BARON FUNDS

INSIDE THE BARON FUNDS

INVESTOR

Baron International Growth Fund

Investing in the International Equity Markets

It is a well-known bias among investors that most prefer to keep their assets close to home. U.S. investors, for instance, hold almost three-quarters of their equity assets in U.S. securities. We think investors who underallocate to international securities may be missing out. There are more than 34,000 companies on foreign exchanges, versus roughly 5,700 companies listed on U.S. exchanges. The number of public U.S. companies has also been trending downward for the past decade, while their foreign counterparts have increased significantly over the same time period. Moreover, the world's fastest growing economies are outside the U.S. In 2001, the U.S. accounted for 33% of global GDP; by 2015, this percentage had declined to 24%, according to the World Bank. We think these trends will likely continue.

A Differentiated Fund

Baron International Growth Fund is our international investment option. Portfolio Manager Michael Kass takes a truly differentiated approach to investing in international equities.

Performance as of 9/30/17 (% annualized)

	1 Year	3 Years	5 Years	Since Inception*
Baron International Growth Fund**	19.98	9.43	9.67	12.53
MSCI ACWI ex USA IMI Growth Index	17.60	6.70	8.05	9.88
MSCI ACWI ex USA Index	19.61	4.70	6.97	8.84
Lipper International Multi-Cap Growth Category Average	18.25	6.14	8.12	9.31

* 12/31/2008
** Institutional shares. For Retail shares, visit www.BaronFunds.com

As demonstrated in the table to the left, this strategy has produced outstanding results during the nearly nine years since the Fund's launch. In the period since inception, the Fund ranks in the 7th percentile against its international multi-cap growth equity peer group as defined by Lipper. The Fund's upside capture of 96.5% and downside capture of 80.3% is among the most attractive in its category.

Michael Kass
Portfolio Manager

The Fund is differentiated by its high active share and relatively lower average market cap, as well as its manager's expertise in developing markets and emphasis on private sector entrepreneurs. In addition, we believe a unique, forward-looking approach to theme identification and stock selection, backed by extensive due diligence, is a key differentiator and has driven long-term outperformance against peers.

High active share The Fund has always maintained high active share. Its current active share is 90.85%.

Lower average market cap As seen in the chart on the next page, the Fund has a significantly lower average market cap than its peer funds, which on average have more than half of their investments by weight in giant-cap companies. While we own giant-caps if they make sense from a fundamental growth perspective, we are more focused on mid-cap and smaller large-cap companies, where we believe the growth opportunities are greater.

Annual expense ratio as of December 31, 2016 was 1.36%, but the net annual expense ratio was 1.10% (restated to reflect current fee waivers). *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.*

Performance for the Institutional Shares prior to May 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 May 29, 2009 did not reflect this fee, the returns would be higher.

The Lipper International Multi-Cap Growth Category Average is not weighted and represents the straight average of annualized returns of each of the funds in the category. As of September 30, 2017, the category consisted of 493, 408, 363, and 301 funds for the 1-, 3-, 5-year and since inception periods. Lipper ranked Baron International Growth Fund Institutional Share Class in the 27th, 9th, 21st, and 7th percentiles, respectively, in the category. The number of funds in the category may vary depending on when Baron made the calculation.

Market cap exposure	Avg mkt cap (bn)	Giant	Large	Mid	Small	Micro
Baron International Growth Fund	$11.8	30.2%	19.7%	31.4%	5.8%	1.1%
Morningstar Foreign Large Growth Category Average	$33.3	55.5%	30.8%	13.0%	0.7%	0.0%

Source: Morningstar Direct and MSCI, Inc. Data are rescaled for cash as of 6/30/2017.

Expertise in developing markets Internationally, we think significant growth opportunity lies with the emerging markets, and we typically have a larger exposure to EM than our peer group, which generally are underweight EM versus the MSCI ACWI ex USA Index, the standard international benchmark. As of September 30, 2017, the Fund is 27.6% EM by weight, compared with the index's 24.6% and our peer group average of 12.2%.*

More importantly, we believe our demonstrable expertise in EM differentiates the Fund. A core group of five dedicated research analysts cover investments in both Baron International Growth Fund and Baron Emerging Markets Fund, which is also managed by Michael Kass. Our research capabilities are the bedrock of our investment approach. All of the holdings in Baron International Growth Fund, including its EM holdings, are the product of fundamental, bottom-up stock selection based on extensive company-specific research, often informed by compelling investable themes. The result is a differentiated portfolio consisting of companies that we think have exceptional growth and value creation potential, many of which are not the well-known mega-caps that dominate the index by weight.

In contrast to our approach, it is not uncommon for an otherwise actively managed international fund to index its EM holdings, resulting in an overweight in mega-caps in the region.

Distinct and Forward-Looking Investment Process

Given the breadth of the international equity universe, we often begin the process of finding our investments by searching for and developing defined, long-term investment themes. We look for conditions precedent to improving financial returns and accelerating growth on a forward-looking basis. We do not use quantitative screens because we consider them to be coincident or backward looking, identifying companies already exhibiting improved returns, which are more likely to be already recognized and more fully valued.

Our themes are based on important changes or trends that suggest the potential for a significant improvement in profitability, return on capital, or growth potential, often for an entire industry or group of companies. They fall into two broad categories. The first involves industry-wide trends which are often global, such as a shift toward consolidation or vertical integration or technology-driven transformation. The second category involves region- or country-specific trends or developments, which are most often driven by political developments and/or productivity enhancing policy reforms that present material opportunities to targeted industries or companies. In addition, we factor in global macro-economic developments to better balance opportunity and risk.

We take a forward-looking approach to investing in the international markets. We look for what we consider to be the characteristics of best-in-class companies: high quality businesses with strong and rising market share, high barriers to entry, strong management leadership, revenue visibility, profit margin stability, and significant long-term growth potential.

In addition, given the nuances of the international equity markets, we emphasize the following as a part of our extensive due diligence process.

Entrepreneurial management

- Founders with significant ownership stakes
- Leaders with strategic vision and financial sophistication
- Management that thinks and acts as an "owner"

Capital efficiency

- High return on invested capital
- Asset-light business models

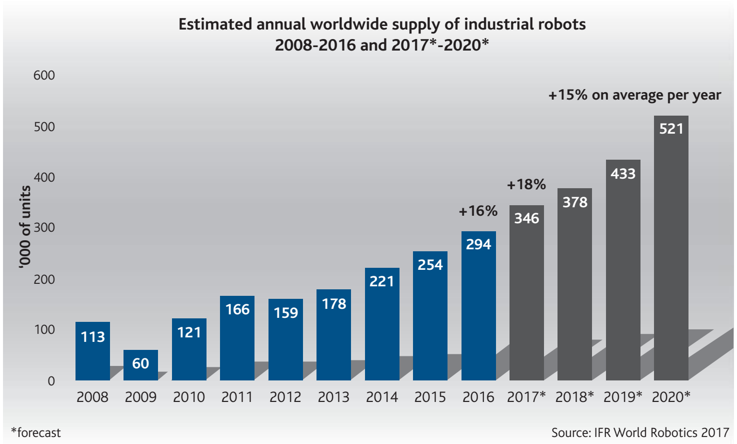
Shareholder-friendly governance

- Alignment of interests between management and minority equity shareholders
- Independent directors

Following are some examples of our integrated thematic and bottom-up investment approach.

Automation and Robotics

While mobile e-commerce and other technology themes are hitting their stride, others are just getting started. One such theme with a long runway for growth, in our view, is the increasing penetration of industrial automation and robotics, as demonstrated in the chart below.



As the pool of rural workers shrinks in countries such as China, labor costs are climbing. To remain competitive, manufacturers are adopting automation and robotics to enhance productivity and improve quality by eliminating errors and reducing variability. In addition, companies

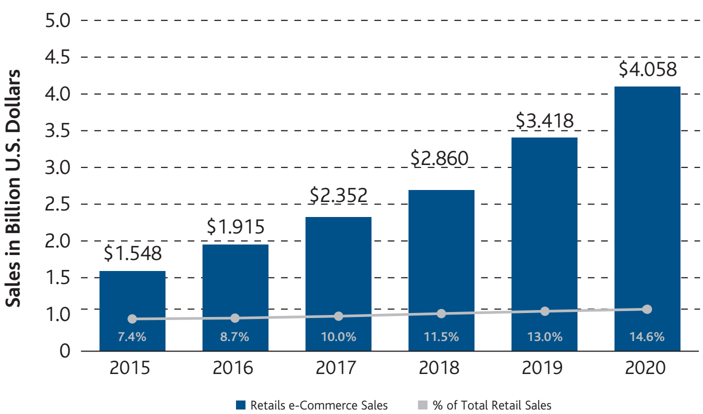
** Although MSCI classifies Argentina as a frontier country, for a number of reasons, including investor-friendly reforms, we include it in EM. Argentina-based investments account for 2.2% of the portfolio by weight. The peer group data is based on the 8/31/17 Morningstar Foreign Large Growth Category Average, the most recent data available at time of publication.*

are turning to machines to make certain products that have become too small to manufacture by hand. As robots become more sophisticated, they are becoming "smarter," able to integrate information through machine vision and sensor technology to adapt their movements in real time. While typically used for repetitive, high-volume production activities, we think robotics will increasingly be adopted for more variable and/or more complex tasks, lower volume work, and work alongside people. We are currently invested in Japan-based robotics companies **Keyence Corporation** and **FANUC Corp.**, and are actively looking for additional investments in this area.

Mobile e-commerce

For several years now, we have identified mobile e-commerce as a long-term theme and have been active investors in this space. We think many of the leading companies engaged in mobile e-commerce are just now hitting their stride, with strong revenue and earnings growth. As seen in the chart below, e-commerce sales are projected to top $4 trillion by 2020, representing 14.6% of global retail sales, suggesting a long runway for multi-year growth.

Retail e-Commerce Sales Worldwide
2015 - 2020



Source: eMarketer, Aug 2016 toptal

While increasing overall, the rate of adoption varies significantly by country and region. For example, mobile e-commerce has a higher penetration in China than in the U.S., due in part to the Chinese government's efforts to support the tech sector and an increasingly sophisticated IT talent base in the country. Chinese consumers are also moving directly from cash to electronic payments such as Tencent's WeChat or Ant Financial's Alipay, skipping credit cards altogether. In 2016, China's mobile payments hit $5.5 trillion, roughly 50 times the size of America's $112 billion market, according to consulting firm iResearch. On the other end of the spectrum there are countries such as Indonesia where mobile e-commerce is in its relative infancy.

The Fund has positions in a number of companies that fall into the mobile e-commerce theme. While our investments include several well-known names such as China-based **Alibaba Group Holding Ltd.**, **Baidu, Inc.**, and **Tencent Holdings, Inc.**, we also hold less familiar names such as **Wix.com**, an Israeli website and mobile site builder for smaller businesses and merchants, **MonotaRO Co., Ltd.**, a Japan-based online distributor of equipment and replacement parts for maintenance, repair, and operations; and **WorldPay Group plc**, a U.K.-based software company that enables merchants to accept digital payments.

Japan Employment and Recruiting

Even with record company profits in recent years, wage growth in Japan has been stagnant, undercutting consumption and economic expansion. With inflation still sub-par even after more than three years of massive monetary stimulus, government authorities are encouraging companies to boost pay.

We have positions in three companies that we believe are poised to be major potential beneficiaries of political commitment to rising wages and employment in Japan. **Recruit Holdings Co., Ltd.** owns and operates multiple recruiting, staffing, and classified media websites in Japan, the U.S., Australia and Europe. Its core Japanese businesses in recruiting and staffing enjoy strong brand recognition, market dominance in employers and applicants, and high margins. Its overseas recruiting and staffing businesses have been growing at a rapid pace both organically and through its 2012 acquisition of job search engine Indeed.

In addition to the reform-driven Japan employment and recruiting theme, **SMS Co. Ltd.** is a play on the aging population and resultant health care worker shortage in Japan. The company is the market leader in nurse recruitment in Japan with 25% share. With an innovative culture, SMS extended from traditional online job postings and recruiting services to productivity tools for home nurses. SMS also owns an online drug database and online health communities. Its self-developed, iPad-enabled Kaipoke business increases the productivity of home visiting nurses. Its recent acquisition of MIMS, a drug database platform in Southeast Asia, offers a potential to cross-sell existing products abroad.

TechnoPro Holdings Inc. is a major staffing company in Japan in the field of engineering, providing staff for software development, electrical engineering, machinery, life sciences and R&D. TechnoPro is becoming increasingly important as the aging population and labor shortage in Japan are straining the need for qualified workers, especially in engineering. Japan is the world's third largest country in terms of R&D spending. After reaching a low during the global financial crisis, R&D investment has been increasing steadily. These factors are allowing TechnoPro to dispatch workers while raising fees and maintaining high capacity utilization. Industry consolidation is also taking place as small staffing companies are unable to meet tightening regulation.

EU Credit Recovery

After eight years of interest rates hovering around zero – and even going negative in some instances – policymakers from Japan and the U.S. have signaled a likely shift toward greater fiscal stimulus and an accommodation of moderately higher inflation. We think that brighter growth prospects, combined with a European monetary policy that remains accommodative, should favor the Financials sector in Europe, particularly relative to the difficult headwinds such companies have faced since the recession.

Earlier this year, we initiated a position in **BNP Paribas S.A.** of France, which we believe was offered at a particularly attractive valuation given concerns over the upcoming French elections at the time of purchase. We are seeing the beginning of a lagged upturn in credit growth across Europe, and believe we will see rising earnings momentum and strength across the Financials sector in many European countries as we look ahead over the next year or two.

We think Swiss private bank **Julius Baer Group Ltd.** is also well positioned to benefit from higher rates in Europe and across the globe. The firm is one of the leading independent private banks, with over 5,800 employees and AUM of over CHF300 billion. Longer term, we think Julius Baer will be among the winners in the global private banking industry given its presence in fast growing geographies, stellar reputation, and scale, which we think will lead to solid net-new money growth. In addition to being positively levered to higher rates, the firm is highly cash generative, which offers strategic flexibility, including the opportunity to increase dividends, buy back shares, or engage in accretive acquisitions.

Italy-based **UniCredit S.p.A.** is one of the largest banking groups in Europe, with operations in more than 20 countries. After completing a large capital raise in early 2017 and presenting a credible strategic plan, we think UniCredit is poised to improve profitability and raise its valuation to a level that is more in line with its European peers. Its revenue base is well diversified by segment and geography. We believe its strategic plan, which is focused on addressing non-performing assets, reducing costs, and growing in less capital-intensive areas, is more than achievable given conservative assumptions about interest rates, recent performance vs. targets, and the right incentive structure.

Best-in-Class Companies

While many of our holdings reflect preferred bottom-up plays on our investment themes, others are simply what we view as best-in-class companies with exceptional growth, market share gain, and/or margin expansion potential that exists independently of a particular industry-wide or country-specific trend.

For instance, we are invested in Australia-based **Domino's Pizza Enterprises Ltd**., the largest Domino's Pizza franchisee in the world. The company's stellar management team has rolled out a series of highly successful initiatives that have won over consumers. It was the first to successfully shift the majority of customers from phone ordering to mobile/online channels. Other innovations include four-click ordering, a GPS Driver Tracker that shortens delivery times, and a popular value menu. The company is an industry leader that has gained share in Australia and New Zealand while executing an aggressive acquisition plan in Europe and Japan, and we think it has a long runway for growth internationally.

Another investment, **Smiles SA**, is a Brazil-based loyalty program. Even in the face of Brazil's volatile political and economic environment, Smiles has turned in robust performance during the time we have owned it, driven in large part by a visionary management team. Smiles sells airline miles to banks, which distribute them to credit card customers. Customers often redeem accumulated points for airline tickets, which Smiles procures from its airline partner at a significantly discounted value, while earning interest on the float and retaining the cash when miles expire. Its highly flexible, leverageable, asset-light business model generates high growth, margins, FCF, and returns.

We are also invested in Ireland-based **Ryanair Holdings plc.** Ryanair is a low-cost entrant to the European airline industry, which historically has been dominated by notoriously unprofitable and inefficient state-owned airlines. As European governments are finding it more difficult to support these airlines, many are consolidating or shuttering entirely. Ryanair is exploiting this trend by securing beneficial fee arrangements with underutilized regional airports. Its use of these airports facilitates quicker turnarounds, keeping its per-passenger costs low. Ryanair also uses its scale to negotiate discounts on aircraft, maintenance costs, and landing costs, and employs a non-union workforce. As a result it enjoys huge competitive and cost advantages against the state-owned airlines.

After the Chinese government's anti-corruption crackdown three years ago, we pulled back from our investment theme centered around the appeal of luxury brands to the growing middle and upper classes in emerging markets. While we are not quite ready to revisit this theme on a broad scale, we recently invested in **LVMH Moët Hennessy Louis Vuitton SE**, a France-based global luxury goods group that we have long admired. The company is well diversified, with exposure to different categories and geographies, owns a number of fast growing and highly profitable brands, and is uniquely vertically integrated, resulting in high margins, high product quality, better customer service, and strong brand images. We think LVMH has a solid trajectory of continued growth ahead, driven by accretive acquisitions and improving global demand.

Conclusion

We believe we remain in a sweet spot for international equities, as fundamentals have improved while valuations remain reasonable, and most countries are not yet at risk of triggering material tightening measures. While we suspect there is a reasonable likelihood of an overshoot to the upside in the months or quarters ahead, there is also the possibility that a rise in inflation expectations takes root, particularly in the U.S., which could trigger a notable increase in interest rates globally. Such a scenario would likely cause an eventual consolidation or correction in global equities as markets price in the impact of higher rates, regardless of perceived solid economic growth and corporate earnings. Should this scenario play out, we believe international and emerging market equities could likely perform better than expected based on historic precedent as a result of reform initiatives already beginning implementation. We continue to believe that our discipline and process position us well to identify unique investment opportunities and to generate attractive and sustainable risk-adjusted returns over the long term, regardless of the market environment.

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.

This report does not constitute an offer to sell or a solicitation of any offer to buy securities of Baron International Growth Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

Please see next page for additional disclosures.

Performance as of September 30, 2017*

INSTITUTIONAL SHARES								
	Average Annualized Returns 1-Year	5-Year	10-Year	Since Inception Annualized	Cumulative	Inception Date	Expense Ratio	Ticker
Small Cap								
Baron Growth Fund	20.79%	12.82%	7.71%	13.06%	1532.07%	12/31/94	1.05%[1]	BGRIX
Baron Small Cap Fund	22.76%	13.07%	7.65%	10.03%	575.83%	9/30/97	1.06%[1]	BSFIX
Baron Discovery Fund	31.41%	N/A	N/A	16.08%	81.56%	9/30/13	1.49%/1.10%[1]	BDFIX
Small-Mid Cap								
Baron Focused Growth Fund[2]	22.56%	10.76%	5.88%	11.04%	833.97%	5/31/96	1.13%/1.10%[3]	BFGIX
Mid Cap								
Baron Asset Fund	22.76%	15.19%	7.79%	11.51%	2614.44%	6/12/87	1.04%[1]	BARIX
Large Cap								
Baron Fifth Avenue Growth Fund	24.57%	15.53%	7.77%	8.49%	198.40%	4/30/04	0.85%[1]	BFTIX
All Cap								
Baron Opportunity Fund	24.65%	11.54%	7.65%	5.88%	172.89%	2/29/00	1.13%[1]	BIOIX
Baron Partners Fund[2]	30.46%	17.39%	7.33%	13.02%	2212.85%	1/31/92	1.52%[3†]	BPTIX
International								
Baron Emerging Markets Fund	21.56%	8.42%	N/A	6.17%	49.81%	12/31/10	1.13%[3]	BEXIX
Baron Global Advantage Fund	26.57%	14.02%	N/A	12.58%	89.98%	4/30/12	3.55%/1.10%[3]	BGAIX
Baron International Growth Fund	19.98%	9.67%	N/A	12.53%	180.95%	12/31/08	1.36%/1.10%[3]	BINIX
Specialty								
Baron Energy and Resources Fund	-10.04%	-3.38%	N/A	-4.00%	-20.94%	12/30/11	1.46%/1.10%[3]	BENIX
Baron Real Estate Fund	19.91%	12.36%	N/A	15.56%	206.73%	12/31/09	1.07%[3]	BREIX

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.

* For Retail and R6 shares, visit www.BaronFunds.com/performance

For Baron Discovery Fund, Baron Opportunity Fund and Baron Fifth Avenue Growth Fund, the Adviser has contractually agreed that for so long as it serves as the Adviser to these Funds to reduce its fee, to the extent required to limit the net annual operating expense ratio (excluding portfolio transaction costs, interest, dividend and extraordinary expenses) to 1.10%, 1.25% and 0.85% of average daily net assets of the Institutional Shares, respectively. For Baron Focused Growth Fund, Baron Partners Fund, Baron Emerging Markets Fund, Baron Global Advantage Fund, Baron International Growth Fund, Baron Energy and Resources Fund and Baron Real Estate Fund, the Adviser has contractually agreed that for so long as it serves as the Adviser to these Funds to reduce its fee, to the extent required to limit the net annual operating expense ratio (excluding portfolio transaction costs, interest, dividend and extraordinary expenses) to 1.10%, 1.20%, 1.25%, 1.25%, 1.25%, 1.10% and 1.10% of average daily net assets of the Institutional Shares, respectively.

† Total expense ratio shown for Baron Partners Fund was comprised of operating expenses of 1.09% and interest expense of 0.43%.

1 As of September 30, 2016 for Baron Asset, Baron Growth, Baron Small Cap, Baron Opportunity, Baron Fifth Avenue Growth and Baron Discovery Funds. For Baron Discovery Fund, the total expense ratio was 1.49%, but the net annual expense ratio was 1.10% (net of the Adviser's fee waivers).

2 Reflects the actual fees and expenses that were charged when the Funds were partnerships. The predecessor partnerships charged a 20% performance fee (Baron Partners Fund) or a 15% performance fee (Baron Focused Growth Fund) after reaching a certain performance benchmark. If the annual returns for the Funds did not reflect the performance fee for the years the predecessor partnerships charged a performance fee, returns would be higher. The Funds' shareholders are not charged a performance fee. The predecessor partnerships' performance is only for periods before the Funds' registration statements were effective (4/30/03 for BPF and 6/30/08 for BFGF). During those periods, the predecessor partnerships were not registered under the Investment Company Act of 1940 and were not subject to its requirements or the requirements of the Internal Revenue Code relating to registered investment companies, which, if they were, might have adversely affected their performance.

3 As of December 31, 2016 for Baron Partners, Baron Focused Growth, Baron International Growth, Baron Real Estate, Baron Emerging Markets, Baron Energy and Resources and Baron Global Advantage Funds. For Baron Focused Growth Fund, the total expense ratio was 1.13%, but the net annual expense ratio was 1.10% (net of the Adviser's fee waivers). For Baron International Growth Fund, the total expense ratio was 1.36%, but the net annual expense ratio was 1.10% (restated to reflect current fee waivers). For Baron Energy and Resources Fund, the total expense ratio was 1.46%, but the net annual expense ratio was 1.10% (net of the Adviser's fee waivers). For Baron Global Advantage Fund, the total expense was 3.55%, but the net annual expense ratio was 1.10% (restated to reflect current fee waivers).

For updated performance for all Baron Mutual Funds, Please visit www.BaronFunds.com.

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. Specific risks associated with investing in small and medium-sized companies include that the securities may be thinly traded and they may be more difficult to sell during market downturns.

The discussions of the companies herein are not intended as advice to any person regarding the advisability of investing in any particular security. The views expressed in this report reflect those of the respective portfolio manager only through the end of the period stated in this report. The portfolio manager's views are not intended as recommendations or investment advice to any person reading this report and are subject to change at any time based on market and other conditions and Baron has no obligation to update them.

Portfolio holdings as a percentage of total investments as of September 30, 2017 for securities mentioned are as follows: **Alibaba Group Holding Limited** – 2.4%; **Baidu, Inc.** – 1.8%; **Tencent Holdings, Ltd.** – 2.2%; **Wix.com Ltd.** – 1.6%; **MonotaRO Co., Ltd.** – 1.0%; **Worldpay Group plc** – 1.1%; **KEYENCE CORPORATION** – 0.7%; **FANUC Corp.** – 1.4%; **Recruit Holdings Co. Ltd.** – 1.2%; **SMS Co. Ltd.** – 1.2%; **Technopro Holdings, Inc.** – 1.3%; **BNP Paribas S.A.** – 2.5%; **Julius Baer Group Ltd.** – 1.7%; **UniCredit S.p.A.** – 1.9%; **Domino's Pizza Enterprises Ltd.** – 1.1%; **Smiles SA** – 1.5%; **Ryanair Holdings plc** – 1.5%; **LVMH Moët Hennessy Louis Vuitton SE** – 1.1%.

The Fund may not achieve its objectives. Portfolio holdings are subject to change. Current and future portfolio holdings are subject to risk.

Downside Capture measures how well a fund performs in time periods where the benchmark's returns are less than zero.

Upside Capture explains how well a fund performs in time periods where the benchmark's returns are greater 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.

The performance data does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.