

# Baron International Growth Fund

Retail Shares (BIGFX) and Institutional Shares (BINIX)

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 non-U.S. companies of any size with significant growth potential. The Fund invests principally in companies in developed countries. Diversified.

## Portfolio Manager

Michael Kass joined Baron in 2007 as a portfolio manager and has 32 years of research experience. From 2003 to 2007, he was a managing principal of Artemis Advisors, which acquired the Artemis Funds, a long-short equity strategy he co-founded in 1998. From 1993 to 2003, he worked at ING as a director of proprietary trading and was named senior managing director and portfolio manager in 1996. From 1989 to 1993, he worked at Lazard Frères in investment banking. From 1987 to 1989, Michael was an analyst at Bear Stearns. Michael graduated summa cum laude from Tulane University with a B.A. in Economics in 1987.

## Portfolio Facts and Characteristics

Inception Date	December 31, 2008
Net Assets	\$226.45 million
# of Equity Securities / % of Net Assets	100 / 95.4%
Turnover (3 Year Average)	40.39%
Active Share	94.0%
Median Market Cap†	\$7.27 billion
Weighted Average Market Cap†	\$31.33 billion
<b>Retail Shares</b>	
CUSIP	06828M306
Gross Expense Ratio <sup>3</sup>	1.41%
Less: Reimbursement of Expenses by Adviser <sup>3</sup>	(0.21)%
Net Expense Ratio <sup>3</sup>	1.20%
<b>Institutional Shares</b>	
CUSIP	06828M603
Gross Expense Ratio <sup>3</sup>	1.13%
Less: Reimbursement of Expenses by Adviser <sup>3</sup>	(0.18)%
Net Expense Ratio <sup>3</sup>	0.95%

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

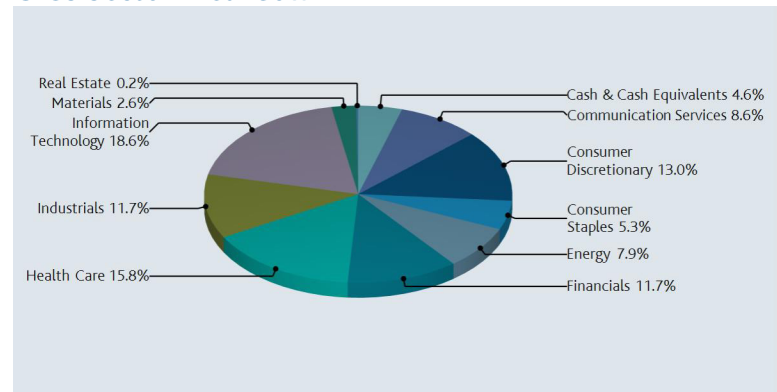
## Performance Based Characteristics - Retail Shares<sup>2</sup>

	3 Years	5 Years	10 Years
Std. Dev. (%) - Annualized	11.91	12.08	15.34
Sharpe Ratio	0.28	0.15	0.58
Alpha (%) - Annualized	0.37	1.84	3.46
Beta	0.92	0.91	0.86
R-Squared (%)	79.00	80.34	84.63
Tracking Error (%)	5.54	5.47	6.43
Information Ratio	-0.02	0.31	0.42
Upside Capture (%)	86.83	91.16	92.69
Downside Capture (%)	83.72	80.63	77.13

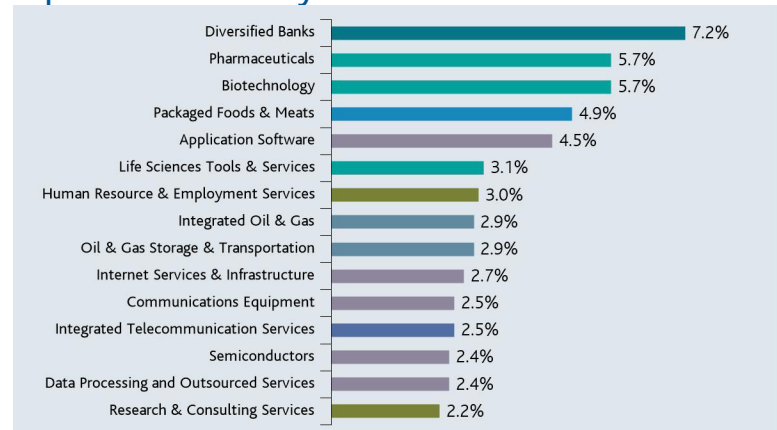
## Top 10 Holdings

	% of Net Assets
AstraZeneca PLC	2.9
argenx SE	2.6
Nokia Corporation	2.5
Danone SA	2.2
Constellation Software, Inc.	2.2
Mellanox Technologies Ltd.	2.1
Golar LNG Ltd.	1.8
Linde Public Limited Company	1.6
Aena SME, S.A.	1.6
Abcam plc	1.6
<b>Total</b>	<b>21.1</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

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. This may result in greater share price volatility. Securities of small and medium-sized companies may be thinly traded and more difficult to sell. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund's returns.

Value	Blend	Growth	Size
Large			
Medium			
Small			

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.

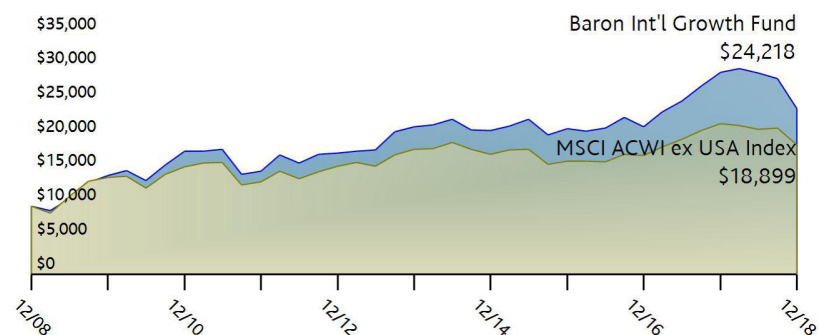
2 - Source: FactSet SPAR. Except for Standard Deviation and Sharpe Ratio, the performance based characteristics above were calculated relative to the Fund's benchmark.

3 - As of FYE 12/31/2017, restated to reflect management fee reduction from 1.00% to 0.88% 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 Int'l Growth Fund - Retail Shares vs. the MSCI ACWI ex USA Index as of December 31, 2018



## Country Breakdown as of December 31, 2018

	% of Net Assets		% of Net Assets
<b>Developed</b>	72.2	<b>Developed (Cont'd)</b>	
United Kingdom	14.0	Belgium	1.2
Japan	12.6	<b>Emerging</b>	21.2
France	7.2	China	8.0
Canada	5.2	Brazil	4.7
Netherlands	4.8	India	3.8
Germany	4.6	Mexico	2.0
United States	3.8	Korea	1.5
Israel	3.7	Russia	0.9
Norway	3.5	Indonesia	0.3
Spain	3.0	<b>Frontier</b>	2.0
Finland	2.5	Argentina	1.5
Ireland	2.3	Panama	0.4
Switzerland	2.1	Nigeria	0.1
Australia	1.7	<b>Total</b>	95.4

## 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 12/31/2008	Since Inception 12/31/2008
BIGFX-Retail Shares	-15.45	-2.56	-2.26	-17.90	-17.90	4.38	2.37	9.25	9.25	142.18
BINIX-Institutional Shares	-15.41	-2.53	-2.15	-17.68	-17.68	4.64	2.63	9.52	9.52	148.23
MSCI ACWI ex USA Index	-11.46	0.71	-2.61	-14.20	-14.20	4.48	0.68	6.57	6.57	88.99
MSCI ACWI ex USA IMI Growth Index	-12.70	-0.53	-1.46	-14.96	-14.96	4.01	1.76	7.47	7.47	105.59
Morningstar Foreign Large Growth Category Average	-13.87	0.21	-0.72	-14.08	-14.08	3.21	1.38	7.43	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	1.97	0.31
Thrifths & Mortgage Finance	0.62	0.10
Communications Equipment	2.01	0.09
Investment Banking & Brokerage	0.87	0.08
Automobile Manufacturers	0.62	0.06

Top Detractors	Average Weight(%)	Contribution(%)
Oil & Gas Exploration & Production	2.28	-1.29
Human Resource & Employment Services	3.33	-1.06
Application Software	4.28	-1.05
Diversified Banks	6.97	-1.03
Data Processing and Outsourced Services	2.53	-0.76

### BY HOLDINGS

Top Contributors	Average Weight(%)	Contribution(%)
argenx SE	2.21	0.42
Mellanox Technologies Ltd.	1.80	0.35
China Tower Corporation Limited	1.04	0.31
Zai Lab Limited	0.80	0.19
Housing Development Finance Corporation Limited	0.62	0.10

Top Detractors	Average Weight(%)	Contribution(%)
Encana Corp.	0.98	-0.75
Fresenius Medical Care AG & Co. KGaA	1.40	-0.61
Eurofins Scientific SE	1.34	-0.51
Recruit Holdings Co., Ltd.	1.56	-0.48
Tullow Oil plc	1.21	-0.47

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 MSCI AC World ex USA indexes cited are unmanaged, free float-adjusted market capitalization weighted indexes. 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 **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 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. Morningstar calculates the **Morningstar US Fund Foreign Large Growth Average** using its Fractional Weighting methodology. © 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.