

June 30, 2017
Institutional Shares (BEXIX)

Baron Emerging Markets Fund Fact Sheet

BAMCO, Inc., Registered Investment Adviser



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.

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

Definitions (provided by BAMCO, Inc.): The **MSCI EM (Emerging Markets) IMI Growth Index Net USD** is a free float-adjusted market capitalization index designed to measure equity market performance of large, mid and small-cap securities exhibiting overall growth characteristics across 23 Emerging Markets countries. **MSCI EM (Emerging Markets) Index Net USD** is designed to measure equity market performance of large and mid-cap securities across 23 Emerging Markets countries. The indexes and the Fund include reinvestment of dividends, net of withholding taxes, which positively impact the performance results. The **Morningstar US Fund Diversified Emerging Mkts Average** is not weighted and represents the straight average of annualized returns of each of the funds in the Diversified Emerging Markets category. The Fund has been included in the category since inception. As of 6/30/2017, the category consisted of 865, 852, 814, 634, and 436 funds for the 3-month, year-to-date, 1-, 3- and 5-year periods. © 2017 Morningstar, Inc. All Rights Reserved. The Morningstar information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **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. **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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Not bank guaranteed, may lose value, not FDIC insured.



Portfolio Facts and Characteristics

	Fund	MSCI EM IMI Growth Index
# of Equity Securities / % of Net Assets	96 / 91.1%	-
Turnover (3 Year Average)	27.74%	-
Median Market Cap†	\$8.55 billion	\$1.00 billion
Weighted Average Market Cap†	\$55.48 billion	\$85.82 billion
EPS Growth (3-5 year forecast)†	17.0%	21.1%
Price/Earnings Ratio (trailing 12-month)*†	19.8	19.8
Price/Book Ratio*†	2.6	2.8
Price/Sales Ratio*†	2.1	1.9

* 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 Characteristics²

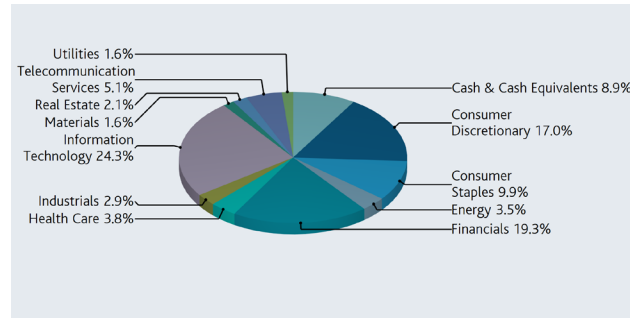
	3 Years	5 Years	Since Inception
Std. Dev. (%) - Annualized	12.87	12.48	14.46
Sharpe Ratio	0.15	0.70	0.33
Alpha (%) - Annualized	-0.16	3.82	3.35
Beta	0.82	0.84	0.80
R-Squared (%)	89.85	82.79	85.97
Tracking Error (%)	4.92	5.62	6.40
Information Ratio	-0.12	0.54	0.49
Upside Capture (%)	79.38	93.79	88.28
Downside Capture (%)	80.03	73.94	73.41

Top 10 Holdings

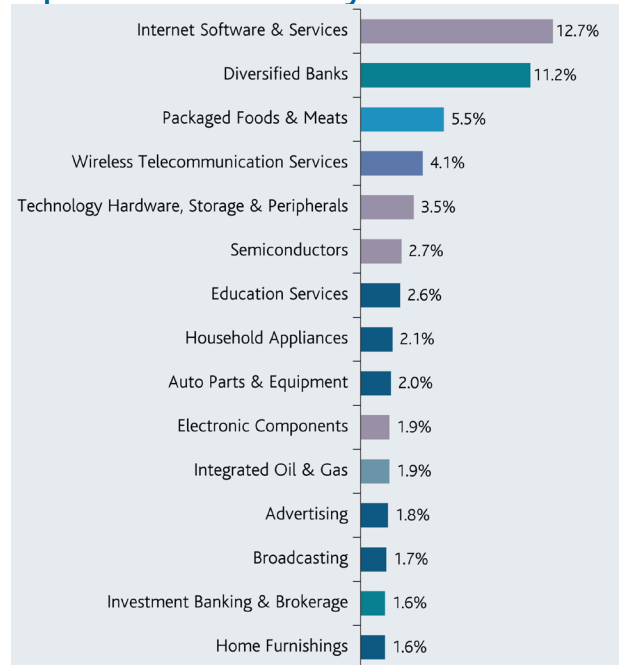
% of Net Assets

Alibaba Group Holding Limited	4.3
Tencent Holdings, Ltd.	3.4
Samsung Electronics Co., Ltd.	2.3
Taiwan Semiconductor Manufacturing Company Ltd.	1.9
WH Group Limited	1.8
KB Financial Group Inc.	1.8
TAL Education Group	1.6
Baidu, Inc.	1.6
Copa Holdings, S.A.	1.5
Maruti Suzuki India Ltd.	1.5
Total	21.7

GICS Sector Breakdown¹



Top 15 GICS Sub-Industry Breakdown¹



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

Investment Strategy

The Fund invests primarily in emerging market companies of all sizes with significant growth potential. The Fund may invest up to 20% in companies in developed and frontier countries. Diversified.

Portfolio Manager

Michael Kass joined Baron in 2007 and has 30 years of research experience. From 2003 to 2007, he was a managing principal of Artemis Advisors, which acquired the Artemis Funds, a long-short equity strategy he co-founded in 1998. From 1993 to 2003, he worked at ING as a director of proprietary trading and was named senior managing director and portfolio manager in 1996. From 1989 to 1993, he worked at Lazard Frères in investment banking. From 1987 to 1989, Michael was an analyst at Bear Stearns. Michael graduated summa cum laude from Tulane University with a B.A. in Economics 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 31, 2010
Net Assets	\$3.62 billion
Expense Ratio (As of FYE 12/16)	1.13%

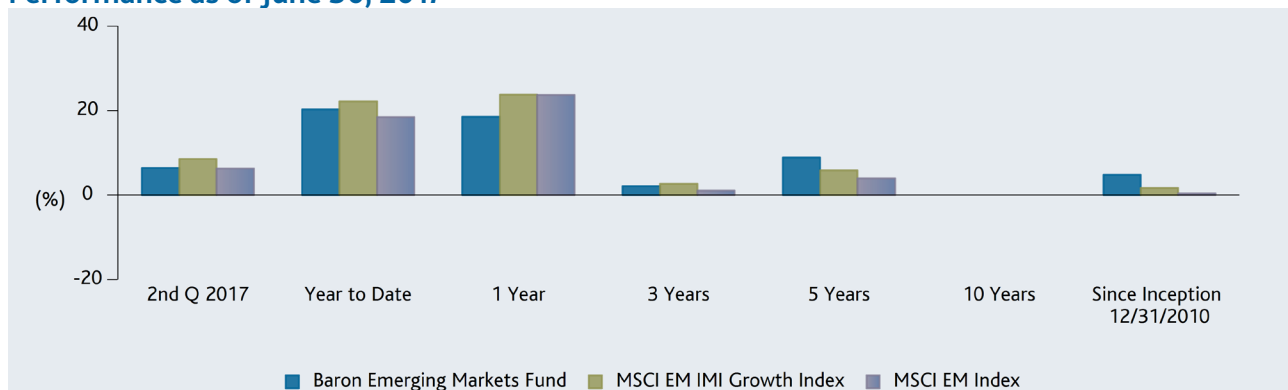
In addition to the general stock market risk that securities may fluctuate in value, investments in developing countries may have increased risks due to a greater possibility of: settlement delays; currency and capital controls; interest rate sensitivity; corruption and crime; exchange rate volatility; and inflation or deflation. The Fund invests in companies of all sizes, including small and medium sized companies whose securities may be thinly traded and more difficult to sell during market downturns.

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.



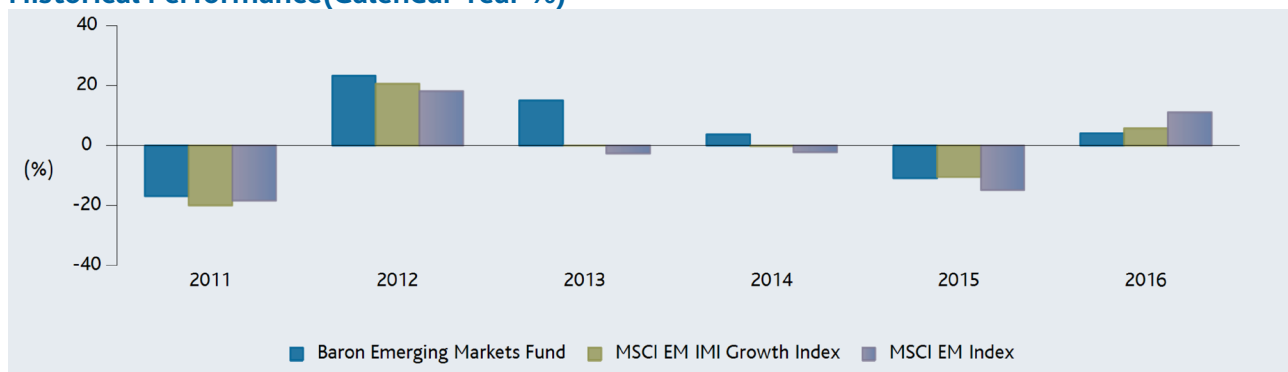
Performance as of June 30, 2017



	Total Returns(%)				Annualized Returns(%)											
	2nd Q 2017		Year to Date		1 Year		3 Years		5 Years		10 Years		Since Inception 12/31/2010			
	Return	+ -	Return	+ -	Return	+ -	Return	+ -	Return	+ -	Return	+ -	Return	+ -		
BEXIX - Institutional Shares	6.45		20.31		18.50		2.16		8.91		N/A		4.85			
MSCI EM IMI Growth Index	8.55	-2.10	22.18	-1.87	23.82	-5.32	2.74	-0.58	5.89	3.02	N/A		1.71	3.14		
MSCI EM Index	6.27	0.18	18.43	1.88	23.75	-5.25	1.07	1.09	3.96	4.95	N/A		0.45	4.40		
Morningstar Div. EM Cat. Avg.	5.87	0.58	18.14	2.17	20.48	-1.98	0.48	1.68	4.07	4.84	N/A		N/A			

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

Historical Performance(Calendar Year %)

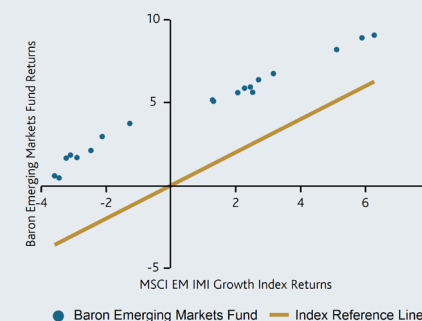


	2011	2012	2013	2014	2015	2016
BEXIX - Institutional Shares	-17.00	23.22	15.02	3.75	-10.97	4.08
MSCI EM IMI Growth Index	-20.04	20.72	0.10	-0.15	-10.51	5.84
MSCI EM Index	-18.42	18.22	-2.60	-2.19	-14.92	11.19

Country Breakdown

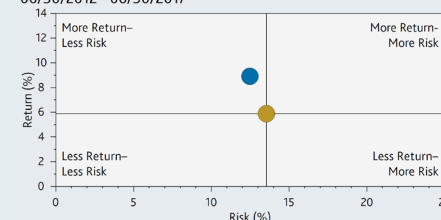
	% of Net Assets		% of Net Assets
Developing	84.8	Developing (Cont'd)	
China	26.7	Panama	1.5
India	15.7	Malaysia	1.0
Taiwan	8.4	Thailand	0.7
Korea	7.8	Developed	3.7
Mexico	4.8	Hong Kong	1.7
Brazil	4.3	Singapore	1.2
South Africa	4.2	United Kingdom	0.5
Russia	3.0	United States	0.3
Indonesia	2.6	Frontier	2.6
Philippines	2.3	Argentina	2.4
Chile	1.8	Nigeria	0.2

BEXIX has outperformed the MSCI EM IMI Growth Index 100% of the time (since its inception and using rolling 5-year annualized returns).



Risk/Return Comparison¹

06/30/2012 - 06/30/2017



● Baron Emerging Markets Fund - I
● MSCI EM IMI Growth Index

1 - Source: FactSet SPAR.



Review and Outlook

In the second quarter of 2017, emerging market and global equities extended the solid gains of the first quarter, leading to strong first half returns. We believe EM equities are likely to remain in a “sweet spot” for the time being for a number of reasons. First, global growth and trade remain steady on a coincident basis. Second, the Trump administration has maintained a largely moderate position on the economic and trade issues that would most likely threaten emerging market economies and earnings growth, in clear differentiation from candidate Trump’s rhetoric on the campaign trail last year. In addition, Chinese economic growth and its currency remain quite stable, all the more impressive in the context of recently slowing credit growth, a clampdown on financial speculation, and various additional tightening measures. In short, the cyclical earnings recovery that we began to anticipate over a year ago continues to evolve, while there are few signs of material threats on the current horizon. Of course, we continue to monitor the tightening cycles underway in the U.S. and China for signs that the global economy and corporate earnings may become more vulnerable, though again we see scant evidence thus far.

During the quarter, we initiated several positions as additions to existing themes. Midea Group Co. Ltd., our second China A Share investment, is a manufacturer of consumer goods and appliances that is rapidly expanding in the robotics and automation arena, largely as a result of the recent acquisition of Kuka AG, a leading industry player based in Germany. Midea, a best in class managed company which has achieved impressive productivity and market share gains in recent years, plans to further automate its own production while also marketing Kuka’s products and expertise throughout China. We also added to our Argentina reform theme through an investment in Banco Macro SA, a top performing bank which plans to further consolidate the local market given its strong capital position relative to smaller competitors. Finally, we established a new concentration related to our India reform theme in the wealth management sector. We believe that companies in wealth/asset management and insurance, such as Edelweiss Financial Services Limited, JM Financial Limited and Max Financial Services Limited, all of which we have recently invested in, stand to benefit greatly from what we believe will be a sustained financialization of wealth and savings as a direct result of last November’s demonetization policy. We applaud demonetization and believe it sends a signal that tax non-compliance is no longer an option, and as a result, the vast portion of Indian wealth and savings which has historically remained parked in cash or gold will now likely be recycled through the formal financial system into productive investments.

Top Contributors/Detractors to Performance for the Quarter Ended June 30, 2017

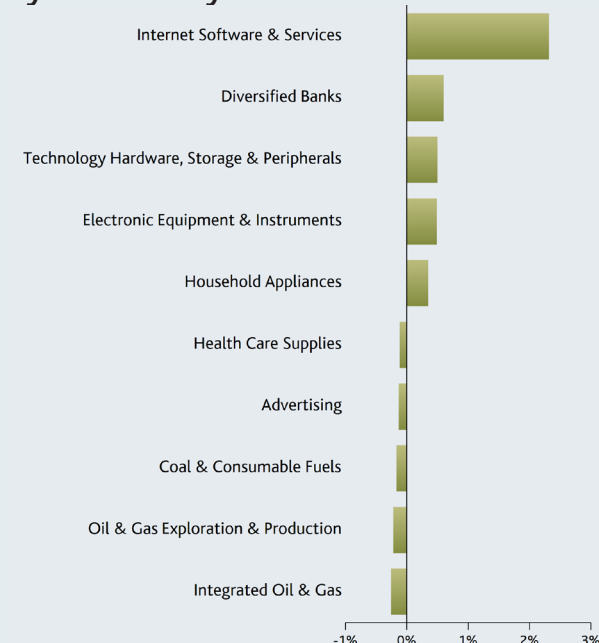
Contributors

- Shares of **Alibaba Group Holding Limited**, the largest e-commerce company in China, were up after the company raised its growth outlook. Alibaba owns and operates the two largest Chinese online shopping platforms and has a share in the profits of Ant Financial, which owns China’s largest third-party online payment vendor Alipay. The company benefits from strong mobile and advertising growth, which drives upside beyond core e-commerce. We expect mobile growth to continue, while the company also invests in new growth areas such as groceries, logistics, and cloud computing.
- **Tencent Holdings, Ltd.** is one of the two largest internet-related companies in China. The company operates the country’s leading social network and messaging platform (QQ and WeChat), largest online entertainment and media business, and largest online PC and mobile gaming business. Shares were up on the back of strong fundamentals in its gaming and advertising businesses. We estimate Tencent will grow each of its large business segments for years to come given its track record of execution, its unique online intellectual property and assets, and its scale.
- Shares of **Hangzhou Hikvision Digital Technology Co., Ltd.**, the world’s largest security surveillance tool manufacturer, increased meaningfully during the quarter. The stock rally was fueled by the solid execution of the company’s surveillance business, in which it retains market leadership. We believe Hikvision will also benefit from its new sensing technology business, which could grow from increasing automation in smart factories and manufacturing.

Detractors

- Shares of **Coal India Ltd.**, India’s largest coal miner and producer, declined in Q2. The company, which has an estimated 75-80% market share, is a direct beneficiary of increasing electricity generation and industrial activity in India. Muted demand and earnings growth that missed analysts’ consensus led to the share price drop. We retain conviction in the company as local demand for coal is expected to recover over the next few years. Coal India also has a strong balance sheet and a generous dividend policy, at about 8% yield.
- **Smiles SA** is a Brazilian loyalty program. The company has been a strong executor, and its share price has gone up materially since its IPO only a few years ago. Having said this, the shares have been under pressure starting in late May, largely as a result of further political drama in Brazil. We retain conviction. The company operates a highly flexible, leverageable, and asset light company that enjoys high growth, margins, and returns. We also think Smiles is a beneficiary of the growth in air travel and credit cards in Brazil.
- **YPF S.A.** is an exploration and production company in Argentina. Lower oil prices and MSCI’s decision to delay the re-classification of Argentina from frontier to emerging market pressured shares. YPF is leading efforts to unlock the value of Argentinean shale resources. Break even costs of its Vaca Muerta shale assets are now under \$50/barrel. An improving macro environment, including restructuring of labor contracts, fuel tariffs, and subsidies are attracting joint ventures between YPF and international oil companies. We believe the development of Vaca Muerta will accelerate.

Contribution to Return¹ By Sub-Industry



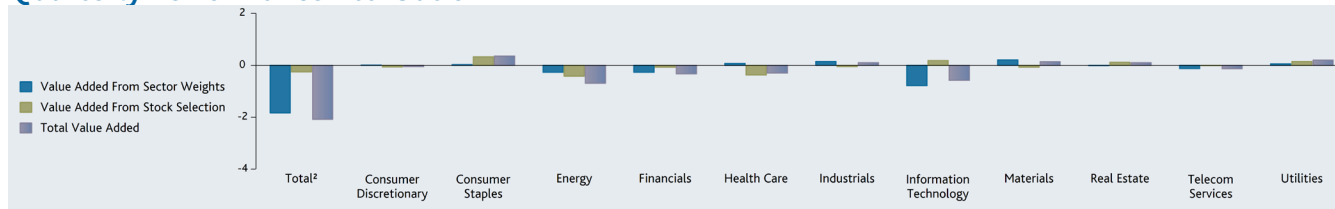
By Holdings

Top Contributors	Average Weight(%)	Contribution(%)
Alibaba Group Holding Limited	3.91	1.06
Tencent Holdings, Ltd.	3.16	0.71
Hangzhou Hikvision Digital Technology Co., Ltd.	1.08	0.49
WH Group Limited	1.65	0.31
Samsung Electronics Co., Ltd.	2.38	0.29

Top Detractors	Average Weight(%)	Contribution(%)
Coal India Ltd.	0.98	-0.17
Smiles SA	1.68	-0.16
YPF S.A.	1.67	-0.16
Tullow Oil plc	0.67	-0.14
Ginko International Co., Ltd.	0.59	-0.12

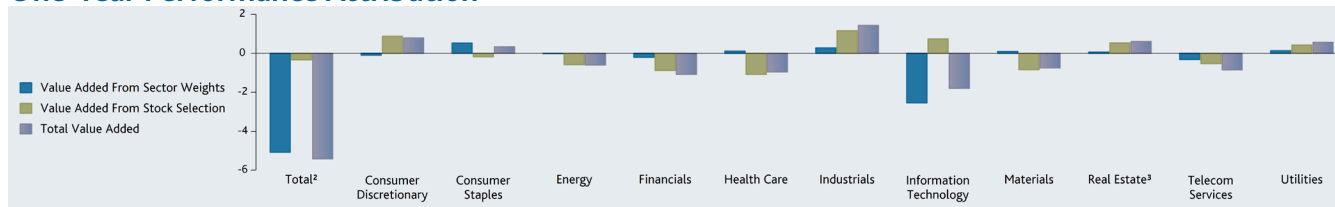
1 - Source: FactSet PA.

Quarterly Performance Attribution¹



Sector Average Weights(%)	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Telecom Services	Utilities
Baron Emerging Markets Fund	17.53	9.33	4.13	18.82	4.21	3.17	24.69	2.34	2.19	4.98	1.47
MSCI EM IMI Growth Index	15.25	10.47	2.34	12.14	5.70	6.46	36.48	5.20	2.02	1.97	1.98
Over/Underweight	2.27	-1.14	1.79	6.68	-1.49	-3.29	-11.78	-2.86	0.17	3.01	-0.51
Total Return(%)											
Baron Emerging Markets Fund	8.75	8.16	-15.42	4.40	-4.15	2.26	16.81	-3.98	9.55	4.39	10.23
MSCI EM IMI Growth Index	8.98	4.61	-5.82	4.72	3.93	3.87	15.83	0.52	4.00	4.14	-1.06
Relative Return	-0.23	3.55	-9.60	-0.31	-8.08	-1.61	0.97	-4.50	5.56	0.26	11.29

One-Year Performance Attribution¹



Sector Average Weights(%)	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate ³	Telecom Services	Utilities
Baron Emerging Markets Fund	20.27	9.08	4.18	17.11	5.50	3.49	20.78	3.35	2.10	5.10	1.42
MSCI EM IMI Growth Index	14.70	11.30	2.33	11.89	6.11	6.58	34.19	5.54	2.59	2.51	2.26
Over/Underweight	5.57	-2.22	1.85	5.22	-0.61	-3.08	-13.41	-2.19	-0.49	2.59	-0.84
Total Return(%)											
Baron Emerging Markets Fund	29.37	0.84	-5.21	15.72	-17.50	53.21	53.11	-5.96	24.67	2.53	42.27
MSCI EM IMI Growth Index	23.48	1.40	8.70	20.61	1.48	13.54	47.94	19.03	0.89	10.89	5.96
Relative Return	5.89	-0.56	-13.91	-4.89	-18.98	39.68	5.17	-24.99	23.77	-8.36	36.31

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.

3 - As of 9/1/2016 GICS added Real Estate as a new sector. The performance attribution figures above assume that the Real Estate sector existed during the entire time period presented.

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 Emerging Markets Fund was up 6.45% in the second quarter, yet trailed the MSCI EM IMI Growth Index by 210 basis points due to a combination of relative sector weights, stock selection, and cash exposure against a favorable backdrop for emerging market equities.

On a country basis, outperformance of investments in Russia and Malaysia and lower exposure to Brazilian equities, which were under pressure due to a scandal involving the country's recently installed president, added value. These positive effects were overshadowed by underperformance of investments in China, Argentina, India, and the U.K. as well as higher exposure to lagging equities in India. Additionally, relative results were hurt by lower exposure to Korean equities, which performed well as investors viewed the election of new President Moon Jae-In as positive for the local economy given his desire to curb the power of the country's chaebols.

On a sector level, outperformance of investments in Consumer Staples and Utilities and lower exposure to the lagging Materials sector contributed the most to relative results. Strength in Consumer Staples was mostly attributable to the outperformance of WH Group Limited of China and LG Household & Health Care Ltd. of Korea. Lack of exposure to the lagging brewers sub-industry, which fell slightly in the index, also aided relative performance. The Fund's largest position in Utilities, Infraestructura Energetica Nova S.A.B. de C.V. of Mexico, added value as investors reacted positively to management's investor day comments regarding the company's medium-term growth opportunities.

Aside from cash, significantly lower exposure to top performing Information Technology (IT) stocks, most notably Tencent Holdings, Ltd. and Alibaba Group Holding Limited, detracted the most from relative performance. These two stocks, which accounted for over 12% of the benchmark's exposure, rose 25.0% and 30.7%, respectively, in the quarter, detracting 83 basis points from relative results. Investments in Energy and greater exposure to underperforming diversified banks within Financials also hampered relative results. Weakness in Energy was partly due to the underperformance of Coal India Ltd., the largest detractor on an absolute basis, and Tullow Oil plc, a U.K.-based E&P company focused on operations in West and East Africa. Tullow's shares declined in the quarter due to concerns about the impact falling oil prices will have on the company's highly leveraged balance sheet. Integrated oil & gas investments in YPF S.A. of Argentina and PetroChina Co. Ltd. also hurt relative performance after their shares fell in the quarter.



Top 10 Holdings as of June 30, 2017

Company	Investment Premise	Company	Investment Premise
<p>Alibaba Group Holding Limited (BABA) is the largest e-commerce company in the world. Alibaba owns and operates the two largest online shopping platforms in China, Taobao and Tmall. It also participates in the profits of Ant Financial, which owns China's largest third-party online payment vendor Alipay.</p>	<p>With over 400 million active buyers and over 10 million merchants, we believe Alibaba is poised to benefit disproportionately from the increased penetration of internet, mobile, and e-commerce in China. It enjoys more than 50% market share of all e-commerce transactions in China, and we expect it to continue growing 20%+ for years to come. We also see significant positive optionality in Alibaba's cloud computing, data management, and electronic payments platforms.</p>	<p>KB Financial Group, Inc. (105560.KS) provides commercial and consumer financial services in South Korea. It also offers asset management, life insurance, and securities brokerage through subsidiaries. The bank has over 1,200 branches and over 26 million customers, about half of the population of South Korea.</p>	<p>We believe KB is undergoing a major inflection in profitability driven by a normalization of interest rates, cost initiatives, and stable credit risk. After years of declining margins due to lower benchmark rates, we are seeing clear signs of improvement in asset yields and spreads. As a leader in share of low-cost deposits, KB is in a position to benefit most from this trend. KB has a solid balance sheet and is consolidating ownership in its subsidiaries. We believe recently appointed management has a strong focus on profitability and the right incentives to deliver.</p>
<p>Tencent Holdings Ltd. (700.HK) is a leading internet service company and the top game developer in China. Its primary platforms include QQ for instant messaging (815 million media access units (MAUs)), WeChat for mobile messaging (500 million MAUs), and Qzone for social networking (654 million MAUs).</p>	<p>We are bullish on Tencent's ability to grow EPS at over 25%+ in the long term. Tencent benefits from virtuous network effects, and we think it has a long runway to monetize its large user base by pushing value-added services and advertising through its platforms. Gaming comprises 57% of Tencent's revenue, but advertising is its next major growth driver in our view, having launched in-feed ads on WeChat in 2015. Tencent also invests in online-to-offline services by leveraging its payment solutions across a number of industries including restaurants, ticketing, and travel.</p>	<p>TAL Education Group (TAL) is a leading K-12 after school tutoring provider in China with over 500 learning centers in 30 cities.</p>	<p>TAL has been benefiting from positive secular trends in China, including growing competition to gain admission to top schools and rising disposable income. TAL's growth prospects are also fueled by its focus on the K-12 market, a highly fragmented \$50 billion market in which the top three providers have less than 5% market share. Its focus on top academic students also protects its high-end brand and allows it to charge a premium for its services. TAL operates an asset-light and cash-generative business model, and we believe it can grow EPS at over 25% for years to come.</p>
<p>Samsung Electronics Co, Ltd (005930.KS) is a leading consumer electronics manufacturer and the largest handset maker in the world. It is also a key player in the semiconductor and display industries.</p>	<p>Samsung benefits from tremendous scale, which gives it a cost advantage and allows it to outspend competitors in R&D. Its investment in innovation has accelerated new product introductions and improved Samsung's global brand positioning. We think Samsung's in-house capabilities with display, memory, and semiconductors are also a key differentiator, as vertical integration lowers Samsung's product costs and gives it a time-to-market advantage. We believe the sustainability of these advantages is underestimated, and Samsung is undervalued relative to its earnings prospects.</p>	<p>Baidu, Inc. (BIDU) is the leading search engine provider in China.</p>	<p>We believe Baidu is well positioned to return to its roughly 20% annual earnings growth this year and then sustain a similar growth rate over the next three to five years on its core business. We expect the company to continue to divest or spinoff non-core assets over the next 12 to 24 months, consistent with how it sold its Qunar stake to take an investment in Ctrip.</p>
<p>Taiwan Semiconductor Manufacturing Company Ltd. (TSM) is the world's largest independent semiconductor foundry, manufacturing chips on behalf of other companies.</p>	<p>Taiwan Semiconductor benefits from economies of scale and a superior cost structure. It also deploys new technology faster than its competition, allowing it to enjoy higher average sales prices and gross margins. We believe Taiwan Semiconductor is poised to gain market share, driven by increased dominance in advanced nodes (10 nanometers and 7 nanometers), while maintaining superior profitability.</p>	<p>Copa Holdings, S.A. (CPA) is a leading Latin American airline. With Panama City's Tocumen Airport as its base, Copa is able to reach every major destination within the Americas. Copa was established in 1944 and is a member of the Star Alliance.</p>	<p>We believe Copa enjoys competitive advantages that have allowed it to achieve margins and returns well above the industry average. It can fly to destinations faster and at a lower cost, and provide easier, smoother, faster connections than its competitors. It is also able to reach destinations that its competitors cannot. While macroeconomic pressures in Latin America have challenged recent financial performance, we believe that Copa is well positioned to enjoy the recovery.</p>
<p>WH Group Limited (0288.HK) is the holding company for Shuanghui, the largest pork processor and producer in China, and Smithfield, the largest hog producer and pork processor in the U.S. Combined, WH Group is the largest pork product producer in the world.</p>	<p>WH represents a growth story, especially in the Chinese market, with clear secular trends for increasing demand of fresh processed and packaged meat consumption, both of which are under-penetrated. The Smithfield acquisition boosted Shuanghui's already-dominant position from a tech know-how, food safety, and product innovation angle. We think it will be long-term accretive to value.</p>	<p>Maruti Suzuki India Ltd. (MSIL) is India's leading automobile original equipment manufacturer (OEM) with about 47% market share. The company has had a presence in India for over 25 years and is majority-owned by Suzuki Motors. Maruti Suzuki is headquartered in New Delhi, India.</p>	<p>We believe Maruti Suzuki is well positioned to benefit from growing demand for passenger vehicles in India. The company has been successful in transforming itself from a small car OEM to a mid-sized auto OEM, which should sustain mid-single digit average selling price growth. We believe the company can maintain its dominant market position, with 47% volume share, and compound earnings at a 15% compound annual growth rate over the next three to five years.</p>



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