

DEAR BARON WEALTHBUILDER FUND SHAREHOLDER:

PERFORMANCE

Baron WealthBuilder Fund (the "Fund") rose in the first quarter of 2021 but trailed its benchmarks. The Morningstar Allocation 85%+ Equity Category Average (the "Peer Group") also performed better than the Fund over this period. The Fund increased 1.27% (Institutional Shares) in the quarter while the S&P 500 Index (the "Index") rose 6.17%. The MSCI ACWI Index and the Peer Group rose 4.57% and 6.30%, respectively.

Table I.
Performance
Annualized for periods ended March 31, 2021

	Baron Wealth Builder Fund Retail Shares ^{1,2}	Baron Wealth Builder Fund Institutional Shares ^{1,2}	Baron Wealth Builder Fund TA Shares ^{1,2}	S&P 500 Index ¹	MSCI ACWI Index ¹
Three Months ³	1.18%	1.27%	1.22%	6.17%	4.57%
One Year	101.61%	102.31%	102.01%	56.35%	54.60%
Three Years	26.89%	27.20%	27.18%	16.78%	12.07%
Since Inception (December 29, 2017)	25.50%	25.78%	25.76%	15.12%	10.76%

The Fund's trailing 12-month absolute and relative performance was quite strong. This period follows the panic-induced selling at the start of the COVID-19 pandemic. Over the last 12 months, the Fund advanced 102.31%. This result compares very favorably to its benchmarks and Peer Group. The Index and MSCI ACWI Index gained 56.35% and 54.60%, respectively. The Peer Group rose 57.99% over this period.

As of 3/31/2021, the Morningstar Allocation—85%+ Equity Category consisted of 160, 151, and 151 share classes for the 1-year, 3-year, and since inception (12/29/2017) periods. Morningstar ranked Baron WealthBuilder Fund in the 1st, 1st, and 1st percentiles, respectively. On an absolute basis, Morningstar ranked Baron WealthBuilder Fund Institutional Share Class as the 1st, 1st, and 1st best performing share class in its category for the 1-year, 3-year, and since inception (12/29/2017) periods, respectively. As of 3/31/2020, the annualized returns of the Morningstar Allocation—85%+ Equity Category Average were 57.99%, 11.77%, and 9.91% for the 1-year, 3-year, and since inception (12/29/2017) periods, respectively.

Morningstar calculates the Morningstar Allocation—85%+ Equity Category Average performance and rankings using its Fractional Weighting methodology. Morningstar rankings are based on total returns and do not include sales charges. Total returns account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets.

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Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares, Institutional Shares, and TA Shares as of December 31, 2020 was 1.47%, 1.22%, and 1.22%, respectively, but the net annual expense ratio was 1.36%, 1.11%, and 1.11% (includes acquired fund fees of 1.06%, net of the Adviser's fee waivers), respectively. 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. BAMCO, Inc. ("BAMCO" or the "Adviser") has agreed that, pursuant to a contract expiring on August 29, 2031, unless renewed for another 11-year term, it will reimburse certain expenses of the Fund, limiting net annual operating expenses (portfolio transaction costs, interest, dividend, acquired fund fees and expenses and extraordinary expenses are not subject to the operating expense limitation) to 0.30% of average daily net assets of Retail Shares, 0.05% of average daily net assets of Institutional Shares and 0.05% of average daily net assets of TA Shares, 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.

¹ The **S&P 500 Index** measures the performance of 500 widely held large cap U.S. companies. The **MSCI ACWI Index** is an unmanaged, free float-adjusted market capitalization weighted index reflected in US dollars that measures the equity market performance of large- and mid-cap securities across developed and emerging markets. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. MSCI is a trademark of Russell Investment Group. The indexes and the Fund include reinvestment of dividends, net of withholding taxes, which positively impact the performance results. The indexes are unmanaged. The index performance is not Fund performance; one cannot invest directly into an index.

² The performance data in the table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

³ Not annualized.



MICHAEL BARON
CO-PORTFOLIO
MANAGER

RONALD BARON
CEO AND PORTFOLIO
MANAGER

Retail Shares: BWBFX
Institutional Shares: BWBIX
TA Shares: BWBTX

But it is not only during the prior year that the Fund had strong performance. Since its inception, Baron WealthBuilder Fund has an annualized return of 25.78%. The Fund ranks as the #1 fund in its Peer Group since its inception.



Baron WealthBuilder Fund

We launched Baron WealthBuilder Fund because we believed allocating among various Baron Funds would provide the benefits of diversification without sacrificing returns. We created a single fund with underlying investments of varying market caps, geographies, sectors, and growth rates. Each underlying portfolio implements the consistent Baron Capital investment process and philosophy. And after more than three years, the approach has been successful.

We remain optimistic that the end of the COVID-19 pandemic is within sight. Vaccines are now in the process of being administered. The rollout has accelerated much faster than many had originally feared. Many jurisdictions are currently easing economic restrictions. Governments have continued to provide financial assistance to needy constituents. We believe this combination of effective vaccine distribution and financial assistance should continue until this pandemic has ended.

However, the waning pandemic has created a volatile period in the financial markets. Investors were quick to assess data on the vaccine rollout and attempt to infer when economic activity would return to "normal." In January and February, it appeared that vaccine administration would be slow. Stocks of companies that had done well during the pandemic continued to appreciate. The Fund was up 4.06% in the first two months of the year. However, data in March led investors to believe more citizens would soon be vaccinated. A rotation in the market towards cyclical COVID-impacted businesses, which are underrepresented in the Fund, resulted in the Fund falling 2.68% in March.

As we have stated numerous times, we do not try to predict these events nor make inferences from limited data sets. Managers of the underlying funds did not alter their portfolios meaningfully to populate them with "work-from-home" businesses at the start of the pandemic, and they have not modified the portfolios significantly in favor of "reopening" companies today. In many of the underlying funds, the main contributors to performance have been companies that had long been held in the portfolios prior to the COVID-19 outbreak. We do not believe this pandemic will fundamentally alter the long-term outcome of many industries, but rather has accelerated their transformations. The underlying funds own businesses that are driving this change.

Baron WealthBuilder Fund is a highly diversified portfolio of equity investments in growth businesses. In our analysis, we try to explain how companies of different sizes, sectors, geographies, and growth rates performed in the current environment as well as their prospects.

Our real estate, small-cap, and more stable growth portfolios had some of the strongest performance in the quarter. They include Baron Real Estate, Discovery, and Durable Advantage Funds. These portfolios contain companies that had been most impacted by the stagnant global economy. We suspect they should rebound quickly and drastically as commerce resumes. These portfolios own companies like **Penn National Gaming, Inc.**, **TripAdvisor, Inc.**, and **Marriott Vacations Worldwide Corp.** These businesses came to a near standstill at the pandemic's peak as travel was restricted. However, there is significant pent-up demand for both leisure and business travel. For example, occupancy at Marriott Vacations has steadily improved, and bookings now exceed 2019 levels. Occupancies are expected to reach over 90% by the second half of 2021, after bottoming in the mid-single-digits last spring. These strong occupancy rates bode well for future timeshare sales, as they have historically proven to be a quality source of new customers.

Small-cap companies were also more impacted from the pandemic than their larger counterparts. The pandemic's nearing conclusion should enable smaller companies to compete in their respective industries more readily. Fundamentals of these companies continue to improve. We believe there is pent-up demand for their products and delayed trial for newer services as legacy products had been prioritized the prior year. For instance, hospitals had significantly scaled back elective procedures during the COVID pandemic. These delayed procedures are now being performed utilizing new products from smaller companies. We expect these companies to drive performance as the economy reopens.

Our diversified market-cap oriented portfolios including Baron Growth, Asset, and Fifth Avenue Growth Funds, trailed their respective benchmarks in the current period. These funds are dominated by quality growth companies that were able to meet their business objectives despite the global economic shut down. Investors have recently favored businesses that were rebounding from their lows. Some of the best performing sub-industries for the Index in the quarter were integrated oil & gas (+32.9%), airlines (+30.4%), diversified banks (+23.5%), and construction machinery & heavy trucks (+20.6%). These areas are significantly underrepresented in these funds. Businesses in these sub-industries are dependent on macro factors and have minimally distinct competitive advantages. Baron WealthBuilder's underlying funds favored sub-industries that have both high growth potential and significant distinction between competitors. However, these areas were detractors for the Fund this quarter as investors' sentiment rotated. These segments include application software (-11.7%), research & consulting services (-11.0%), biotechnology (-6.3%), and financial exchanges & data (-5.3%). We remain confident in the fundamentals and prospects of the companies in these industries, which include **FactSet Research Systems, Inc.**, **Guidewire Software, Inc.**, and **CoStar Group, Inc.** For example, Guidewire, a property and casualty insurance software vendor, detracted from overall performance. The company is transitioning its software from an on-premise solution to a cloud-based offering. We believe this change will improve financial metrics and triple its addressable market. It should become a critical vendor to the industry. However, these investments presented short-term expense headwinds. In the current market environment, investors favored more stable current earnings streams. But we are convinced that Guidewire's \$30 billion addressable market and 40% margin potential offer significant upside for the stock.

High-growth portfolios like Baron Partners, Opportunity, Emerging Markets, and Global Advantage Funds were also negatively impacted by the shift in investor sentiment favoring a cyclical recovery. Despite companies in these funds executing on their business plans and exhibiting strong results, companies like **MercadoLibre, Inc.**, **GDS Holdings Limited**, and **RingCentral, Inc.** all detracted from overall performance. However, we believe that the changes in consumer behavior are unlikely to revert to legacy models. These businesses are well situated to dominate their respective categories and have largely spent the pandemic enhancing their competitive positioning. RingCentral is one example. A dispersed workforce has made corporations understand that global cloud communications and collaboration solutions are essential. RingCentral is the cloud-based communication systems leader, with 3 million users and capabilities in over 40 countries. But yet, it only services a small portion of the 400 million users of on-premise systems. We expect this to change. Over the past 18 months, it has signed distribution agreements with legacy providers. We believe a high portion of these users will seamlessly migrate to the RingCentral offering without the need to invest in new hardware. Its expansive

geographic reach will be vital for many clients' global footprints and ambitions. The highly scalable service should also enable RingCentral to lower prices while growing margins.

The sudden market rotation in March undoubtedly caused Baron WealthBuilder Fund to trail its benchmark in the quarter. But the Fund's diversification among various types of growth portfolios enabled it to appreciate slightly during this volatile period. We believe it is unlikely a fund populated with a single type of business would have been able to successfully

weather this shift in investor sentiment. Not only are we satisfied with the Fund's performance during this finite period (and especially pleased with its performance over the prior year and since its inception), but we are also optimistic about the prospects for the Fund's holdings over the coming years. The pandemic accelerated change throughout many industries. We believe many of the companies held in the underlying funds will lead this change and capitalize on the altered business landscape.

Table II.
Baron Funds Performance
As of March 31, 2021

Institutional Share Class Data

% of Net Assets of Fund		First Quarter of 2021*	Annualized 12/29/17 to 3/31/21	Primary Benchmark	First Quarter of 2021*	Annualized 12/29/17 to 3/31/21
30.1%	Small Cap					
4.3%	Baron Discovery Fund	7.47%	28.85%	Russell 2000 Growth Index	4.88%	16.56%
13.1%	Baron Growth Fund	0.94%	20.57%			
12.7%	Baron Small Cap Fund	2.67%	20.01%			
4.0%	Small/Mid Cap					
4.0%	Baron Focused Growth Fund	0.11%	40.57%	Russell 2500 Growth Index	2.49%	19.15%
13.9%	Mid Cap					
13.9%	Baron Asset Fund	(1.03)%	20.29%	Russell Midcap Growth Index	(0.57)%	18.57%
7.7%	Large Cap					
6.2%	Baron Fifth Avenue Growth Fund	(1.57)%	24.16%	Russell 1000 Growth Index	0.94%	21.40%
1.5%	Baron Durable Advantage Fund	3.00%	14.86%†	S&P 500 Index	6.17%	14.77%†
22.1%	All Cap					
6.2%	Baron Opportunity Fund	0.88%	38.90%	Russell 3000 Growth Index	1.19%	21.05%
15.9%	Baron Partners Fund	(0.38)%	47.62%	Russell Midcap Growth Index	(0.57)%	18.57%
12.8%	International					
3.9%	Baron Emerging Markets Fund	(0.16)%	7.11%	MSCI EM Index	2.29%	6.42%
6.4%	Baron Global Advantage Fund	(1.84)%	30.46%†	MSCI ACWI Index	4.57%	9.86%†
2.5%	Baron International Growth Fund	2.34%	11.54%	MSCI ACWI ex USA Index	3.49%	5.61%
9.4%	Specialty					
4.9%	Baron Real Estate Fund	11.08%	19.92%	MSCI USA IMI Extended Real Estate Index	12.20%	9.90%
2.5%	Baron Health Care Fund	0.58%	26.83%†	Russell 3000 Health Care Index	2.14%	13.99%†
2.0%	Baron FinTech Fund	(1.29)%	39.90%†	S&P 500 Index	6.17%	32.56%†

* Not annualized.

† Performance is calculated from the time the Fund was added to Baron WealthBuilder Fund: Baron Durable Advantage Fund – 3/13/2018; Baron Global Advantage Fund – 1/9/2018; Baron Health Care Fund – 10/18/2018; and Baron FinTech Fund – 2/27/2020. An investor cannot invest directly in an index.

The indexes are unmanaged. The index performance is not Fund performance; one cannot invest directly into an index.

Baron WealthBuilder Fund

FUND OF FUNDS STRUCTURE AND INVESTMENT STRATEGY

Table III.
Performance Based Characteristics since inception (12/29/2017) as of March 31, 2021

	Baron Wealth Builder Fund	S&P 500 Index	Morningstar Allocation 85%+ Equity Category
Alpha (%) – Annualized	7.13	0.00	–4.06
Beta	1.20	1.00	0.96
Sharpe Ratio	1.03	0.75	0.47
Standard Deviation (%) – Annualized	23.56	18.19	17.90
Upside Capture (%)	124.13	100.00	85.13
Downside Capture (%)	93.92	100.00	99.22

Source: FactSet SPAR. Except for Standard Deviation and Sharpe Ratio, the performance based characteristics above were calculated relative to the S&P 500 Index.

Combining our top performing portfolios into one fund has not only produced category leading returns, but it also has generated since inception performance characteristics that we believe are stellar. Compared to the Index, the Fund's alpha is 7.13%, yet its beta is only 1.20. Its Sharpe ratio, a measure of return per level of risk, is 1.03 compared to the Index's 0.75. And we believe its upside capture of 124.13% is even more impressive when viewed alongside its downside capture of only 93.92%.

Baron WealthBuilder Fund closely mimics the way we would incrementally invest across our various funds and strategies. The Fund allows investors to diversify across several Baron Funds' products, gain exposure to various market caps, sectors, and geographies in a single structure, and benefit from our rebalancing of the allocations in a tax efficient manner. The portfolio managers of each underlying fund abide by the same core investment process and philosophy, focused on proprietary research to discover competitively advantaged businesses with immense opportunities led by smart and honorable executives. Baron Funds has had broad historical success. Our investment approach and process have yielded outstanding results since the Firm's founding in 1982. As of 3/31/2021, 16 of 17 Baron Funds, representing 98.3% of Baron Funds' assets under management ("AUM"), have outperformed their respective passive benchmarks since their inceptions. In addition, 14 of those funds, representing 98.2% of Baron Funds' AUM, rank in the top 22% of their respective Morningstar categories; and 11 funds, representing 71.8% of AUM, rank in the top 8%.

This strong relative performance has continued. Since their inclusion in Baron WealthBuilder Fund, all underlying funds have exceeded their respective benchmarks. We have always strived to provide top performance in various asset categories. Baron WealthBuilder Fund allows individuals to gain access to a variety of these strategies in a single fund. We are pleased with the composition and results.

The makeup of the underlying investments looks very different than the Fund's key indexes. Therefore, the Fund has a high active share when measured against its benchmarks. We feel the diversity in regions and sectors should dampen risk while still providing strong absolute returns. While holding nearly the same number of securities as its primary benchmark (485 in the underlying funds vs. 502 in the Index), the similarities end there. The holdings in the underlying funds have a lower dividend yield on average (0.3% vs. 1.5% for the Index), with companies electing to reinvest earnings back in their businesses for growth. And the approach is working; the projected earnings per share growth rate over the next three to five years is 24.5% for the Funds' holdings vs. 14.5% for the Index (or 69.0% higher growth). We think that many of our investments can exceed those projections. These businesses have grown over twice as fast as the Index over the preceding year (the Funds' one-year historical earnings per share growth rate was 6.1% vs. the Index's 2.8%). Yet these companies are only 27.4% more expensive than the Index's holdings (the Funds' trailing price-to-earnings ratio on average was 35.8 times vs. 28.1 times for the Index). We feel that this valuation metric is misleading for the Funds' holdings, as many have depressed margins as they sacrifice current profitability for more sustainable and higher long-term growth rates. We believe higher growth for a modest premium in price should reward long-term investors.

The portfolio is also distinct in its sector weightings. The Index has a higher share of Consumer Staples, Energy, Materials, and Utilities businesses than our Fund. These sectors typically consist of defensive companies that have been traditionally important but have limited unique characteristics, future growth prospects, and are heavily reliant on unpredictable commodity prices. Combined, those sectors represented 14.3% of the Index, yet they accounted for only 2.0% of the Fund. Instead, the Fund favors Consumer Discretionary, Health Care, Industrials, Real Estate, and application software within Information Technology ("IT") where companies' competitive advantages are more apparent and growth projections more robust. Those areas account for 62.6% of the Fund, yet only 39.3% of the Index.

Finally, the Fund has exposure to non-U.S. companies unlike the Index, whose constituents are solely in domestic businesses. We believe geographic diversity provides benefits, such as lower volatility over time. The Fund is also differentiated from the global coverage of the MSCI ACWI Index. North America was 60.3% of the MSCI ACWI Index compared to 84.1% for the Fund. The greater international exposure for the MSCI ACWI Index is heavily skewed towards slow growth developed markets, whereas the Fund seeks faster growth in emerging economies. Of the Fund's non-North American investments, 59.7% were in Asia/Pacific ex-Japan, Africa/ Mideast, and Latin America. These regions represented 39.9% of the MSCI ACWI Index's non-North American investments. However, the MSCI ACWI Index had 60.1% of its non-North American investments in slower growth European and Japanese companies while these regions only represented 40.3% of the Fund's.

Table IV.
Sector exposures as of March 31, 2021

	Percent of Net Assets	S&P 500 Index	MSCI ACWI Index
Consumer Discretionary	23.4%	12.4%	12.8%
Information Technology	22.1	26.6	21.3
Health Care	16.0	13.0	11.4
Industrials	11.4	8.9	10.0
Financials	10.2	11.3	14.3
Communication Services	8.4	10.9	9.4
Real Estate	4.5	2.5	2.6
Materials	1.1	2.7	5.0
Consumer Staples	0.7	6.1	7.0
Unclassified	0.6	–	–
Energy	0.2	2.8	3.4
Utilities	–	2.7	2.9

Table V.
Country exposures as of March 31, 2021

	Percent of Net Assets	S&P 500 Index	MSCI ACWI Index
United States	83.1%	100.0%	57.7%
China	3.8	–	5.0
United Kingdom	2.0	–	3.8
Netherlands	1.6	–	1.1
Israel	1.4	–	0.2
India	1.2	–	1.3
Canada	1.0	–	2.8
Brazil	0.7	–	0.6
Argentina	0.5	–	0.1
Ireland	0.4	–	0.2
Other	2.9	–	27.3

Table VI.
Fund of fund holdings as of March 31, 2021

	Percent of Net Assets
Baron Partners Fund	15.9%
Baron Asset Fund	13.9
Baron Growth Fund	13.1
Baron Small Cap Fund	12.7
Baron Global Advantage Fund	6.4
Baron Fifth Avenue Growth Fund	6.2
Baron Opportunity Fund	6.2
Baron Real Estate Fund	4.9
Baron Discovery Fund	4.3
Baron Focused Growth Fund	4.0
Baron Emerging Markets Fund	3.9
Baron Health Care Fund	2.5
Baron International Growth Fund	2.5
Baron FinTech Fund	2.0
Baron Durable Advantage Fund	1.5

Thank you for joining us as fellow shareholders in Baron WealthBuilder Fund. We continue to work hard to justify your confidence and trust in our stewardship of your hard-earned savings. We will also remain dedicated to providing you with the information we would like to have if our roles were reversed. We hope this letter enables you to make an informed decision about whether this Fund remains an appropriate investment.

Respectfully,



Ronald Baron
CEO and Portfolio Manager



Michael Baron
CO-Portfolio Manager

Investors should consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The prospectus and summary prospectus contain this and other information about the Funds. You may obtain them from its distributor, Baron Capital, Inc., by calling 1-800-99BARON or visiting www.BaronFunds.com. Please read them carefully before investing.

Risks: The Fund is a non-diversified fund because it invests, at any given time, in the securities of a select number of Baron mutual funds (the "Underlying Funds"), representing specific investment strategies. The Fund can invest in funds holding U.S. and international stocks; small-cap, small to mid-cap, large-cap, all-cap stocks; and specialty stocks. Each of the Underlying Funds has its own investment risks, and those risks can affect the value of the Fund's investments and therefore the value of the Fund's shares. To the extent that the Fund invests more of its assets in one Underlying Fund than in another, it will have greater exposure to the risks of that Underlying Fund. For further information regarding the investment risks of the Underlying Funds, please refer to the Underlying Funds' prospectus.

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. **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. **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. If a company's actual EPS is negative, it is excluded from the portfolio level calculation. **Sharpe**

Baron WealthBuilder Fund

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

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 managers 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.

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

Ranking information provided is calculated for the Retail Share Class and is as of 3/31/2021. The number of share classes in each category may vary depending on the date that Baron downloaded information from Morningstar Direct. **Morningstar calculates its category average performance and rankings using its Fractional Weighting methodology. Morningstar rankings are based on total returns and do not include sales charges. Total returns account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets.** The **Morningstar Mid-Cap Growth Category** consisted of 595, 500, and 379 share classes for the 1-, 5-, and 10-year periods. Morningstar ranked *Baron Asset Fund* in the 89th, 33rd, 27th and 22nd percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 6/12/1987, and the category consisted of 20 share classes. Morningstar ranked *Baron Growth Fund* in the 57th, 35th, 40th, and 8th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 12/31/1994, and the category consisted of 54 share classes. Morningstar ranked *Baron Partners Fund* in the 1st, 1st, 1st, and 1st percentiles for the 1-, 5-, 10-year, and since conversion periods, respectively. The Fund converted into a mutual Fund 4/30/2003, and the category consisted of 221 share classes. Morningstar ranked *Baron Focused Growth Fund* in the 4th, 3rd, 4th, and 5th percentiles for the 1-, 5-, 10-year, and since conversion periods,

respectively. The Fund converted into a mutual Fund 6/30/2008, and the category consisted of 318 share classes. The **Morningstar Small Growth Category** consisted of 619, 503, and 379 share classes for the 1-, 5-, and 10-year time periods. Morningstar ranked *Baron Small Cap Fund* in the 57th, 42nd, 52nd, and 16th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 9/30/1997, and the category consisted of 92 share classes. Morningstar ranked *Baron Discovery Fund* in the 9th, 5th, and 4th percentiles for the 1-, 5-year, and since inception periods, respectively. The Fund launched 9/30/2013, and the category consisted of 438 share classes. The **Morningstar Real Estate Category** consisted of 248, 201, and 145 share classes for the 1-, 5-, and 10-year time periods. Morningstar ranked *Baron Real Estate Fund* in the 3rd, 1st, 1st, and 1st percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 12/31/2009, and the category consisted of 130 share classes. Morningstar ranked *Baron Real Estate Income Fund* in the 9th and 3rd percentiles for the 1-year and since inception periods, respectively. The Fund launched 12/29/2017, and the category consisted of 224 share classes. The **Morningstar Large Growth Category** consisted of 1,282, 1,065, 788, and 283 share classes for the 1-, 5-, 10-year, and since inception (2/29/2000) periods. Morningstar ranked *Baron Opportunity Fund* in the 3rd, 2nd, 7th, and 3rd percentiles, respectively. The **Morningstar Foreign Large Growth Category** consisted of 447, 313, 226, and 201 share classes for the 1-, 5-, 10-year, and since inception (12/31/2008) periods. Morningstar ranked *Baron International Growth Fund* in the 11th, 15th, 22nd, and 12th percentiles, respectively. The **Morningstar Diversified Emerging Markets Category** consisted of 800, 596, 292, and 283 share classes for the 1-, 5-year, 10-year and since inception (12/31/2010) periods. Morningstar ranked *Baron Emerging Markets Fund* in the 19th, 35th, 3rd, and 5th percentiles, respectively. The **Morningstar World Large Stock Category** consisted of 866, 645, and 442 share classes for the 1-, 5-year, and since inception (4/30/2012) periods. Morningstar ranked *Baron Global Advantage Fund* in the 6th, 1st, and 1st percentiles, respectively. The **Morningstar Health Category** consisted of 158 and 139 share classes for the 1-year and since inception (4/30/2018) periods. Morningstar ranked *Baron Health Care Fund* in the 21st and 5th percentiles, respectively.

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Baron Funds (Institutional Shares) and Benchmark Performance 3/31/2021

Fund	Primary Benchmark	Annualized Return Since Fund Inception	Annualized Benchmark Return Since Fund Inception	Inception Date	Average Annualized Returns				Annual Expense Ratio	Net Assets
					1-Year	3-Year	5-Year	10-Year		
SMALL CAP										
Baron Growth Fund	Russell 2000 Growth Index	14.06%	9.15%	12/31/1994	72.85%	21.47%	19.91%	14.13%	1.04% ⁽³⁾	\$8.64 billion
Baron Small Cap Fund	Russell 2000 Growth Index	11.48%	7.57%	9/30/1997	88.40%	20.71%	21.19%	13.68%	1.05% ⁽³⁾	\$5.12 billion
Baron Discovery Fund†	Russell 2000 Growth Index	21.38%	13.12%	9/30/2013	123.05%	32.16%	31.52%	N/A	1.08% ⁽³⁾	\$1.64 billion
SMALL/MID CAP										
Baron Focused Growth Fund ⁽¹⁾	Russell 2500 Growth Index	14.52%	9.43%	5/31/1996	167.83%	44.10%	31.27%	18.02%	1.07% ⁽⁴⁾	\$671.00 million
MID CAP										
Baron Asset Fund	Russell Midcap Growth Index	12.34%	10.93% ⁽²⁾	6/12/1987	58.28%	20.31%	20.05%	14.74%	1.05% ⁽³⁾	\$5.75 billion
LARGE CAP										
Baron Fifth Avenue Growth Fund	Russell 1000 Growth Index	11.59%	11.87%	4/30/2004	63.99%	23.44%	24.09%	17.52%	0.78%/0.75% ⁽³⁾⁽⁶⁾	\$735.03 million
Baron Durable Advantage Fund	S&P 500 Index	16.04%	15.12%	12/29/2017	47.45%	16.98%	N/A	N/A	2.40%/0.70% ⁽³⁾⁽⁷⁾	\$21.26 million
ALL CAP										
Baron Partners Fund ⁽¹⁾	Russell Midcap Growth Index	16.36%	10.73%	1/31/1992	213.03%	50.75%	38.03%	23.14%	1.30% ⁽⁴⁾⁽⁵⁾	\$6.71 billion
Baron Opportunity Fund†	Russell 3000 Growth Index	10.64%	6.55%	2/29/2000	104.55%	38.62%	33.50%	18.37%	1.08% ⁽³⁾	\$1.55 billion
INTERNATIONAL										
Baron Emerging Markets Fund	MSCI EM Index	6.93%	3.77%	12/31/2010	72.06%	7.42%	12.65%	7.25%	1.09% ⁽⁴⁾	\$7.85 billion
Baron Global Advantage Fund†	MSCI ACWI Index	20.19%	10.55%	4/30/2012	90.71%	32.19%	30.97%	N/A	0.92%/0.90% ⁽⁴⁾⁽⁸⁾	\$2.57 billion
Baron International Growth Fund	MSCI ACWI ex USA Index	12.65%	8.21%	12/31/2008	70.57%	11.81%	15.05%	9.04%	1.01%/0.95% ⁽⁴⁾⁽⁹⁾	\$626.22 million
SECTOR										
Baron Real Estate Fund	MSCI USA IMI Extended Real Estate Index	17.39%	12.63%	12/31/2009	99.99%	24.02%	19.54%	15.94%	1.08% ⁽⁴⁾	\$1.46 billion
Baron Real Estate Income Fund	MSCI US REIT Index	15.53%	4.67%	12/29/2017	56.17%	19.36%	N/A	N/A	3.45%/0.80% ⁽⁴⁾⁽¹⁰⁾	\$45.23 million
Baron Health Care Fund	Russell 3000 Health Care Index	25.06%	16.49%	4/30/2018	63.93%	N/A	N/A	N/A	1.45%/0.85% ⁽⁴⁾⁽¹¹⁾	\$127.24 million
Baron FinTech Fund	S&P 500 Index	34.84%	20.09%	12/31/2019	66.06%	N/A	N/A	N/A	2.43%/0.95% ⁽¹²⁾	\$44.12 million
EQUITY ALLOCATION										
Baron WealthBuilder Fund	S&P 500 Index	25.78%	15.12%	12/29/2017	102.31%	27.20%	N/A	N/A	1.22%/1.11% ⁽⁴⁾⁽¹³⁾	\$345.60 million

⁽¹⁾ 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.

⁽²⁾ For the period June 30, 1987 to March 31, 2021.

⁽³⁾ As of 9/30/2020.

⁽⁴⁾ As of 12/31/2020.

⁽⁵⁾ Comprised of operating expenses of 1.05% and interest expenses of 0.25%.

⁽⁶⁾ Annual expense ratio was 0.78%, but the net annual expense ratio was 0.75% (net of Adviser's fee waivers).

⁽⁷⁾ Annual expense ratio was 2.40%, but the net annual expense ratio was 0.70% (net of Adviser's fee waivers).

⁽⁸⁾ Annual expense ratio was 0.92%, but the net annual expense ratio was 0.90% (net of Adviser's fee waivers).

⁽⁹⁾ Annual expense ratio was 1.01%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers).

⁽¹⁰⁾ Annual expense ratio was 3.45%, but the net annual expense ratio was 0.80% (net of Adviser's fee waivers).

⁽¹¹⁾ Annual expense ratio was 1.45%, but the net annual expense ratio was 0.85% (net of Adviser's fee waivers).

⁽¹²⁾ Annual expense ratio was 2.43%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers).

⁽¹³⁾ Annual expense ratio was 1.22%, but the net annual expense ratio was 1.11% (includes acquired fund fees and expenses of 1.06%, net of the Adviser's fee waivers).

† The Fund's historical performance was impacted by gains from IPOs and/or secondary offerings. 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.