

# Baron Global Advantage Fund

Retail Shares (BGAFX) and Institutional Shares (BGAIX)

BAMCO, Inc., Registered Investment Adviser



## 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

## 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 26 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.

## Portfolio Facts and Characteristics

Inception Date	April 30, 2012
Net Assets	\$89.16 million
# of Equity Securities / % of Net Assets	48 / 98.8%
Turnover (3 Year Average)	23.08%
Active Share	89.7%
Median Market Cap†	\$6.83 billion
Weighted Average Market Cap†	\$117.53 billion

### Retail Shares

CUSIP	06828M843
Gross Expense Ratio <sup>3</sup>	1.95%
Less: Reimbursement of Expenses by Adviser <sup>3</sup>	(0.80)%
Net Expense Ratio <sup>3</sup>	1.15%

### Institutional Shares

CUSIP	06828M835
Gross Expense Ratio <sup>3</sup>	1.59%
Less: Reimbursement of Expenses by Adviser <sup>3</sup>	(0.69)%
Net Expense Ratio <sup>3</sup>	0.90%

†Source: FactSet PA and BAMCO.  
R6 Shares are also available for this Fund.

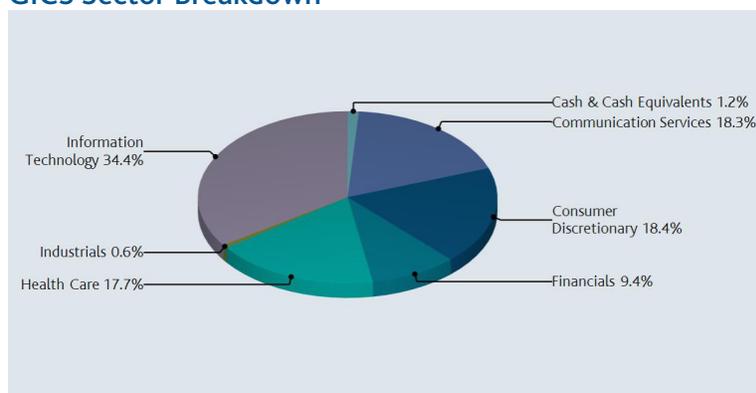
## Performance Based Characteristics - Retail Shares<sup>2</sup>

	3 Years	5 Years	Since Inception
Std. Dev. (%) - Annualized	15.09	15.94	15.19
Sharpe Ratio	0.76	0.46	0.68
Alpha (%) - Annualized	3.92	1.25	1.47
Beta	1.18	1.24	1.18
R-Squared (%)	82.42	80.23	78.48
Tracking Error (%)	6.66	7.60	7.34
Information Ratio	0.78	0.30	0.37
Upside Capture (%)	133.39	125.35	118.62
Downside Capture (%)	111.84	118.75	109.40

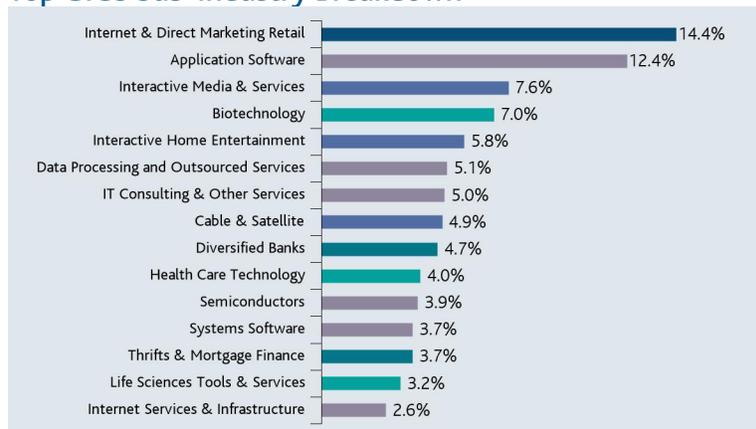
## Top 10 Holdings

	% of Net Assets
Amazon.com, Inc.	4.9
Naspers Limited	4.9
Alphabet Inc.	4.8
argenx SE	4.7
Alibaba Group Holding Limited	4.7
Veeva Systems Inc.	4.0
Mellanox Technologies Ltd.	3.9
Housing Development Finance Corporation Limited	3.7
Constellation Software, Inc.	3.6
EPAM Systems, Inc.	3.5
<b>Total</b>	<b>42.7</b>

## GICS Sector Breakdown<sup>1</sup>



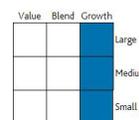
## Top GICS Sub-Industry Breakdown<sup>1</sup>



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

## Risks

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.

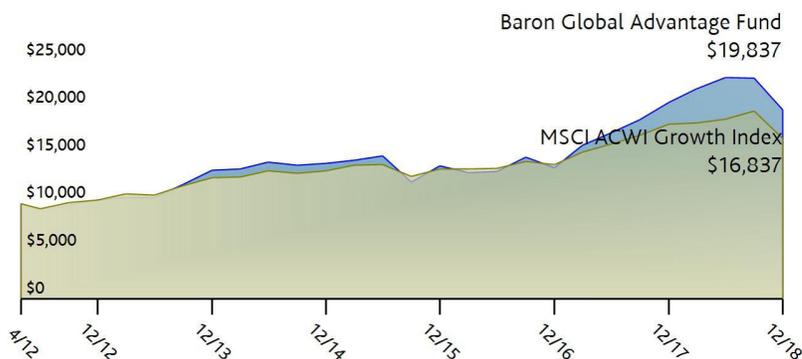
2 - Source: FactSet SPAR. Except for Standard Deviation and Sharpe Ratio, the performance based characteristics above were calculated relative to the Fund's benchmark.

3 - As of FYE 12/31/2017, restated to reflect management fee reduction from 1.00% to 0.85% and current expense waiver.

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.

## Comparison of Change in Value of \$10,000 Investment in Baron Global Advantage Fund - Retail Shares vs. the MSCI ACWI Growth Index as of December 31, 2018



## Country Breakdown as of December 31, 2018

	% of Net Assets		% of Net Assets
<b>Developed</b>	68.2	<b>Emerging</b>	25.9
United States	50.1	China	9.4
Israel	6.5	India	8.4
Netherlands	6.3	South Africa	4.9
Canada	3.6	Brazil	3.2
United Kingdom	1.5	<b>Frontier</b>	4.7
Japan	0.2	Argentina	4.7

## Performance as of December 31, 2018

	Total Return (%)				Annualized Returns (%)					Cumulative Returns (%)
	4th Q 2018	3rd Q 2018	2nd Q 2018	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 4/30/2012	Since Inception 4/30/2012
BGAIX-Retail Shares	-14.42	-0.39	5.55	-3.89	-3.89	12.43	7.98	-	10.82	98.37
BGAIX-Institutional Shares	-14.37	-0.30	5.58	-3.66	-3.66	12.66	8.20	-	11.05	101.14
MSCI ACWI Growth Index	-14.66	4.56	2.26	-8.13	-8.13	7.24	5.72	-	8.13	68.37
MSCI ACWI Index	-12.75	4.28	0.53	-9.42	-9.42	6.60	4.26	-	7.19	58.84
Morningstar World Large Stock Category Average	-12.94	3.47	0.62	-9.64	-9.64	5.69	3.72	-	N/A	N/A

## Top Contributors/Detractors to Performance for the Quarter Ended December 31 2018<sup>4</sup>

### BY SUB-INDUSTRIES<sup>1</sup>

Top Contributors	Average Weight(%)	Contribution(%)
Semiconductors	3.88	0.56
Thriffs & Mortgage Finance	3.06	0.48
Diversified Banks	3.82	0.47
Health Care Services	1.13	0.28
Automobile Manufacturers	1.28	0.25

Top Detractors	Average Weight(%)	Contribution(%)
Internet & Direct Marketing Retail	15.27	-3.33
Interactive Home Entertainment	6.12	-2.63
Interactive Media & Services	8.54	-1.50
Data Processing and Outsourced Services	4.74	-1.50
Pharmaceuticals	2.17	-1.09

### BY HOLDINGS

Top Contributors	Average Weight(%)	Contribution(%)
argenx SE	4.29	0.95
Mellanox Technologies Ltd.	3.52	0.79
Housing Development Finance Corporation Limited	3.06	0.48
Guardant Health, Inc.	1.13	0.28
Kotak Mahindra Bank Ltd.	1.90	0.27

Top Detractors	Average Weight(%)	Contribution(%)
Activision Blizzard, Inc.	3.77	-2.06
Amazon.com, Inc.	5.27	-1.51
Aerie Pharmaceuticals, Inc.	2.17	-1.09
Alibaba Group Holding Limited	4.92	-0.74
Sage Therapeutics, Inc.	2.03	-0.72

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](http://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](http://www.BaronFunds.com). Please read them carefully before investing.

Footnotes continued from prior page.

4 - Source: FactSet PA.

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. The Fund has been included in the category since inception. © 2018 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. **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.