Dear Baron New Asia Fund Shareholder:

Performance

Baron New Asia Fund® (the Fund) gained 2.83% (Institutional Shares) during the first quarter of 2023, while its principal benchmark Index, the MSCI AC Asia ex Japan Index, returned 4.34%. The MSCI AC Asia ex Japan IMI Growth Index gained 4.79% for the quarter. The Fund underperformed the core benchmark and the all-cap growth proxy in a period marked by high volatility and swings in sentiment and leadership. The quarter began much as 2022 ended: global inflation expectations ebbing, downward pressure on bond yields and the U.S. dollar, and an ongoing recovery in global equities, led by EM/Asia. Then, in early February, resilient economic data coupled with a series of stubborn U.S. inflation readings reversed these trends, as bond yields and central bank rate hike expectations abruptly spiked; the U.S. 2-year Treasury yield briefly surpassed 5% for the first time in over 15 years, while the dollar rose and equities retreated, with EM/Asia reversing early gains. On March 9, everything changed again as this market-based interest rate repricing shifted the market's attention towards pressures in the global banking sector, in particular SVB Financial Group's liquidity and solvency challenges, and then to the aggressive policy response addressing the risk of widespread deposit flight, which spread to several additional institutions including behemoth Credit Suisse. We remain encouraged over the intermediate and longer term and see recent events as confirming our premise that we are passing peak hawkishness and likely entering a period of sustainable EM and international equity outperformance.

China-related equities began the year quite strong on enthusiasm over reopening and policy support, only to peak in late January and retrace most of the gains, though we remain encouraged on the margin and anticipate that recovering demand combined with newfound expense and capital discipline will drive positive earnings surprises and solid equity returns as we move through this year. Taiwanese and Korean equities stood out positively, largely reflecting the strength of global technology stocks during the quarter. India, on the other hand, was one of the only jurisdictions to register negative returns, impacting our relative performance, which we regard as largely attributable to mean reversion for a second quarter after a long period of relative strength; we remain optimistic regarding India and our investments there over the long term. As always, we are confident that we have constructed a diversified portfolio of well-positioned and well-managed companies that are also benefiting from the tailwinds of long-term and attractive investment themes.

MICHAEL KASS AND ANUJ AGGARWAL

PORTFOLIO MANAGERS

Retail Shares: BNAFX
Institutional Shares: BNAIX
R6 Shares: BNAUX

Table I.
Performance
Annualized for periods ended March 31, 2023

	Baron New Asia Fund Retail Shares[1,2]	Baron New Asia Fund Institutional Shares[1,2]	MSCI AC Asia ex Japan Index[1]	MSCI AC Asia ex Japan IMI Growth Index[1]
Three Months[3]	2.84%	2.83%	4.34%	4.79%
One Year	(11.61)%	(11.37)%	(8.90)%	(10.31)%
Since Inception (July 30, 2021)	(15.12)%	(14.91)%	(11.79)%	(14.88)%

For the first quarter of 2023, we modestly underperformed our primary benchmark, the MSCI AC Asia ex Japan Index, while also trailing our all-cap growth proxy. From a sector or theme perspective, weak stock selection in the Financials sector, particularly investments in our India wealth management/consumer finance theme (**Bajaj Finance Limited**, **ICICI Bank**

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of December 31, 2022 was 8.96% and 7.22%, respectively, but the net annual estimated expense ratio was 1.45% and 1.20% (net of the Adviser's fee waivers), respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2033, unless renewed for another 11-year term and the Fund's transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, visit www.BaronFunds.com or call 1-800-99BARON.

[1] The **MSCI AC Asia ex Japan Index** measures the performance of large and mid cap equity securities representation across 2 of 3 developed markets countries (excluding Japan) and 8 emerging markets countries in Asia. The **MSCI AC Asia ex Japan IMI Growth Index** measures the performance of large, mid, and small cap securities exhibiting overall growth style characteristics across 2 of 3 developed markets countries (excluding Japan) and 8 emerging market countries in Asia. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The indexes and the Fund include reinvestment of dividends, net of foreign withholding taxes, which positively impact the performance results. The indexes are unmanaged. Index performance is not Fund performance; one cannot invest directly into an index.

[2] The performance data does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

[3] Not annualized.

Limited, **SBI Life Insurance Company Limited**, **JM Financial Limited**, and **HDFC Bank Limited**) detracted the most from relative performance this quarter. In addition, adverse stock selection in the Materials sector, driven by select holdings in our global security/supply-chain diversification theme (**PI Industries Limited** and **Aarti Industries Limited**) also weighed on relative results. Lastly, our cash position in a market rally also contributed to the relative shortfall during the quarter. Partially offsetting the above was favorable stock selection in the Industrials sector, primarily attributable to our China value-added theme (**Estun Automation Co., Ltd.**, **Airtac International Group**, **Zhejiang Dingli Machinery Co., Ltd.**, **NARI Technology Co. Ltd.**, and **Han's Laser Technology Industry Group Co., Ltd.**). Our underweight positioning in the Utilities sector together with favorable stock selection effect in the Informational Technology sector from select holdings in our automation/robotics/AI, China value-added, and digitization themes also stood out as key contributors to relative performance.

From a country perspective, adverse stock selection combined with our overweight positioning in India drove the vast majority of underperformance this quarter. Weak stock selection effect and our lower weighting to Korea also detracted. Partly offsetting the above was solid stock selection effect in China. Our active exposure to Japan, through investments in our digitization (**Tokyo Electron Limited** and **Hoya Corporation**) and automation/robotics/AI (**Keyence Corporation**) themes also bolstered relative results.

Despite the recent underperformance in India, we remain excited about our investments there as landmark economic reforms implemented by the Modi administration are now supporting higher sustainable GDP growth, while also accelerating the formalization and digitization of the economy. Relative valuations for Indian equities, which became extended during a phase of impressive outperformance throughout much of a difficult 2022, have also broadly mean reverted to long-term averages, which in our view sets the stage for earnings-led outperformance for our India holdings. We are also encouraged by the recent performance of our China investments and remain optimistic about a continued recovery driven by an improving outlook after the dismantling of the zero-COVID policy late last year. In our view, despite the initial rally, current prices still do not reflect fundamental intrinsic value for many of our investments, especially within the digitization theme and select positions in our China value-added and EM consumer themes.

Table II.
Top contributors to performance for the quarter ended March 31, 2023

	Percent Impact
Taiwan Semiconductor Manufacturing Company Limited	1.26%
Tencent Holdings Limited	0.72
Kingsoft Corporation Ltd.	0.67
Alibaba Group Holding Limited	0.51
Samsung Electronics Co., Ltd.	0.41

Semiconductor giant **Taiwan Semiconductor Manufacturing Company Limited** contributed in the first quarter due to easing geopolitical concerns and expectations for end-demand recovery later in 2023. We retain conviction that Taiwan Semi's technological leadership; pricing power; and exposure to secular growth markets, including high-performance computing, automotive, 5G, and IoT; will allow the company to sustain strong earnings growth over the next several years.

Tencent Holdings Limited operates the leading social network and messaging platforms (QQ, WeChat), the largest online entertainment and media business, and the largest online gaming business in China. Shares of Tencent were up this quarter, given improving macroeconomic conditions, the post-COVID reopening of China, and more friendly regulatory activity, particularly around game approvals. We retain conviction that Tencent can durably grow earnings given its track record of execution, scale, and unique and diversified online assets.

Shares of **Kingsoft Corporation Ltd.**, a leading Chinese office software, interactive entertainment, and cloud computing company, increased during the quarter, driven by strong growth in office software subscription revenue and investor expectations that new generative AI features will increase long-term demand for productivity tools. We expect Kingsoft will be the primary beneficiary of the rapid growth of China's office software market and shift towards domestic software vendors, and we remain shareholders.

Alibaba Group Holding Limited is the largest retailer and e-commerce company in China. Alibaba operates shopping platforms Taobao and Tmall and owns 33% of Ant Group, which operates Alipay, China's largest third-party online payment provider. Shares of Alibaba were up this quarter, given meaningful margin expansion, guidance to stabilize core commerce market share in China, and an announced plan to split the company into six units which could further unlock value. We retain conviction that Alibaba is well positioned to benefit from China's reopening and the ongoing growth in online commerce and cloud in China.

Shares of South Korean conglomerate **Samsung Electronics Co., Ltd.** increased during the quarter due to an improving outlook for memory semiconductors in the second half of 2023, driven by DRAM and NAND inventory normalization and price stabilization. We are confident Samsung will remain a global leader in semiconductors and 5G smartphones.

Table III.
Top detractors from performance for the quarter ended March 31, 2023

	Percent Impact
Bajaj Finance Limited	–0.37%
JD.com, Inc.	–0.30
Energy Absolute PCL	–0.29
Kingdee International Software Group Company Limited	–0.29
Hyundai Heavy Industries Co., Ltd.	–0.22

Bajaj Finance Limited is a leading non-banking financial corporation in India. The stock detracted during the quarter due to a near-term slowdown in business activity amid rising competition and moderating consumer spend in India. We believe Bajaj is well positioned to benefit from growing demand for consumer financial services including mortgages, personal and credit card loans, and vehicle financing. We retain conviction in Bajaj given its best-in-class management team, robust long-term growth outlook, and conservative risk management frameworks.

JD.com, Inc. is one of the three largest e-commerce platforms in China. Shares declined after the company reported a slowdown in fourth quarter sales and commented that deliberate culling of unprofitable SKUs would also be a drag on headline revenue growth in the first half of 2023. We believe the slowdown was driven by the peak in Chinese COVID-lockdowns, which have since ended, and the elimination or reduction of unprofitable business is better for long-term margins and returns on capital. We remain investors.

Energy Absolute PCL, originally established as a biodiesel producer, is now one of Thailand's major renewable plant operators with 784 megawatts installed

capacity of solar and wind farms. Shares fell on news of a fire on a ferry powered by Energy Absolute along with investor questions about its battery production ramp-up and margin risks. We decided to exit our position.

Shares of **Kingdee International Software Group Company Limited**, a leading Chinese Enterprise Resource Planning (ERP) provider, decreased during the quarter due to investor concerns that Chinese technology giant Huawei may enter the ERP market. Given the industry's high barriers to entry and Kingdee's decades of technological accumulation, we do not consider Huawei to be a major threat and continue to believe Kingdee will be a key beneficiary of the digital transformation and software localization of Chinese businesses. We expect Kingdee will continue taking market share from foreign ERP providers while transiting to a subscription, cloud-based model that should lead to increased recurring revenue and earnings visibility.

Hyundai Heavy Industries Co., Ltd. is the world's largest shipbuilder based on the size of its order book, and global leader in high-end vessels, including LNG powered ships. Shares fell on disappointing earnings as a result of rising labor costs and foreign exchange provisions. We remain invested as Hyundai should be the leading beneficiary of the decarbonization of shipping. The company has technological leadership and a dominant market position in eco-friendly LNG dual-fueled ships as well as first mover advantage in next-generation ammonia, methanol, and hydrogen shipbuilding. We expect tightening international maritime carbon emission regulations to drive much higher demand for LNG fuel-propelled ships and carbon-free ammonia-fueled ships. With the largest ship engine maker in the world, Hyundai's vertically integrated business model also differentiates it from its peers.

Portfolio Structure

Table IV.
Top 10 holdings as of March 31, 2023

	Percent of Net Assets
Taiwan Semiconductor Manufacturing Company Limited	7.1%
Samsung Electronics Co., Ltd.	4.9
Tencent Holdings Limited	4.0
Alibaba Group Holding Limited	3.9
HDFC Bank Limited	2.7
Yum China Holdings Inc.	2.4
Bajaj Finance Limited	2.1
Reliance Industries Limited	2.0
Keyence Corporation	2.0
Kingsoft Corporation Ltd.	1.9

Exposure by Country

Table V.
Percentage of securities by country as of March 31, 2023

	Percent of Net Assets
China	33.3%
India	23.5
Taiwan	10.3
Korea	10.2
Hong Kong	4.8
Japan	3.9
Indonesia	2.6
France	0.7

Exposure by Market Cap: The Fund may invest in companies of any market capitalization, and we have generally been broadly diversified across large-, mid-, and small-cap companies, as we believe developing companies of all sizes in Asia can exhibit attractive growth potential. At the end of the first quarter of 2023, the Fund's median market cap was $13.9 billion, and we were invested 56.4% in giant-cap companies, 24.4% in large-cap companies, 6.2% in mid-cap companies, and 2.3% in small-cap companies, as defined by Morningstar, with the remainder in cash.

Recent Activity

During the first quarter, we added several new investments to our existing themes, while also increasing exposure to various positions that were established in earlier periods. We continue our endeavor to add to our highest conviction ideas.

We were most active in adding to our EM consumer theme by initiating positions in **Wuliangye Yibin Co., Ltd.**, **Hindustan Unilever Limited** (HUL), and **Pernod Ricard SA**. Wuliangye is the second largest listed spirits company in China (by market cap) and among the largest in the world. The company's core product is baijiu, which is the national spirit of China and has been produced and consumed in the country for over 1,000 years. Wuliangye is one of only three nationally renowned baijiu brands of significant scale in the ultra-premium price tier (RMB 1,000 to 2,000/bottle), with approximately 60% market share of that segment. As a result of its scale and brand strength, its financial profile more closely resembles that of a luxury goods company than a beverage company, with gross margins exceeding 75%, operating margins exceeding 46%, and returns on incremental capital greater than 100%. The stock sold off last year as severe lockdowns soured investor sentiment on the outlook for high-end consumption in China. Those lockdowns also likely affected sales leading up to Chinese New Year, the peak season for high-end baijiu due to the prevalence of gift-giving and banqueting. Distributors and retailers likely have excess inventory coming out of the first quarter, which could lead to a potential destocking cycle this year. These are legitimate near-term headwinds for sales, but as the company steadily brings on capacity in the coming decade, we believe Wuliangye's earning power remains unchanged. We took advantage of the sell-off on near-term concerns to build a position.

HUL is the largest fast-moving consumer goods (FMCG) company in India. As a subsidiary of Unilever PLC, HUL leverages the parent's world-class trademarks, innovation, technology, and central services through a royalty agreement. This, in our view, is a key competitive advantage that enables the company to offer superior quality products at affordable prices, resulting in market share gains over the past several years. According to HUL, 9 out of 10 Indian households use at least one of its brands. The company is strategically over-indexed in rural markets, which makes us believe it could benefit disproportionately from rural demand recovery in the near to medium term. Over the long term, we believe HUL's wide range of product offerings and strong innovation capabilities positions it to benefit from several structural drivers, including rising FMCG penetration in India, increasing per capita spending, and premiumization trends. We expect HUL to sustain mid-teens earnings growth over the next three to five years, while continuing to gain share in various product categories.

Pernod is a France-based global spirits company whose brands include Jameson, Martell, Chivas, and Glenlivet, among many others. This is a company in which we've been investors in the Baron International Growth Fund for several years, so we've known and liked the business for a while. Premium spirits is an industry characterized by secular growth,

premiumization, and pricing power that drives high and rising returns on capital for superior brands. That pricing power is increasingly important in an environment of sticky global inflation. Although the business is listed in Europe, its primary growth drivers and differentiators are skewed to emerging markets, particularly Asia, which is expected to represent approximately two-thirds of global spirits industry growth in the coming decade. Pernod has the best and most profitable local premium whisky business in India, the #1 Cognac brand (Martell) in China, and a strong international whisky portfolio that should continue to participate in secular growth of western spirits across Asia. As competent brand owners/ incubators, we believe senior leaders can expand margins over the next three to five years and drive above-industry earnings growth.

During the quarter, we also increased exposure to our digitization theme by initiating a position in **Tata Consultancy Services Limited** (TCS), which is India's largest IT services company. In our view, TCS is uniquely positioned to benefit from structural growth opportunities arising from a multi-year cloud migration journey by global enterprises. Given its large scale and R&D capabilities, we believe TCS will continue to develop value-added software products and capture share from smaller players as customers increasingly consolidate their IT services vendor base. Backed by the renowned Tata Group, TCS enjoys best-in-class corporate governance and a strong leadership bench. In our view, TCS also stands out from the competition owing to its best-in-class employee retention metrics, which is one of the key drivers of its industry-leading profitability and return profile. We expect TCS to sustain low double-digit earnings growth over the next three to five years, and to consistently return at least 80% of profit to shareholders through dividends and share buybacks.

As part of our sustainability/ESG theme, we initiated positions in two leading Korean electric vehicle (EV) lithium-ion battery manufacturers, **Samsung SDI Co., Ltd.** and **LG Chem, Ltd.** Samsung SDI manufactures rechargeable batteries for EVs, Energy Storage Systems (ESS), and consumer electronics such as power tools. The company is well managed with a conservative cost structure and strong pricing power. Samsung SDI is also a global leader in the development of high energy density performance batteries including next generation, larger sized cylindrical batteries. The company protects its profitability and return on invested capital by signing multi-year supply agreements, allowing it to pass on raw material inflation and other external risks to OEM customers. As a result, Samsung SDI generates industry-leading margins and return metrics among battery cell manufacturers. We are bullish on growth for EV/ESS batteries over the next decade and expect large-scale battery demand to grow at a compounded annual rate of over 20%. We also expect Samsung SDI to gain market share both in the U.S. and Europe owing to investments in local EV battery plants, which will benefit from fiscal and regulatory support for domestic manufacturing under U.S. and European legislation. In our view, Samsung SDI will also gain from growing OLED panel sales of its sister entity, Samsung Display.

LG Chem is a global chemicals company and one of the largest producers of PVC and ABS petrochemicals in Korea. Over the past few years, the company has transformed its business into a leading manufacturer of EV batteries and advanced battery materials components. LG Chem is the parent company of LG Energy Solutions (LGES), the world's #1 EV/ESS battery manufacturer outside of China with strong pricing power and a diversified global customer base with leading OEMs such as Tesla. The company is currently trading at a meaningful discount to the sum-of-its-parts value. LG Chem's 82% stake in LGES alone is worth more than twice its current market cap with no value ascribed to its advanced materials or petrochemical segments. Even after applying a 50%-plus holdco discount to the value of its LGES stake, we see significant upside from strong growth and high margins in its advanced battery materials segment. LG Chem is a key supplier to LGES of mission critical battery materials, particularly high energy density cathodes. We are bullish on growth for EV/ ESS batteries over the next decade and expect industry demand to grow at over 20% annually over the next several years. The company, together with LGES, is investing in U.S. battery manufacturing facilities and should benefit from U.S. domestic production credits under the recently passed Inflation Reduction Act. We also expect LG Chem's market share to grow over time due to increased vertical integration within captive LGES' supply chain as well as third-party customer wins. The petrochemical segment, where product spreads are at cyclical lows, should also be less of a detractor to LG Chem's earnings going forward, in our view.

We added to several of our existing positions during the quarter, including **Samsung Electronics Co., Ltd.**, **Taiwan Semiconductor Manufacturing Company Limited**, **Coupang, Inc.**, **Alibaba Group Holding Limited**, **HDFC Bank Limited**, **Korea Shipbuilding & Offshore Engineering Co., Ltd.**, **Aarti Pharmalabs Limited**, **Tata Communications Limited**, and **Galaxy Entertainment Group Limited**.

During the quarter, we also exited several positions, the largest of which were **ICICI Bank Limited**, **Energy Absolute PCL**, **Beijing Oriental Yuhong Waterproof Technology Co., Ltd.**, **PT Merdeka Copper Gold Tbk**, and **Wuxi Biologics Cayman Inc.** In our endeavor to concentrate capital in holdings for which we have the highest conviction around their quality and return potential and eliminate lower conviction or smaller holdings over time, we also exited positions in **WuXi AppTec Co., Ltd.**, **Asian Paints Limited**, **Zhejiang Dingli Machinery Co., Ltd.**, **Han's Laser Technology Industry Group Co., Ltd.**, **Hua Hong Semiconductor Limited**, **China Conch Venture Holdings Ltd.**, and **ACM Research, Inc.**

Outlook

In our year-end 2022 letter, we surmised that U.S./global markets and economies were likely moving past peak hawkishness, but also entering an extended period of slowing growth and earnings vulnerability, while China stood out as the jurisdiction with the greatest likelihood of earnings recovery and outperformance. While we maintain this outlook, the first quarter was quite volatile with a series of twists and turns in expectations, sentiment, and market leadership. The quarter began much as 2022 ended: inflation expectations ebbing, downward pressure on bond yields and the U.S. dollar, and an ongoing recovery in global equities, led by EM/Asia. Then, in early February, resilient economic data coupled with a series of stubborn inflation readings reversed these trends, as bond yields and central bank rate hike expectations abruptly spiked; the U.S. 2-year Treasury yield briefly surpassed 5% for the first time in over 15 years, while the dollar rose and equities retreated, with EM/Asia more than fully reversing early gains. On March 9, everything changed again as this market-based interest rate repricing shifted the market's attention towards pressures in the banking sector, in particular SVB Financial Group's liquidity and solvency challenges, and then to the aggressive policy response addressing the risk of widespread deposit flight, which spread to several additional institutions including behemoth Credit Suisse.

Stepping back, we view the global banking sector crisis as confirmation that further material central bank tightening would be a policy error, as the scenario that has unfolded is an unintended and direct consequence of previous central bank behavior (both aggressive easing and tightening). We propose that central banks prioritize financial stability at times of crisis. In

this sense, we believe the episode also confirms our premise above – that we are passing peak hawkishness and that a dollar bear market and an EM/international equity relative bull market lie ahead. In recent weeks, investors appear to have embraced the administration of emergency liquidity measures as a bullish signal for equities, while the abrupt cooling of bond yields, a symptom of anticipated bank credit tightening, has also supported equity valuations. From current levels, the pricing-in of several rate cuts likely represents a near-term challenge for global equities. While such easing is likely what the Fed *should* do, we take the under, meaning that the Fed may be too patient with rate cuts, which will deepen or prolong a period of earnings vulnerability, particularly for U.S./global equities. For several international/EM jurisdictions that began a rate hike cycle well ahead of the U.S., and/or have also experienced a much less pronounced rise in inflation, we believe the confirmation of peak hawkishness may act as a signal that they can soon begin to ease as the tail risks of currency depreciation and inflation have ebbed, which would support outperformance.

China-related equities indeed began the year quite strong on enthusiasm over reopening and policy support, only to peak in late January and retrace most of their gains. While we believe some conflicting and volatile economic and consumption signals are to be expected given the abrupt end to zero-COVID policies, we remain encouraged on the margin in the near term and anticipate that a recovering revenue environment combined with a substantial shift towards cost and capital discipline over the past several quarters will lead to material earnings outperformance versus subdued expectations. India stood out during the quarter as one of the weakest performing equity markets, in part owing to its strong previous outperformance, but also due the allegations that emerged regarding aggressive practices by Adani Enterprises Limited and related companies, just in front of a high-profile and large equity offering. We continue to believe that India represents perhaps the most attractive long-term global investment jurisdiction, and after mean-reverting back to its long-term median relative valuation over the past two quarters, we remain enthusiastic regarding the potential of our many investments in this market. We believe the fundamental drivers of enhanced earnings momentum are already falling into place, including a global capital investment cycle related to deglobalization; supply-chain diversification; sustainability; energy, commodity, and agricultural security; India's productivity initiatives and virtuous investment cycle; and China's pivot to value-added economic activity. We expect that the reversal of the extended U.S. dollar bull market will prove stimulative to consumption, investment, and corporate earnings in foreign jurisdictions. We look forward to our next communication.

Thank you for investing in the Baron New Asia Fund.

Sincerely,

Michael Kass and Anuj Aggarwal
Portfolio Managers

Investors should consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The prospectus and summary prospectus contain this and other information about the Funds. You may obtain them from the Funds' distributor, Baron Capital, Inc., by calling 1-800-99BARON or visiting www.BaronFunds.com. Please read them carefully before investing.

Risks: Non-U.S. investments may involve additional risks to those inherent in U.S. investments, including exchange-rate fluctuations, political or economic instability, the imposition of exchange controls, expropriation, limited disclosure and illiquid markets. In addition, investments in developing countries may have increased risks due to a greater possibility of settlement delays; currency and capital controls; interest rate sensitivity; corruption and crime; exchange rate volatility; and inflation or deflation. Government actions, bureaucratic obstacles and inconsistent economic reform within the Indian government have had a significant effect on the Indian economy and could adversely affect market conditions, economic growth and the profitability of private enterprises in India. The Fund may not achieve its objectives. Portfolio holdings are subject to change. Current and future portfolio holdings are subject to risk.

The discussions of the companies herein are not intended as advice to any person regarding the advisability of investing in any particular security. The views expressed in this report reflect those of the respective portfolio manager only through the end of the period stated in this report. The portfolio manager's views are not intended as recommendations or investment advice to any person reading this report and are subject to change at any time based on market and other conditions and Baron has no obligation to update them.

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