

June 30, 2016
Institutional Shares (BINIX)

Baron International Growth 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 MSCI AC World ex USA indexes cited are unmanaged, free float-adjusted market capitalization weighted indexes. The **MSCI ACWI ex USA IMI Growth Index Net USD** measures the performance of large, mid and small cap growth securities across developed and emerging markets, excluding the United States. The **MSCI ACWI ex USA Index Net USD** measures the equity market performance of large and mid cap securities across developed and emerging markets, excluding the United States. The indexes and the Fund include reinvestment of dividends, net of foreign withholding taxes, which positively impact the performance results. Morningstar moved the Fund from the Foreign Small/Mid Growth Category effective May 31, 2016 to the Foreign Large Growth Category. As of 6/30/16, the category consisted of 376, 366, 355, 320 and 275 funds for the 3-month, year-to-date, 1-, 3-, and 5-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.

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



Portfolio Facts and Characteristics

	Fund	MSCI ACWI ex USA IMI Growth Index
# of Equity Securities / % of Net Assets	66/94.4%	-
Turnover (3 Year Average)	38.02%	-
Median Market Cap†	\$7.47 billion	\$1.27 billion
Weighted Average Market Cap†	\$22.17 billion	\$47.53 billion
EPS Growth (3-5 year forecast)†	16.3%	12.7%
Price/Earnings Ratio (trailing 12-month)*†	24.4	19.0
Price/Book Ratio*†	2.8	2.4
Price/Sales Ratio*†	2.9	1.4

* Weighted Harmonic Average

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

Performance Based Characteristics²

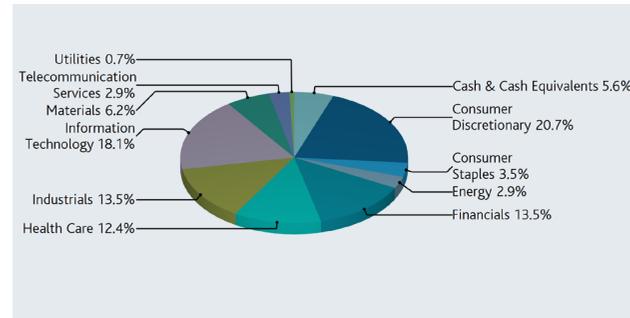
	3 Years	5 Years	Since Inception
Std. Dev. (%) - Annualized	12.93	15.28	16.39
Sharpe Ratio	0.44	0.22	0.66
Alpha (%) - Annualized	2.43	1.92	3.25
Beta	0.96	0.96	0.90
R-Squared (%)	82.98	88.83	87.41
Tracking Error (%)	5.28	5.10	6.04
Information Ratio	0.42	0.35	0.42
Upside Capture (%)	96.33	93.64	96.24
Downside Capture (%)	80.53	83.73	81.96

Top 10 Holdings

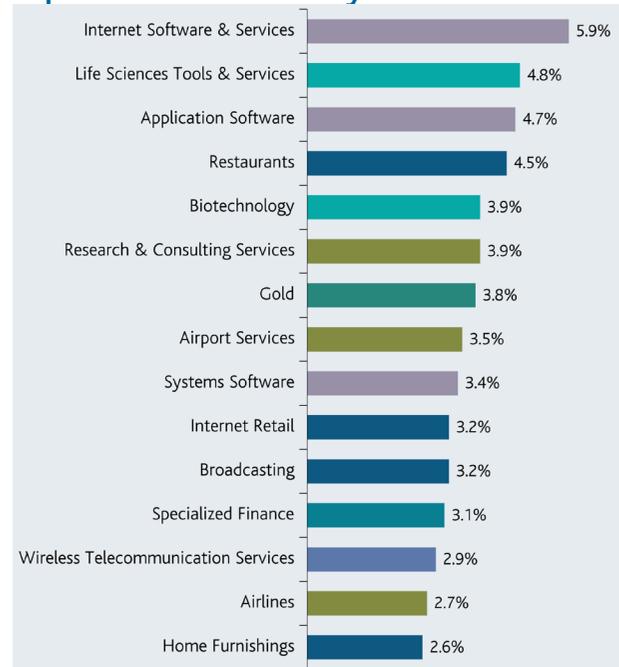
% of Net Assets

Aena SA	3.5
Eurofins Scientific SE	3.3
Domino's Pizza Enterprises Ltd.	3.3
Fresenius Medical Care Ag & Co	2.5
Abcam plc	2.5
Check Point Software Technologies Ltd.	2.4
Newcrest Mining Ltd.	2.4
Constellation Software, Inc.	2.4
Arch Capital Group Ltd.	2.3
Mellanox Technologies Ltd.	2.3
Total	26.9

GICS Sector Breakdown¹



Top 15 GICS Sub-Industry Breakdown¹



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

Investment Strategy

The Fund invests mainly in non-U.S. companies of any size with significant growth potential. The Fund invests principally in companies in developed countries and may invest up to 30% in companies in developing countries. Diversified.

Portfolio Manager

Michael Kass has been portfolio manager since inception. Michael joined Baron in 2007 and has 29 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 Furman Selz 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, 2008
Net Assets	\$83.73 million

Institutional Shares

CUSIP	06828M603
Gross Expense Ratio (as of FYE 12/15)	1.31%
Less: Reimbursement of Expenses by Adviser (as of FYE 12/15)	(0.06)%
Net Expense Ratio (as of FYE 12/15)	1.25%

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, 2016



	Total Returns(%)				Annualized Returns(%)											
	2nd Q 2016		Year to Date		1 Year		3 Years		5 Years		10 Years		Since Inception 12/31/2008			
	Return	+ -	Return	+ -	Return	+ -	Return	+ -	Return	+ -	Return	+ -	Return	+ -		
BINIX - Institutional Shares	1.96		0.39		-5.40		5.73		3.47		N/A		10.91			
MSCI ACWI ex USA IMI Growth Index	0.31	1.65	-0.01	0.40	-5.90	0.50	3.49	2.24	1.68	1.79	N/A		8.37	2.54		
MSCI ACWI ex USA Index	-0.64	2.60	-1.02	1.41	-10.24	4.84	1.16	4.57	0.10	3.37	N/A		6.82	4.09		
Morningstar Foreign Large Growth Category Average	-0.49	2.45	-2.29	2.68	-7.50	2.10	3.19	2.54	2.54	0.93	N/A		N/A			

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

Historical Performance(Calendar Year %)

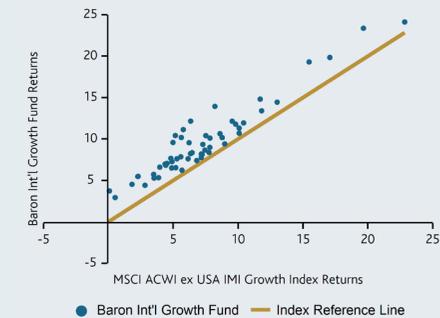


	2009	2010	2011	2012	2013	2014	2015
BINIX - Institutional Shares	44.89	24.54	-16.13	18.17	21.89	-2.07	1.48
MSCI ACWI ex USA IMI Growth Index	40.90	15.90	-14.66	16.69	15.85	-2.77	-0.26
MSCI ACWI ex USA Index	41.45	11.15	-13.71	16.83	15.29	-3.87	-5.66

Country Breakdown

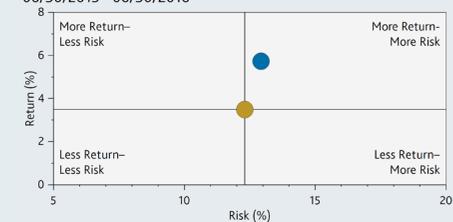
	% of Net Assets		% of Net Assets
Developing	24.5	Developed (Cont'd)	
China	7.5	Japan	7.9
India	5.1	Australia	6.9
Brazil	3.8	Spain	6.2
Indonesia	2.7	Canada	5.2
South Africa	1.5	Israel	4.7
Russia	1.4	United States	4.5
Mexico	1.3	France	3.8
Chile	1.2	Ireland	1.9
Developed	69.9	Switzerland	1.8
United Kingdom	15.0	Hong Kong	1.7
Germany	8.3	Norway	1.1
		Italy	0.9

BINIX has outperformed the MSCI ACWI ex USA IMI Growth Index 100% of the time (since its inception and using rolling 3-year annualized returns).



Risk/Return Comparison¹

06/30/2013 - 06/30/2016



- Baron International Growth Fund - I
- MSCI ACWI ex USA IMI Growth Index

Performance for the Institutional Shares prior to 5/29/2009 is based on the performance of the Retail Shares, which have a distribution fee. The Institutional Shares do not have a distribution fee. If the annual returns for the Institutional Shares prior to 5/29/2009 did not reflect this fee, the returns would be higher.

1 - Source: FactSet SPAR.



Review and Outlook

In the prior quarter, we remarked on the high inter-connectedness of global markets in a period of high leverage, fragile confidence, and increasingly unconventional policy intervention. The second quarter was marked by the surprise outcome of the U.K. referendum regarding participation in the European Union. Both "Brexit" and a remarkably strong Yen captivated the attention of investors and risk managers worldwide. While Japan's challenges are significant, we view them as fairly well understood and less threatening to global economies and markets. On the other hand, Brexit, rather than a local U.K. event, or even a pan-EU event, potentially challenges the political-economic-financial equilibrium we have come to take for granted over the past several decades. Since the 2009 financial crisis, political leaders, central bankers and policymakers have worked hard to maintain stability and sustain the existing equilibrium, but in recent years imbalances have been growing. Brexit should not have happened in the sense that it was not the logical or most economic outcome. Therefore, we must consider whether existing imbalances are pushing for an exit of the equilibrium, and if so, what will be the key changes in terms of long-term trends in globalization, EU political and financial integration, and security cooperation? How will the U.K.'s global trade relations proceed? Will Brexit increase or reduce the momentum of fringe anti-establishment movements in other E.U. countries? Material changes to these previous "knowns" would surely have global effects and could likely redefine opportunity and leadership throughout economies and markets. Such questions are complex and will not be answered overnight. Rather, several outcomes are possible, including the upside case of a "walking back" of Brexit, and we will be closely watching political and financial events unfold. As of now, we have made only modest adjustments in reaction given our comfort with our existing positioning, the substantial range of potential outcomes, and the fact that markets initially moved to discount an adverse scenario, particularly for the U.K. and Europe. We suspect that at current levels, equities outside the U.K. and E.U. have been far more resilient, creating a divergence that may need to be reconciled if Brexit is reflecting imbalances that exist on a global level.

Regardless of what scenario plays out, we think the surprise Brexit outcome raises the stakes for global leaders, and will likely move politicians and central bankers to prepare to act aggressively - to again seek to mute the impact of stress and sustain a stable equilibrium. As we have said in the past, we believe a global stress event is likely to provide political cover and provoke the Fed to join in more aggressive policy measures such as fiscal QE or "helicopter money." Brexit may well be the catalyst we have been looking for, as we believe such measures would likely mark the end of the U.S. Dollar bull market, drive global investors to embrace rising inflation expectations, and stimulate global nominal GDP growth. In such an environment, we would expect international, and in particular, emerging market equities to return to leadership amid a global advance.

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

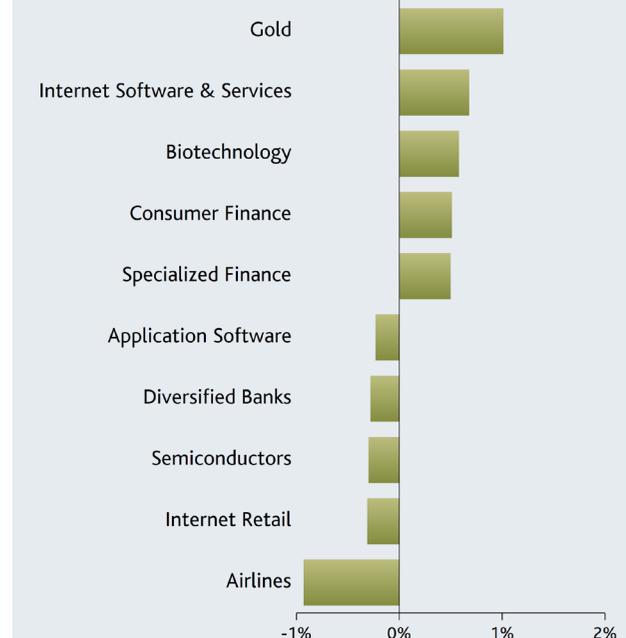
Contributors

- **Newcrest Mining Ltd.** is a leading gold mining and exploration company based in Australia. The company has relatively low cash costs and long reserve lives. Shares rose meaningfully during Q2, largely attributed to a continued rally in the price of gold. We admire new management's strategic priorities and further believe gold mining equities offer an attractive play on rising capital controls in China as well as continued unconventional global monetary policy.
- As India's leading microfinance lending institution, **SKS Microfinance Limited** is experiencing significant growth owing to rising demand for consumer loans in rural India. Strong performance during Q2 can be attributed to stellar financial performance and encouraging management guidance for the current fiscal year. We believe SKS is well positioned to generate 35-40% loan growth for the next three to five years. We retain conviction due to its pan-India branch network and strong management team.
- Shares of **Abcam plc** increased in Q2 on reported strong organic growth. Abcam sells research grade antibodies and other life sciences reagents to scientists at academic and biopharmaceutical laboratories. The company also benefited from the decline in the British Pound after the "Brexit" vote because its costs are largely in Pounds while its revenue is largely in U.S. Dollars and other currencies.

Detractors

- Shares of European budget airline **Ryanair Holdings plc** fell in Q2, due to European terrorist attacks and U.K. "Brexit" fears. While acts of terror do frequently impact short-term travel decisions, in our experience these events do not meaningfully impact the long-term demand for air travel. We believe that Ryanair's compelling low-cost service continues to resonate with Europeans, and that the company can significantly grow its market share in primary and secondary cities alike.
- Shares of **easyJet plc** fell during Q2, following the "Brexit" vote outcome and a profit warning from the company. EasyJet is a low-cost airline in Europe. The company is facing significant operating challenges following numerous air traffic control strikes and terrorist attacks that have reduced air travel demand in the region. Regarding the long-term outlook for the business, we are in the process of reviewing proposed changes to the aviation regulatory environment.
- **AO World plc** is the leading online seller of major domestic appliances in the U.K. AO sets itself apart through optimization of proprietary software and logistics and its focus on customer service. Shares of AO were down in Q2 as its expansion into Germany progressed more slowly than expected. The U.K. business continues to execute on its domestic plan and take share from competitors. We expect the German business to expand but at a more modest pace, while AO works to improve terms with vendors in advance of further volume expansion.

Contribution to Return¹ By Sub-Industry



By Holdings

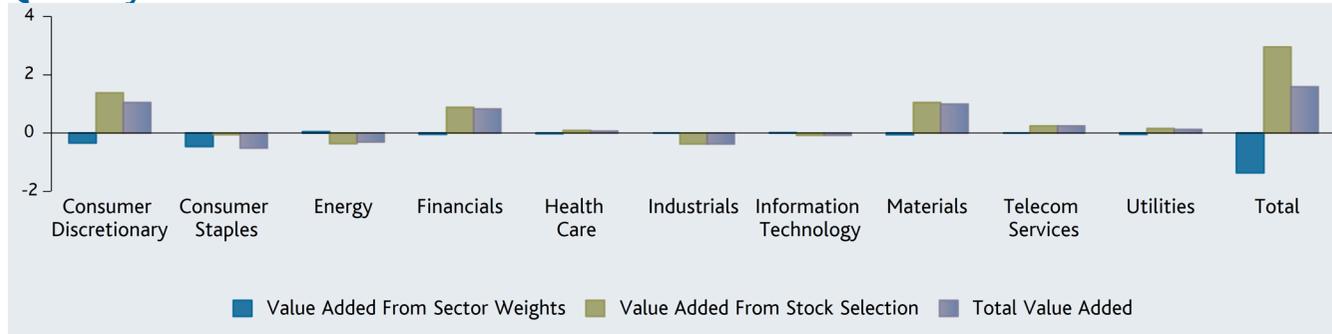
Top Contributors	Average Weight(%)	Contribution(%)
Newcrest Mining Ltd.	2.04	0.58
SKS Microfinance Limited	1.67	0.51
Abcam plc	2.11	0.47
Domino's Pizza Enterprises Ltd.	3.04	0.46
BM&FBOVESPA SA	1.66	0.45

Top Detractors	Average Weight(%)	Contribution(%)
Ryanair Holdings plc	2.34	-0.50
easyjet plc	1.26	-0.43
AO World plc	1.13	-0.34
ProSiebenSat.1 Media AG	2.25	-0.33
Mellanox Technologies Ltd.	2.25	-0.30

1 - Source: FactSet PA.

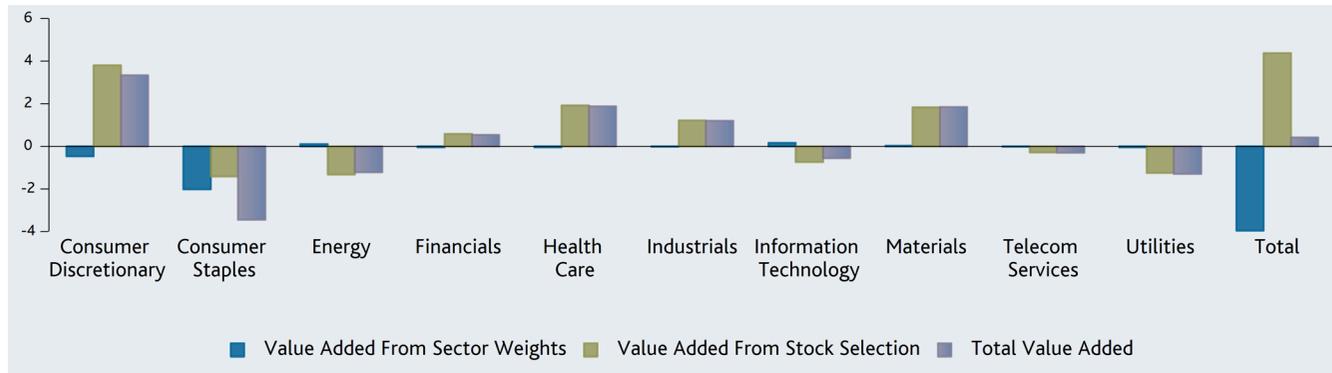


Quarterly Performance Attribution¹



Sector Average Weights(%)	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities	Total ²
Baron International Growth Fund	21.68	2.87	3.02	12.99	11.74	14.84	18.49	5.55	2.81	0.53	100.00
MSCI AC World ex USA IMI Growth Index	15.04	17.78	2.42	13.55	12.56	13.96	12.59	6.69	3.94	1.45	100.00
Over/Underweight	6.64	-14.91	0.60	-0.56	-0.82	0.88	5.89	-1.15	-1.13	-0.93	-
Total Return(%)											
Baron International Growth Fund	1.63	1.79	-4.28	3.02	4.15	-3.82	0.00	25.14	10.14	35.65	1.90
MSCI AC World ex USA IMI Growth Index	-4.65	3.22	7.38	-3.39	3.63	-1.15	0.41	3.91	0.37	4.74	0.31
Relative Return	6.29	-1.44	-11.66	6.42	0.52	-2.67	-0.41	21.23	9.77	30.90	1.58

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 International Growth Fund	23.87	1.69	2.68	14.29	10.36	14.49	20.59	3.78	3.03	0.77	100.00
MSCI AC World ex USA IMI Growth Index	15.69	16.30	2.65	15.02	12.70	14.44	11.83	6.39	3.65	1.32	100.00
Over/Underweight	8.18	-14.61	0.02	-0.74	-2.34	0.06	8.76	-2.61	-0.63	-0.55	-
Total Return(%)											
Baron International Growth Fund	3.23	-64.63	-40.32	-12.32	13.38	3.54	-7.79	49.18	-11.67	-74.44	-5.54
MSCI AC World ex USA IMI Growth Index	-12.40	8.11	-2.53	-16.08	-6.23	-5.21	-4.08	-3.81	-6.13	-0.32	-5.90
Relative Return	15.64	-72.74	-37.80	3.76	19.61	8.75	-3.71	53.00	-5.55	-74.12	0.36

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

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

2 - Fund total returns include cash, fees, unassigned securities and unclassified 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 International Growth Fund rose 1.96% in the second quarter and outperformed the MSCI ACWI ex USA IMI Growth Index by 165 basis points, primarily due to stock selection.

Emerging market investments added the most value after appreciating 12.0%, led by investments in Brazil, India, Russia, and China. Larger exposure to Brazilian equities, one of the best performing countries across emerging and developed markets, also aided relative results.

On a sector basis, outperformance of Consumer Discretionary, Materials, and Financials investments contributed the most to relative results. Strength in Consumer Discretionary was mainly due to the outperformance of Domino's Pizza Enterprises Ltd. of Australia and Smiles SA of Brazil. Shares of Domino's Pizza were bolstered by the company's exceptional execution in its home market and successful implementation of its growth strategy in new markets, while shares of Smiles benefited from general strength in Brazil and improving flexibility for parent company GOL Linhas Aéreas Inteligentes SA to manage its considerable balance sheet leverage. Investments in TAL Education Group of China and Matahari Department Store Tbk PT of Indonesia also helped relative performance. TAL's performance was driven by growth in student enrollments of over 55%, while Matahari's shares rose after the company posted strong Q1 financial results and announced that the current CFO will be promoted to CEO this summer. Within Materials, outperformance of gold stocks Newcrest Mining Ltd. of Australia and Agnico-Eagle Mines Ltd. of Canada and larger exposure this strong performing sub-industry added the most value. Financials holdings outperformed their index counterparts after increasing 3.0%, driven by gains from SKS Microfinance Ltd. of India and BM&FBOVESPA SA of Brazil. SKS was the second largest contributor to absolute results, while shares of financial exchange operator BM&FBOVESPA rose along with the broader Brazilian equity market and currency on investor optimism that political changes will lead to structural improvements in the Brazilian economy. The stock also benefited from shareholder approval of its acquisition of rival Cetip SA - Mercados Organizados, creating a unified financial clearinghouse for the Brazilian capital markets.

Meaningfully lower exposure to the outperforming Consumer Staples sector and underperformance of its Industrials investments detracted the most from relative results. Weakness in Industrials was driven by the Fund's European low-cost airlines theme, where easyJet plc of the U.K. and Ryanair Holdings plc of Ireland declined noticeably in the wake of the Brexit referendum.



Top 10 Holdings as of June 30, 2016

Company	Investment Premise	Company	Investment Premise
<p>Aena SA (AENA.SM) is the world's largest operator of airports. The company manages 46 airports in Spain, handling over 200 million passengers annually. Aena also has majority and minority ownership in certain international (ex-Spain) airports.</p>	<p>We think Aena is well positioned to benefit from growing air traffic into Spain, which is a leading tourist destination. The company is competitively positioned as it is a government regulated monopoly with high barriers to entry. In our opinion, the improvement in consumer spending in countries such as the U.K, Germany, and France and ongoing devaluation of the Euro bode well for sustained earnings growth.</p>	<p>Check Point Software Technologies Ltd. (CHKP) provides security software for Internet communications and transactions. Check Point's software verifies remote users, controls access, and blocks viruses and malicious software.</p>	<p>As our world becomes more digital, cyber attacks are growing and the need for cybersecurity is increasing. Check Point is a leader in the cyber-security space and the only pure-play public company with products across the security landscape (network, applications, mobile, autos, and malware, for example). We see Check Point's focus and expertise as a competitive advantage, and we believe it will be able to monetize it through its profitable and recurring revenue from thousands of customers around the globe.</p>
<p>Eurofins Scientific SE (erfp) provides analytical testing services to clients in the food, pharmaceutical, and environmental sectors.</p>	<p>Eurofins Scientific is benefiting from favorable secular trends, including increasing demand for safe and high quality food, increasing regulation, outsourcing of testing by pharmaceutical companies, and heightened environmental concerns. We think the company is well positioned to grow its revenue while improving its profitability. Management aspires to double the size of the business by 2020 through organic growth plus acquisitions.</p>	<p>Newcrest Mining Ltd. (NCMAU) is a leading gold mining exploration and production company based in Australia. The company's relatively low-cost operations and long reserve life stands out against its global peer group.</p>	<p>Newcrest's new CEO has successfully repositioned the company's cost base and is delivering attractive cash margins while using substantial free cash flow to delever the balance sheet. We believe gold producers are well-positioned to prosper should the Chinese public grow increasingly concerned over RMB devaluation and capital controls.</p>
<p>Domino's Pizza Enterprises (DMP.AU) is the master franchisee of the Domino's Pizza brand in Australia, New Zealand, select European countries, and Japan. It is the largest franchisee of Domino's outside the U.S. It is the leader in terms of technology innovation among all Domino's master franchisees globally.</p>	<p>Domino's is the largest pizza restaurant in Australia. We believe that broader menu choices and digital marketing has continued to drive store productivity and same store sales growth despite already superb metrics. Further, the under-penetration of delivery pizza in its European and Japanese markets suggests an opportunity to double its store base in each of these markets. Domino's has recently partnered with the Domino's master franchisee in the U.K. to acquire the largest pizza chain in Germany. We expect this to fuel yet another leg of growth for both companies.</p>	<p>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.</p>	<p>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.</p>
<p>Fresenius Medical Care Ag & CO (FME.GR) is the world's leading provider of dialysis services and products. The German company is the number one player in the U.S., with about 35% market share. It operates in excess of 3,400 clinics worldwide and manages about 290,000 patients.</p>	<p>We believe Fresenius is a stable, cash generating health care business with long-term drivers around U.S. dialysis care coordination and opening up of the Japanese market. Management expects dialysis volumes to grow at 4-5% CAGR owing to increased onset of diabetes and obesity worldwide. The company should also benefit from lower drug costs as generic competition for Epogen is entering the market.</p>	<p>Arch Capital Group Ltd. (ACGL) is a specialty insurance and reinsurance company with operations in Bermuda, the U.S., Europe, and Canada.</p>	<p>Arch Capital is led by an experienced management team with a successful track record across several insurance cycles. We believe the company excels at underwriting specialized policies and can nimbly shift its business mix to target the most profitable lines. Arch has a compensation system that rewards long-term profitability rather than short-term premium growth. In our view, management has demonstrated good underwriting discipline and has returned excess capital to shareholders during soft pricing cycles, allowing Arch to maintain industry-leading returns on equity.</p>
<p>Abcam plc (abc.ln) sells research grade antibodies to scientists who use Abcam's products in their search for treatments for human disease. The company sources products from more than 400 OEM suppliers and also manufactures products in-house.</p>	<p>We believe Abcam is well positioned for growth driven by the company's unique rabbit monoclonal antibodies product line and expansion into other life sciences research tools such as proteins, kits, and assays. Competitive advantages include the detailed product data sheets the company has assembled over years, its broad product offering, efficient global logistics, and relationships with suppliers. The business model generates high margins, strong free cash flow, and high returns on capital employed.</p>	<p>Mellanox Technologies Ltd. (MLNX) is a supplier of high-performance switch systems, adapters, cables, and software supporting InfiniBand and Ethernet networking technologies.</p>	<p>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.</p>



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