

September 30, 2018  
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](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.*

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 dif-

ference between the fund and the index returns. **Information Ratio:** measures the excess return of a fund divided by the amount of risk the fund takes relative to the benchmark index. The higher the information ratio, the higher the excess return expected of the fund, given the amount of risk involved. **Upside Capture:** explains how well a fund performs in time periods where the benchmark's returns are greater than zero. **Downside Capture:** explains how well a fund performs in time periods where the benchmark's returns are less than zero. **Active Share:** a term used to describe the share of a portfolio's holdings that differ from that portfolio's benchmark index. It is calculated by comparing the weight of each holding in the Fund to that holding's weight in the benchmark. Positions with either a positive or negative weighting versus the benchmark have Active Share. An Active Share of 100% implies zero overlap with the benchmark. Active Share was introduced in 2006 in a study by Yale academics, M. Cremers and A. Petajisto, as a measure of active portfolio management. **EPS Growth Rate (3-5 year forecast):** indicates the long-term forecasted EPS growth of the companies in the portfolio, calculated using the weighted average of the available 3-to-5 year forecasted growth rates for each of the stocks in the portfolio provided by FactSet Estimates. The EPS Growth rate does not forecast the Fund's performance. **Price/ Earnings Ratio (trailing 12-months):** is a valuation ratio of a company's current share price compared to its actual earnings per share over the last twelve months. **Price/Book Ratio:** is a ratio used to compare a company's stock price to its tangible assets, and it is calculated by dividing the current closing price of the stock by the latest quarter's book value per share. **Price/Sales Ratio:** is a valuation ratio of a stock's price relative to its past performance. It represents the amount an investor is willing to pay for a dollar generated from a particular company's operations. Price/Sales is calculated by dividing a stock's current price by its revenue per share for the last 12 months. Historical portfolio characteristics are provided by Compustat and FactSet Fundamentals. **Weighted Harmonic Average:** is a calculation that reduces the impact of extreme observations on the aggregate calculation by weighting them based on their size in the fund.

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



## Portfolio Facts and Characteristics

	Fund	MSCI ACWI ex USA Index
# of Equity Securities / % of Net Assets	94 / 86.1%	-
Turnover (3 Year Average)	41.14%	-
Active Share	94.5%	-
Median Market Cap†	\$9.96 billion	\$7.64 billion
Weighted Average Market Cap†	\$32.01 billion	\$61.93 billion
EPS Growth (3-5 year forecast)†	18.6%	10.5%
Price/Earnings Ratio (trailing 12-month)*†	21.1	13.8
Price/Book Ratio*†	2.5	1.6
Price/Sales Ratio*†	2.3	1.2

\* Weighted Harmonic Average

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

R6 Shares are also available for this Fund.

## Performance Based Characteristics<sup>2</sup>

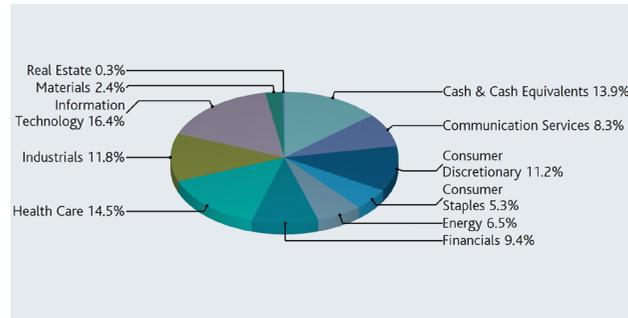
	3 Years	5 Years	Since Inception
Std. Dev. (%) - Annualized	10.38	10.91	14.98
Sharpe Ratio	1.11	0.58	0.76
Alpha (%) - Annualized	3.83	3.31	4.59
Beta	0.83	0.84	0.85
R-Squared (%)	76.54	74.77	84.26
Tracking Error (%)	5.34	5.76	6.45
Information Ratio	0.44	0.47	0.56
Upside Capture (%)	91.03	92.07	93.64
Downside Capture (%)	63.69	70.95	72.64

## Top 10 Holdings

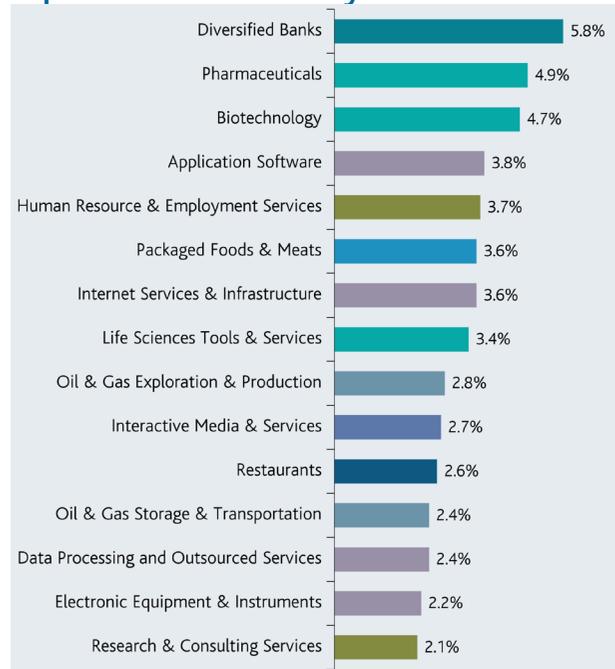
## % of Net Assets

AstraZeneca PLC	2.6
Constellation Software, Inc.	2.0
Danone SA	1.9
Wix.com Ltd.	1.8
Domino's Pizza Enterprises Ltd.	1.8
Abcam plc	1.7
Recruit Holdings Co., Ltd.	1.7
argenx SE	1.6
Fresenius Medical Care AG & Co. KGaA	1.6
Eurofins Scientific SE	1.5
<b>Total</b>	<b>18.2</b>

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



## Top 15 GICS Sub-Industry Breakdown<sup>1</sup>



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. Diversified.

## Portfolio Manager

Michael Kass joined Baron in 2007 as a portfolio manager and has 31 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.

## 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	\$285.05 million
<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%

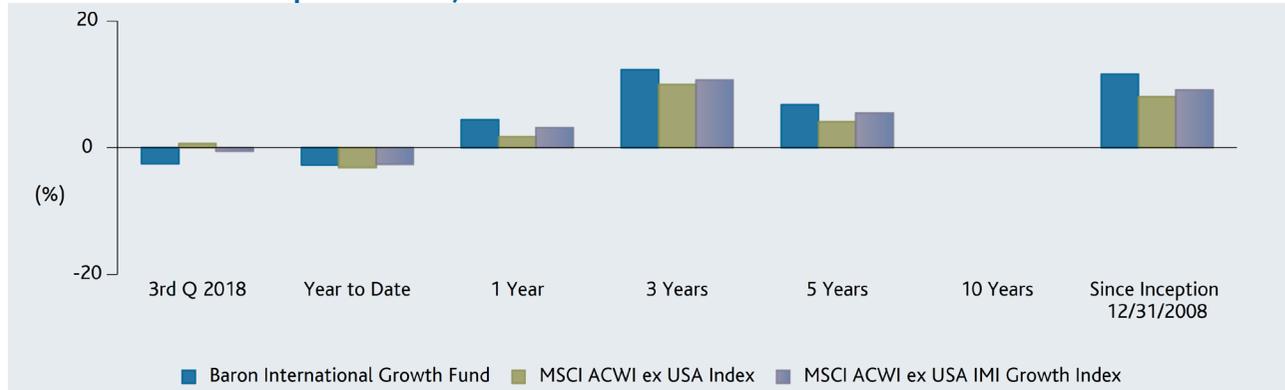
**Non-U.S. investments may involve additional risks to those inherent in U.S. investments, including exchange-rate fluctuations, political or economic instability, the imposition of exchange controls, expropriation, limited disclosure and illiquid markets. This may result in greater share price volatility. 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.**

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.

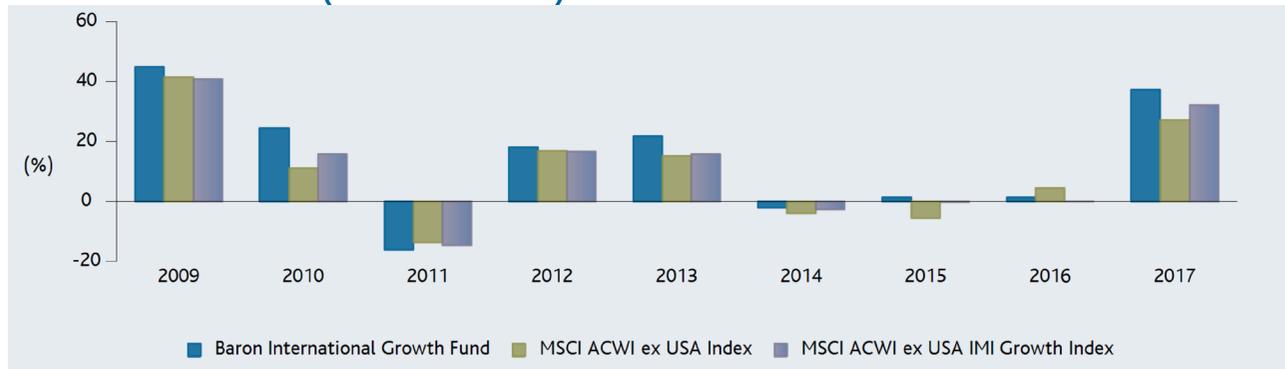
## Performance as of September 30, 2018



	Total Returns(%)				Annualized Returns(%)									
	3rd Q 2018		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	-2.53		-2.69		4.44		12.34		6.81		N/A		11.67	
MSCI ACWI ex USA Index	0.71	-3.24	-3.09	0.40	1.76	2.68	9.97	2.37	4.12	2.69	N/A		8.09	3.58
MSCI ACWI ex USA IMI Growth Index	-0.53	-2.00	-2.59	-0.10	3.22	1.22	10.70	1.64	5.51	1.30	N/A		9.18	2.49
Morningstar Foreign Large Growth Category Average	0.21	-2.74	-0.20	-2.49	4.08	0.36	10.28	2.06	5.74	1.07	N/A		N/A	

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

## Historical Performance(Calendar Year %)

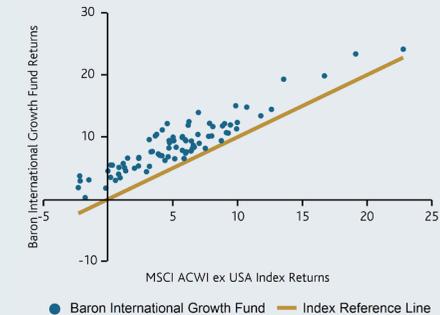


	2009	2010	2011	2012	2013	2014	2015	2016	2017
BINIX - Institutional Shares	44.89	24.54	-16.13	18.17	21.89	-2.07	1.48	1.35	37.33
MSCI ACWI ex USA Index	41.45	11.15	-13.71	16.83	15.29	-3.87	-5.66	4.50	27.19
MSCI ACWI ex USA IMI Growth Index	40.90	15.90	-14.66	16.69	15.85	-2.77	-0.26	0.06	32.25

## Country Breakdown

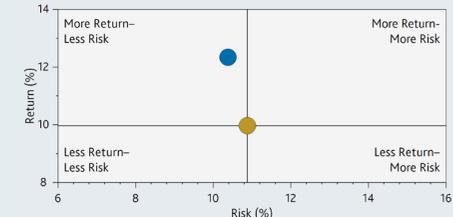
	% of Net Assets		% of Net Assets
<b>Developed</b>	<b>68.2</b>	<b>Developed (Cont'd)</b>	
Japan	14.4	Finland	1.5
United Kingdom	12.2	Belgium	1.0
France	6.5	<b>Emerging</b>	<b>16.7</b>
Canada	5.1	China	6.0
Germany	4.5	India	3.0
Netherlands	4.2	Brazil	2.7
United States	3.6	Mexico	2.0
Israel	3.1	Korea	1.4
Norway	2.9	Russia	1.3
Australia	2.6	Indonesia	0.3
Spain	2.4	<b>Frontier</b>	<b>1.2</b>
Ireland	2.3	Argentina	1.1
Switzerland	1.9	Nigeria	0.1

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



## Risk/Return Comparison<sup>1</sup>

09/30/2015 - 09/30/2018



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

Unless otherwise noted, all performance and performance related calculations are based on the Institutional Shares. 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

International equities continued to underperform the major U.S. indexes in the quarter. In our view, the principal catalysts for such underperformance have shifted from dollar liquidity withdrawal to the departure of U.S. foreign and trade policy from market expectations and convention, as well as to a lesser extent renewed concerns regarding Euro hegemony and Brexit proceedings. In our view, this has caused risk premium to increase materially on international assets and currencies, while thus far the perception is that the U.S. is largely insulated from such risks. We believe U.S. aggression relating to protectionism and tariffs is the primary driver of recent market turbulence, but we also highlight departure from convention on foreign policy matters such as orientation towards NATO allies and a change in U.S. sanction strategy from targeting individuals to targeting corporations and sovereigns.

Although the U.S.-China trade dispute captivated global investor attention in recent months, several developments in developed international markets deserve mention. In Italy, the majority populist party leadership presented a budget proposal outside Maastricht treaty guidelines, causing volatility in the European credit and equity markets, as the hegemony of the Euro is again being questioned. In the U.K., the impending Brexit deadline nears while political factions are splintering, leading to concern that the stalemate will result in gridlock, uncertainty and higher risk premium. Finally, while Japan was a bright spot during the quarter, rising global bond yields appear likely to force local authorities to finally exit unconventional monetary policy, potentially triggering volatility and an abrupt change in market leadership.

The key questions remain what is the way forward, and what are the catalysts that would signal that a bottom can be formed. In our view, the way forward for developed international markets is positive resolution, or at least certainty regarding the above challenges, while the way forward in emerging markets remains capable political leadership, productivity enhancing reforms, and a shift towards value-added, innovative and intellectual-capital based industries. In the nearer term, key market catalysts would begin with the obvious: a credible truce or trade agreement between the U.S. and China. In the absence of such an agreement, any contagion to the developed, and particularly, the U.S. markets, would significantly increase the likelihood that the Fed would shift its rhetoric and narrow the expected magnitude and duration of its rate hike cycle. Last would be anything that dilutes President Trump's political currency, as we believe his policies are exacerbating the squeeze on international economies and markets beyond what traditional economic and financial fundamentals would suggest. Should the House of Representatives flip to the Democrats in November, we would consider this confirmation of a near-term peak in Trump's influence over Congress and policy. As always, we remain confident in our unique forward-looking and bottom-up, fundamental approach, and remain attuned to developing themes and opportunities.

## Top Contributors/Detractors to Performance for the Quarter Ended September 30, 2018

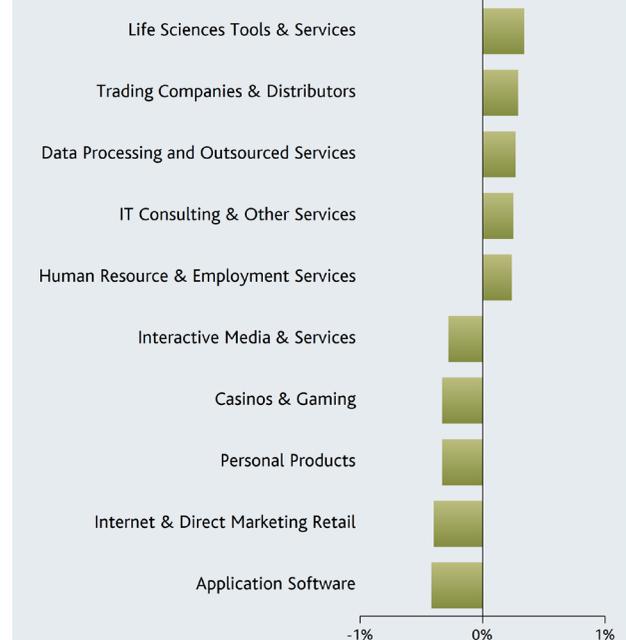
### Contributors

- **Wix.com Ltd.** is an Israeli internet company providing an operating system for small businesses to build and maintain websites and function more efficiently. As the leader in the industry, Wix has over 130 million registered users and over 3.5 million premium subscribers. Shares appreciated due to improving conversion rates, growing collections, and the introduction of several promising new products. We retain conviction due to Wix's innovative culture, large market opportunity, and strong cohort economics.
- **Recruit Holdings Co., Ltd.** is a Japanese company with a large presence in the job placement advertisement and recruiting market. It also has a footprint in the U.S. through its acquisitions of Indeed and Glassdoor. Recruit shares have been strong in recent months following the announcement of the Glassdoor acquisition in May and positive earnings results in August. While it has not yet fully monetized its profitability, the company's growth profiles in Japan and the U.S. are setting it up for a long runway for growth in our view.
- **AstraZeneca PLC** is a U.K.-based pharmaceutical company that markets drugs for diseases such as cancer and diabetes. Positive clinical trial updates for two of its drugs, Tagrisso in front line lung cancer and DECLARE in diabetes, helped boost the stock price. We expect continued strong performance as Astra comes out of its trough earnings, and we expect it to grow by 15% to 20% per year over the next three to five years.

### Detractors

- **The Stars Group Inc.** is a leading company in online wagering currently in the process of acquiring Skybet, another UK-based online wagering platform. Shares detracted as investors reduced their exposure to gaming shares globally based on weak results in Macao and slow growth in Las Vegas. We believe shares are attractively priced at current levels, and over time, we expect investors to understand that the opening of online wagering in the U.S. represents a substantial opportunity for the company.
- Despite reporting strong quarterly results, shares of U.K.-based animal pharmaceutical company **Dechra Pharmaceuticals PLC** declined after some one-off minor adjustments caused fiscal year 2019 consensus numbers to move down modestly. We believe investors overreacted to management commentary on the ongoing consolidation in the veterinary practice industry and efforts by distributors to white-label or rebrand Dechra's products to pass them off as their own.
- **Opera Limited** is a leading browser company in several emerging markets. We invested in Opera on the IPO, and we believe it has several growth vectors going forward, including online search and its news feed product. Shares of Opera declined due to lack of research coverage and concerns over emerging market fundamentals. However, we expect investor awareness for the company to grow as investment banks initiate coverage. Opera has over 100 million monthly active users of its news feed product globally, a number we believe could double in two to three years. We retain conviction.

## Contribution to Return<sup>1</sup> By Sub-Industry



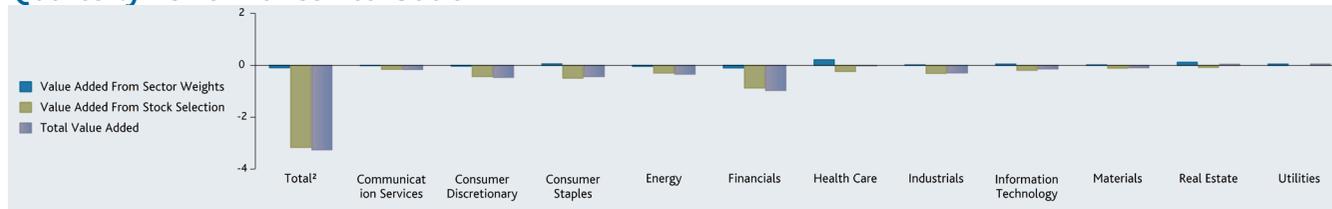
## By Holdings

Top Contributors	Average Weight(%)	Contribution(%)
Wix.com Ltd.	2.10	0.31
Recruit Holdings Co., Ltd.	1.56	0.30
AstraZeneca PLC	2.51	0.30
MonotaRO Co., Ltd.	1.29	0.29
Worldpay, Inc.	1.28	0.27

Top Detractors	Average Weight(%)	Contribution(%)
The Stars Group Inc.	0.88	-0.33
Dechra Pharmaceuticals PLC	0.77	-0.31
Opera Limited	0.51	-0.24
WANdisco plc	0.45	-0.23
Mellanox Technologies Ltd.	1.75	-0.23

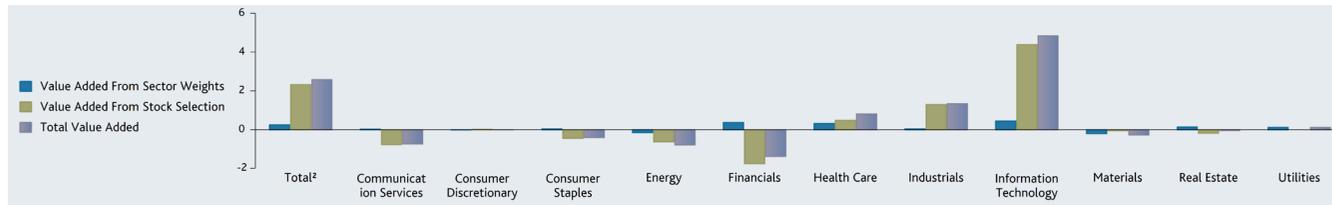
1 - Source: FactSet PA.

## Quarterly Performance Attribution<sup>1</sup>



Sector Average Weights(%)	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities
Baron International Growth Fund	8.30	11.24	5.15	5.54	10.54	14.49	12.64	17.84	2.31	0.44	-
MSCI All Country World Ex-United States Index	7.58	10.62	9.65	7.41	22.00	8.36	11.74	8.42	8.05	3.15	3.02
Over/Underweight	0.72	0.62	-4.51	-1.88	-11.46	6.13	0.90	9.42	-5.74	-2.71	-3.02
<b>Total Return(%)</b>											
Baron International Growth Fund	-4.69	-6.91	-9.92	-1.36	-6.50	2.89	0.39	0.29	-4.19	-22.38	-
MSCI All Country World Ex-United States Index	-3.08	-3.15	-0.55	4.28	1.56	4.48	2.76	1.35	0.37	-3.70	-1.00
Relative Return	-1.61	-3.76	-9.37	-5.64	-8.06	-1.59	-2.37	-1.06	-4.56	-18.68	1.00

## One-Year Performance Attribution<sup>1</sup>



Sector Average Weights(%)	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities
Baron International Growth Fund	11.95	11.02	5.09	5.44	14.30	12.44	11.27	18.22	2.17	0.21	-
MSCI All Country World Ex-United States Index	7.81	10.85	9.47	6.97	22.79	7.84	11.79	8.28	8.08	3.17	2.96
Over/Underweight	4.14	0.17	-4.38	-1.52	-8.49	4.60	-0.52	9.95	-5.91	-2.96	-2.96
<b>Total Return(%)</b>											
Baron International Growth Fund	-10.91	1.31	-5.31	5.86	-16.25	11.70	16.23	34.69	2.73	-35.65	-
MSCI All Country World Ex-United States Index	-4.40	-1.57	1.24	17.96	-2.64	6.95	3.04	5.03	5.30	-2.93	-1.78
Relative Return	-6.51	2.88	-6.55	-12.10	-13.61	4.75	13.20	29.66	-2.56	-32.71	1.78

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 International Growth Fund was down 2.53% in the third quarter, trailing the MSCI ACWI ex USA Index by 324 basis points due to stock selection.

On a country level, stock selection in emerging markets detracted over 175 basis points from relative results, driven by the underperformance of holdings in India, China, Russia, and Korea. Stock selection was also negative in developed markets as weakness from investments in Norway, Canada, Switzerland, and Ireland overshadowed the outperformance of those in the U.S. and the U.K.

On a sector basis, higher exposure to strong-performing life sciences tools & services stocks within Health Care and minimal exposure to the lagging Real Estate and Utilities sectors added value.

Underperformance of investments in Financials, Consumer Discretionary, Consumer Staples, and Energy weighed the most on relative results. Weakness in Financials was mostly attributable to Indian financial companies JM Financial Limited, Kotak Mahindra Bank Ltd., and Housing Development Finance Corporation Limited, whose shares came under pressure after a large government-affiliated infrastructure finance company suffered an abrupt credit rating downgrade, spurring a short-term liquidity crisis. Performance in the sector was also hindered by the underperformance of Sberbank of Russia PJSC, whose shares were down on the direct threat of sanctions against Russian financial institutions and sovereign debt by U.S. lawmakers. Within Consumer Discretionary, underperformance of online gaming leader The Stars Group Inc. and Irish homebuilder Glenveagh Properties PLC hurt relative results. Stars Group was the largest detractor from absolute performance after its shares tumbled more than 31%, while Glenveagh's stock price fell due to decelerating home price appreciation across Ireland and reports of above-average build cost inflation for the industry. We retain conviction in Glenveagh due to the shortage of new housing in Ireland, as well as the company's ability to manage cost inflation with its scale and its focus on the more affordable home segment. Consumer Staples holdings underperformed after falling 9.9%, with Korean beauty and cosmetics conglomerate Amorepacific Corporation driving the decline. Amorepacific's shares were down due to the ongoing soft consumer environment in China and a weak Chinese currency deterring outbound travel. At the same time, the company increased its marketing investment in China to reinvigorate sales, which pressured margins. Stock selection was negative in Energy due to the underperformance of Golar LNG Ltd., a Norwegian company engaged in the transportation and regasification of Liquefied Natural Gas (LNG). Golar's stock price was down after Q2 earnings results disappointed investors due to what we perceived as temporary weakness in the LNG shipping market and Schlumberger's exit from its OneLNG joint venture with the company.



## Top 10 Holdings as of September 30, 2018

Company	Investment Premise	Company	Investment Premise
<p><b>AstraZeneca PLC (AZN)</b> is a global biopharmaceutical that, since 2013, has followed a strategy based on a pipeline-driven transformation and a focus on three main therapy areas based on its core competencies: oncology, cardiovascular and metabolic diseases, and respiratory illnesses.</p>	<p>We think AstraZeneca's focused strategy could potentially produce a best-in-class growth profile. The company is a leader in economically attractive markets, particularly oncology, and has an opportunity to participate in emerging transformative markets, such as Alzheimer's. After a trough in revenue and earnings caused by patent expiration of its blockbuster drugs in 2016, AstraZeneca has experienced strong growth. We forecast 2018 to 2022 revenue and EPS compound annual growth rate of 7% and 15%, respectively.</p>	<p><b>Abcam plc (abc.ln)</b> sells research grade antibodies and other life sciences tools to scientists who use Abcam's products in their search for treatments for human disease. The company sources products from more than 400 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 the years, its broad product offering, efficient global logistics, and extensive relationships with suppliers. The business model generates high margins, strong free cash flow, and high returns on capital employed.</p>
<p><b>Constellation Software, Inc. (CSU. CN)</b> is a holding company that owns and operates approximately 200 small- and medium-sized software businesses. These businesses allow customers across a wide range of verticals to automate key activities, with the goal of saving on labor costs.</p>	<p>Constellation has valuable experience to offer its acquisition targets, largely around building high-touch, low-cost modules and contracts pricing. We see this experience as a competitive advantage, and we think it remains sustainable as long as the company continues to acquire targets. Since we believe there are over 20,000 small owner-operated vertical market software businesses in the U.S. and Europe, we think Constellation's successful acquisition program will continue, and its moat will remain intact for years to come.</p>	<p><b>Recruit Holdings Co., Ltd. (6098.JT)</b> is a Japan-based company that owns and operates multiple recruiting, staffing, and classified media websites in the U.S., Japan, Australia, and Europe. Recruit has been active in M&amp;A, especially outside Japan. It acquired popular U.S. job search engine Indeed in 2012.</p>	<p>Recruit operates multiple business lines in the global recruiting and staffing industry with a total available market of \$436 billion. Its core Japanese businesses enjoy strong brand recognition, market dominance in both hiring companies and user applicants, and high margins. Its overseas business in recruiting has been growing at a rapid pace and has the potential to increase monetization when critical mass is reached, in our view. Its overseas staffing business has grown by acquisition, enabling Recruit to extract efficiencies and bring acquired margins to group level.</p>
<p><b>Danone SA (BN.FP)</b> is a global packaged food company that manufactures dairy and plant-based products, baby nutrition, medical nutrition, and bottled water products. Worldwide, Danone is the top producer of fresh dairy and the second largest producer of baby nutrition and bottled water.</p>	<p>Danone has leading market shares in health and wellness-related categories, which enjoy high growth and margins. Danone has exposure to emerging markets, which comprise 45% of sales. We expect revenue growth to be 3% to 5% and EBIT margin to expand to over 16% by 2020. Market sentiment is still mixed due to Danone's history of execution mishaps, but since the new management team joined in 2014, Danone has become more focused on delivering sustainable, profitable growth. Danone trades at a discount to peers and we see additional upside from potential acquisitions.</p>	<p><b>Argenx SE (ARGX)</b> is a biotech company developing antibodies for the treatment of autoimmune disorders and cancer based on the uniquely powerful immune system of llamas.</p>	<p>Argenx's main product, ARGX-113, which treats a rare muscle weakness disorder, showed positive results in a recent clinical trial and has potentially broad applicability in ameliorating overactive antibody-based diseases. We expect the share price to increase as the company proves its products' effectiveness in multiple autoantibody disorders.</p>
<p><b>Wix.com Ltd. (WIX)</b> is an internet company providing an operating system to help micro businesses build and maintain websites and operate their businesses. Wix has over 120 million registered users and over three million premium users.</p>	<p>Wix is a leader in the do-it-yourself website construction market, which is large and relatively under-penetrated, as most businesses still use professional website development services. We think Wix has strong competitive advantages based on its layered technological architecture that enables ease of use and design flexibility. Wix's technological edge, supported by about 1,000 R&amp;D personnel, results in faster iteration with first-to-market features and vertical offerings. In our view, Wix also has strong cohort economics with high returns on marketing investments.</p>	<p>Germany-based <b>Fresenius Medical Care Ag &amp; CO (FME.GR)</b> is the world's leading provider of dialysis services and products. The 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>Fresenius is, in our view, a stable, cash generating health care business with long-term drivers around U.S. dialysis care coordination and growing demand in its Asian markets. Management expects dialysis volumes to grow at 4-5% CAGR owing to increasing diabetes and obesity rates worldwide. We think the company will also benefit from lower drug costs as generic competition for Epogen, a medication that is used to treat patients on dialysis, is entering the market.</p>
<p><b>Domino's Pizza Enterprises Ltd. (DMP. AU)</b> 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. and the leader in technological innovation among all of Domino's master franchisees globally.</p>	<p>Domino's is the largest pizza restaurant chain in Australia. The ongoing shift to the online market, innovation (e.g., pizza tracker, pizza mogul), faster delivery, and wider selection have continued to drive store productivity. The under-penetration of delivery pizza in its markets suggests an opportunity to double its store base while improving productivity. Domino's has recently partnered with the Domino's master franchisee in the U.K. to acquire the largest pizza chain in Germany. It has since made several other acquisitions to become the dominant player in Germany.</p>	<p><b>Eurofins Scientific SE (erf. fp)</b> provides analytical testing services to clients in the food, pharmaceutical, and environmental sectors.</p>	<p>Luxembourg-based Eurofins benefits from favorable secular trends, including strong demand for safe, 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 from 2015 to 2020 through organic growth and acquisitions.</p>



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