March 31, 2018

Institutional Shares (BGAIX)

Baron Global Advantage Fund Fact Sheet

BAMCO, Inc., Registered Investment Adviser

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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.

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 MSCI ACWI indexes cited are unmanaged, free float-adjusted market capitalization weighted indexes. The **MSCI ACWI Growth Index Net USD** measures the equity market performance of large and mid cap growth securities across developed and emerging markets. The **MSCI ACWI Index Net USD** measures the equity market performance of large and mid cap securities across developed and emerging markets. The indexes and the Fund include reinvestment of dividends, net of foreign withholding taxes, which positively impact the performance results. Morningstar renamed the World Stock Category to the World Large Stock Category effective May 31, 2017. Morningstar calculates the **Morningstar US Fund World Large Stock Category Average** using its Fractional Weighting methodology. **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 Global Advantage Fund Institutional Shares (BGAIX)

March 31, 2018

Portfolio Facts and Characteristics

	Fund	MSCI ACWI Growth Index
# of Equity Securities / % of Net Assets	45/97.3%	-
Turnover (3 Year Average)	27.57%	-
Active Share (%)	88.9	0
Median Market Cap†	$13.92 billion	$11.19 billion
Weighted Average Market Cap†	$133.12 billion	$158.66 billion
EPS Growth (3-5 year forecast)†	21.8%	16.6%
Price/Earnings Ratio (trailing 12- month)*†	35.8	19.5
Price/Book Ratio*†	5.6	3.3
Price/Sales Ratio*†	5.4	2.1

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

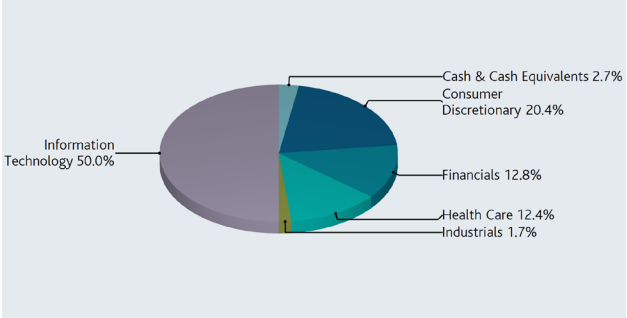
Performance Based Characteristics[2]

	3 Years	5 Years	Since Inception
Std. Dev. (%) - Annualized	16.71	15.31	14.89
Sharpe Ratio	0.87	1.02	0.96
Alpha (%) - Annualized	2.16	2.04	1.52
Beta	1.36	1.29	1.20
R-Squared (%)	85.14	80.51	77.19
Tracking Error (%)	7.64	7.43	7.45
Information Ratio	0.72	0.69	0.49
Upside Capture (%)	138.26	131.08	120.37
Downside Capture (%)	123.38	116.30	108.78

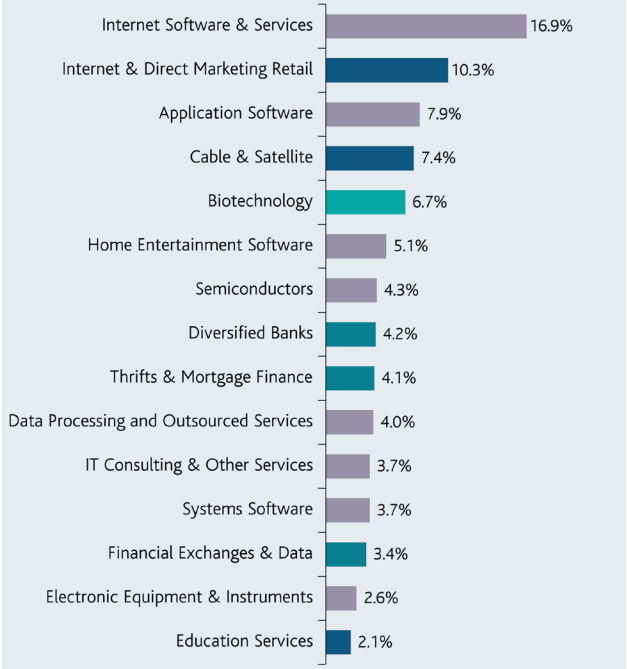
Top 10 Holdings

	% of Net Assets
Naspers Limited	7.4
Amazon.com, Inc.	5.0
Alibaba Group Holding Limited	4.9
Housing Development Finance Corporation Limited	4.2
Constellation Software, Inc.	4.0
Alphabet Inc.	4.0
EPAM Systems, Inc.	3.7
argenx SE	3.0
Activision Blizzard, Inc.	2.9
KEYENCE CORPORATION	2.6
Total	**41.7**

GICS Sector Breakdown[1]



Top 15 GICS Sub-Industry Breakdown[1]



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

Investment Strategy

The Fund invests mainly in growth companies of all sizes located throughout the world. Diversified.

Portfolio Manager

Alex Umansky joined Baron in 2011 as a portfolio manager. He has 25 years of research experience, 18 of which were at Morgan Stanley. From 2007 to 2011, he was a co-manager of the Morgan Stanley Opportunity Fund, while also co-managing the Global Opportunity Fund from 2008 to 2011, the International Opportunity Fund and the International Advantage Fund from 2010 to 2011. From 1998 to 2004, Alex was lead manager of the Morgan Stanley Institutional Technology Strategy and the Technology Fund. He was also the co-manager of the Information Fund from 2004 to 2005 and the Small Company Growth Fund from 1999 to 2002. Alex graduated from New York University Stern School of Business with a B.S. in Finance, Information Systems, and Mathematics in 1993.

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	April 30, 2012
Net Assets	$71.69 million
Institutional Shares	
CUSIP	06828M835
Gross Expense Ratio[3]	3.40%
Less: Reimbursement of Expenses by Adviser[3]	(2.50)%
Net Expense Ratio[3]	0.90%

Growth stocks can react differently to issuer, political, market and economic developments than the market as a whole. 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, resulting in greater share price volatility. Securities of small and medium-sized companies may be thinly traded and more difficult to sell.

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.
3 - As of FYE 12/16, restated to reflect current management fee reduction from 1.00% to 0.85% and current expense waiver.

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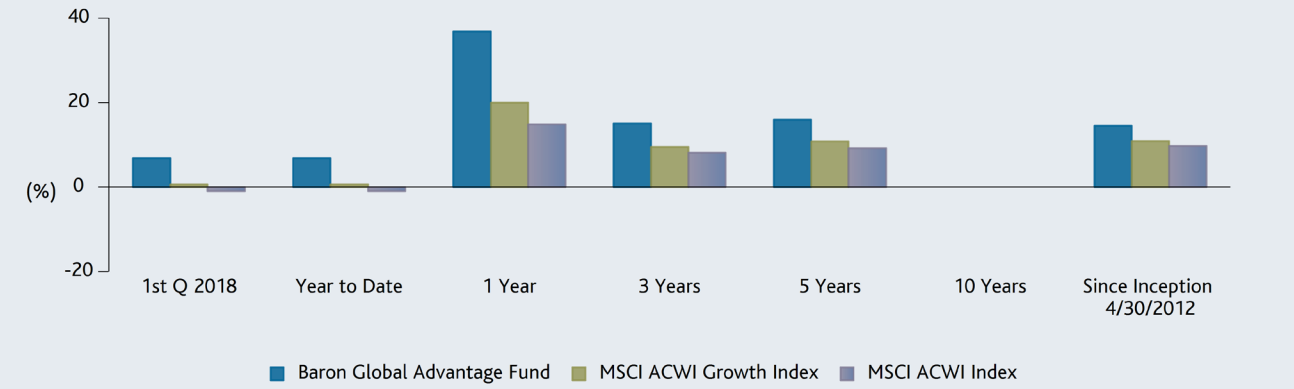
Baron Global Advantage Fund Institutional Shares (BGAIX)

March 31, 2018

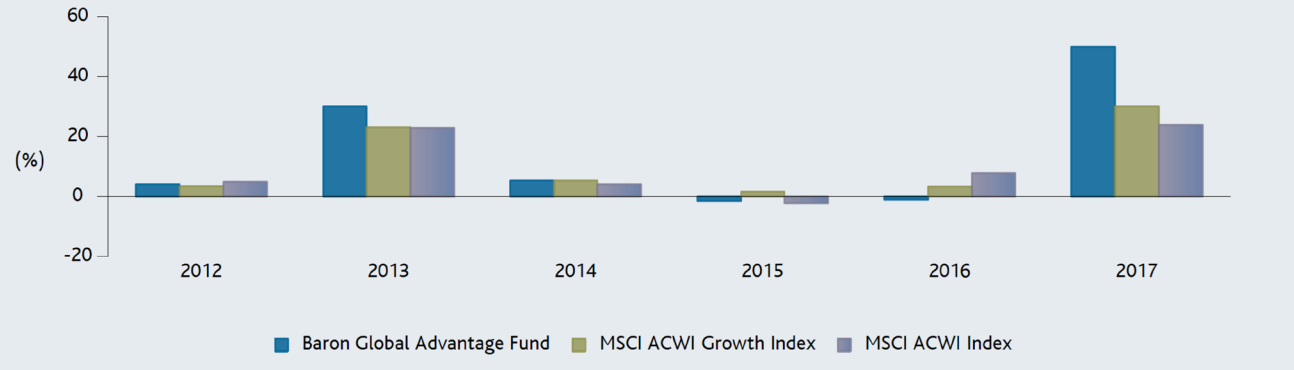
Performance as of March 31, 2018



	Total Returns(%)				Annualized Returns(%)									
	1st Q 2018		Year to Date		1 Year		3 Years		5 Years		10 Years		Since Inception 4/30/2012	
	Return	+ –	Return	+ –	Return	+ –	Return	+ –	Return	+ –	Return	+ –	Return	+ –
BGAIX - Institutional Shares	6.88		6.88		36.85		15.08		15.96		N/A		14.53	
MSCI ACWI Growth Index	0.67	6.21	0.67	6.21	19.98	16.87	9.56	5.52	10.83	5.13	N/A		10.91	3.62
MSCI ACWI Index	-0.96	7.84	-0.96	7.84	14.85	22.00	8.12	6.96	9.20	6.76	N/A		9.78	4.75
Morningstar World Large Stock Category Average	-0.44	7.32	-0.44	7.32	14.93	21.92	7.77	7.31	9.21	6.75	N/A		N/A	

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

Historical Performance(Calendar Year %)[1]

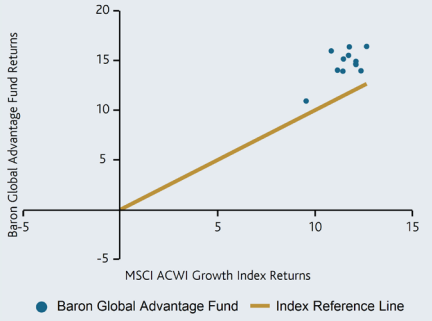


	2012	2013	2014	2015	2016	2017
BGAIX - Institutional Shares	4.20	30.13	5.32	-1.51	-0.93	49.82
MSCI ACWI Growth Index	3.52	23.17	5.43	1.55	3.27	30.00
MSCI ACWI Index	5.00	22.80	4.16	-2.36	7.86	23.97

Country Breakdown

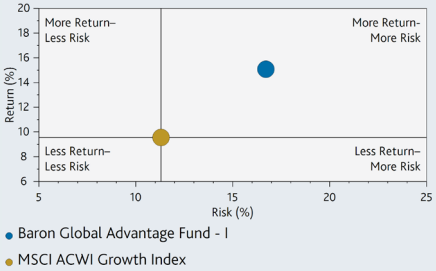
	% of Net Assets		% of Net Assets
Developed	**59.8**	**Emerging**	**34.2**
United States	43.3	China	13.4
Netherlands	4.8	India	9.4
Japan	4.3	South Africa	7.4
Canada	4.0	Brazil	2.1
Israel	3.4	Taiwan	1.9
		Frontier	**3.3**
		Argentina	3.3

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



Risk/Return Comparison[2]

03/31/2015 - 03/31/2018



1 - Performance information for 2012 is from its inception date 5/31/2012 to 12/31/2012.
2 - Source: FactSet PA.

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Baron Global Advantage Fund Institutional Shares (BGAIX)

March 31, 2018

Review and Outlook

Last year proved to be especially rewarding for global growth investors, and many of our companies have performed exceedingly well, with Baron Global Advantage Fund returning almost 50%. With another strong quarter on the books, it has undeniably been a favorable environment for the way in which we invest. Five of our stocks each contributed over 50 basis points each during the quarter. We had an additional 10 investments that contributed over 25 basis points each and five more that added 20 basis points or better. Eight of our holdings appreciated over 30% during the quarter, another five increased over 20%, and yet another 10 rose over 10%. Moreover, these results were achieved in what was a broadly flat market environment.

While we observed a noticeable pick up in volatility in the quarter, we continue to see favorable fundamentals for most of our investments (Facebook's short-term outlook is noticeably more cloudy). Valuations, though not cheap, remain reasonable in our view, especially when compared to available alternatives. The outlook for 2018 remains optimistic, driven by a reduction in corporate tax rates in the U.S, and an improved backdrop for Financials, Energy, and Industrials companies globally.

More relevant to our portfolio, e-commerce growth and spending on digital transformations are accelerating, with spending on cloud computing growing more than 60%, and even faster than that in Asia. The digitization phenomenon that we believe will continue for years to come is starting to reach inflection points in many new areas where not only media and retail, but health care, transportation, and consumer banking are in the midst of full blown disruptions. We believe this should continue to favor many of the companies in which we are invested.

Every day we live and invest in a world full of uncertainty. Fed policy, China's economy, energy prices, politics, terrorism - these are all serious challenges with clearly uncertain outcomes. History would suggest that most will prove passing or manageable. The business of capital allocation (or investing) is the business of taking risk, managing the uncertainty, and taking advantage of the long-term opportunities that those risks and uncertainties create. We believe that our process is the right one and that it will enable us to make good investment decisions over time.

Our goal remains to maximize long-term returns without taking significant risks of permanent loss of capital. We focus on identifying and investing in what we believe are unique companies with sustainable competitive advantages that have the ability to compound capital at high rates of return for extended periods of time. We are optimistic about the long-term prospects of the companies in which we are invested and continue to search for new ideas and investment opportunities.

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

Contributors

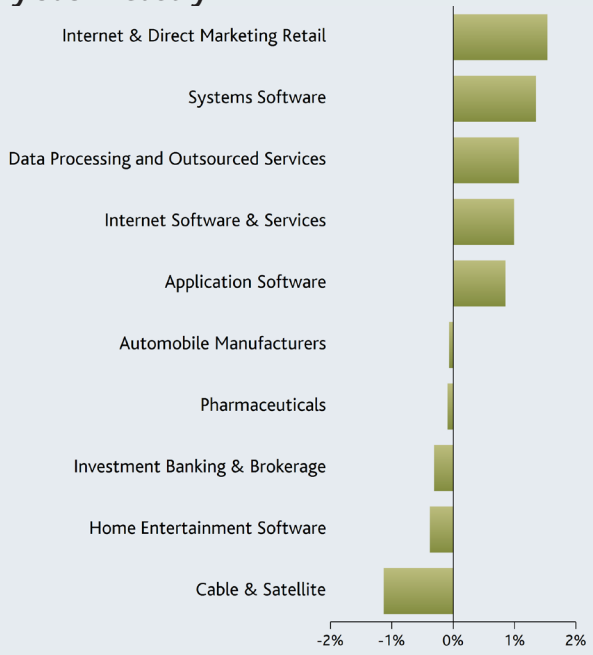
- Shares of **Amazon.com, Inc.**, the world's largest retailer and cloud services provider, rose on strong Q4 results as it continues to invest in video streaming and international expansion. Amazon's "flywheel effect" of growing participation from Prime members driving further activity on Amazon.com also persisted. Its cloud business is now highly profitable and remains the category leader in market share. We believe the company's continuing investments in new and potentially large segments such as grocery, auto parts, e-finance, and apparel could create additional growth opportunities.
- **argenx SE** is a Netherlands-based biotech company focused on cancer and autoimmune disorder treatments. Shares rose on positive clinical trial results of the company's product for treating myasthenia gravis, a rare autoimmune disorder that causes muscle weakness. We expect the stock to continue rallying as results from trials of argenx's products for treating immune thrombocytopenic purpura, a blood disorder, and pemphigus vulgaris, a skin and mucus membrane disease, become available in 2018.
- **PagSeguro Digital Ltd.** is a Brazilian payment processor and merchant acquirer. Shares rose during PagSeguro's first quarter as a publicly traded company on news that its business is growing at a rapid rate. We believe credit card and digital payment penetration is low among the Brazil population, and PagSeguro's digital wallet and physical device form an attractive platform that should allow small merchants to accept digital currency and grow over time, in our view.

Detractors

- **Naspers Limited** is a South African company that operates pay television, print media, and an internet division. Most of Naspers' value is attributed to its large ownership of China-based Tencent. Naspers stock fell due to a widening gap between the value of its Tencent investment and the total net asset value of Naspers. This difference resulted from losses posted by late-stage venture investments, which comprise Naspers' business outside of Tencent. We retain conviction. Naspers plans to sell a part of its Tencent stake to focus on accelerating the venture segment growth.
- Shares of **Take-Two Interactive Software, Inc.**, a leading video game publisher, detracted from performance. The company reported FQ3 2018 earnings that failed to live up to investors' lofty expectations, and there is concern that Fortnite, a new video game from a competitor, is taking share from Take-Two's games. We retain conviction, as we believe Take-Two continues to benefit from the industry shift to digital platforms and has an excellent management team, IP that continues to perform well, and an exciting FY 2019 game release slate.
- Shares of **JM Financial Limited**, a leading non-bank financial company in India, declined in the quarter due to investor concerns about rising bond yields that would potentially lead to margin headwinds for the firm. We think JM is well-positioned to benefit from growing demand for real estate lending, asset restructuring, and brokerage services. We also expect JM to benefit from distressed asset sales by leading financial institutions that are under pressure to dispose of non-performing loans and raise equity.

Contribution to Return[1]

By Sub-Industry



By Holdings

Top Contributors	Average Weight(%)	Contribution(%)
Amazon.com, Inc.	5.84	1.40
argenx SE	3.37	0.89
PagSeguro Digital Ltd.	1.44	0.87
Alibaba Group Holding Limited	5.89	0.57
TAL Education Group	2.31	0.55

Top Detractors	Average Weight(%)	Contribution(%)
Naspers Limited	7.43	-1.13
Take-Two Interactive Software, Inc.	2.08	-0.31
JM Financial Limited	1.36	-0.31
Facebook, Inc.	3.33	-0.16
Cboe Global Markets, Inc.	1.41	-0.16

1 - Source: FactSet PA.

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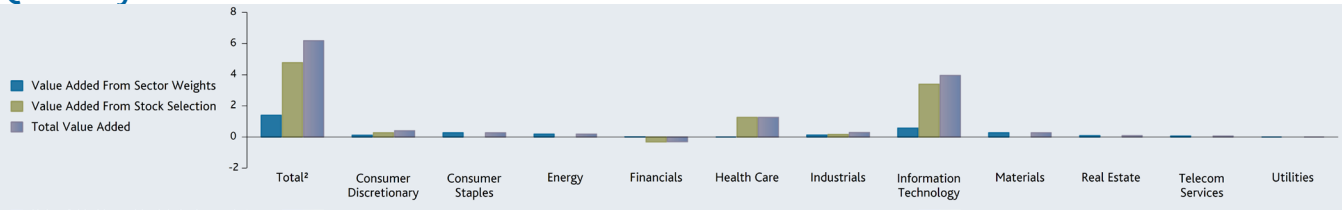
Baron Global Advantage Fund Institutional Shares (BGAIX)

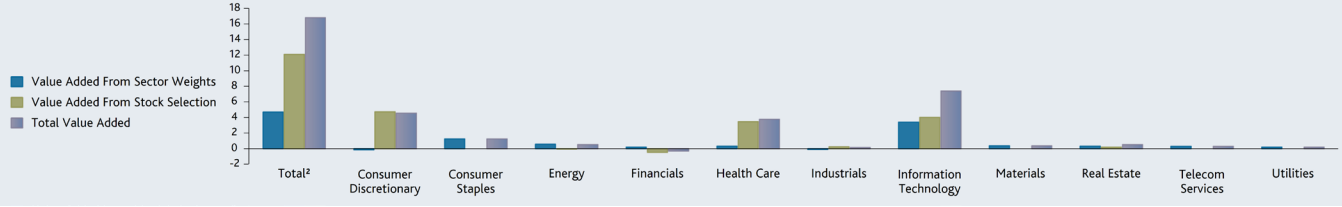
March 31, 2018

Quarterly Performance Attribution[1]



Sector Average Weights(%)	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Telecom Services	Utilities
Baron Global Advantage Fund	23.02	-	-	10.50	11.93	1.37	47.13	-	-	-	-
MSCI All Country World Growth Index	16.82	8.81	2.54	8.60	11.91	13.75	28.68	5.34	2.05	0.95	0.54
Over/Underweight	6.20	-8.81	-2.54	1.91	0.02	-12.37	18.45	-5.34	-2.05	-0.95	-0.54
Total Return(%)											
Baron Global Advantage Fund	1.98	-	-	-1.34	11.58	8.09	10.95	-	-	-	-
MSCI All Country World Growth Index	2.19	-2.10	-6.15	1.63	-0.35	-0.26	3.38	-4.41	-2.95	-4.69	2.36
Relative Return	-0.21	2.10	6.15	-2.97	11.93	8.35	7.57	4.41	2.95	4.69	-2.36

One-Year Performance Attribution[1]



Sector Average Weights(%)	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Telecom Services	Utilities
Baron Global Advantage Fund	25.37	-	0.40	9.26	9.17	1.32	49.02	-	0.01	-	-
MSCI All Country World Growth Index	16.96	10.69	2.89	7.38	12.38	13.29	26.83	5.24	2.36	1.33	0.66
Over/Underweight	8.41	-10.69	-2.49	1.89	-3.22	-11.97	22.19	-5.24	-2.35	-1.33	-0.66
Total Return(%)											
Baron Global Advantage Fund	32.44	-	-15.44	17.77	47.23	29.98	43.64	-	65.16	-	-
MSCI All Country World Growth Index	19.18	9.44	-2.53	24.76	13.51	21.76	32.97	14.29	10.39	3.84	6.59
Relative Return	13.26	-9.44	-12.91	-6.99	33.72	8.22	10.68	-14.29	54.77	-3.84	-6.59

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 Global Advantage Fund increased 6.88% in the first quarter, significantly outperforming the MSCI ACWI Growth Index by 621 basis points due to stock selection and, to a lesser extent, relative sector weights.

Stock selection in developed markets contributed 560 basis points to relative results, driven by investments in the U.S., the Netherlands, Israel, Canada, and Japan. Investments in emerging and frontier markets also added value, led by those in Brazil and Argentina, respectively.

On a sector basis, investments in Information Technology (IT), Health Care, and Consumer Discretionary and lack of exposure to the poor performing Materials, Consumer Staples, and Energy sectors contributed the most to relative results. Systems software holdings added the most value in IT after increasing 43.1% as a group, led by Okta, Inc. and Varonis Systems, Inc. Both companies reported strong Q4 results during the quarter. In addition, meaningfully higher exposure to this top-performing sector and the outperformance of PagSeguro Digital Ltd. and Alibaba Group Holding Limited lifted relative results. Brazilian payment processor PagSeguro was the third largest contributor on an absolute basis, while shares of Chinese e-commerce giant Alibaba appreciated after both top- and bottom-line earnings results exceeded analyst expectations. The company continued to benefit from strong mobile and advertising growth, which is driving upside beyond core e-commerce growth. Strength in Health Care was mostly attributable to Netherlands-based argenx SE, the second largest contributor to absolute results, and Veeva Systems Inc., a leading provider of cloud-based solutions to the life sciences industry. Veeva's stock price appreciated after reporting another positive quarter, with management noting traction with newer solutions while the more penetrated commercial cloud solutions continued to show healthy growth rates. Within Consumer Discretionary, Amazon.com, Inc. and TAL Education Group aided relative results. Amazon was the largest contributor to absolute performance, while shares of Chinese K-12 tutoring company TAL were up because of the company's rapid expansion, with yearly growth in enrollments of over 80% and revenue growth above 65%.

Stock selection in Financials detracted the most from relative results, driven by the underperformance of JM Financial Limited and Cboe Global Markets, Inc. India-based wealth manager JM Financial was the one of the largest detractors on an absolute basis, while shares of financial marketplace operator Cboe fell despite reporting solid quarterly financial results and strong volume growth in 2018. Cboe's stock price declined as a spike in market volatility made certain trading strategies unprofitable for customers and cast doubt on growth prospects for Cboe's VIX franchise, which represents about a quarter of total revenue.

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Top 10 Holdings as of March 31, 2018

Company	Investment Premise
Naspers Limited (NPN.SJ) is a South Africa-based internet and media platform operator, offering services in more than 120 countries. Its main operations are in e-commerce (classifieds, marketplaces, and online retail, services, and payments), pay-TV, and print media.	Naspers operates mainly in markets with strong growth potential, and most of its businesses are market leaders in their sectors. Among its investment portfolio is a 34% stake in China's Instant Messaging leader Tencent and a 29% stake in Russian internet holding company Mail.ru. Naspers owns parts or all of another 140-plus internet assets. While we think Tencent may be close to fairly valued and an appropriate holding company discount should apply, we think the optionality offered by Naspers' other investments is significant and deserving of the substantial NAV discount.
Amazon.com, Inc. (AMZN) is an e-commerce pioneer, innovator, and market share leader, with relentless focus on providing value and convenience to its customers. It also operates the industry-leading cloud infrastructure business Amazon Web Services.	Amazon's market share of U.S. online retail sales is over 30%, while its share of global online retail sales is less than 5%. Amazon has numerous avenues for new revenue growth opportunities, including consumer staples, apparel, international expansion, digital media offerings, office and industrial supplies, and advertising. We believe Amazon represents a unique opportunity to invest in the secular growth of both online retail and cloud computing. We estimate that Amazon Web Services will account for over 50% of the company's value over time.
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.	With over 500 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 at a rate of more than 20% for years to come. We also see significant positive optionality in Alibaba's cloud computing, data management, and electronic payments platforms.
Housing Development Finance Corporation Limited (HDFC.IN) is India's largest mortgage lender with three trillion rupees in assets. It has a strong brand name and and has consistently received industry recognition. Through its subsidiaries, it provides financial services such as banking and life insurance.	We believe the Indian housing market will experience high growth, given low levels of mortgage penetration, favorable demographics, improvements in affordability, and policy support. Housing Development's competitive advantages in risk management, cost efficiency, and distribution will be key beneficiaries of that growth, in our view. In addition, we see significant value in the company's subsidiaries, which the public can unlock via liquidity events such as the listing of HDFC Life Insurance.
Constellation Software, Inc. (CSU.CN) is a holding company that owns and operates approximately 200 small- and medium-sized software businesses. These businesses allow customers across a wide range of verticals to automate key activities, with the goal of saving on labor costs.	Constellation has valuable experience to offer its acquisition targets, largely around building high-touch, low-cost modules and contract pricing. We see this experience as a competitive advantage, and we think it remains sustainable as long as the company continues to acquire targets. Since we believe there are over 20,000 small owner-operated vertical market software businesses in the U.S. and Europe, we think Constellation's successful acquisition program will continue, and its moat will remain intact for years to come.

Company	Investment Premise
Alphabet Inc. (GOOG) (formerly Google Inc.) is the world's most recognized and dominant online search provider, as well as the owner and operator of YouTube. The company provides a variety of services and tools for advertisers, primarily for search and display advertising.	Alphabet is the largest beneficiary of a secular shift of advertising from all other mediums to online and mobile. Data is becoming increasingly important, and Alphabet has processed and indexed more data than any other company. Alphabet's leadership position in artificial intelligence allows it to leverage its large data sets to quickly improve its products. With what we consider to be the greatest collection of engineering talent assembled for any company that we cover, we believe Alphabet will continue to grow and innovate for years to come.
EPAM Systems, Inc. (EPAM) provides outsourced software development to business customers.	EPAM benefits from growing demand for IT services from businesses around the world. The company's competitive differentiation comes from its ability to hire and retain highly skilled, low-cost software engineers in Eastern Europe and Russia. EPAM's strong technical capabilities and differentiated labor pool enable the company to work on higher-value client projects with better pricing power than peers. We believe EPAM will continue gaining share in a large, growing market by adding new clients and increasing wallet share within existing clients.
argenx SE (ARGX) is a biotech company developing antibodies for the treatment of autoimmune disorders and cancer based on the uniquely powerful immune system of llamas.	argenx's main product, ARGX-113, which treats a rare muscle weakness disorder, showed positive results in a recent clinical trial and has potentially broad applicability in ameliorating overactive antibody-based diseases. We expect the share price to increase as the company proves its products' effectiveness in treating immune thrombocytopenia purpura, a blood disorder, and pemphigous vulgaris, a skin and mucus membrane disease.
Activision Blizzard, Inc. (ATVI) is a global leader in digital interactive entertainment. The company develops, markets, publishes, and distributes games, content, and services on consoles, PCs, and mobile. Key game franchises include Call of Duty, Destiny, World of Warcraft, Overwatch, and Candy Crush.	Activision has a number of strong tailwinds that should benefit the company going forward, including the shift to digital in gaming and advertising, and international expansion. The company's CEO, Bobby Kotick, is highly regarded and has created a tremendous amount of shareholder value accumulated during his more than 25 years at Activision. Over the next five years, Activision could steadily grow revenues and continue to expand margins, in our view.
KEYENCE CORPORATION (6861.JP) is a leading developer and manufacturer of factory automation equipment. The company's products include fiber optic sensors, photoelectric sensors, laser scan, and bar code readers. KEYENCE is headquartered in Osaka, Japan.	As labor costs climb, manufacturers are increasingly adopting industrial automation to enhance productivity. This is especially true across Asia, and particularly in China, which is fast becoming a high growth market. KEYENCE leverages its strong R&D capabilities and a highly technical sales force to provide customized solutions to customers across various industries. We expect earnings to compound 12-15% over the next 3-5 years.

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