March 31, 2018

Institutional Shares (BENIX)

Baron Energy and Resources Fund Fact Sheet

BAMCO, Inc., Registered Investment Adviser

BARON

The Fund may not achieve its objectives. Portfolio holdings may change over time.

The Fund's historical performance was impacted by gains from IPOs and/or secondary offerings, and there is no guarantee that these results can be repeated or that the Fund's level of participation in IPOs and secondary offerings will be the same in the future.

Definitions (provided by BAMCO, Inc.): The indexes are unmanaged. The **Standard & Poor's (S&P) North American Natural Resources Sector Index** is a modified capitalization-weighted equity index of U.S.- traded natural resources-related stocks, including mining, energy, paper and forest products, and plantation owning companies. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. The indexes and the Baron Energy and Resources Fund are with dividends, which positively impact the performance results. The **Lipper Global Natural Resources Category Average** is not weighted and represents the straight average of annualized returns of each of the funds in the category. The Fund has been included in the category since inception. Source: Lipper Analytical Services, Inc. **Standard Deviation (Std. Dev.):** measures the degree to which a fund's performance has varied from its average performance over a particular time period. The greater the standard deviation, the greater a fund's volatility (risk). **Sharpe Ratio:** is a risk-adjusted performance statistic that measures reward per unit of risk. The higher the Sharpe ratio, the better a fund's risk adjusted performance. **Alpha:** measures the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. **Beta:** measures a fund's sensitivity to market movements. The beta of the market is 1.00 by definition. **R-Squared:** measures how closely a fund's performance correlates to the performance of the benchmark index, and thus is a measurement of what portion of its performance can be explained by the performance of the index. Values for R-Squared range from 0 to 100, where 0 indicates no correlation and 100 indicates perfect correlation. **Tracking Error:** measures how closely a fund's return follows the benchmark index returns. It is calculated as the annualized standard deviation of the difference between the Fund and the index returns. **Information Ratio:** measures the excess return of a fund divided by the amount of risk the Fund takes relative to the benchmark index. The higher the information ratio, the higher the excess return expected of the Fund, given the amount of risk involved. **Upside Capture:** explains how well a fund performs in time periods where the benchmark's returns are greater than zero. **Downside Capture:** explains how well a fund performs in time periods where the benchmark's returns are less than zero. **Active Share:** a term used to describe the share of a portfolio's holdings that differ from that portfolio's benchmark index. It is calculated by comparing the weight of each holding in the Fund to that holding's weight in the benchmark. Positions with either a positive or negative weighting versus the benchmark have Active Share. An Active Share of 100% implies zero overlap with the benchmark. Active Share was introduced in 2006 in a study by Yale academics, M. Cremers and A. Petajisto, as a measure of active portfolio management. **EPS Growth Rate (3-5 year forecast):** indicates the long-term forecasted EPS growth of the companies in the portfolio, calculated using the weighted average of the available 3-to-5 year forecasted growth rates for each of the stocks in the portfolio provided by FactSet Estimates. The EPS Growth rate does not forecast the Fund's performance. **Price/ Earnings Ratio (trailing 12-months):** is a valuation ratio of a company's current share price compared to its actual earnings per share over the last twelve months. **Price/Book Ratio:** is a ratio used to compare a company's stock price to its tangible assets, and it is calculated by dividing the current closing price of the stock by the latest quarter's book value per share. **Price/Sales Ratio:** is a valuation ratio of a stock's price relative to its past performance. It represents the amount an investor is willing to pay for a dollar generated from a particular company's operations. Price/Sales is calculated by dividing a stock's current price by its revenue per share for the last 12 months. Historical portfolio characteristics are provided by Compustat and FactSet Fundamentals. **Weighted Harmonic Average:** is a calculation that reduces the impact of extreme observations on the aggregate calculation by weighting them based on their size in the fund.

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Baron Energy and Resources Fund Institutional Shares (BENIX)

March 31, 2018

Portfolio Facts and Characteristics

	Fund	S&P North American Natural Resources Sector Index
# of Equity Securities / % of Net Assets	33/99.7%	-
Turnover (3 Year Average)	37.91%	-
Active Share (%)	86.3	0
Median Market Cap†	$5.90 billion	$5.61 billion
Weighted Average Market Cap†	$13.97 billion	$66.75 billion
EPS Growth (3-5 year forecast)†	24.1%	17.8%
Price/Earnings Ratio (trailing 12-month)*†	18.5	15.9
Price/Book Ratio*†	1.8	1.7
Price/Sales Ratio*†	1.8	1.5

* Weighted Harmonic Average
† Source: FactSet PA – Compustat, FactSet and BAMCO. Internal valuations metrics may differ.
R6 Shares are also available for this Fund.

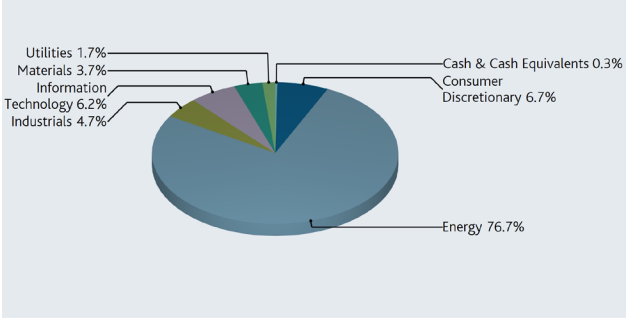
Performance Based Characteristics[2]

	3 Years	5 Years	Since Inception
Std. Dev. (%) - Annualized	23.63	21.53	20.40
Sharpe Ratio	-0.37	-0.25	-0.17
Alpha (%) - Annualized	-6.17	-2.88	-2.94
Beta	1.07	1.08	1.04
R-Squared (%)	82.33	83.45	81.89
Tracking Error (%)	10.04	8.88	8.71
Information Ratio	-0.68	-0.39	-0.39
Upside Capture (%)	98.05	105.43	97.78
Downside Capture (%)	123.63	118.39	111.34

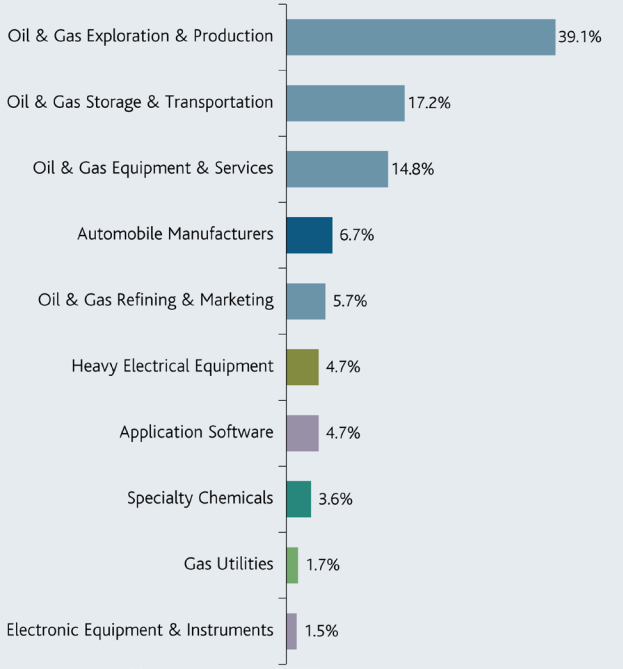
Top 10 Holdings

Top 10 Holdings	% of Net Assets
RSP Permian, Inc.	8.5
Concho Resources, Inc.	7.5
Parsley Energy, Inc.	7.4
Tesla, Inc.	6.7
Encana Corp.	5.8
Golar LNG Ltd.	5.0
Aspen Technology, Inc.	4.7
Halliburton Co.	4.1
Flotek Industries, Inc.	3.6
Andeavor	3.6
Total	**56.9**

GICS Sector Breakdown[1]



GICS Sub-Industry Breakdown[1]



Colors of Sub-Industry bars correspond to sector chart above.

Energy companies can be affected by fluctuations in energy prices and supply and demand of energy fuels. Resources industries can be affected by international political and economic developments, the success of exploration projects, and meteorological events.

Investment Strategy

The Fund invests mainly in energy and resource companies of any market capitalization. Diversified.

Portfolio Manager

Jamie Stone joined Baron in 2009 as a research analyst and has 30 years of research experience. From 2007 to 2009, Jamie worked at Cambridge Investments as a principal and director of research. From 2000 to 2007, Jamie worked at UBS Securities as a managing director and senior analyst. From 1993 to 2000, Jamie worked at Schroder & Co. as a senior research analyst and was named managing director in 1998. From 1988 to 1993, Jamie worked at Kidder, Peabody & Co. as a senior research analyst. Jamie graduated from the University of Michigan with a B.A. in English Literature in 1987.

Investment Principles

- Long-term perspective allows us to think like an owner of a business
- Independent and exhaustive research is essential to understanding the long-term fundamental growth prospects of a business
- We seek appropriately capitalized open-ended growth opportunities, exceptional leadership, and sustainable competitive advantages
- Purchase price and risk management are integral to our investment process

Fund Facts

Inception Date	December 30, 2011
Net Assets	$55.77 million
Institutional Shares	
CUSIP	06828M850
Gross Expense Ratio (as of FYE 12/16)	1.46%
Less: Reimbursement of Expenses by Adviser (as of FYE 12/16)	(0.36)%
Net Expense Ratio (as of FYE 12/16)	1.10%

1 - Industry sector or sub-industry group levels are provided from the Global Industry Classification Standard ("GICS"), developed and exclusively owned by MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"). All GICS data is provided "as is" with no warranties. The Adviser may have reclassified/classified certain securities in or out of a sub-industry. Such reclassifications are not supported by S&P or MSCI.
2 - Source: FactSet SPAR. Except for Standard Deviation and Sharpe Ratio, the performance based characteristics above were calculated relative to the Fund's benchmark.

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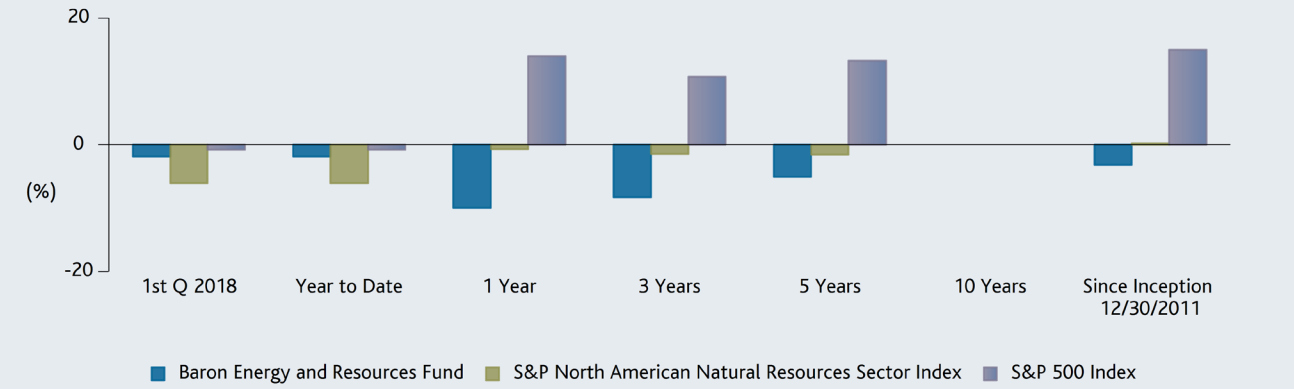
Baron Energy and Resources Fund Institutional Shares (BENIX)

March 31, 2018

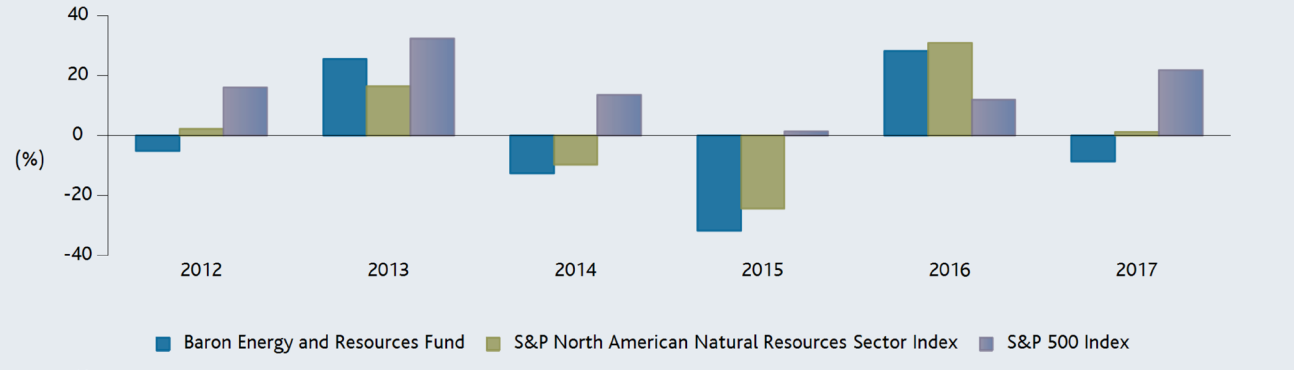
Performance as of March 31, 2018



	Total Returns(%)				Annualized Returns(%)									
	1st Q 2018		Year to Date		1 Year		3 Years		5 Years		10 Years		Since Inception 12/30/2011	
	Return	+ −	Return	+ −	Return	+ −	Return	+ −	Return	+ −	Return	+ −	Return	+ −
BENIX - Institutional Shares	-1.81		-1.81		-9.93		-8.26		-5.04		N/A		-3.17	
S&P North American Natural Resources Sector Index	-6.04	4.23	-6.04	4.23	-0.66	-9.27	-1.45	-6.81	-1.56	-3.48	N/A		0.20	-3.37
S&P 500 Index	-0.76	-1.05	-0.76	-1.05	13.99	-23.92	10.78	-19.04	13.31	-18.35	N/A		15.01	-18.18
Lipper Global Natural Resources Category Average	-4.13	2.32	-4.13	2.32	4.72	-14.65	-0.32	-7.94	-1.31	-3.73	N/A		-0.29	-2.88

The blue shading represents Fund outperformance vs. the corresponding benchmark. The yellow shading represents underperformance.

Historical Performance(Calendar Year %)



	2012	2013	2014	2015	2016	2017
BENIX - Institutional Shares	-5.20	25.63	-12.59	-31.73	28.31	-8.68
S&P North American Natural Resources Sector Index	2.20	16.49	-9.77	-24.28	30.87	1.23
S&P 500 Index	16.00	32.39	13.69	1.38	11.96	21.83

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 has reimbursed certain Fund expenses (by contract as long as BAMCO, Inc. is the adviser to the Fund) 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.

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

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Baron Energy and Resources Fund Institutional Shares (BENIX)

March 31, 2018

Review and Outlook

After a very benign period of low volatility and rising stock prices in 2017, volatility made a comeback in the broader market amid a series of politically and economically driven concerns. As energy investors, we are no stranger to volatility, as it has felt like the normal condition for us for the last several years. Therefore, the volatility in the quarter did not cause us to make any meaningful changes to our positioning and enabled us to stay the course in an attempt to capture the potential upside that we believe is justified by improving industry and corporate fundamentals yet to be reflected in stock prices.

Energy equities once again trailed the gains in oil prices, the improvement in industry cash flows, and the rise in the rig count/well count and oil and gas production. We believe that the lagged performance of equities over the past six months is reflective of investor skepticism towards the energy industry following the severity of the most recent downturn and the challenges that this industry faced during the recession. However, we also believe that investors in both the commodities and the equities are underappreciating the potential upside and the duration of the current industry upcycle.

We remain positive on the outlook for the oil market, as our modeling continues to indicate the market is undersupplied. Given the continued strong growth in the global economy, we believe agency forecasters understate oil demand growth. Several political/geopolitical items could also impact energy and resources markets in the next several months. On the supply side, ongoing developments could result in a potential decline in oil production in countries including Iran, Saudi Arabia, and Venezuela. We will also be closely watching the upcoming OPEC meeting in June for signs as to how and/or when OPEC and its allies like Russia may begin to unwind oil production cuts. On the demand side, any continued escalation of trade tensions, particularly between the U.S. and China, could potentially cut into demand growth.

We view the growing disparity between the fundamentals that typically drive equity prices and actual prices as an investment opportunity, and we remain convinced that the improvement in underlying industry fundamentals, such as improved oil supply/demand balances, falling inventories, strong natural gas demand, rising U.S. drilling/completion activity, solid production growth, and disciplined yet growing capital spending are all conditions that should enable companies to post improved earnings, cash flows and returns. Historically, these conditions are positively correlated to equity prices, and while this has not been the case for much of the past 6 to 12 months, it does not mean it will not be in the coming months/quarters. We believe Baron Energy and Resources Fund is well positioned to capture this opportunity.

Top Contributors/Detractors to Performance for the Quarter Ended March 31, 2018

Contributors

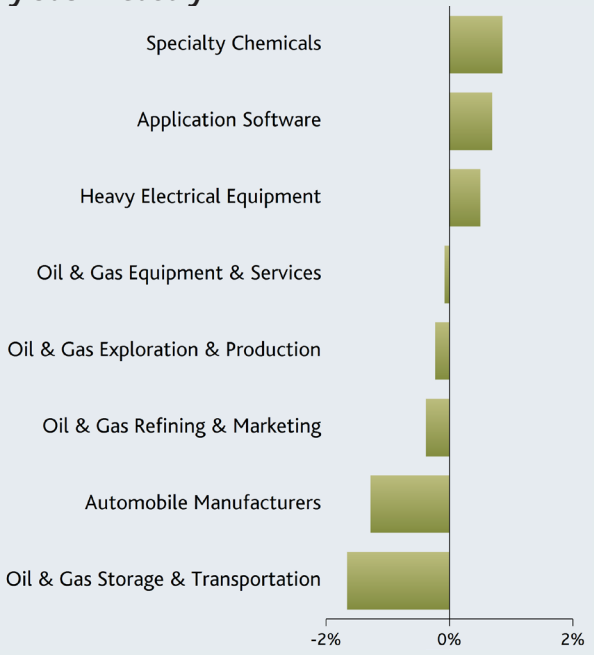
- **RSP Permian, Inc.** is an energy exploration and production company focused on the Permian Basin. Shares appreciated in Q1 after Concho Resources announced it would acquire RSP at a 29% premium to prior date close. We like the merger, which we believe offers industry-leading production growth and exposure to the best acreage in the Delaware and Midland sub-basins. Concho should benefit from the integration as well as improvements in operating results and the ability to generate high double-digit production growth, in our view. We expect shares to rise as the company continues executing operationally on its acreage.
- **Cactus, Inc.** is a manufacturer of wellhead systems, valves, and flow control equipment. Shares appreciated following its successful IPO early in Q1. Cactus has an experienced management team that has sold two wellhead companies to large oil field services equipment providers, and has 27% market share in the U.S. onshore production wellhead equipment market since it was founded in 2011. We expect Cactus to maintain its leadership position in the production wellhead segment and grow its market share in the completion equipment segment while generating significant free cash flow.
- **Flotek Industries, Inc.** is a supplier of additives to the oil & gas industry with a product called "complex nano-fluid" (CnF) that increases shale well productivity. Shares rallied in Q1 due to margins that beat Street expectations, cost reduction efforts, and third-party analysis highlighting strong uplift in Permian wells using CnF. We believe revenues and volumes should surpass industry levels as customers seek to optimize production. We expect the company to benefit from increased drilling, higher customer penetration, and increased average CnF loadings per well.

Detractors

- **Tesla, Inc.** makes electric vehicles, solar products, and energy storage solutions. Shares declined on a series of events, including the Model 3 ramp-up that was slower than market expectations, a government investigation into a fatal Model X accident, a Moody's downgrade of Tesla's bond rating, and a recall of more than 100,000 Model S vehicles. Though they impacted short-term results, we maintain our long-term investment thesis on Tesla based on its potential to disrupt multiple large markets.
- **Encana Corp.** is an exploration and production company operating in Western Canada and Texas. Shares fell on production guidance that missed Street expectations. Encana has largely hedged out of the commodity risk in Alberta, but we believe weakness in natural gas prices there also contributed to the stock's decline. However, Encana has strong positions in the Permian and Eagle Ford basins, as well as two basins in Western Canada. We believe investors underappreciate Encana's attractive valuation and long-term growth potential, particularly in the Permian and Montney basins.
- **Andeavor** is a U.S. refining & marketing company that recently acquired rival Western Refining. Shares declined after Andeavor missed Q4 estimates and issued Q1 guidance that fell short of Street expectations. We view Andeavor's issues as transitory, as it still has access to low cost crude through its refiners and midstream projects, and we see value in its non-refining segments. We expect shares to rise as it realizes synergies and unlocks value in its logistics MLPs. Andeavor continues to return cash to shareholders, and we believe it currently trades at a discount.

Contribution to Return[1]

By Sub-Industry



By Holdings

Top Contributors	Average Weight(%)	Contribution(%)
RSP Permian, Inc.	7.33	1.30
Cactus, Inc.	1.81	1.02
Flotek Industries, Inc.	3.41	0.86
Aspen Technology, Inc.	4.44	0.69
TPI Composites, Inc.	2.95	0.32

Top Detractors	Average Weight(%)	Contribution(%)
Tesla, Inc.	8.15	-1.28
Encana Corp.	6.18	-1.14
Andeavor	3.61	-0.43
Energy Transfer Equity, L.P.	2.44	-0.41
U.S. Silica Holdings, Inc.	1.68	-0.38

1 - Source: FactSet PA.

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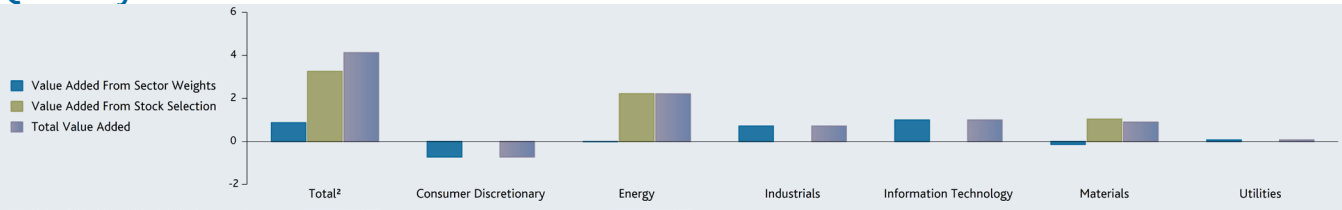
Baron Energy and Resources Fund Institutional Shares (BENIX)

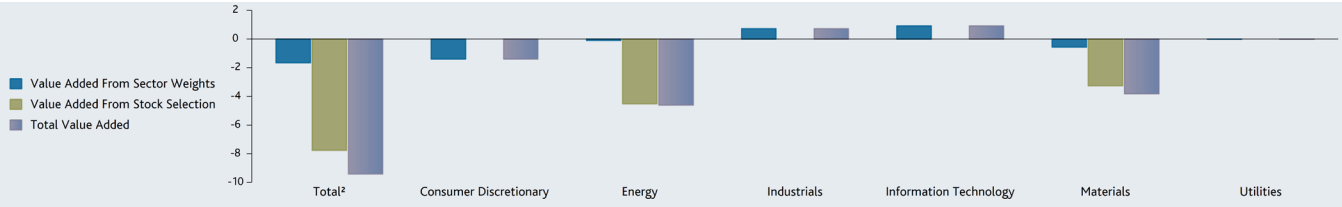
March 31, 2018

Quarterly Performance Attribution[1]



Sector Average Weights(%)	Consumer Discretionary	Energy	Industrials	Information Technology	Materials	Utilities
Baron Energy and Resources Fund	8.15	75.22	4.24	5.96	3.41	1.73
S&P North American Natural Resources Sector Index	-	81.28	-	-	18.72	-
Over/Underweight	8.15	-6.06	4.24	5.96	-15.31	1.73
Total Return(%)						
Baron Energy and Resources Fund	-14.52	-3.67	11.52	12.97	31.02	-0.24
S&P North American Natural Resources Sector Index	-	-6.22	-	-	-5.23	-
Relative Return	-14.52	2.55	11.52	12.97	36.25	-0.24

One-Year Performance Attribution[1]



Sector Average Weights(%)	Consumer Discretionary	Energy	Industrials	Information Technology	Materials	Utilities
Baron Energy and Resources Fund	7.38	78.50	2.71	4.70	3.78	1.72
S&P North American Natural Resources Sector Index	-	81.39	-	-	18.61	-
Over/Underweight	7.38	-2.88	2.71	4.70	-14.83	1.72
Total Return(%)						
Baron Energy and Resources Fund	-4.37	-7.18	45.24	19.14	-49.71	4.36
S&P North American Natural Resources Sector Index	-	-2.01	-	-	5.89	-
Relative Return	-4.37	-5.17	45.24	19.14	-55.61	4.36

Return calculations for the Portfolio are transaction based and are calculated from the underlying security-level data; they may not correspond with published performance information based on NAV per share.

1 - Attribution analysis for other periods or versus another index will be provided upon request. Source: FactSet PA.

2 - Fund total returns include cash, fees and unassigned securities.

When reviewing performance attribution on our portfolio, please be aware that we construct the portfolio from the bottom up, one stock at a time. Each stock is included in the portfolio if it meets our rigorous investment criteria. To help manage risk, we are aware of our sector and security weights, but we do not include a holding to achieve a target sector allocation or to approximate an index. Our exposure to any given sector is purely a result of our stock selection process.

Quarterly Analysis

Baron Energy and Resources Fund fell 1.81% in the first quarter, yet outperformed the S&P North American Natural Resources Sector Index by 423 basis points primarily due to stock selection.

Energy, Renewable Energy, and Materials investments contributed the most to relative results. Strength in Energy was mostly attributable to the outperformance of recent IPO Cactus, Inc. and oil & gas exploration & production holdings, led by RSP Permian, Inc. and Parsley Energy, Inc. RSP and Cactus were the two largest contributors on an absolute basis, while shares of Permian Basin-focused E&P company Parsley outperformed after beating analyst estimates on lower cash costs and delivering a solid operations update. In addition, outperformance of oil & gas storage & transportation holdings, led by Sanchez Midstream Partners LP and MPLX LP, and lack of exposure to lagging integrated oil & gas stocks added value. Renewable Energy investments, which are concentrated in the Utilities, Information Technology, Consumer Discretionary, and Industrials sectors, outperformed in the quarter, led by Aspen Technology, Inc., TPI Composites, Inc., and Siemens Gamesa Renewable Energy, S.A. Shares of Aspen, a leader in optimization software for the process industries, rallied on strong financial results and growing optimism surrounding new products and partnerships. Shares of wind blade manufacturer TPI rebounded after reporting in-line earnings and 2018 guidance. The company also announced an agreement with Navistar and a supply agreement with Vestas for four new lines in China. Shares of Spanish turbine maker Siemens Gamesa outperformed in reaction to a positive analyst day in February where management reiterated that their turnaround plan was on track and shared that wind turbine prices were stabilizing after a difficult 2017. Share price gains from these Renewable Energy holdings helped outweigh the underperformance of electric vehicle manufacturer Tesla, Inc. The only holding in Materials, specialty chemicals supplier Flotek Industries, Inc., lifted relative results. The company was the third largest contributor to absolute performance.

Besides Tesla in Consumer Discretionary, no sectors detracted from relative results in the quarter.

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Top 10 Holdings as of March 31, 2018

Company	Investment Premise
RSP Permian, Inc. (RSPP) is an independent exploration and production company with 92,000 net acres in the core of the Permian Basin in West Texas. The company was formed in 2010, and its properties are largely in the Midland and Delaware sub-areas of the greater Permian.	Concho Resources recently announced the acquisition of RSP Permian. We think the combined entity will offer industry-leading production growth and exposure to some of the best acreage in the Delaware and Midland sub-basins. RSP Permian should benefit from ongoing improvements in operating results, coupled with lower costs and the ability to generate high double-digit production growth. Its acreage is largely in the core of the basin, where multi-zone development potential is greatest and where the most productive wells are likely to be drilled.
Concho Resources, Inc. (CXO) is an independent oil and natural gas company engaged in the acquisition, development, exploitation, and exploration of properties focused on the Permian basin in West Texas and New Mexico.	Concho Resources recently announced its acquisition of RSP Permian. The combined entity could offer industry-leading production growth and exposure to some of the best acreage in Texas and New Mexico, in our view. Concho should benefit from scale and synergies resulting from the deal, in addition to its own ongoing improvements in operating results and the ability to generate high double-digit production growth. Its acreage is largely in the core of the basin, where multi-zone development potential is greatest and where the most productive wells are likely to be drilled.
Parsley Energy, Inc. (PE) is an independent oil & gas exploration & production company that owns and operates 227,000 net acres in the Permian Basin in West Texas. Parsley was founded in 2008, and its properties are largely in the Midland and Delaware sub-areas of the greater Permian.	Much of Parsley's acreage is in areas we consider highly economical for horizontal well development across multiple geological horizons. The company has grown rapidly in the last several years, and should, in our view, continue to grow its production and cash flows as it focuses on drilling its deep, 30-plus year inventory of horizontal well locations.
Tesla, Inc. (TSLA) manufactures purely electric automobiles, energy storage, and solar solutions. It offers a sedan (Model S), a CUV (Model X), and battery-based energy storage. Tesla is now producing and delivering its highly anticipated lower cost vehicle, Model 3, with a base price of $35,000.	In our view, Tesla could continue to grow its business rapidly at least through 2020. We believe its strong engineer talent pool, first mover advantage, scale with its existing facilities, $5 billion Giga battery plant, solar activity, and recognized brand could potentially result in a market capitalization of $100 billion in five years and more thereafter. We find the more than 450,000 preorders for its new Model 3 to be a testament to the strong brand Tesla has built in its short existence.
Encana Corp (ECA) is a leading Canadian exploration and production (E&P) company with main operations in the Montney and Duvernay basins in Western Canada as well as the Permian and Eagle Ford basins in Texas.	Following a management transition, Encana has been restructuring over the past several years. It now has strong positions in two of the more attractive oil resource plays in the Permian and Eagle Ford basins and two of the lowest-cost liquids-rich natural gas resource basins in Western Canada. In our opinion, Encana is one of the most attractively valued E&Ps, and we believe investors still under appreciate the company's long-term growth and returns potential, particularly in the Permian and the Montney plays.

Company	Investment Premise
Golar LNG Ltd. (GLNG) is engaged in transportation and regasification of Liquefied Natural Gas (LNG). Golar owns and operates a fleet of LNG vessels and floating regasification units and is developing floating liquefaction units.	While delays in LNG supply additions and low oil prices have put pressure on LNG transportation rates, we believe over the next five to ten years LNG demand will increase and stabilize rates. In addition, Golar has opportunities to convert some of its old vessels into floating liquefaction units at potentially attractive returns. We believe Golar is trading below its asset value and can create significant equity value and capture a larger portion of the LNG supply chain over time with its floating LNG projects in Cameroon, Gulf of Mexico, and other areas around the globe.
Aspen Technology, Inc. (AZPN) sells a suite of optimization software for companies in the process industries. Its software improves competitiveness and profitability by increasing throughput and productivity, reducing operating costs, enhancing capital efficiency, and decreasing working capital requirements.	We believe Aspen is a high quality business with a long runway for 10% organic growth. The company has greater than 90% recurring revenue, best-in-class retention rates, margins in the high-40%s and expanding toward 50%, and outstanding free cash flow generation that we think it will likely use for repurchases and bolt-on M&A.
Halliburton Co. (HAL) is a leading provider of oilfield services and equipment to the global energy industry.	We think Halliburton has a well-thought-out growth strategy that includes leveraging its industry-leading position in unconventional resource development, growth from servicing mature fields, and expanding expertise in deepwater field development. While markets continue to be challenged by low oil prices, we expect its business to grow as the industry stabilizes and recovers. We think future capital needs will be modest, yielding an increase in free cash flow.
Flotek Industries, Inc. (FTK) is a diversified global supplier of drilling and production-related products and services. The company's strategic focus includes oilfield specialty chemicals and logistics, down-hole drilling tools, and down-hole production tools used in the energy and mining industries.	Flotek's unique technology uses citrus oil-based products to replace hydrocarbon-based chemical additives in drilling and well completion fluids. The company's technology is used to increase recoverable reserves from unconventional (shale) oil and gas wells in North America but has applications in other parts of the world. Its technology also offers important environmental benefits that could contribute to additional growth. We think the company should significantly outgrow the industry in the next several years and could also be an M&A target.
Andeavor (ANDV) engages in the refining and marketing of petroleum products. It operates through three segments: Refining, Marketing, and Andeavor Logistics, of which it owns the GP and 36% of LP interests. The company recently closed the acquisition of rival Western Refining in a $6.4 billion deal.	Andeavor has access to Permian crude through its refiners and midstream projects to supply west coast refineries with advantageous crude cost. We see underappreciated value of non-refining segments particularly midstream and retail. We expect shares to outperform as the company realizes the value of synergies from recent acquisitions and unlocks the value of its logistics MLPs. Andeavor continues to return cash to shareholders and still sells at a discount to our sum-of-the-parts valuations.

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