

June 30, 2016

Institutional Shares (BGAIX)

Baron Global Advantage 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.

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. The **Morningstar US OE World Stock 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. As of 6/30/16, the category consisted of 1209, 1181, 1131 and 940 funds for the 3-month, year-to-date, 1- and 3-year periods. © 2016 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.

This information does not constitute an offer to sell or a solicitation of any offer to buy securities by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation. This information is only for the intended recipient and may not be distributed to any third party.

Not bank guaranteed, may lose value, not FDIC insured.



Portfolio Facts and Characteristics

	Fund	MSCI ACWI Growth Index
# of Equity Securities / % of Net Assets	37/99.0%	-
Turnover (3 Year Average)	67.95%	-
Median Market Cap†	\$5.02 billion	\$8.54 billion
Weighted Average Market Cap†	\$100.71 billion	\$93.13 billion
EPS Growth (3-5 year forecast)†	25.5%	13.5%
Price/Earnings Ratio (trailing 12-month)*†	27.4	20.1
Price/Book Ratio*†	4.3	3.0
Price/Sales Ratio*†	4.8	1.7

* Weighted Harmonic Average

† Source: FactSet PA – Compustat, FactSet and BAMCO. Internal valuations metrics may differ.

Performance Based Characteristics²

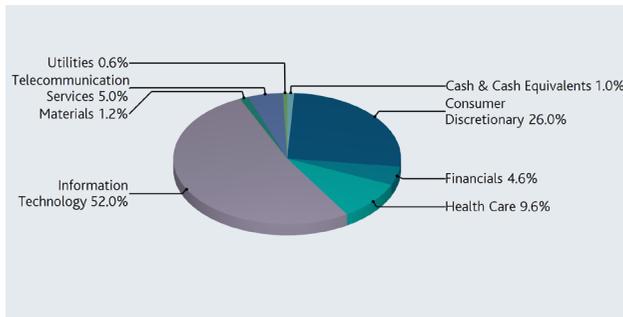
	3 Years	Since Inception
Std. Dev. (%) - Annualized	17.08	15.65
Sharpe Ratio	0.48	0.48
Alpha (%) - Annualized	-1.48	-1.27
Beta	1.30	1.18
R-Squared (%)	81.76	77.34
Tracking Error (%)	8.01	7.65
Information Ratio	0.04	-0.05
Upside Capture (%)	121.38	106.66
Downside Capture (%)	131.42	113.34

Top 10 Holdings

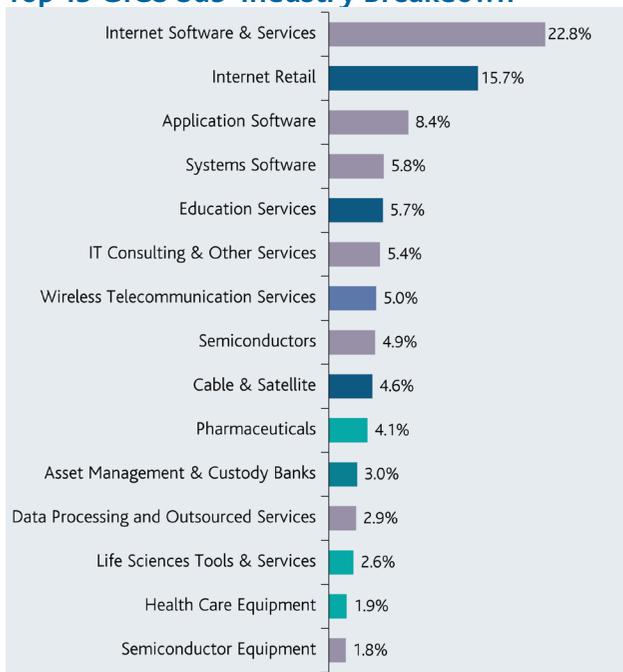
% of Net Assets

Amazon.com, Inc.	10.6
TAL Education Group	5.7
Alphabet Inc.	5.4
Facebook, Inc.	5.0
Alibaba Group Holding Limited	4.9
Naspers Limited	4.6
Constellation Software, Inc.	4.1
Mobileye N.V.	3.6
Mellanox Technologies Ltd.	3.4
Sarana Menara Nusantara Tbk PT	3.4
Total	50.7

GICS Sector Breakdown¹



Top 15 GICS Sub-Industry Breakdown¹



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

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.

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 and has 24 years of investment experience. From 2007 to 2011, Alex was a co-manager of the Morgan Stanley Opportunity Fund and co-managed 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 and also the co-manager of the Information Fund and the Small Company Growth Fund. He began his career at Morgan Stanley in 1993. Alex graduated from New York University with a B.S. in Finance, Information Systems and Mathematics in 1993.

Investment Principles

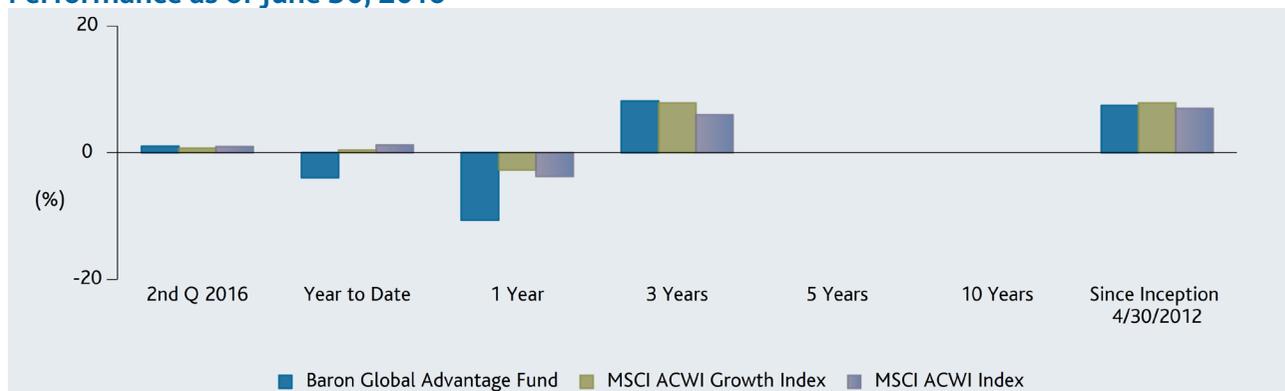
- Long-term perspective allows us to think like an owner of a business
- Independent and exhaustive research is essential to understanding the long-term fundamental growth prospects of a business
- We seek appropriately capitalized open-ended growth opportunities, exceptional leadership, and sustainable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

Fund Facts

Inception Date	April 30, 2012
Net Assets	\$10.51 million
Institutional Shares	
CUSIP	06828M835
Gross Expense Ratio (as of FYE 12/15)	2.89%
Less: Reimbursement of Expenses by Adviser (as of FYE 12/15)	(1.64)%
Net Expense Ratio (as of FYE 12/15)	1.25%



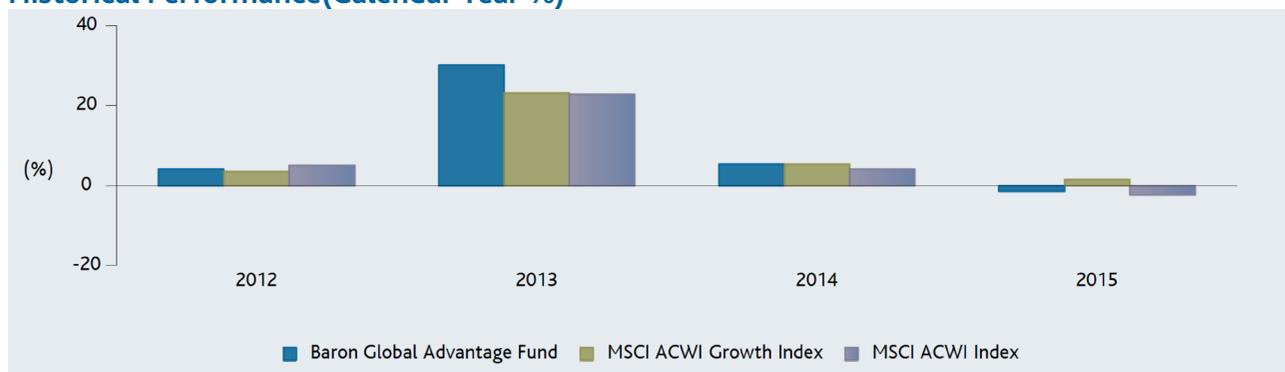
Performance as of June 30, 2016



	Total Returns(%)				Annualized Returns(%)											
	2nd Q 2016		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	1.05		-3.93		-10.64		8.16		N/A		N/A		7.49			
MSCI ACWI Growth Index	0.74	0.31	0.44	-4.37	-2.71	-7.93	7.88	0.28	N/A		N/A		7.87	-0.38		
MSCI ACWI Index	0.99	0.06	1.23	-5.16	-3.73	-6.91	6.03	2.13	N/A		N/A		7.03	0.46		
Morningstar World Stock Category Average	0.78	0.27	0.40	-4.33	-4.17	-6.47	5.63	2.53	N/A		N/A		N/A			

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

Historical Performance(Calendar Year %)¹

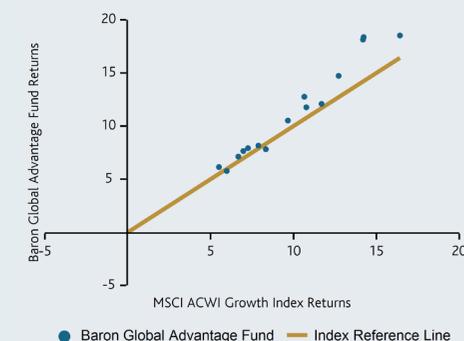


	2012	2013	2014	2015
BGAIX - Institutional Shares	4.20	30.13	5.32	-1.51
MSCI ACWI Growth Index	3.52	23.17	5.43	1.55
MSCI ACWI Index	5.00	22.80	4.16	-2.36

Country Breakdown

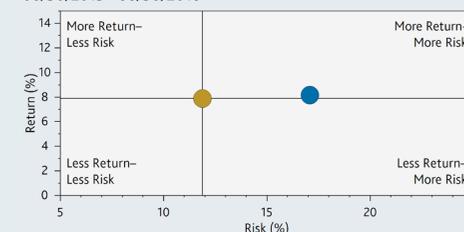
	% of Net Assets		% of Net Assets
Frontier	0.7	Developing (Cont'd)	
Argentina	0.7	India	0.3
Developing	29.2	Developed	69.1
China	16.2	United States	45.6
Indonesia	5.1	Israel	10.0
South Africa	4.6	United Kingdom	7.6
Brazil	3.0	Canada	4.1
		Netherlands	1.8

BGAIX has outperformed the MSCI ACWI Growth Index 87% of the time (since its inception and using rolling 3-year annualized returns).



Risk/Return Comparison²

06/30/2013 - 06/30/2016



● Baron Global Advantage Fund - I
● MSCI ACWI Growth Index

1 - Performance information for 2012 is from its inception date 4/30/2012 to 12/31/2012.

2 - Source: FactSet SPAR.



Review and Outlook

The heightened market volatility has remained a constant over the last few years, and this quarter was no exception. The outcome of the ill-conceived idea of the U.K.'s referendum on leaving the E.U. seemed benign just a few days before the June 23rd vote. The predictions markets showed a 90% probability that "BRemain" would win and global equities were rallying nicely in anticipation of a positive resolution to yet another risk and uncertainty. Instead, the U.K. voted to leave the E.U., producing a sharp global sell-off.

Within two days, market participants appeared to realize that this new risk and uncertainty will likely cause the U.S. Federal Reserve to delay its planned policy rate hikes until later this year or possibly until 2017 and that the negotiations over a formal withdrawal from the E.U. are likely to take a couple of years. Within three days, the market erased the prior two-day losses, and we have been grinding higher ever since.

Baron Global Advantage Fund had many big winners during the quarter with eight investments rising over 20%. Unfortunately, only two of the eight (Amazon.com and TAL Education Group) were owned in a large enough size to be in the top 10 at the start of the quarter. We had a medium size position in Cetip SA, whose agreement to be acquired by BM&FBOVESPA caused the stock to rise 24%. Glaukos Corp., Mobileye N.V., Aerie Pharmaceuticals, and TerraForm Global all bounced back from meaningful declines in the prior quarter. Largely offsetting those gains were double-digit declines in Pacira Pharmaceuticals, EPAM Systems, Illumina, Mellanox Technologies (the Fund's top contributor last quarter), and Allergan.

Our investments in China have continued to make significant positive contributions to returns. At over 15% of the Fund, on average, compared to just about 2% in the benchmarks, China is by far our largest geographic overweight. With GDP of \$11.4 trillion in 2015, China is the second largest economy in the world. After decades of torrid growth, China now represents 15.5% of global GDP. Until a few years ago the Chinese economy was dominated by manufacturing, mining, and construction businesses. Today, services industries are over 50% of China's GDP and rising, accounting for 87% of total GDP growth in 2015. The Chinese middle class is continuing to emerge with urban disposable income per capita rising to 23% of total income. While shortcomings in transparency and corporate governance need to continue to improve, we believe China offers an unusually fertile ground for long-term investment opportunities.

We are excited about the long-term prospects of the companies that comprise this portfolio. Our goal remains to maximize long-term returns without taking significant risks of permanent loss of capital. We believe the best strategy for long-term capital appreciation is to collect a mix of unique companies that sell into different end markets and different geographies. We will continue to focus on identifying and investing in companies that we believe have sustainable competitive advantages and the ability to reinvest excess capital at high rates of return.

Top Contributors/Detractors to Performance for the Quarter Ended June 30, 2016

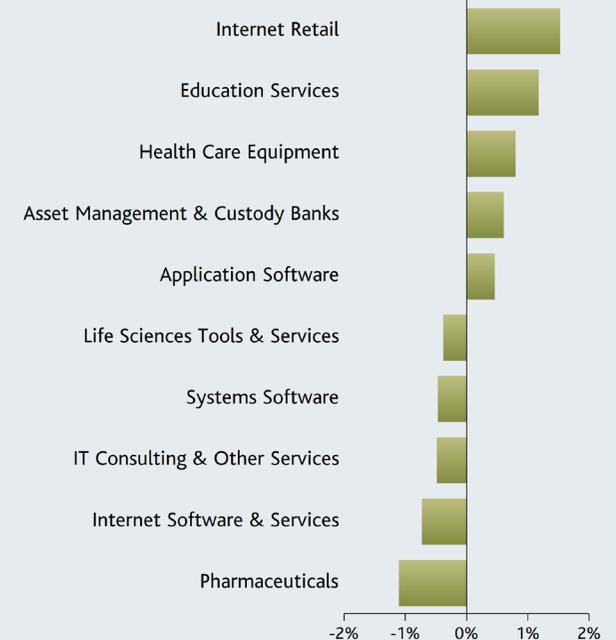
Contributors

- Shares of **Amazon.com, Inc.**, the world's largest retailer and cloud services provider, rose in Q2 on strong revenue growth and improving margins in the core business. Amazon's other major business segment, Amazon Web Services (AWS) continues to gain traction with enterprise customers, and had another strong quarter of growth. Over time, we expect AWS to be the larger contributor to value creation. Amazon continues to invest in new and potentially large business segments such as e-finance, business supplies, and apparel.
- **TAL Education Group** is a leading Chinese K-12 tutoring company, operating over 360 learning centers in 24 cities. Shares of TAL appreciated in Q2, driven by growth in enrollments of over 55%. We see significant opportunity for growth as TAL expands existing learning centers, opens new learning centers in existing cities, and enters new cities, while generating strong cash flow. The new hybrid class initiative in which classes are webcast to distant learning centers has the potential to improve teacher utilization and increase margins.
- **Glaukos Corporation** is developing products to drain intraocular (eye) fluid to relieve the symptoms of glaucoma and delay/prevent blindness. Improved sales of its lead product, iStent, drove strong revenue growth in the quarter. We see several drivers of future growth. iStent offers an alternative to daily eye drops, which require long-term patient compliance. A recent real-world study produced good results that exceeded clinical trial results. The company is also planning to expand internationally.

Detractors

- **Pacira Pharmaceuticals, Inc.**, a pharmaceutical that makes pain control drug EXPAREL, had a watershed event in mid-December 2015 when it won a favorable settlement of a marketing dispute with the FDA. Pacira received broad, definitive labeling for many major surgical uses. Shares peaked earlier in 2016, but have since dropped due to broader concerns in the pharma sector as well as growth guidance biased toward the second half of 2016. We believe Pacira has the potential for 25-35% top line growth for years to come.
- **Alphabet Inc.** is the world's largest search and online advertising-related company. Shares of Alphabet were driven down by Q1 results that missed Street expectations. We believe that while desktop search is becoming a more mature business for the company, Alphabet is well positioned to benefit from substantial growth in mobile and online video advertising.
- **EPAM Systems, Inc.** provides outsourced software development using highly skilled, low-cost employees primarily in Eastern Europe and Russia. EPAM reported strong quarterly results that exceeded management guidance, with 32% revenue growth and 26% EPS growth. However, shares fell following "Brexit" as EPAM has meaningful exposure to European customers (36% of revenue), especially European banks whose IT budgets could come under pressure. We believe customer demand will remain robust and that EPAM has a long runway for growth in a large market.

Contribution to Return¹ By Sub-Industry



By Holdings

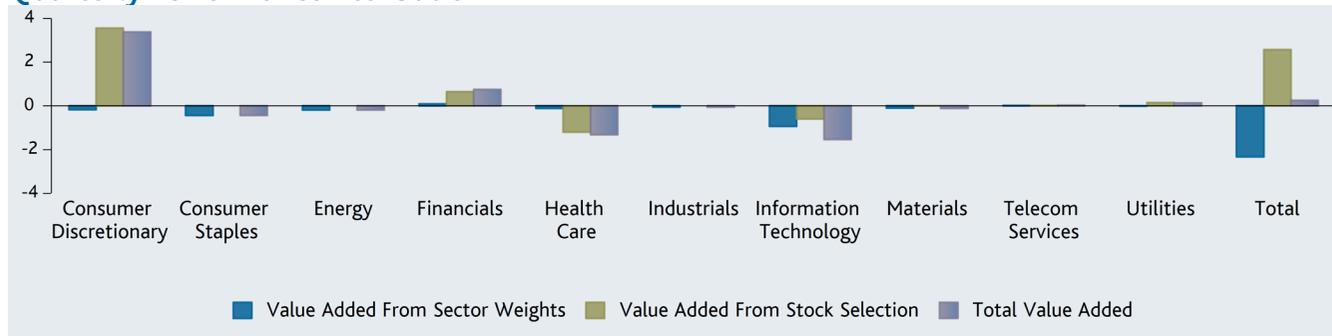
Top Contributors	Average Weight(%)	Contribution(%)
Amazon.com, Inc.	10.01	1.84
TAL Education Group	5.13	1.18
Glaukos Corporation	1.47	0.80
Mobileye N.V.	2.97	0.69
Cetip SA - Mercados Organizados	2.70	0.61

Top Detractors	Average Weight(%)	Contribution(%)
Pacira Pharmaceuticals, Inc.	2.40	-1.02
Alphabet Inc.	7.94	-0.63
EPAM Systems, Inc.	2.90	-0.45
Illumina, Inc.	2.74	-0.38
Mellanox Technologies Ltd.	3.23	-0.37

1 - Source: FactSet PA.

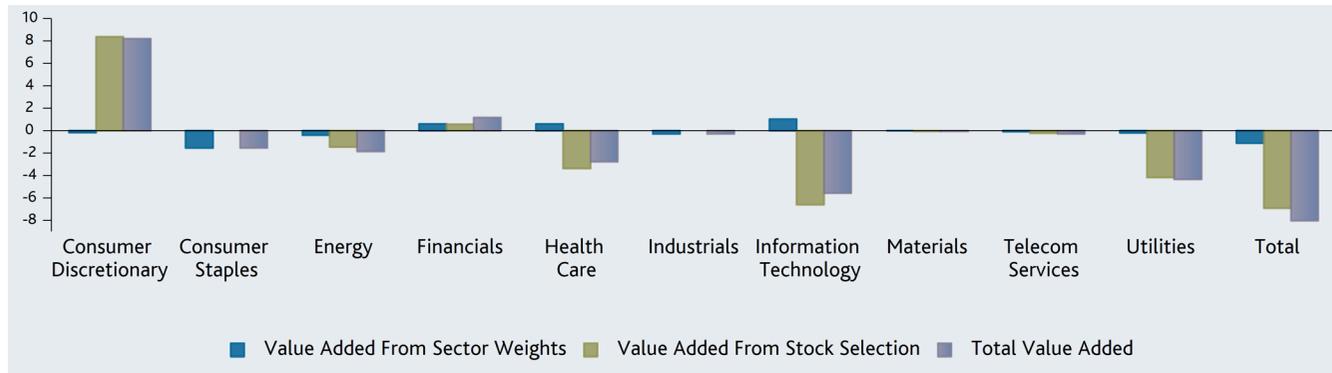


Quarterly Performance Attribution¹



Sector Average Weights(%)	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities	Total ²
Baron Global Advantage Fund	24.72	-	-	3.26	10.23	-	52.88	1.17	4.84	0.56	100.00
MSCI All Country World Growth Index	18.44	13.86	1.89	11.43	14.67	12.11	19.98	4.54	2.30	0.76	100.00
Over/Underweight	6.27	-13.86	-1.89	-8.18	-4.44	-12.11	32.89	-3.36	2.54	-0.20	-
Total Return(%)											
Baron Global Advantage Fund	13.29	-	-	18.11	-7.64	-	-3.18	3.08	2.17	36.72	1.02
MSCI All Country World Growth Index	-1.79	3.56	11.03	-0.91	3.56	1.10	-2.05	3.69	1.19	5.01	0.74
Relative Return	15.08	-3.56	-11.03	19.02	-11.21	-1.10	-1.14	-0.61	0.98	31.71	0.27

One-Year Performance Attribution¹



Sector Average Weights(%)	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities	Total ²
Baron Global Advantage Fund	23.80	-	1.67	3.33	8.31	-	50.66	1.12	4.80	3.22	100.00
MSCI All Country World Growth Index	18.85	12.59	2.55	12.20	15.05	12.12	19.44	4.37	2.16	0.67	100.00
Over/Underweight	4.95	-12.59	-0.88	-8.87	-6.74	-12.12	31.22	-3.24	2.64	2.54	-
Total Return(%)											
Baron Global Advantage Fund	33.44	-	-50.77	7.61	-37.75	-	-13.85	-2.06	-6.99	-65.55	-10.75
MSCI All Country World Growth Index	-3.52	9.43	-1.66	-9.40	-9.28	-0.71	0.09	-2.92	-5.31	0.82	-2.71
Relative Return	36.96	-9.43	-49.11	17.01	-28.47	0.71	-13.94	0.86	-1.68	-66.37	-8.04

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 rose 1.05% in the second quarter and outperformed the MSCI ACWI Growth Index by 31 basis points, mainly due to stock selection.

On a country basis, stock selection in emerging markets added the most value, mainly due to outperformance of investments in China, Brazil, and South Africa. Larger exposure to outperforming equities in Brazil, South Africa, and Indonesia also contributed to relative results. These positive effects were somewhat offset by underperformance of developed market investments in the U.S. and Canada.

On a sector basis, outperformance of Consumer Discretionary and Financials investments contributed the most to relative results. Consumer Discretionary holdings contributed 339 basis points, driven by the outperformance of the Fund's largest sector holdings, Amazon.com, Inc., TAL Education Group, and Naspers Limited. Amazon and TAL were the two largest contributors on an absolute basis, while Naspers, a South Africa-based Internet and media platform operator, benefited from its large ownership position in Tencent Holdings Ltd., whose shares increased sharply in the quarter. Strength in Financials was mainly due to the outperformance of Cetip SA - Mercados Organizados, which administers over-the-counter markets in Brazil. Cetip's stock price rose on good financial results, shareholder approval of the merger with BM&FBOVESPA, and appreciation of the Brazilian Real.

Information Technology (IT) and Health Care investments and lack of exposure to the outperforming Consumer Staples sector detracted the most from relative results. Within IT, underperformance of Internet software & service holdings, led by Alphabet, Inc. and Baidu, Inc., and significantly larger exposure to this lagging sub-industry hurt relative performance. Alphabet was the second largest detractor from absolute results, while shares of China-based Internet search engine Baidu fell sharply after the government launched an investigation into online medical advertisements following the death of a student who had sought cancer treatment at a hospital that had advertised on the search engine. Underperformance of ethernet company Mellanox Technologies Ltd. and the Fund's systems software and IT consulting & other services investments, led by Check Point Software Technologies Ltd. and EPAM Systems, Inc., respectively, also weighed on relative results. Weakness in Health Care was mostly attributable to the underperformance of pharmaceutical holdings Pacira Pharmaceuticals, Inc. and Allergan plc. Pacira was the largest detractor on an absolute basis, while shares of Botox manufacturer Allergan declined after the U.S. Treasury disallowed the Pfizer-Allergan inversion. The Fund's investment in DNA sequencing company Illumina, Inc. also hampered relative performance after the company reported Q1 revenue that missed Street expectations and lowered its forecast for 2016 due to weak sales of its HiSeq instrument line.



Top 10 Holdings as of June 30, 2016

Company

Investment Premise

Amazon.com, Inc. (AMZN) is an e-commerce pioneer, innovator, and market share leader, with relentless focus on providing customers value and convenience. It also operates the industry-leading cloud infrastructure business Amazon Web Services.

Amazon accounts for about 25% of U.S. online retail sales but less than 5% of global retail sales, while continuing to take share. Amazon has several 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 both the secular growth of online retail, and the growth of the cloud computing.

TAL Education Group (XRS) is a leading K-12 after school tutoring provider in China that currently operates 300+ learning centers in 25 cities.

TAL Education has been benefiting from positive secular trends in China, including growing competition to get into top schools and rising disposable incomes. 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 3.5% 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 25%+ for years to come.

Alphabet, Inc. (GOOG) is the new name for Google, Inc., a company that focuses on improving the ways people connect with information. The company provides a variety of services and tools for advertisers, primarily for search and display advertising.

As the world's most recognized and dominant online search provider, Alphabet is the largest beneficiary of a secular shift of advertising from all other mediums to online. With data becoming increasingly more important, it has processed and indexed more data than any other company. With, in our opinion, the greatest collection of talent assembled in any company in our coverage, we believe Alphabet will continue to grow and innovate for many years to come.

Facebook, Inc. (FB) is the world's largest social network with over 1.25 billion active monthly users, 950 million mobile users, and 750 million daily active users.

Facebook is a unique social platform where users continue to demonstrate stickiness and high engagement. Advertisers want to be where users are; and Facebook's ability to analyze, target, and show clear, demonstrable and rising returns on investment makes it particularly attractive to them. We believe the company is still in the early stages of monetizing its vast customer base. In addition, we see significant positive optionality from eventual monetization opportunities in search, video, publishing, and Instagram.

Alibaba Group Holding Ltd. (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 Alipay, the largest 3rd party online payment provider in China.

Alibaba is the most dominant e-commerce platform in the world. 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.

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. All in all, Naspers owns part 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.

Constellation Software, Inc. (CSU. CN) is a holding company that owns and operates over 200 small and medium-sized software businesses. These software businesses allow customers across a wide range of verticals to automate mission-critical activities, with the goal of saving labor costs.

Constellation has valuable experience that it can offer its acquisition targets, largely around advice to build high touch, low cost modules, and around 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 that there are over 10,000 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.

Mobileye N.V. (MBLY) provides automated driver assistance (ADAS) technologies. Its monocular vision platform helps drivers improve safety and avoid accidents, and revolutionizes the way customers drive.

As cars get "smarter" and more connected, we expect the revolution of autonomous driving to expand. Taking the driver out of the equation should reduce accident rates dramatically and save lives and billions of dollars. We think Mobileye has a strong lead from its decade-long R&D investments in its vision-based ADAS systems. We believe that over time Mobileye will have significant presence across OEMs. With its capital light/ high margins business model, we believe Mobileye will generate significant cash flow yield and growth.

Mellanox Technologies Ltd. (MLNX) is a supplier of high-performance switch systems, adapters, cables, and software supporting InfiniBand and Ethernet networking technologies.

Mellanox has been a long-term share gainer in its markets. Its products enable servers to communicate faster and more efficiently, thus reducing total IT costs. We expect the growing use of cloud-based services to increase demand for faster and more reliable communications hardware. Mellanox is a leading provider of high bandwidth, low latency interconnect solutions in the market, and is one generation ahead of its competition. With continuous share gains in the interconnect market, we believe Mellanox can meaningfully grow its earnings over the next three to four years.

Sarana Menara Nusantara Tbk PT (TOWR.IJ) is the largest independent owner of wireless telecommunication towers in Indonesia. Wireless carriers sublease space on towers for network equipment. Sarana Menara owns 14,700 towers, making it one of the largest independent tower operators in Asia.

We expect the company to continue growing profitably for three reasons. First, Indonesian data usage is growing rapidly, requiring carriers to invest in network quality. Second, carriers outsource the tower building to independent owners like Sarana, which can build quickly or allow a carrier to co-locate equipment on an existing owned site, offering high incremental margins to Sarana. Finally, we expect Sarana will continue acquiring tower portfolios at what we believe are attractive prices.





We invest in people—not just buildings

Long-Term Investors • Research Driven

WWW.BARONFUNDS.COM

WWW.BARONCAPITALMANAGEMENT.COM