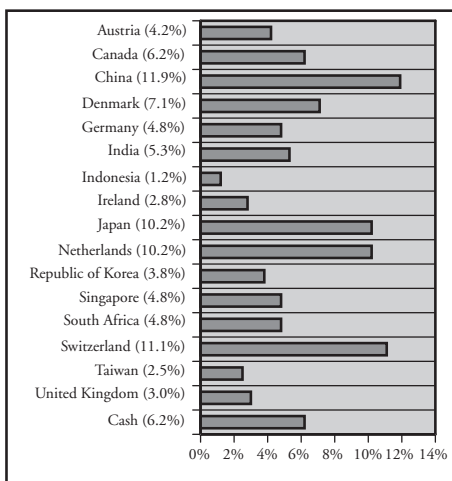
Temenos Group AG	6.0%
ASML Holding NV	5.5%
HDFC Bank Ltd. – ADR	5.4%
Toronto-Dominion Bank	4.9%
Wirecard AG	4.9%
Naspers Ltd.	4.8%
DBS Group Holdings Ltd.	4.8%
Core Laboratories NV	4.8%
Keyence Corp.	4.7%
AMS AG	4.2%

Net Assets:	\$94,860,413
Portfolio Turnover Rate⁽⁵⁾:	23%
Number of Equity Holdings:	27
Annualized Portfolio Expense Ratio⁽³⁾:	
Gross	
Institutional Class:	1.21%
Investor Class:	1.46% ⁽⁴⁾
Net	
Institutional Class:	0.95%
Investor Class:	1.20% ⁽⁴⁾

Equity Sector Analysis⁽²⁾



Country Allocation⁽²⁾



- (1) The Fund's portfolio composition is subject to change and there is no assurance that the Fund will continue to hold any particular security. Percentages shown relate to the Fund's total net assets as of June 30, 2018.
- (2) Percentages shown in parentheses relate to the Fund's total value of investments as of June 30, 2018, and may not add up to 100% due to rounding.
- (3) Reflects expense ratios as stated in the Fund's current prospectus. The Advisor has contractually agreed to limit the Fund's total annual fund operating expenses to 0.95% of average daily net assets for the Institutional Class shares and 1.20% of average daily net assets for the Investor Class shares, at least through April 30, 2019.
- (4) Includes 0.25% 12b-1 fee.
- (5) Not annualized.

Chautauqua International Growth Fund

June 30, 2018 (Unaudited)

Total Returns

<i>For the Periods Ended June 30, 2018</i>	Six Months	One Year	Average Annual
			Since Inception ⁽¹⁾
Institutional Class Shares	0.79%	17.44%	13.12%
Investor Class Shares	0.64%	17.02%	12.90%
MSCI ACWI ex USA Index ⁽²⁾	-3.77%	7.28%	11.07%

(1) For the period from April 15, 2016 (inception date) through June 30, 2018.

(2) The MSCI ACWI ex USA Index is a market-capitalization-weighted index maintained by MSCI, Inc. and designed to provide a broad measure of stock performance throughout the world, with the exception of U.S.-based companies. The MSCI ACWI ex USA Index includes both developed and emerging markets. This index does not reflect any deduction for fees, expenses or taxes. A direct investment in the index is not possible.

The returns shown in the table above reflect reinvestment of dividends and/or capital gains distributions in additional shares. The returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The returns reflect the actual performance for each period and do not include the impact of trades executed on the last business day of the period that were recorded on the first business day of the next period.

The gross expense ratio for each Class, as reflected in the Fund's current prospectus, is set forth under "Portfolio Characteristics".

The Fund focuses on both U.S. and non-U.S. stocks with medium to large market capitalizations and therefore the performance of the Fund may be more volatile than the performance of funds that focus on types of stocks that have a broader investment style. Under normal market conditions, the Fund will invest at least 65% of its total assets in non-U.S. companies. Foreign investments involve additional risks such as currency rate fluctuations and the potential for political and economic instability, and different and sometimes less strict financial reporting standards and regulation. In June 2016, the United Kingdom (UK) voted to leave the European Union (EU) following a referendum referred to as "Brexit." The exact timeframe for the UK's exit is unknown. There is significant market uncertainty regarding Brexit's ramifications, and the range of possible political, regulatory, economic, and market outcomes are difficult to predict. The negative impact could be significant, potentially resulting in increased volatility and illiquidity and lower economic growth for companies that rely significantly on Europe for their business activities and revenues. Other geopolitical events may also cause market disruptions. The portfolio manager for the Fund has over 30 years of experience investing in the global markets and will attempt to minimize the negative impact of these events. However, it is possible that geopolitical events could have an adverse effect on the value of the Fund's investments.

Past performance does not guarantee future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

For information about the performance of the Fund as of the most recent month-end, please call 1-866-44BAIRD or visit www.bairdfunds.com. Mutual fund performance changes over time and current performance may be lower or higher than that stated.

Chautauqua International Growth Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Common Stocks

	<i>Shares</i>	<i>Value</i>	<i>% of Net Assets</i>
Application Software			
Temenos Group AG (Switzerland) ⁽²⁾	38,376	\$ 5,771,235	6.0%
Asset Management & Custody Banks			
CI Financial Corp. (Canada) ⁽¹⁾	70,254	1,262,771	1.3%
Julius Baer Group Ltd. (Switzerland) ⁽²⁾	51,122	2,994,291	3.2%
		4,257,062	4.5%
Automobile Manufacturers			
BYD Co. Ltd. (China) ⁽²⁾	233,380	1,439,171	1.5%
Biotechnology			
Genmab A/S (Denmark) ⁽¹⁾⁽²⁾	20,994	3,230,308	3.4%
Cable & Satellite			
Naspers Ltd. (South Africa) ⁽²⁾	18,229	4,596,330	4.8%
Data Processing & Outsourced Services			
Wirecard AG (Germany) ⁽²⁾	28,804	4,609,234	4.9%
Diversified Banks			
Bank Rakyat Indonesia Persero Tbk PT (Indonesia) ⁽²⁾	5,716,517	1,130,675	1.2%
DBS Group Holdings Ltd. (Singapore) ⁽²⁾	235,360	4,577,051	4.8%
Toronto-Dominion Bank (Canada) ⁽¹⁾	80,847	4,679,305	4.9%
		10,387,031	10.9%
Education Services			
TAL Education Group (China) ⁽¹⁾	102,841	3,784,549	4.0%
Electronic Equipment & Instruments			
Keyence Corp. (Japan) ⁽²⁾	7,703	4,344,604	4.7%
Health Care Distributors			
Sinopharm Group Co. Ltd. (China)	548,853	2,207,137	2.3%
Household Products			
Reckitt Benckiser Group PLC (United Kingdom) ⁽²⁾	35,253	2,896,554	3.1%
Industrial Machinery			
FANUC Corp. (Japan) ⁽²⁾	7,890	1,563,891	1.6%
Internet Retail			
Alibaba Group Holding Ltd. – ADR (China) ⁽¹⁾	8,479	1,573,109	1.7%
Ctrip.com International Ltd. – ADR (China) ⁽¹⁾	50,685	2,414,126	2.5%
		3,987,235	4.2%
Oil & Gas Equipment & Services			
Core Laboratories NV (Netherlands)	35,800	4,518,318	4.8%
Personal Products			
Amorepacific Corp. (Republic of Korea) ⁽²⁾	12,515	3,622,770	3.8%
Pharmaceuticals			
Allergan PLC (Ireland)	15,953	2,659,684	2.8%
Novo Nordisk A/S – ADR (Denmark)	77,759	3,586,245	3.8%
Roche Holding AG (Switzerland) ⁽²⁾	8,611	1,910,421	2.0%
		8,156,350	8.6%

The accompanying notes are an integral part of these financial statements.

Chautauqua International Growth Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Common Stocks (cont.)

	<u>Shares</u>	<u>Value</u>	<u>% of Net Assets</u>
Professional Services			
Recruit Holdings Co. Ltd. (Japan) ⁽²⁾	141,743	\$ 3,914,752	4.1%
Regional Banks			
HDFC Bank Ltd. – ADR (India)	48,397	5,082,653	5.4%
Semiconductor Equipment			
ASML Holding NV (Netherlands)	26,431	5,232,545	5.5%
Semiconductors			
AMS AG (Austria) ⁽²⁾	53,722	3,984,031	4.2%
Taiwan Semiconductor Manufacturing Co. Ltd. – ADR (Taiwan)	64,555	2,360,131	2.5%
		6,344,162	6.7%
Total Common Stocks (Cost \$80,179,471)		89,945,891	94.8%

Short-Term Investment

Money Market Fund

Fidelity Institutional Money Market Fund – Government Portfolio, Institutional Class 1.81% ⁽³⁾	5,924,703	5,924,703	6.2%
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Total Short-Term Investment

(Cost \$5,924,703)		5,924,703	6.2%
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Total Investments

(Cost \$86,104,174)		95,870,594	101.0%
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Liabilities in Excess of Other Assets		(1,010,181)	(1.0)%
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TOTAL NET ASSETS		\$94,860,413	100.0%
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Notes to Schedule of Investments

- (1) Non-Income Producing.
- (2) Fair Valued Security – See Note 2a to the Financial Statements.
- (3) 7-Day Yield.

Industry classifications shown in the Schedule of Investments are based off of the Global Industry Classification Standard (GICS®). GICS was developed by and/or is the exclusive property of MSCI, Inc. (“MSCI”) and Standard & Poor’s Financial Services LLC (“S&P”). GICS is a service mark of MSCI and S&P and has been licensed for use by U.S. Bancorp Fund Services, LLC.

The accompanying notes are an integral part of these financial statements.

Chautauqua International Growth Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Summary of Fair Value Exposure at June 30, 2018 (Unaudited)

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 June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity				
Common Stocks	\$39,360,573	\$50,585,318	\$ —	\$89,945,891
Total Equity	39,360,573	50,585,318	—	89,945,891
Short-Term Investment				
Money Market Mutual Fund	5,924,703	—	—	5,924,703
Total Short-Term Investment	5,924,703	—	—	5,924,703
Total Investments*	<u>\$45,285,276</u>	<u>\$50,585,318</u>	<u>\$ —</u>	<u>\$95,870,594</u>

* Additional information regarding the industry classifications of these investments is disclosed in the Schedule of Investments.

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. The table below represents the transfers between Level 1 and Level 2 at June 30, 2018 due to fair valuation of certain foreign markets pursuant to an independent fair value pricing model. The Fund did not hold any Level 3 securities as of June 30, 2018. See the Fund’s valuation policy in Note 2a to the financial statements.

Transfers into Level 1	\$ 2,207,137
Transfers out of Level 2	(2,207,137)
Net transfers	<u>\$ —</u>

The accompanying notes are an integral part of these financial statements.

Chautauqua Global Growth Fund

June 30, 2018 (Unaudited)

Portfolio Characteristics

A June 30, 2018 summary of the Fund's top 10 holdings and equity sector analysis compared to the MSCI ACWI Index is shown below.

Top 10 Holdings⁽¹⁾

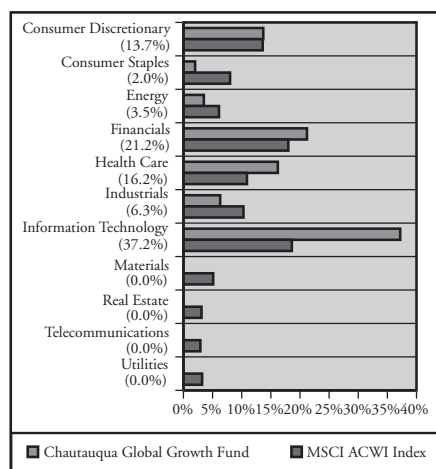
Temenos Group AG	5.9%
Recruit Holdings Co. Ltd.	4.4%
NVIDIA Corp.	4.3%
Wirecard AG	3.7%
Charles Schwab Corp.	3.7%
HDFC Bank Ltd. – ADR	3.7%
Keyence Corp.	3.6%
Naspers Ltd.	3.5%
AMS AG	3.4%
Toronto-Dominion Bank	3.3%

Net Assets:	\$40,073,247
Portfolio Turnover Rate⁽⁵⁾:	23%
Number of Equity Holdings:	41

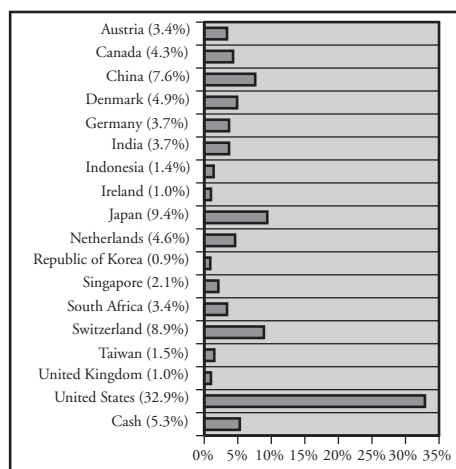
Annualized Portfolio Expense Ratio⁽³⁾:

Gross	
Institutional Class:	2.26%
Investor Class:	2.51% ⁽⁴⁾
Net	
Institutional Class:	0.95%
Investor Class:	1.20% ⁽⁴⁾

Equity Sector Analysis⁽²⁾



Country Allocation⁽²⁾



- The Fund's portfolio composition is subject to change and there is no assurance that the Fund will continue to hold any particular security. Percentages shown relate to the Fund's total net assets as of June 30, 2018.
- Percentages shown in parentheses relate to the Fund's total value of investments as of June 30, 2018, and may not add up to 100% due to rounding.
- Reflects expense ratios as stated in the Fund's current prospectus. The Advisor has contractually agreed to limit the Fund's total annual fund operating expenses to 0.95% of average daily net assets for the Institutional Class shares and 1.20% of average daily net assets for the Investor Class shares, at least through April 30, 2019.
- Includes 0.25% 12b-1 fee.
- Not annualized.

Chautauqua Global Growth Fund

June 30, 2018 (Unaudited)

Total Returns

<i>For the Periods Ended June 30, 2018</i>	Six Months	One Year	Average Annual
			Since Inception ⁽¹⁾
Institutional Class Shares	0.74%	16.11%	16.47%
Investor Class Shares	0.60%	15.82%	16.16%
MSCI ACWI Index	-0.43%	10.73%	12.98%

- (1) For the period from April 15, 2016 (inception date) through June 30, 2018.
- (2) The MSCI ACWI Index is a market-capitalization-weighted index maintained by MSCI, Inc. and designed to provide a broad measure of stock performance throughout the world. The MSCI ACWI Index includes both developed and emerging markets. This index does not reflect any deduction for fees, expenses or taxes. A direct investment in the index is not possible.

The returns shown in the table above reflect reinvestment of dividends and/or capital gains distributions in additional shares. The returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The returns reflect the actual performance for each period and do not include the impact of trades executed on the last business day of the period that were recorded on the first business day of the next period.

The gross expense ratio for each Class, as reflected in the Fund's current prospectus, is set forth under "Portfolio Characteristics".

The Fund focuses on both U.S. and non-U.S. stocks with medium to large market capitalizations and therefore the performance of the Fund may be more volatile than the performance of funds that focus on types of stocks that have a broader investment style. Under normal market conditions, the Fund will invest at least 40% of its total assets in non-U.S. companies. Foreign investments involve additional risks such as currency rate fluctuations and the potential for political and economic instability, and different and sometimes less strict financial reporting standards and regulation. In June 2016, the United Kingdom (UK) voted to leave the European Union (EU) following a referendum referred to as "Brexit." The exact timeframe for the UK's exit is unknown. There is significant market uncertainty regarding Brexit's ramifications, and the range of possible political, regulatory, economic, and market outcomes are difficult to predict. The negative impact could be significant, potentially resulting in increased volatility and illiquidity and lower economic growth for companies that rely significantly on Europe for their business activities and revenues. Other geopolitical events may also cause market disruptions. The portfolio manager for the Fund has over 30 years of experience investing in the global markets and will attempt to minimize the negative impact of these events. However, it is possible that geopolitical events could have an adverse effect on the value of the Fund's investments.

Past performance does not guarantee future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

For information about the performance of the Fund as of the most recent month-end, please call 1-866-44BAIRD or visit www.bairdfunds.com. Mutual fund performance changes over time and current performance may be lower or higher than that stated.

Chautauqua Global Growth Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Common Stocks

	<i>Shares</i>	<i>Value</i>	<i>% of Net Assets</i>
Apparel Retail			
TJX Cos, Inc. (United States)	10,974	\$ 1,044,505	2.6%
Application Software			
Temenos Group AG (Switzerland) ⁽²⁾	15,660	2,355,054	5.9%
Asset Management & Custody Banks			
CI Financial Corp. (Canada) ⁽¹⁾	21,807	391,967	1.0%
Julius Baer Group Ltd. (Switzerland) ⁽²⁾	15,107	884,839	2.2%
		1,276,806	3.2%
Automobile Manufacturers			
BYD Co Ltd. (China) ⁽²⁾	97,830	603,283	1.5%
Biotechnology			
Celgene Corp. (United States) ⁽¹⁾	5,826	462,701	1.1%
Genmab A/S (Denmark) ⁽¹⁾⁽²⁾	6,245	960,907	2.4%
Incyte Corp. (United States) ⁽¹⁾	18,445	1,235,815	3.1%
Regeneron Pharmaceuticals, Inc. (United States) ⁽¹⁾	2,521	869,720	2.2%
		3,529,143	8.8%
Cable & Satellite			
Naspers Ltd. (South Africa) ⁽²⁾	5,483	1,382,505	3.5%
Data Processing & Outsourced Services			
Wirecard AG (Germany) ⁽²⁾	9,256	1,481,151	3.7%
Diversified Banks			
Bank Rakyat Indonesia Persero Tbk PT (Indonesia) ⁽²⁾	2,816,172	557,012	1.4%
Toronto-Dominion Bank (Canada) ⁽¹⁾	23,163	1,340,641	3.3%
		1,897,653	4.7%
Education Services			
TAL Education Group (China) ⁽¹⁾	23,240	855,232	2.1%
Electronic Equipment & Instruments			
Cohrent, Inc. (United States) ⁽¹⁾	2,841	444,389	1.1%
Keyence Corp. (Japan) ⁽²⁾	2,545	1,435,417	3.6%
Universal Display Corp. (United States)	14,033	1,206,838	3.0%
		3,086,644	7.7%
Health Care Distributors			
Sinopharm Group Co. Ltd. (China)	95,983	385,982	1.0%
Household Products			
Reckitt Benckiser Group PLC (United Kingdom) ⁽²⁾	4,810	395,213	1.0%
Industrial Machinery			
FANUC Corp. (Japan) ⁽²⁾	3,290	652,117	1.6%

The accompanying notes are an integral part of these financial statements.

Chautauqua Global Growth Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Common Stocks (cont.)

	<i>Shares</i>	<i>Value</i>	<i>% of Net Assets</i>
Internet Retail			
Alibaba Group Holding Ltd. – ADR (China) ⁽¹⁾	2,164	\$ 401,487	1.0%
Amazon.com, Inc. (United States) ⁽¹⁾	313	532,037	1.3%
Ctrip.com International Ltd. – ADR (China) ⁽¹⁾	17,543	835,573	2.1%
		1,769,097	4.4%
Internet Software & Services			
Alphabet, Inc. – Class A (United States) ⁽¹⁾	364	411,025	1.0%
Investment Banking & Brokerage			
DBS Group Holdings Ltd. (Singapore) ⁽²⁾	43,268	841,434	2.1%
IT Consulting & Other Services			
MasterCard, Inc. – Class A (United States)	4,940	970,809	2.4%
Life Sciences Tools & Services			
Illumina, Inc. (United States) ⁽¹⁾	1,903	531,489	1.3%
Oil & Gas Equipment & Services			
Core Laboratories NV (Netherlands)	10,514	1,326,972	3.3%
Other Diversified Financial Services			
Charles Schwab Corp. (United States)	28,963	1,480,009	3.7%
Personal Products			
Amorepacific Corp. (Republic of Korea) ⁽²⁾	1,266	366,474	0.9%
Pharmaceuticals			
Allergan PLC (Ireland)	2,315	385,957	1.0%
Novo Nordisk A/S – ADR (Denmark)	22,350	1,030,782	2.6%
Roche Holding AG (Switzerland) ⁽²⁾	1,564	346,986	0.8%
		1,763,725	4.4%
Professional Services			
Recruit Holdings Co. Ltd. (Japan) ⁽²⁾	63,667	1,758,397	4.4%
Regional Banks			
HDFC Bank Ltd. – ADR (India)	14,088	1,479,522	3.7%
SVB Financial Group (United States) ⁽¹⁾	3,968	1,145,800	2.9%
		2,625,322	6.6%
Semiconductor Equipment			
ASML Holding NV (Netherlands)	2,745	543,428	1.4%
Semiconductors			
AMS AG (Austria) ⁽²⁾	18,576	1,377,599	3.4%
NVIDIA Corp. (United States)	7,216	1,709,469	4.3%
Taiwan Semiconductor Manufacturing Co. Ltd. – ADR (Taiwan)	16,528	604,264	1.5%
		3,691,332	9.2%

The accompanying notes are an integral part of these financial statements.

Chautauqua Global Growth Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Common Stocks (cont.)

	<u>Shares</u>	<u>Value</u>	<u>% of Net Assets</u>
Systems Software			
Red Hat, Inc. (United States) ⁽¹⁾	9,591	\$ 1,288,743	3.2%
Total Common Stocks (Cost \$35,721,522)		38,313,544	95.6%

Short-Term Investment

Money Market Fund

Fidelity Institutional Money Market Fund –

Government Portfolio, Institutional Class 1.81%⁽³⁾

	2,154,038	<u>2,154,038</u>	<u>5.4%</u>
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Total Short-Term Investment

(Cost \$2,154,038)

		<u>2,154,038</u>	<u>5.4%</u>
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Total Investments

(Cost \$37,875,560)

		40,467,582	101.0%
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Liabilities in Excess of Other Assets

		(394,335)	(1.0)%
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TOTAL NET ASSETS

		<u>\$40,073,247</u>	<u>100.0%</u>
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Notes to Schedule of Investments

- (1) Non-Income Producing.
- (2) Fair Valued Security – See Note 2a to Financial Statements.
- (3) 7-Day Yield.

Industry classifications shown in the Schedule of Investments are based off of the Global Industry Classification Standard (GICS®). GICS was developed by and/or is the exclusive property of MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"). GICS is a service mark of MSCI and S&P and has been licensed for use by U.S. Bancorp Fund Services, LLC.

The accompanying notes are an integral part of these financial statements.

Chautauqua Global Growth Fund

Schedule of Investments, June 30, 2018 (Unaudited)

Summary of Fair Value Exposure at June 30, 2018 (Unaudited)

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 June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity				
Common Stocks	\$22,915,156	\$15,398,388	\$ —	\$38,313,544
Total Equity	<u>22,915,156</u>	<u>15,398,388</u>	<u>—</u>	<u>38,313,544</u>
Short-Term Investment				
Money Market Fund	2,154,038	—	—	2,154,038
Total Short-Term Investment	<u>2,154,038</u>	<u>—</u>	<u>—</u>	<u>2,154,038</u>
Total Investments*	<u>\$25,069,194</u>	<u>\$15,398,388</u>	<u>\$ —</u>	<u>\$40,467,582</u>

* Additional information regarding the industry classifications of these investments is disclosed in the Schedule of Investments.

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. The table below represents the transfers between Level 1 and Level 2 at June 30, 2018 due to fair valuation of certain foreign markets pursuant to an independent fair value pricing model. The Fund did not hold any Level 3 securities as of June 30, 2018. See the Fund’s valuation policy in Note 2a to the financial statements.

Transfers into Level 1	\$ 385,982
Transfers out of Level 2	<u>(385,982)</u>
Net transfers	<u>\$ —</u>

The accompanying notes are an integral part of these financial statements.

Additional Information on Fund Expenses

June 30, 2018 (Unaudited)

Example

As a shareholder of a mutual fund, you incur two types of costs: (1) transaction costs, which may include sales charges (loads) on purchase payments, reinvested dividends, or other distributions; redemption fees; and exchange fees; and (2) ongoing costs, such as management fees; distribution and/or service (12b-1) fees; and other fund expenses. Although, with the exception of the Chautauqua International Growth and Chautauqua Global Growth Funds which charge redemption fees, the Funds do not charge any sales loads, redemption fees, or other transaction fees, you will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by U.S. Bancorp Fund Services, LLC, the Funds' transfer agent. If you request that a redemption be made by wire transfer, currently the Funds' transfer agent charges a \$15.00 fee.

This Example is intended to help you understand your ongoing costs (in dollars) of investing in each Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (1/1/18 – 6/30/18).

Actual Expenses

The third and fourth columns of the following table provide information about account values based on actual returns and actual expenses. You may use the information in these columns, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the fourth column entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The fifth and sixth columns of the following table provide information about hypothetical account values and hypothetical expenses based on the Funds' actual expense ratios and an assumed rate of return of 5% per year before expenses, which is not the Funds' actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Funds and other mutual funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other mutual funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the sixth column of the table (entitled "Expenses Paid During Period") is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different mutual funds. In addition, if these transactional costs were included, your costs could have been higher.

Additional Information on Fund Expenses

June 30, 2018 (Unaudited)

Actual vs. Hypothetical Returns

For the Six Months Ended June 30, 2018

	Fund's Annualized Expense Ratio ⁽¹⁾	Beginning Account Value 1/1/18	Actual		Hypothetical (5% return before expenses)	
			Ending Account Value 6/30/18	Expenses Paid During Period ⁽¹⁾	Ending Account Value 6/30/18	Expenses Paid During Period ⁽¹⁾
Baird MidCap Fund						
Institutional Class	0.82%	\$1,000.00	\$1,068.90	\$4.21	\$1,020.73	\$4.11
Investor Class	1.07%	\$1,000.00	\$1,067.50	\$5.49	\$1,019.49	\$5.36
Baird Small/Mid Cap Value Fund						
Institutional Class	0.95%	\$1,000.00	\$1,000.00	\$4.71	\$1,020.08	\$4.76
Investor Class	1.20%	\$1,000.00	\$ 999.20	\$5.95	\$1,018.84	\$6.01
Baird SmallCap Value Fund						
Institutional Class	1.00%	\$1,000.00	\$1,014.10	\$4.99	\$1,019.84	\$5.01
Investor Class	1.25%	\$1,000.00	\$1,013.00	\$6.24	\$1,018.60	\$6.26
Chautauqua International Growth Fund						
Institutional Class	0.95%	\$1,000.00	\$1,007.90	\$4.73	\$1,020.08	\$4.76
Investor Class	1.20%	\$1,000.00	\$1,006.40	\$5.97	\$1,018.84	\$6.01
Chautauqua Global Growth Fund						
Institutional Class	0.95%	\$1,000.00	\$1,007.40	\$4.73	\$1,020.08	\$4.76
Investor Class	1.20%	\$1,000.00	\$1,006.00	\$5.97	\$1,018.84	\$6.01

(1) Expenses are equal to the Fund's annualized net expense ratio multiplied by the average account value over the period, multiplied by 181 days and divided by 365 to reflect the one-half year period.

Statements of Assets and Liabilities

June 30, 2018 (Unaudited)

	Baird MidCap Fund	Baird Small/Mid Cap Value Fund	Baird SmallCap Value Fund
ASSETS:			
Investments, at value (cost \$1,089,832,172, \$16,364,262 and \$27,489,546, respectively)	\$1,498,700,920	\$19,536,850	\$36,951,909
Dividends receivable	378,692	32,618	80,898
Interest receivable	86,423	692	2,486
Receivable for Fund shares sold	2,075,613	16,285	25,710
Receivable from Advisor, net (Note 5)	—	69	—
Prepaid expenses and other assets	1,195	8,691	1,419
Total assets	<u>1,501,242,843</u>	<u>19,595,205</u>	<u>37,062,422</u>
LIABILITIES:			
Payable for Fund shares repurchased	2,487,820	—	5,604
Payable to Advisor, net (Note 5)	943,492	—	14,759
Payable to directors	2,423	2,297	2,238
Accrued Rule 12b-1 fees (Note 7)	61,192	77	1,599
Accrued shareholder servicing fees	143,287	6,748	8,415
Accrued fund accounting fees	30,339	8,113	7,964
Accrued professional fees	9,896	9,954	9,754
Accrued expenses and other liabilities	86,891	7,151	10,740
Total liabilities	<u>3,765,340</u>	<u>34,340</u>	<u>61,073</u>
NET ASSETS	<u>\$1,497,477,503</u>	<u>\$19,560,865</u>	<u>\$37,001,349</u>
NET ASSETS CONSIST OF:			
Capital stock	\$1,014,798,456	\$16,470,185	\$26,185,789
Accumulated undistributed net investment income (loss)	(1,615,603)	39,095	61,825
Accumulated net realized gain (loss) on investments sold	75,425,902	(121,003)	1,291,372
Net unrealized appreciation on investments	408,868,748	3,172,588	9,462,363
NET ASSETS	<u>\$1,497,477,503</u>	<u>\$19,560,865</u>	<u>\$37,001,349</u>
INSTITUTIONAL CLASS SHARES			
Net Assets	\$1,380,621,843	\$19,415,220	\$34,628,186
Shares outstanding (\$0.01 par value, unlimited shares authorized)	67,417,691	1,561,676	2,009,317
Net asset value, offering and redemption price per share	<u>\$ 20.48</u>	<u>\$ 12.43</u>	<u>\$ 17.23</u>
INVESTOR CLASS SHARES			
Net Assets	\$ 116,855,660	\$ 145,645	\$ 2,373,163
Shares outstanding (\$0.01 par value, unlimited shares authorized)	6,006,003	11,752	138,053
Net asset value, offering and redemption price per share	<u>\$ 19.46</u>	<u>\$ 12.39</u>	<u>\$ 17.19</u>

The accompanying notes are an integral part of these financial statements.

Statements of Assets and Liabilities

June 30, 2018 (Unaudited)

	Chautauqua International Growth Fund	Chautauqua Global Growth Fund
ASSETS:		
Investments, at value (cost \$86,104,174 and \$37,875,560, respectively)	\$95,870,594	\$40,467,582
Foreign Currency, at value (cost \$70,798 and \$12,025, respectively)	70,209	13,183
Dividends receivable	153,775	34,493
Interest receivable	7,608	3,216
Receivable for Fund shares sold	142,293	156,202
Prepaid expenses and other assets	404	112
Total assets	<u>96,244,883</u>	<u>40,674,788</u>
LIABILITIES:		
Payable for securities purchased	1,261,261	542,518
Payable for Fund shares repurchased	13,677	—
Payable to Advisor, net (Note 5)	54,402	14,229
Payable to directors	2,416	2,241
Accrued Rule 12b-1 fees (Note 7)	1,688	549
Accrued shareholder servicing fees	10,071	6,655
Accrued fund accounting fees	9,187	8,451
Accrued professional fees	11,082	11,080
Accrued expenses and other liabilities	20,686	15,818
Total liabilities	<u>1,384,470</u>	<u>601,541</u>
NET ASSETS	<u>\$94,860,413</u>	<u>\$40,073,247</u>
NET ASSETS CONSIST OF:		
Capital stock	\$82,599,686	\$36,841,906
Accumulated undistributed net investment income	393,788	42,773
Accumulated net realized gain on investments sold and foreign currency translation	2,105,301	596,884
Net unrealized appreciation (depreciation) on:		
Investments	9,766,420	2,592,022
Foreign currency and other assets denominated in foreign currency	(4,782)	(338)
NET ASSETS	<u>\$94,860,413</u>	<u>\$40,073,247</u>
INSTITUTIONAL CLASS SHARES		
Net Assets	\$91,822,428	\$39,128,310
Shares outstanding (\$0.01 par value, unlimited shares authorized)	7,236,815	2,892,893
Net asset value, offering and redemption price per share	<u>\$ 12.69</u>	<u>\$ 13.53</u>
INVESTOR CLASS SHARES		
Net Assets	\$ 3,037,985	\$ 944,937
Shares outstanding (\$0.01 par value, unlimited shares authorized)	240,151	70,244
Net asset value, offering and redemption price per share	<u>\$ 12.65</u>	<u>\$ 13.45</u>

The accompanying notes are an integral part of these financial statements.

Statements of Operations

Six Months Ended June 30, 2018 (Unaudited)

	Baird MidCap Fund	Baird Small/Mid Cap Value Fund	Baird SmallCap Value Fund
INVESTMENT INCOME:			
Dividends (net of issuance fees and/or foreign taxes withheld of \$0, \$1,486 and \$3,887, respectively)	\$ 4,079,913	\$117,498	\$232,273
Interest	402,030	7,096	9,328
Total investment income	<u>4,481,943</u>	<u>124,594</u>	<u>241,601</u>
EXPENSES:			
Investment advisory fees (Note 5)	5,455,044	71,854	150,201
Administration fees	46,843	1,891	2,368
Shareholder servicing fees	288,579	7,093	8,514
Fund accounting fees	30,523	8,065	7,863
Professional fees	16,471	16,562	16,471
Federal and state registration	32,580	24,903	22,952
Directors fees	29,140	29,321	29,231
Custody fees	11,229	3,311	2,058
Reports to shareholders	43,265	542	633
Miscellaneous expenses	710	456	3,008
Rule 12b-1 fees – Investor Class Shares (Note 7)	143,162	172	3,069
Total expenses	<u>6,097,546</u>	<u>164,170</u>	<u>246,368</u>
Fee waiver by Advisor (Note 5)	—	(78,671)	(66,592)
Net expenses	<u>6,097,546</u>	<u>85,499</u>	<u>179,776</u>
NET INVESTMENT INCOME (LOSS)	<u>(1,615,603)</u>	<u>39,095</u>	<u>61,825</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:			
Net realized gain (loss) on investments	63,868,497	(93,224)	534,095
Change in unrealized appreciation (depreciation) on investments	<u>33,064,433</u>	<u>62,962</u>	<u>(98,368)</u>
Net realized and unrealized gain (loss) on investments	<u>96,932,930</u>	<u>(30,262)</u>	<u>435,727</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$95,317,327</u>	<u>\$ 8,833</u>	<u>\$497,552</u>

The accompanying notes are an integral part of these financial statements.

Statements of Operations

Six Months Ended June 30, 2018 (Unaudited)

	Chautauqua International Growth Fund	Chautauqua Global Growth Fund
INVESTMENT INCOME:		
Dividends (net of issuance fees and/or foreign taxes withheld of \$82,602 and \$18,030, respectively)	\$ 756,678	\$ 198,607
Interest	33,632	15,834
Other income	33	—
Total investment income	<u>790,343</u>	<u>214,441</u>
EXPENSES:		
Investment advisory fees (Note 5)	339,393	143,489
Administration fees	3,711	2,172
Shareholder servicing fees	11,315	6,584
Fund accounting fees	9,322	8,416
Professional fees	17,665	17,665
Federal and state registration	27,955	26,892
Directors fees	29,140	29,140
Custody fees	16,306	11,688
Reports to shareholders	903	633
Miscellaneous expenses	378	274
Rule 12b-1 fees – Investor Class Shares (Note 7)	3,079	1,046
Total expenses	<u>459,167</u>	<u>247,999</u>
Fee waiver by Advisor (Note 5)	<u>(53,059)</u>	<u>(76,559)</u>
Net expenses	<u>406,108</u>	<u>171,440</u>
NET INVESTMENT INCOME	<u>384,235</u>	<u>43,001</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY TRANSLATION:		
Net realized gain (loss) on:		
Investments	965,566	182,883
Foreign currency translation	(35,895)	1,190
Change in unrealized depreciation on:		
Investments	(1,307,350)	(292,106)
Foreign currency translation	(4,520)	(98)
Net realized and unrealized loss on investments and foreign currency translation	<u>(382,199)</u>	<u>(108,131)</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 2,036</u>	<u>\$ (65,130)</u>

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Net Assets

Baird MidCap Fund

	Six Months Ended	
	June 30, 2018 (Unaudited)	Year Ended December 31, 2017
OPERATIONS:		
Net investment loss	\$ (1,615,603)	\$ (2,569,252)
Net realized gain on investments	63,868,497	143,972,259
Change in unrealized appreciation on investments	33,064,433	183,589,368
Net increase in net assets resulting from operations	<u>95,317,327</u>	<u>324,992,375</u>
CAPITAL SHARE TRANSACTIONS:		
Proceeds from shares sold	142,836,791	349,351,022
Shares issued to holders in reinvestment of distributions	—	47,937,259
Cost of shares redeemed	(131,658,408)	(511,066,587)
Net increase (decrease) in net assets resulting from capital share transactions	<u>11,178,383</u>	<u>(113,778,306)</u>
DISTRIBUTIONS TO INSTITUTIONAL CLASS SHAREHOLDERS:		
From net realized gains	—	(57,234,919)
Total Distributions	<u>—</u>	<u>(57,234,919)</u>
DISTRIBUTIONS TO INVESTOR CLASS SHAREHOLDERS:		
From net realized gains	—	(5,225,266)
Total Distributions	<u>—</u>	<u>(5,225,266)</u>
TOTAL INCREASE IN NET ASSETS	106,495,710	148,753,884
NET ASSETS:		
Beginning of period	1,390,981,793	1,242,227,909
End of period (including accumulated undistributed net investment income (loss) of \$(1,615,603) and \$0, respectively)	<u>\$1,497,477,503</u>	<u>\$1,390,981,793</u>

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Net Assets

Baird Small/Mid Cap Value Fund

	Six Months Ended	
	June 30, 2018 (Unaudited)	Year Ended December 31, 2017
OPERATIONS:		
Net investment income	\$ 39,095	\$ 83,134
Net realized gain (loss) on investments	(93,224)	412,449
Change in unrealized appreciation on investments	62,962	2,099,758
Net increase in net assets resulting from operations	<u>8,833</u>	<u>2,595,341</u>
CAPITAL SHARE TRANSACTIONS:		
Proceeds from shares sold	3,018,047	6,798,695
Shares issued to holders in reinvestment of distributions	—	75,423
Cost of shares redeemed	(411,259)	(4,405,931)
Net increase in net assets resulting from capital share transactions	<u>2,606,788</u>	<u>2,468,187</u>
DISTRIBUTIONS TO INSTITUTIONAL CLASS SHAREHOLDERS:		
From net investment income	—	(81,188)
From net realized gains	—	(3,750)
Total Distributions	<u>—</u>	<u>(84,938)</u>
DISTRIBUTIONS TO INVESTOR CLASS SHAREHOLDERS:		
From net investment income	—	(310)
From net realized gains	—	(14)
Total Distributions	<u>—</u>	<u>(324)</u>
TOTAL INCREASE IN NET ASSETS	2,615,621	4,978,266
NET ASSETS:		
Beginning of period	<u>16,945,244</u>	<u>11,966,978</u>
End of period (including accumulated undistributed net investment income of \$39,095 and \$0, respectively)	<u>\$19,560,865</u>	<u>\$16,945,244</u>

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Net Assets

Baird SmallCap Value Fund

	Six Months Ended June 30, 2018 (Unaudited)	Year Ended December 31, 2017
OPERATIONS:		
Net investment income	\$ 61,825	\$ 185,540
Net realized gain on investments	534,095	1,935,024
Change in unrealized appreciation (depreciation) on investments	<u>(98,368)</u>	<u>3,236,935</u>
Net increase in net assets resulting from operations	<u>497,552</u>	<u>5,357,499</u>
CAPITAL SHARE TRANSACTIONS:		
Proceeds from shares sold	2,919,167	4,358,641
Shares issued to holders in reinvestment of distributions	—	879,036
Cost of shares redeemed	<u>(2,633,036)</u>	<u>(4,203,475)</u>
Net increase in net assets resulting from capital share transactions	<u>286,131</u>	<u>1,034,202</u>
DISTRIBUTIONS TO INSTITUTIONAL CLASS SHAREHOLDERS:		
From net investment income	—	(173,048)
From net realized gains	<u>—</u>	<u>(778,275)</u>
Total Distributions	<u>—</u>	<u>(951,323)</u>
DISTRIBUTIONS TO INVESTOR CLASS SHAREHOLDERS:		
From net investment income	—	(8,072)
From net realized gains	<u>—</u>	<u>(63,535)</u>
Total Distributions	<u>—</u>	<u>(71,607)</u>
TOTAL INCREASE IN NET ASSETS	783,683	5,368,771
NET ASSETS:		
Beginning of period	<u>36,217,666</u>	<u>30,848,895</u>
End of period (including accumulated undistributed net investment income of \$61,825 and \$0, respectively)	<u>\$37,001,349</u>	<u>\$36,217,666</u>

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Net Assets

Chautauqua International Growth Fund

	Six Months Ended June 30, 2018 (Unaudited)	Year Ended December 31, 2017
OPERATIONS:		
Net investment income	\$ 384,235	\$ 163,385
Net realized gain on investments and foreign currency translation	929,671	3,676,719
Change in unrealized appreciation (depreciation) on investments and foreign currency translation	<u>(1,311,870)</u>	<u>11,425,067</u>
Net increase in net assets resulting from operations	<u>2,036</u>	<u>15,265,171</u>
CAPITAL SHARE TRANSACTIONS:		
Proceeds from shares sold	27,994,503	54,726,978
Shares issued to holders in reinvestment of distributions	—	2,307,063
Cost of shares redeemed	(8,942,328)	(9,195,880)
Redemption fees (Note 8)	<u>1,873</u>	<u>11,284</u>
Net increase in net assets resulting from capital share transactions	<u>19,054,048</u>	<u>47,849,445</u>
DISTRIBUTIONS TO INSTITUTIONAL CLASS SHAREHOLDERS:		
From net investment income	—	(121,984)
From net realized gains	<u>—</u>	<u>(2,293,649)</u>
Total Distributions	<u>—</u>	<u>(2,415,633)</u>
DISTRIBUTIONS TO INVESTOR CLASS SHAREHOLDERS:		
From net investment income	—	(555)
From net realized gains	<u>—</u>	<u>(51,401)</u>
Total Distributions	<u>—</u>	<u>(51,956)</u>
TOTAL INCREASE IN NET ASSETS	19,056,084	60,647,027
NET ASSETS:		
Beginning of period	<u>75,804,329</u>	<u>15,157,302</u>
End of period (including accumulated undistributed net investment income of \$393,788 and \$9,553, respectively)	<u>\$94,860,413</u>	<u>\$75,804,329</u>

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Net Assets

Chautauqua Global Growth Fund

	Six Months Ended June 30, 2018 (Unaudited)	Year Ended December 31, 2017
OPERATIONS:		
Net investment income (loss)	\$ 43,001	\$ (40,268)
Net realized gain on investments and foreign currency translation	184,073	1,239,743
Change in unrealized appreciation (depreciation) on investments and foreign currency translation	(292,204)	2,700,039
Net increase (decrease) in net assets resulting from operations	(65,130)	3,899,514
CAPITAL SHARE TRANSACTIONS:		
Proceeds from shares sold	17,602,725	13,308,152
Shares issued to holders in reinvestment of distributions	—	582,584
Cost of shares redeemed	(1,372,582)	(1,065,485)
Redemption fees (Note 8)	1,452	965
Net increase in net assets resulting from capital share transactions	16,231,595	12,826,216
DISTRIBUTIONS TO INSTITUTIONAL CLASS SHAREHOLDERS:		
From net realized gains	—	(645,449)
Total Distributions	—	(645,449)
DISTRIBUTIONS TO INVESTOR CLASS SHAREHOLDERS:		
From net realized gains	—	(22,310)
Total Distributions	—	(22,310)
TOTAL INCREASE IN NET ASSETS	16,166,465	16,057,971
NET ASSETS:		
Beginning of period	23,906,782	7,848,811
End of period (including accumulated undistributed net investment income (loss) of \$42,773 and \$(228), respectively)	\$40,073,247	\$23,906,782

The accompanying notes are an integral part of these financial statements.

Financial Highlights

Baird MidCap Fund – Institutional Class

	Six Months Ended		Year Ended December 31,			
	June 30, 2018 (Unaudited)	2017	2016	2015	2014	2013
Per Share Data:						
Net asset value, beginning of period	\$19.16	\$15.80	\$14.99	\$15.57	\$15.00	\$11.52
Income from						
investment operations:						
Net investment loss	(0.02) ⁽¹⁾	(0.03) ⁽¹⁾	(0.02) ⁽¹⁾	(0.03) ⁽¹⁾	(0.03) ⁽¹⁾	(0.01)
Net realized and unrealized gains (losses) on investments	1.34	4.28	0.83	(0.53)	0.76	3.80
Total from investment operations	1.32	4.25	0.81	(0.56)	0.73	3.79
Less distributions:						
Distributions from net realized gains	—	(0.89)	—	(0.02)	(0.16)	(0.31)
Total distributions	—	(0.89)	—	(0.02)	(0.16)	(0.31)
Net asset value, end of period	\$20.48	\$19.16	\$15.80	\$14.99	\$15.57	\$15.00
Total return	6.89% ⁽²⁾	26.88%	5.40%	(3.59)%	4.85%	32.90%
Supplemental data and ratios:						
Net assets, end of period (millions)	\$1,380.6	\$1,279.6	\$1,105.1	\$1,035.0	\$910.9	\$286.1
Ratio of expenses to average net assets	0.82% ⁽³⁾	0.83%	0.82%	0.80%	0.85%	0.85%
Ratio of expenses to average net assets (before waivers)	0.82% ⁽³⁾	0.83%	0.82%	0.80%	0.87%	0.87%
Ratio of net investment loss to average net assets	(0.20)% ⁽³⁾	(0.17)%	(0.14)%	(0.18)%	(0.17)%	(0.04)%
Ratio of net investment loss to average net assets (before waivers)	(0.20)% ⁽³⁾	(0.17)%	(0.14)%	(0.18)%	(0.19)%	(0.06)%
Portfolio turnover rate ⁽⁴⁾	24% ⁽²⁾	45%	57%	53%	37%	36%

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

(2) Not annualized.

(3) Annualized.

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

The accompanying notes are an integral part of these financial statements.

Financial Highlights

Baird MidCap Fund – Investor Class

	Six Months Ended		Year Ended December 31,			
	June 30, 2018 (Unaudited)	2017	2016	2015	2014	2013
Per Share Data:						
Net asset value, beginning of period	\$18.23	\$15.10	\$14.36	\$14.96	\$14.45	\$11.13
Income from						
investment operations:						
Net investment loss	(0.04) ⁽¹⁾	(0.07) ⁽¹⁾	(0.06) ⁽¹⁾	(0.06) ⁽¹⁾	(0.06) ⁽¹⁾	(0.03)
Net realized and unrealized gains (losses) on investments	1.27	4.09	0.80	(0.52)	0.73	3.66
Total from investment operations	1.23	4.02	0.74	(0.58)	0.67	3.63
Less distributions:						
Distributions from net realized gains	—	(0.89)	—	(0.02)	(0.16)	(0.31)
Total distributions	—	(0.89)	—	(0.02)	(0.16)	(0.31)
Net asset value, end of period	\$19.46	\$18.23	\$15.10	\$14.36	\$14.96	\$14.45
Total return	6.75% ⁽²⁾	26.61%	5.08%	(3.80)%	4.62%	32.62%
Supplemental data and ratios:						
Net assets, end of period (millions)	\$116.9	\$111.4	\$137.2	\$184.1	\$205.4	\$143.1
Ratio of expenses to average net assets	1.07% ⁽³⁾	1.08%	1.07%	1.05%	1.10%	1.10%
Ratio of expenses to average net assets (before waivers)	1.07% ⁽³⁾	1.08%	1.07%	1.05%	1.12%	1.12%
Ratio of net investment loss to average net assets	(0.45)% ⁽³⁾	(0.42)%	(0.39)%	(0.43)%	(0.42)%	(0.29)%
Ratio of net investment loss to average net assets (before waivers)	(0.45)% ⁽³⁾	(0.42)%	(0.39)%	(0.43)%	(0.44)%	(0.31)%
Portfolio turnover rate ⁽⁴⁾	24% ⁽²⁾	45%	57%	53%	37%	36%

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

(2) Not annualized.

(3) Annualized.

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

The accompanying notes are an integral part of these financial statements.

Financial Highlights

Baird Small/Mid Cap Value Fund – Institutional Class

	Six Months Ended			Period Ended December 31, 2015 ⁽¹⁾
	June 30, 2018 (Unaudited)	Year Ended December 31, 2017	December 31, 2016	
Per Share Data:				
Net asset value, beginning of period	\$12.43	\$10.29	\$ 9.52	\$10.00
Income from investment operations:				
Net investment income ⁽²⁾	0.03	0.07	0.13	0.02
Net realized and unrealized gains (losses) on investments	(0.03)	2.14	0.72	(0.49)
Total from investment operations	0.00	2.21	0.85	(0.47)
Less distributions:				
Distributions from net investment income	—	(0.07)	(0.08)	(0.01)
Distributions from net realized gains	—	(0.00) ⁽³⁾	—	—
Total distributions	—	(0.07)	(0.08)	(0.01)
Net asset value, end of period	\$12.43	\$12.43	\$10.29	\$ 9.52
Total return	0.00% ⁽⁴⁾	21.48%	8.91%	(4.66)% ⁽⁴⁾
Supplemental data and ratios:				
Net assets, end of period (millions)	\$19.4	\$16.9	\$11.9	\$4.7
Ratio of expenses to average net assets	0.95% ⁽⁵⁾	0.95%	0.95%	0.95% ⁽⁵⁾
Ratio of expenses to average net assets (before waivers)	1.83% ⁽⁵⁾	1.91%	2.86%	6.88% ⁽⁵⁾
Ratio of net investment income to average net assets	0.44% ⁽⁵⁾	0.62%	1.35%	1.96% ⁽⁵⁾
Ratio of net investment loss to average net assets (before waivers)	(0.44)% ⁽⁵⁾	(0.34)%	(0.56)%	(3.97)% ⁽⁵⁾
Portfolio turnover rate ⁽⁶⁾	9% ⁽⁴⁾	60%	38%	15% ⁽⁴⁾

(1) Inception was close of business on November 30, 2015.

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

(3) Amount is less than \$0.005.

(4) Not annualized.

(5) Annualized.

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

The accompanying notes are an integral part of these financial statements.

Financial Highlights

Baird Small/Mid Cap Value Fund – Investor Class

	Six Months Ended			Period Ended December 31, 2015 ⁽¹⁾
	June 30, 2018 (Unaudited)	Year Ended December 31, 2017	December 31, 2016	
Per Share Data:				
Net asset value, beginning of period	\$12.40	\$10.28	\$ 9.52	\$10.00
Income from investment operations:				
Net investment income ⁽²⁾	0.01	0.04	0.11	0.01
Net realized and unrealized gains (losses) on investments	(0.02)	2.13	0.71	(0.48)
Total from investment operations	(0.01)	2.17	0.82	(0.47)
Less distributions:				
Distributions from net investment income	—	(0.05)	(0.06)	(0.01)
Distributions from net realized gains	—	(0.00) ⁽³⁾	—	—
Total distributions	—	(0.05)	(0.06)	(0.01)
Net asset value, end of period	\$12.39	\$12.40	\$10.28	\$ 9.52
Total return	(0.08)%⁽⁴⁾	21.08%	8.64%	(4.67)%⁽⁴⁾
Supplemental data and ratios:				
Net assets, end of period (thousands)	\$145.6	\$86.1	\$53.2	\$19.0
Ratio of expenses to average net assets	1.20% ⁽⁵⁾	1.20%	1.20%	1.20% ⁽⁵⁾
Ratio of expenses to average net assets (before waivers)	2.08% ⁽⁵⁾	2.16%	3.11%	7.13% ⁽⁵⁾
Ratio of net investment income to average net assets	0.19% ⁽⁵⁾	0.37%	1.10%	1.71% ⁽⁵⁾
Ratio of net investment loss to average net assets (before waivers)	(0.69)% ⁽⁵⁾	(0.59)%	(0.81)%	(4.22)% ⁽⁵⁾
Portfolio turnover rate ⁽⁶⁾	9% ⁽⁴⁾	60%	38%	15% ⁽⁴⁾

(1) Inception was close of business on November 30, 2015.

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

(3) Amount is less than \$0.005.

(4) Not annualized.

(5) Annualized.

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

The accompanying notes are an integral part of these financial statements.

Financial Highlights

Baird SmallCap Value Fund – Institutional Class

	Six Months Ended		Year Ended December 31,			
	June 30, 2018 (Unaudited)	2017	2016	2015	2014	2013
Per Share Data:						
Net asset value, beginning of period	\$16.99	\$14.83	\$13.03	\$13.82	\$14.01	\$10.20
Income from investment operations:						
Net investment income ⁽¹⁾	0.03	0.09	0.21	0.11	0.05	0.07
Net realized and unrealized gains (losses) on investments	0.21	2.59	1.76	(0.82)	0.01	3.99
Total from investment operations	0.24	2.68	1.97	(0.71)	0.06	4.06
Less distributions:						
Distributions from net investment income	—	(0.09)	(0.17)	(0.08)	(0.05)	(0.05)
Distributions from net realized gains	—	(0.43)	—	—	(0.20)	(0.20)
Total distributions	—	(0.52)	(0.17)	(0.08)	(0.25)	(0.25)
Net asset value, end of period	\$17.23	\$16.99	\$14.83	\$13.03	\$13.82	\$14.01
Total return	1.41% ⁽²⁾	18.05%	15.11%	(5.11)%	0.42%	39.85%
Supplemental data and ratios:						
Net assets, end of period (millions)	\$34.6	\$33.6	\$28.2	\$23.1	\$23.5	\$19.0
Ratio of expenses to average net assets	1.00% ⁽³⁾	1.00%	1.00%	1.00%	1.00%	1.00%
Ratio of expenses to average net assets (before waivers)	1.38% ⁽³⁾	1.35%	1.43%	1.51%	1.55%	2.02%
Ratio of net investment income to average net assets	0.37% ⁽³⁾	0.61%	1.58%	0.79%	0.36%	0.71%
Ratio of net investment income (loss) to average net assets (before waivers)	(0.01)% ⁽³⁾	0.26%	1.15%	0.28%	(0.19)%	(0.31)%
Portfolio turnover rate ⁽⁴⁾	14% ⁽²⁾	30%	49%	42%	42%	37%

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

(2) Not annualized.

(3) Annualized.

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

The accompanying notes are an integral part of these financial statements.

Financial Highlights

Baird SmallCap Value Fund – Investor Class

	Six Months Ended		Year Ended December 31,			
	June 30, 2018 (Unaudited)	2017	2016	2015	2014	2013
Per Share Data:						
Net asset value, beginning of period	\$16.97	\$14.81	\$12.99	\$13.78	\$13.98	\$10.19
Income from						
investment operations:						
Net investment income ⁽¹⁾	0.01	0.06	0.18	0.07	0.02	0.04
Net realized and unrealized gains (losses) on investments	0.21	2.58	1.75	(0.81)	0.00 ⁽²⁾	3.99
Total from investment operations	0.22	2.64	1.93	(0.74)	0.02	4.03
Less distributions:						
Distributions from net investment income	—	(0.05)	(0.11)	(0.05)	(0.02)	(0.04)
Distributions from net realized gains	—	(0.43)	—	—	(0.20)	(0.20)
Total distributions	—	(0.48)	(0.11)	(0.05)	(0.22)	(0.24)
Net asset value, end of period	\$17.19	\$16.97	\$14.81	\$12.99	\$13.78	\$13.98
Total return	1.30% ⁽³⁾	17.78%	14.84%	(5.37)%	0.13%	39.58%
Supplemental data and ratios:						
Net assets, end of period (millions)	\$2.4	\$2.6	\$2.6	\$2.0	\$2.1	\$1.1
Ratio of expenses to average net assets	1.25% ⁽⁴⁾	1.25%	1.25%	1.25%	1.25%	1.25%
Ratio of expenses to average net assets (before waivers)	1.63% ⁽⁴⁾	1.60%	1.68%	1.76%	1.80%	2.27%
Ratio of net investment income to average net assets	0.12% ⁽⁴⁾	0.36%	1.33%	0.54%	0.11%	0.46%
Ratio of net investment income (loss) to average net assets (before waivers)	(0.26)% ⁽⁴⁾	0.01%	0.90%	0.03%	(0.44)%	(0.56)%
Portfolio turnover rate ⁽⁵⁾	14% ⁽³⁾	30%	49%	42%	42%	37%

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

(2) Amount is less than \$0.005.

(3) Not annualized.

(4) Annualized.

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

The accompanying notes are an integral part of these financial statements.

Financial Highlights

Chautauqua International Growth Fund – Institutional Class

	Six Months Ended June 30, 2018 (Unaudited)	Year Ended December 31, 2017	Period Ended December 31, 2016 ⁽¹⁾
Per Share Data:			
Net asset value, beginning of period	\$12.59	\$ 9.57	\$10.00
Income from investment operations:			
Net investment income ⁽²⁾	0.06	0.04	0.00 ⁽³⁾
Net realized and unrealized gains (losses) on investments and foreign currency translation	0.04	3.41	(0.43)
Total from investment operations	0.10	3.45	(0.43)
Less distributions:			
Distributions from net investment income	—	(0.02)	—
Distributions from net realized gains	—	(0.41)	—
Total distributions	—	(0.43)	—
Paid in capital from redemption fees	0.00 ⁽³⁾	0.00 ⁽³⁾	—
Net asset value, end of period	\$12.69	\$12.59	\$ 9.57
Total return	0.79%⁽⁴⁾	36.11%	(4.30)%⁽⁴⁾
Supplemental data and ratios:			
Net assets, end of period (millions)	\$91.8	\$74.2	\$14.8
Ratio of expenses to average net assets	0.95% ⁽⁵⁾	0.95%	0.95% ⁽⁵⁾
Ratio of expenses to average net assets (before waivers)	1.08% ⁽⁵⁾	1.20%	2.32% ⁽⁵⁾
Ratio of net investment income to average net assets	0.92% ⁽⁵⁾	0.30%	0.06% ⁽⁵⁾
Ratio of net investment income (loss) to average net assets (before waivers)	0.79% ⁽⁵⁾	0.05%	(1.31)% ⁽⁵⁾
Portfolio turnover rate ⁽⁶⁾	23% ⁽⁴⁾	71%	73% ⁽⁴⁾

(1) Inception was close of business on April 15, 2016.

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

(3) Amount is less than \$0.005.

(4) Not annualized.

(5) Annualized.

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

The accompanying notes are an integral part of these financial statements.

Financial Highlights

Chautauqua International Growth Fund – Investor Class

	Six Months Ended June 30, 2018 (Unaudited)	Year Ended December 31, 2017	Period Ended December 31, 2016 ⁽¹⁾
Per Share Data:			
Net asset value, beginning of period	\$12.57	\$ 9.56	\$10.00
Income from investment operations:			
Net investment income (loss) ⁽²⁾	0.04	0.01	(0.01)
Net realized and unrealized gains (losses) on investments and foreign currency translation	0.04	3.41	(0.44)
Total from investment operations	0.08	3.42	(0.45)
Less distributions:			
Distributions from net investment income	—	(0.00) ⁽³⁾	—
Distributions from net realized gains	—	(0.41)	—
Total distributions	—	(0.41)	—
Paid in capital from redemption fees	0.00 ⁽³⁾	0.00 ⁽³⁾	0.01
Net asset value, end of period	\$12.65	\$12.57	\$ 9.56
Total return	0.64%⁽⁴⁾	35.86%	(4.40)%⁽⁴⁾
Supplemental data and ratios:			
Net assets, end of period (millions)	\$3.0	\$1.6	\$0.3
Ratio of expenses to average net assets	1.20% ⁽⁵⁾	1.20%	1.20% ⁽⁵⁾
Ratio of expenses to average net assets (before waivers)	1.33% ⁽⁵⁾	1.45%	2.58% ⁽⁵⁾
Ratio of net investment income (loss) to average net assets	0.67% ⁽⁵⁾	0.05%	(0.19)% ⁽⁵⁾
Ratio of net investment income (loss) to average net assets (before waivers)	0.54% ⁽⁵⁾	(0.20)%	(1.57)% ⁽⁵⁾
Portfolio turnover rate ⁽⁶⁾	23% ⁽⁴⁾	71%	73% ⁽⁴⁾

(1) Inception was close of business on April 15, 2016.

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

(3) Amount is less than \$0.005.

(4) Not annualized.

(5) Annualized.

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

The accompanying notes are an integral part of these financial statements.

Financial Highlights

Chautauqua Global Growth Fund – Institutional Class

	Six Months Ended June 30, 2018 (Unaudited)	Year Ended December 31, 2017	Period Ended December 31, 2016 ⁽¹⁾
Per Share Data:			
Net asset value, beginning of period	\$13.43	\$10.09	\$10.00
Income from investment operations:			
Net investment income (loss) ⁽²⁾	0.02	(0.04)	(0.01)
Net realized and unrealized gain on investments	0.08	3.85	0.10
Total from investment operations	0.10	3.81	0.09
Less distributions:			
Distributions from net realized gains	—	(0.47)	—
Total distributions	—	(0.47)	—
Paid in capital from redemption fees	0.00 ⁽³⁾	0.00 ⁽³⁾	—
Net asset value, end of period	\$13.53	\$13.43	\$10.09
Total return	0.74%⁽⁴⁾	37.75%	0.90%⁽⁴⁾
Supplemental data and ratios:			
Net assets, end of period (millions)	\$39.1	\$23.2	\$7.6
Ratio of expenses to average net assets	0.95% ⁽⁵⁾	0.95%	0.95% ⁽⁵⁾
Ratio of expenses to average net assets (before waivers)	1.38% ⁽⁵⁾	2.26%	3.65% ⁽⁵⁾
Ratio of net investment income (loss) to average net assets	0.25% ⁽⁵⁾	(0.30)%	(0.16)% ⁽⁵⁾
Ratio of net investment loss to average net assets (before waivers)	(0.18)% ⁽⁵⁾	(1.61)%	(2.86)% ⁽⁵⁾
Portfolio turnover rate ⁽⁶⁾	23% ⁽⁴⁾	61%	69% ⁽⁴⁾

(1) Inception was close of business on April 15, 2016.

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

(3) Amount is less than \$0.005.

(4) Not annualized.

(5) Annualized.

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

The accompanying notes are an integral part of these financial statements.

Financial Highlights

Chautauqua Global Growth Fund – Investor Class

	Six Months Ended June 30, 2018 (Unaudited)	Year Ended December 31, 2017	Period Ended December 31, 2016 ⁽¹⁾
Per Share Data:			
Net asset value, beginning of period	\$13.37	\$10.08	\$10.00
Income from investment operations:			
Net investment income (loss) ⁽²⁾	0.00 ⁽³⁾	(0.07)	(0.03)
Net realized and unrealized gain on investments	0.08	3.83	0.11
Total from investment operations	0.08	3.76	0.08
Less distributions:			
Distributions from net realized gains	—	(0.47)	—
Total distributions	—	(0.47)	—
Paid in capital from redemption fees	0.00 ⁽³⁾	0.00 ⁽³⁾	0.00 ⁽³⁾
Net asset value, end of period	\$13.45	\$13.37	\$10.08
Total return	0.60%⁽⁴⁾	37.29%	0.80%⁽⁴⁾
Supplemental data and ratios:			
Net assets, end of period (millions)	\$0.9	\$0.7	\$0.2
Ratio of expenses to average net assets	1.20% ⁽⁵⁾	1.20%	1.20% ⁽⁵⁾
Ratio of expenses to average net assets (before waivers)	1.63% ⁽⁵⁾	2.51%	3.90% ⁽⁵⁾
Ratio of net investment income (loss) to average net assets	0.00% ⁽⁵⁾	(0.55)%	(0.41)% ⁽⁵⁾
Ratio of net investment loss to average net assets (before waivers)	(0.43)% ⁽⁵⁾	(1.86)%	(3.11)% ⁽⁵⁾
Portfolio turnover rate ⁽⁶⁾	23% ⁽⁴⁾	61%	69% ⁽⁴⁾

(1) Inception was close of business on April 15, 2016.

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

(3) Amount is less than \$0.005.

(4) Not annualized.

(5) Annualized.

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

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

June 30, 2018 (Unaudited)

1. Organization

Baird Funds, Inc. (the “Corporation”) was incorporated on June 9, 2000, as a Wisconsin corporation and is registered as an open-end management investment company under the Investment Company Act of 1940, as amended (the “1940 Act”). The accompanying financial statements include the Baird MidCap Fund, the Baird Small/Mid Cap Value Fund, the Baird SmallCap Value Fund, the Chautauqua International Growth Fund and the Chautauqua Global Growth Fund (each a “Fund” and collectively the “Funds”), five of the fourteen series comprising the Corporation. Pursuant to the 1940 Act, the Funds are “diversified” series of the Corporation. The investment advisor to the Funds is Robert W. Baird & Co. Incorporated (“Baird” or the “Advisor”). The Funds are investment companies and therefore follow the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946 Financial Services – Investment Companies.

The Baird MidCap Fund commenced with the sale of both Institutional and Investor Class Shares on December 29, 2000. The Baird Small/Mid Cap Value Fund commenced with the sale of both Institutional and Investor Class Shares on November 30, 2015. The Baird SmallCap Value Fund commenced with the sale of both Institutional and Investor Class Shares on May 1, 2012. The Chautauqua International Growth Fund and the Chautauqua Global Growth Fund commenced with the sale of both Institutional and Investor Class Shares on April 18, 2016. Institutional Class shares are not subject to a distribution and service (12b-1) fee, while Investor Class shares are subject to a distribution and service (12b-1) fee up to 0.25%. See Note 7.

The Baird MidCap Fund seeks long-term growth of capital through investments in equity securities of mid-capitalization companies.

The Baird Small/Mid Cap Value Fund seeks long-term capital appreciation through investments in equity securities of small- to mid-capitalization companies.

The Baird SmallCap Value Fund seeks long-term capital appreciation through investments in equity securities of small-capitalization companies.

The Chautauqua International Growth Fund seeks to provide long-term capital appreciation through investment in equity securities of both U.S. and non-U.S. companies with medium to large market capitalization.

The Chautauqua Global Growth Fund seeks to provide long-term capital appreciation through investment in equity securities of both U.S. and non-U.S. companies with medium to large market capitalization.

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of the fund, under Section 2(a)(9) of the 1940 Act. On June 30, 2018, shareholders affiliated with the Advisor held 4% of the Institutional Class shares of the Baird MidCap Fund, 60% of the Institutional Class shares of the Baird Small/Mid Cap Value Fund, 54% of the Institutional Class shares of the Baird SmallCap Value Fund, 17% of the Institutional Class shares of the Chautauqua International Growth Fund, and 57% of the Institutional Class shares of the Chautauqua Global Growth Fund. These shareholders included the Advisor’s participant-directed retirement and deferred compensation plans and the Baird Foundation.

2. Significant Accounting Policies

The following is a summary of significant accounting policies consistently followed by the Funds in the preparation of their financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

- a) **Investment Valuation** – Section 2(a)(41) of the 1940 Act, together with the rules and interpretations of the Securities Exchange Commission (the “SEC”) require the Funds, in computing net asset value, to value their portfolio securities using market quotations when they are “readily available.” When market quotations are not readily available (e.g., because there is no regular market quotation for such securities, the market for such security is limited, the validity of quotations is questionable or, for debt securities, the Funds’ independent pricing service, does not provide a price), the Board of Directors (the “Board”)

Notes to the Financial Statements

June 30, 2018 (Unaudited)

2. Significant Accounting Policies (cont.)

of the Corporation must value the securities at “fair value determined in good faith.” The Board has delegated such responsibility to the Advisor pursuant to pricing policies and procedures that the Board has adopted and regularly reviews. In general, the “fair value” of a security means the price that would be received to sell a security in an orderly transaction between market participants at the measurement date.

The Funds determine the fair value of their investments and compute their net asset value per share as of the close of regular trading of the New York Stock Exchange (4:00 p.m. EST).

Consistent with Section 2(a)(41) of the 1940 Act, the Funds price their securities as follows: common stocks that are listed on a securities exchange (other than NASDAQ) are valued at the last quoted sale price. Securities traded on NASDAQ are valued at the NASDAQ Official Closing Price. Price information on listed stocks is taken from the exchange where the security is primarily traded. Securities that were not traded on the valuation date, as well as stocks that are not listed on an exchange, including NASDAQ, are valued at the average of the current bid and ask price. Debt securities are valued at their evaluated bid prices as provided by an independent pricing service using valuation methods that are designed to represent fair value, such as matrix pricing and other analytical pricing models, market transactions and dealer quotations. Debt securities purchased with maturities of 60 days or less are valued as described above unless an evaluated price is not available, in which case such security is valued at acquisition cost, plus or minus any amortized discount or premium (“amortized cost”), or, if the Advisor does not believe amortized cost is reflective of the fair value of the security, the security is priced at fair value as described below. Investments in mutual funds, including money market funds, are valued at their stated net asset value (“NAV”). Other assets and securities for which market quotations are not readily available are valued at fair value as determined in good faith by the Advisor in accordance with procedures approved by the Corporation’s Board. In accordance with such procedures, the Advisor may, under certain circumstances, use alternative valuation methodologies, or it 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 deemed to be unreliable, fair value will be determined by a valuation committee of the Advisor. In determining fair value, the valuation committee takes into account factors deemed relevant by the Valuation Committee and available information. Consequently, the price of the security used by a Fund to calculate its NAV may differ from quoted or published prices for the same security. Fair value pricing involves subjective judgments and there is no single standard for determining a security’s fair value. As a result, different mutual funds could reasonably arrive at a different fair value for the same security. It is possible that the fair value determined for a security is materially different from the value that could be realized upon the sale of that security or from the values that other mutual funds may determine. The prices determined for any individual security on any given day may vary significantly from the amount that can be obtained in an actual sale of that security, and the Funds’ NAV may fluctuate significantly from day to day or from period to period.

The Chautauqua International Growth and Chautauqua Global Growth Funds have retained an independent fair value pricing service to assist in valuing foreign securities in order to adjust for possible changes in value that may occur between the close of the foreign exchange and the time at which the Funds calculate their NAVs. The fair value pricing service uses statistical data based on historical performance of securities and markets, and other data in developing factors used to estimate fair value for that day.

- b) **Foreign Securities** – For purposes of these financial statements, foreign securities are defined as securities issued by companies that are organized outside the United States. Investing in securities of foreign companies and foreign governments involves special risks and considerations not typically associated with investing in U.S. companies and the U.S. government. These risks include foreign currency fluctuations and adverse political and economic developments. Moreover, securities of many foreign

Notes to the Financial Statements

June 30, 2018 (Unaudited)

2. Significant Accounting Policies (cont.)

companies and foreign governments and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. companies and the U.S. government. Occasionally, events that affect these values and exchange rates may occur after the close of the exchange on which such securities are traded. If such events materially affect the value of a Fund's securities, these securities may be valued at their fair value pursuant to procedures adopted by the Board.

- c) **Foreign Currency Translation** – Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at date of valuation. Purchases and sales of portfolio securities and income items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. When a Fund purchases or sells a foreign security, it will customarily enter into a foreign exchange contract to minimize foreign exchange risk from the trade date to the settlement date of such transaction. The Funds do not isolate the portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments. Net realized gain (loss) on investments and foreign currency translations include those gains and losses arising from the sale of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, the differences between the amounts of dividends, and foreign withholding taxes recorded on a Fund's books, and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized appreciation (depreciation) on investments includes changes in the value of assets and liabilities resulting from exchange rates.

- d) **Income Tax Status** – The Funds intend to continue to qualify as regulated investment companies as provided in subchapter M of the Internal Revenue Code and to distribute substantially all of their taxable income to their shareholders in a manner which results in no tax expense to the Funds. Therefore, no federal income or excise tax provision is recorded.

There is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken on the tax return for the six months ended June 30, 2018, or for any other tax years which are open for exam. As of June 30, 2018, open tax years include the tax years ended December 31, 2014 through 2017. The Funds are not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next 12 months. The Funds recognize interest and penalties, if any, related to unrecognized tax benefits as interest expense and other expense, respectively, in the Statement of Operations. During the year, the Funds did not incur any interest or penalties.

- e) **Shareholder Transactions and Distributions** – Shareholder transactions are recorded on trade date. Dividends from net investment income, if any, are declared and paid annually. Distributions of net realized capital gains, if any, are declared and paid at least annually. All distributions to shareholders are recorded on the ex-dividend date. The book basis character of distributions may differ from their ultimate characterization for Federal income tax purposes. GAAP requires that permanent financial reporting and tax differences be reclassified in the capital accounts.
- f) **Allocation of Income and Expenses** – Each Fund is charged for those expenses directly attributable to it. Expenses directly attributable to a class of shares, such as Rule 12b-1 distribution fees, are charged to that class of shares. Income, expenses and realized and unrealized gains and losses are allocated to the classes based on their respective net assets. Expenses that are not directly attributable to a Fund are allocated among the Funds in the series in proportion to their respective assets or are divided equally amongst the Funds.
- g) **Use of Estimates** – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Notes to the Financial Statements

June 30, 2018 (Unaudited)

2. Significant Accounting Policies (cont.)

- h) **Securities Transactions and Investment Income** – Net realized gains and losses on sales of securities are computed using the identified cost basis. For financial reporting purposes, investment transactions are recorded on the trade date. Dividend income is recognized on the ex-dividend date net of withholding taxes, if any, and interest income is recognized on an accrual basis. Withholding taxes on foreign dividends have been accounted for in accordance with the Funds' interpretation of applicable tax laws of the countries in which they invest.
- i) **Guarantees and Indemnifications** – In the normal course of business, the Funds enter into contracts with service providers that contain general indemnification clauses. The Funds' maximum exposure under these arrangements is unknown and would involve future claims against the Funds that have not yet occurred. Based on experience, the Funds would expect the risk of loss to be remote.

3. Capital Share Transactions

The following table summarizes the capital share transactions of each Fund for the past two fiscal periods:

Baird MidCap Fund

	Six Months Ended June 30, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Institutional Class Shares				
Shares sold	6,594,408	\$ 132,797,884	18,813,638	\$ 334,054,013
Shares issued to shareholders in reinvestment of dividends	—	—	2,234,984	42,822,289
Shares redeemed	(5,947,135)	(119,580,093)	(24,239,199)	(440,804,306)
Net increase/decrease	647,273	\$ 13,217,791	(3,190,577)	\$ (63,928,004)
Shares Outstanding:				
Beginning of period	66,770,418		69,960,995	
End of period	67,417,691		66,770,418	

	Six Months Ended June 30, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Investor Class Shares				
Shares sold	524,319	\$ 10,038,907	894,614	\$ 15,297,009
Shares issued to shareholders in reinvestment of dividends	—	—	280,580	5,114,970
Shares redeemed	(629,741)	(12,078,315)	(4,149,619)	(70,262,281)
Net decrease	(105,422)	\$ (2,039,408)	(2,974,425)	\$ (49,850,302)
Shares Outstanding:				
Beginning of period	6,111,425		9,085,850	
End of period	6,006,003		6,111,425	

Notes to the Financial Statements

June 30, 2018 (Unaudited)

3. Capital Share Transactions (cont.)

Baird Small/Mid Cap Value Fund

	Six Months Ended June 30, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Institutional Class Shares				
Shares sold	236,237	\$2,934,347	603,626	\$ 6,750,704
Shares issued to shareholders in reinvestment of dividends	—	—	6,045	75,148
Shares redeemed	(31,325)	(387,923)	(410,676)	(4,379,094)
Net increase	204,912	<u>\$2,546,424</u>	198,995	<u>\$ 2,446,758</u>
Shares Outstanding:				
Beginning of period	1,356,764		1,157,769	
End of period	<u>1,561,676</u>		<u>1,356,764</u>	

	Six Months Ended June 30, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Investor Class Shares				
Shares sold	6,707	\$ 83,700	4,201	\$ 47,991
Shares issued to shareholders in reinvestment of dividends	—	—	22	275
Shares redeemed	(1,897)	(23,336)	(2,457)	(26,837)
Net increase	4,810	<u>\$ 60,364</u>	1,766	<u>\$ 21,429</u>
Shares Outstanding:				
Beginning of period	<u>6,942</u>		<u>5,176</u>	
End of period	<u>11,752</u>		<u>6,942</u>	

Baird SmallCap Value Fund

	Six Months Ended June 30, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Institutional Class Shares				
Shares sold	160,855	\$ 2,748,258	264,962	\$ 4,207,425
Shares issued to shareholders in reinvestment of dividends	—	—	49,706	844,993
Shares redeemed	(131,119)	(2,218,722)	(238,354)	(3,638,071)
Net increase	29,736	<u>\$ 529,536</u>	76,314	<u>\$ 1,414,347</u>
Shares Outstanding:				
Beginning of period	<u>1,979,581</u>		<u>1,903,267</u>	
End of period	<u>2,009,317</u>		<u>1,979,581</u>	

Notes to the Financial Statements

June 30, 2018 (Unaudited)

3. Capital Share Transactions (cont.)

Baird SmallCap Value Fund (cont.)

	Six Months Ended June 30, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Investor Class Shares				
Shares sold	10,045	\$ 170,909	9,963	\$ 151,216
Shares issued to shareholders in reinvestment of dividends	—	—	2,005	34,043
Shares redeemed	(24,419)	(414,314)	(36,704)	(565,404)
Net decrease	(14,374)	<u>\$(243,405)</u>	(24,736)	<u>\$(380,145)</u>
Shares Outstanding:				
Beginning of period	152,427		177,163	
End of period	<u>138,053</u>		<u>152,427</u>	

Chautauqua International Growth Fund

	Six Months Ended June 30, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Institutional Class Shares				
Shares sold ⁽¹⁾	2,028,114	\$26,520,927	4,943,182	\$53,609,498
Shares issued to shareholders in reinvestment of dividends	—	—	180,405	2,258,668
Shares redeemed	(682,769)	(8,914,854)	(783,790)	(9,147,273)
Redemption fees	—	1,782	—	10,830
Net increase	1,345,345	<u>\$17,607,855</u>	4,339,797	<u>\$46,731,723</u>
Shares Outstanding:				
Beginning of period	5,891,470		1,551,673	
End of period	<u>7,236,815</u>		<u>5,891,470</u>	

⁽¹⁾ In the first quarter of 2017, the Chautauqua International Growth Fund satisfied a transfer in kind request made by a large shareholder by transferring cash and securities into the Fund in the amount of \$23,337,022 in exchange for 780,534 shares of the Fund. The transfer was effected in accordance with policies and procedures approved by the Board.

	Six Months Ended June 30, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Investor Class Shares				
Shares sold	113,479	\$1,473,576	96,790	\$1,117,480
Shares issued to shareholders in reinvestment of dividends	—	—	3,874	48,395
Shares redeemed	(2,082)	(27,474)	(4,458)	(48,607)
Redemption fees	—	91	—	454
Net increase	111,397	<u>\$1,446,193</u>	96,206	<u>\$1,117,722</u>
Shares Outstanding:				
Beginning of period	128,754		32,548	
End of period	<u>240,151</u>		<u>128,754</u>	

Notes to the Financial Statements

June 30, 2018 (Unaudited)

3. Capital Share Transactions (cont.)

Chautauqua Global Growth Fund

	Six Months Ended June 30, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Institutional Class Shares				
Shares sold	1,257,086	\$17,249,061	1,014,140	\$12,886,555
Shares issued to shareholders in reinvestment of dividends	—	—	41,625	560,274
Shares redeemed	(94,859)	(1,299,221)	(82,794)	(1,020,496)
Redemption fees	—	1,413	—	965
Net increase	1,162,227	\$15,951,253	972,971	\$12,427,298
Shares Outstanding:				
Beginning of period	1,730,666		757,695	
End of period	2,892,893		1,730,666	

	Six Months Ended June 30, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Investor Class Shares				
Shares sold	25,764	\$353,664	32,048	\$421,597
Shares issued to shareholders in reinvestment of dividends	—	—	1,663	22,310
Shares redeemed	(5,497)	(73,361)	(3,723)	(44,989)
Redemption fees	—	39	—	—
Net increase	20,267	\$280,342	29,988	\$398,918
Shares Outstanding:				
Beginning of period	49,977		19,989	
End of period	70,244		49,977	

4. Investment Transactions and Income Tax Information

During the six months ended June 30, 2018, purchases and sales of investment securities (excluding short-term investments) were as follows:

	Baird MidCap Fund	Baird Small/Mid Cap Value Fund	Baird SmallCap Value Fund	Chautauqua International Growth Fund	Chautauqua Global Growth Fund
Purchases:	\$331,286,281	\$5,915,352	\$5,320,393	\$38,040,666	\$26,918,350
Sales:	\$334,626,365	\$1,516,022	\$4,820,457	\$18,613,870	\$ 7,549,584

The Funds did not purchase or sell U.S. Government securities during the six months ended June 30, 2018.

Notes to the Financial Statements

June 30, 2018 (Unaudited)

4. Investment Transactions and Income Tax Information (cont.)

At December 31, 2017, accumulated earnings/losses on a tax basis were as follows:

	Baird MidCap Fund	Baird Small/Mid Cap Value Fund	Baird SmallCap Value Fund
Cost of Investments	\$1,012,274,915	\$12,142,653	\$25,131,162
Gross unrealized appreciation	388,650,149	3,332,895	10,190,654
Gross unrealized depreciation	(15,035,989)	(258,026)	(650,498)
Net unrealized appreciation	\$ 373,614,160	\$ 3,074,869	\$ 9,540,156
Undistributed ordinary income	—	—	—
Undistributed long-term capital gain	13,747,560	6,978	777,852
Total distributable earnings	\$ 13,747,560	\$ 6,978	\$ 777,852
Other accumulated gains (losses)	—	—	—
Total accumulated earnings	\$ 387,361,720	\$ 3,081,847	\$10,318,008
		Chautauqua International Growth Fund	Chautauqua Global Growth Fund
Cost of Investments		\$63,188,605	\$17,490,144
Gross unrealized appreciation		12,442,708	3,255,314
Gross unrealized depreciation		(1,606,172)	(460,604)
Net unrealized appreciation		\$10,836,536	\$ 2,794,710
Undistributed ordinary income		1,294,423	254,613
Undistributed long-term capital gain		127,086	248,688
Total distributable earnings		\$ 1,421,509	\$ 503,301
Other accumulated gains (losses)		646	(1,540)
Total accumulated earnings		\$12,258,691	\$ 3,296,471

Undistributed income or net realized gains for financial statement purposes may differ from amounts recognized for federal income tax purposes due to differences in the recognition and characterization of income, expense and capital gain items. The difference between book-basis and tax-basis unrealized appreciation is attributable primarily to the tax deferral of losses on wash sales.

Additionally, U.S. generally accepted accounting principles require that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications are primarily due to differing treatments for equalization accounting for tax purposes and non-deductible expenses. These reclassifications have no effect on net assets or net asset value per share.

Under the current tax law, capital losses realized after October 31 may be deferred and treated as occurring on the first day of the following fiscal year. For the year ended December 31, 2017, the Chautauqua Global Growth Fund elected to defer capital losses occurring between November 1, 2017 and December 31, 2017 in the amount of \$228. For the year ended December 31, 2017, the Baird MidCap Fund, Baird Small/Mid Cap Value Fund, Baird SmallCap Value Fund, Chautauqua International Growth Fund and Chautauqua Global Growth Fund used short-term capital loss carryovers in the amount of \$61,629,145, \$439,022, \$305,728, \$111,476 and \$15,500, respectively.

Notes to the Financial Statements

June 30, 2018 (Unaudited)

4. Investment Transactions and Income Tax Information (cont.)

During the six months ended June 30, 2018, the Funds did not pay any distributions.

During the year ended December 31, 2017, the Funds paid the following distributions:

	<u>Ordinary Income Dividends</u>	<u>Long Term Capital Gains</u>
Baird MidCap Fund	\$ —	\$62,460,185
Baird Small/Mid Cap Value Fund	81,498	3,764
Baird SmallCap Value Fund	181,120	841,810
Chautauqua International Growth Fund	2,196,544	271,045
Chautauqua Global Growth Fund	483,916	183,843

5. Investment Advisory and Other Agreements

The Funds have entered into an Investment Advisory Agreement with Baird for the provision of investment advisory services. Pursuant to the Investment Advisory Agreement, the Advisor is entitled to receive a fee, calculated daily and payable monthly, at the annual rate of 0.75% for the Baird MidCap Fund, 0.80% for the Baird Small/Mid Cap Value Fund, 0.85% for the Baird SmallCap Value Fund, 0.80% for the Chautauqua International Growth Fund and 0.80% for the Chautauqua Global Growth Fund as applied to the respective Fund's average daily net assets. Certain officers of the Advisor are also officers of the Funds.

For the six months ended June 30, 2018, and through April 30, 2019, for the Baird MidCap Fund, Baird Small/Mid Cap Value Fund, Baird SmallCap Value Fund, Chautauqua International Growth Fund and Chautauqua Global Growth Fund, the Advisor has contractually agreed to waive its investment advisory fee and/or reimburse the Funds' operating expenses (exclusive of brokerage, taxes, and extraordinary expenses) to the extent necessary to ensure that each Fund's annual operating expenses do not exceed the following percentages of average daily net assets:

	<u>Institutional Class Shares</u>	<u>Investor Class Shares</u>
Baird MidCap Fund	0.85%	1.10%
Baird Small/Mid Cap Value Fund	0.95%	1.20%
Baird SmallCap Value Fund	1.00%	1.25%
Chautauqua International Growth Fund	0.95%	1.20%
Chautauqua Global Growth Fund	0.95%	1.20%

To the extent that the Advisor reimburses or absorbs fees and expenses, it may seek payment of such amounts for three years after the year in which expenses were reimbursed or absorbed. A Fund will make no such payment, however, if its total annual operating expenses exceed the expense limits in effect at the time the expenses were reimbursed or at the time these payments are proposed.

	<u>Six Months Ended</u>			
	<u>June 30, 2018</u>	<u>Fiscal Year Ended December 31,</u>		
		<u>2017</u>	<u>2016</u>	<u>2015</u>
Reimbursed/Absorbed Expenses Subject to be Recovered by Advisor Until:				
Baird Small/MidCap Value Fund	\$78,671	\$129,251	\$156,332	\$ 23,659*
Baird SmallCap Value Fund	\$66,592	\$110,672	\$116,311	\$131,370
Chautauqua International Growth Fund	\$53,059	\$137,404	\$ 95,476	N/A
Chautauqua Global Growth Fund	\$76,559	\$170,958	\$102,142	N/A

* Period from close of business on November 30, 2015 (inception date) through December 31, 2015.

U.S. Bancorp Fund Services, LLC ("USBFS") serves as transfer agent, administrator, and accounting services agent for the Funds. U.S. Bank, N.A. ("U.S. Bank") serves as custodian for the Funds.

Notes to the Financial Statements

June 30, 2018 (Unaudited)

5. Investment Advisory and Other Agreements (cont.)

Robert W. Baird & Co. Incorporated (the “Distributor”) is the sole distributor of the Funds pursuant to a distribution agreement.

No commissions were earned by the Distributor for services rendered as a registered broker-dealer in securities transactions for the six months ended June 30, 2018 for the Funds.

6. Line of Credit

The Corporation maintains an uncommitted line of credit (“LOC”) with U.S. Bank to provide the Funds a temporary liquidity source to meet unanticipated redemptions. The LOC is unsecured for any period during which U.S. Bank is an affiliate of the Funds. At all other times, the LOC is secured by the assets of the Funds. Under the terms of the LOC, borrowings for each Fund are limited to one-third of eligible net assets (including the amount borrowed) of the respective Fund, or \$550,000,000 of total borrowings for all Funds, whichever is less. U.S. Bank charges interest at U.S. Bank’s Prime Rate less 2% but the interest rate can never be less than 1%. The LOC matures on May 26, 2019, unless renewed. The Funds have authorized U.S. Bank to charge any of the accounts of the borrowing Fund subject to the agreement for any missed payments. The Funds did not borrow on the line of credit for the six months ended June 30, 2018.

7. Distribution and Shareholder Service Plan

The Funds have adopted a distribution and shareholder service plan (the “Plan”) pursuant to Rule 12b-1 under the 1940 Act. The Plan allows the Funds to compensate the Distributor for the costs incurred in distributing the Funds’ Investor Class Shares, including amounts paid to brokers or dealers, at an annual rate of 0.25% of the average daily net assets of the Funds’ Investor Class Shares.

For the six months ended June 30, 2018, the Funds incurred fees pursuant to the Plan as follows:

Baird MidCap Fund	\$143,162
Baird Small/Mid Cap Value Fund	\$ 172
Baird SmallCap Value Fund	\$ 3,069
Chautauqua International Growth Fund	\$ 3,079
Chautauqua Global Growth Fund	\$ 1,046

8. Redemption Fees

A redemption fee of 2.00% will be assessed on Institutional and Investor Class shares of the Chautauqua International Growth Fund and Chautauqua Global Growth Fund if redeemed (including in connection with an exchange) 90 days or less from their date of purchase, determined on a first-in, first-out (“FIFO”) basis. The redemption fee is paid directly to the Funds and is designed to offset brokerage commissions, market impact and other costs associated with fluctuations in Fund asset levels and cash flow caused by short-term shareholder trading.

As of June 30, 2018, the Funds charged redemption fees as follows:

Chautauqua International Growth Fund	\$1,873
Chautauqua Global Growth Fund	\$1,452

The Baird MidCap Fund, Baird Small/Mid Cap Value Fund and Baird SmallCap Value Fund do not charge redemption fees.

Notes to the Financial Statements

June 30, 2018 (Unaudited)

9. Subsequent Event

In preparing these financial statements, management has evaluated events after June 30, 2018. There were no other subsequent events since June 30, 2018 through the date the financial statements were issued that would warrant adjustment to or additional disclosure in these financial statements.

Additional Information (Unaudited)

Proxy Voting

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available without charge, upon request, by calling toll free, 1-866-44BAIRD, or by accessing the Funds' website at www.bairdfunds.com; and by accessing the SEC's website at www.sec.gov.

Each Fund's proxy voting record for the most recent 12-month period ended June 30 is available without charge, upon request, by calling toll free, 1-866-44BAIRD, or by accessing the Funds' website at www.bairdfunds.com; and by accessing the SEC's website at www.sec.gov.

Portfolio Holdings Disclosure

The Funds file a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the SEC's website at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-732-0330. The Funds' Forms N-Q may also be obtained by calling toll-free 1-866-44BAIRD.

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Frederick P. Stratton, Jr.

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