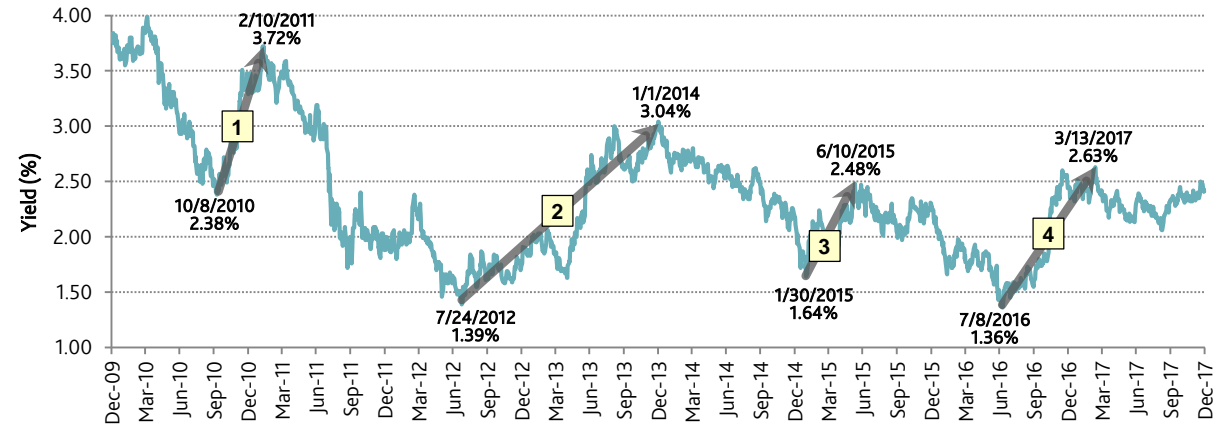


During Periods When Yields Have Risen¹ Baron Real Estate Fund Has Outperformed

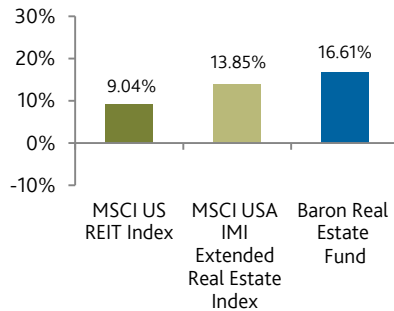
As of December 31, 2017

Date	Change in Yield	Change in Basis Points (bps)
1 10/8/2010 – 2/10/2011	2.38% to 3.72%	+134 bps
2 7/24/2012 – 1/1/2014	1.39% to 3.04%	+165 bps
3 1/30/2015 – 6/10/2015	1.64% to 2.48%	+84 bps
4 7/8/2016 – 3/13/2017	1.36% to 2.63%	+127 bps

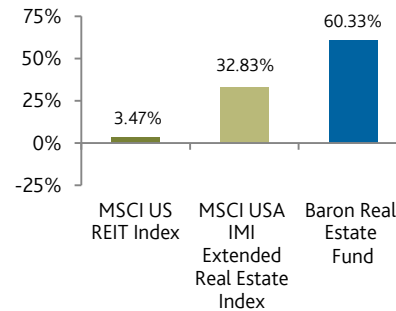
10-Year U.S. Treasury Yields²
12/31/2009 – 12/31/2017



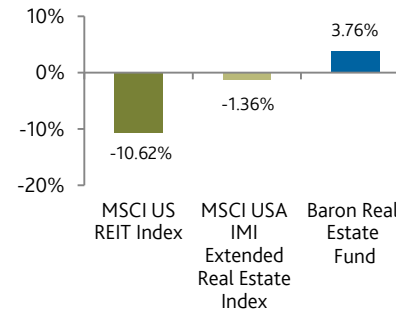
1 Fund Outperformed When Yields Rose 134 bps
10/8/2010 – 2/10/2011



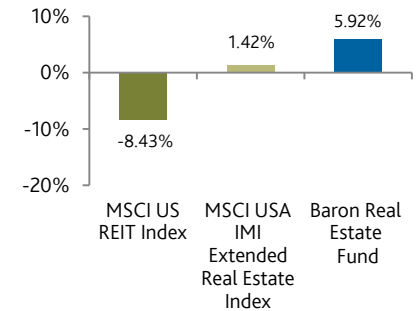
2 Fund Outperformed When Yields Rose 165 bps
7/24/2012 – 1/1/2014



3 Fund Outperformed When Yields Rose 84 bps
1/30/2015 – 6/10/2015



4 Fund Outperformed When Yields Rose 127 bps
7/8/2016 – 3/13/2017



Baron Real Estate Fund Performance (Cumulative) vs. MSCI US REIT Index and MSCI USA IMI Extended Real Estate Index

For the period ended 12/31/2017, the 1-, 3-, 5-year and since inception annualized returns for the Institutional Shares of the Baron Real Estate Fund were 31.42%, 7.26%, 12.96%, and 16.38%, respectively. As of 12/31/2016, the expense ratio for the Institutional Shares of Baron Real Estate Fund was 1.07%.

Baron Real Estate Fund's inception date was 12/31/2009.

1 - Since Fund inception on 12/31/2009, yields rose by more than 80 bps 1) from 10/8/2010 to 2/10/2011, 2) from 7/24/2012 to 1/1/2014, 3) from 1/30/2015 to 6/10/2015, and 4) from 7/8/2016 to 3/13/2017. In these periods, Baron Real Estate Fund outperformed.

2 - Source: U.S. Department of the Treasury and FactSet prices. Based on daily yields.

Performance data quoted represents past performance. Past performance is no guarantee of future results.

For performance information current to the most recent month end, visit www.BaronFunds.com or call 1-800-99BARON.

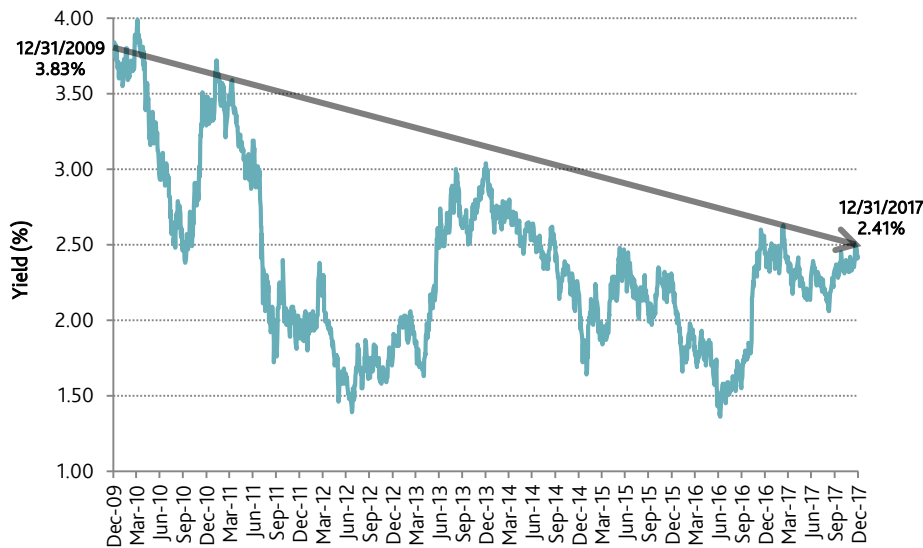
You should consider the investment objectives, risks, charges, and expenses of the Fund carefully before investing. The prospectus and summary prospectus contain this and other information about the Fund and can be obtained from the Fund's distributor, Baron Capital, Inc., by calling 1-800-99BARON or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



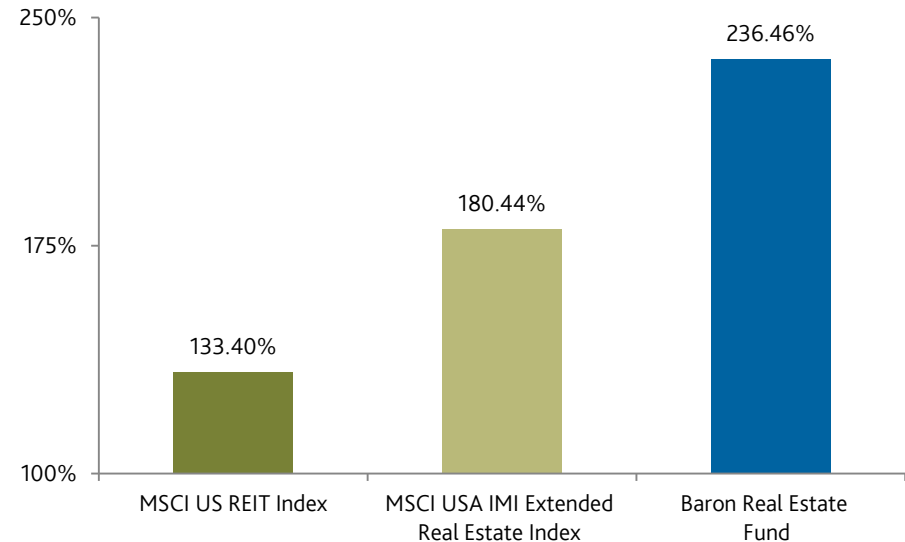
Since Fund Inception, Yields Declined¹ and Baron Real Estate Fund Outperformed

As of December 31, 2017

10-Year U.S. Treasury Yields² Declined 142 bps 12/31/2009 – 12/31/2017



Fund Outperformed When Yields Declined 12/31/2009 – 12/31/2017



**Baron Real Estate Fund Performance (Cumulative)
vs. MSCI US REIT Index and MSCI USA IMI Extended Real Estate Index**

For the period ended 12/31/2017, the 1-, 3-, 5-year and since inception annualized returns for the Institutional Shares of the Baron Real Estate Fund were 31.42%, 7.26%, 12.96%, and 16.38%, respectively. As of 12/31/2016, the expense ratio for the Institutional Shares of Baron Real Estate Fund was 1.07%.

1 - Since Fund inception through 12/31/2017, yields declined a total of 142 bps and Baron Real Estate Fund outperformed.

2 - Source: U.S. Department of the Treasury and FactSet prices. Based on daily yields.

Performance data quoted represents past performance. Past performance is no guarantee of future results.

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Treasury Yields for U.S. Treasury securities are interpolated by the U.S. Treasury from the daily yield curve for non-inflation-indexed Treasury securities. This curve, which relates the yield on a security to its time to maturity, is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of quotations obtained by the Federal Reserve Bank of New York. The constant maturity yield values are read from the yield curve at fixed maturities, currently 1, 3, and 6 months and 1, 2, 3, 5, 7, 10, 20, and 30 years. This method provides a yield for a 10-year maturity, for example, even if no outstanding security has exactly 10 years remaining to maturity.

The **MSCI USA IMI Extended Real Estate Net Index** is an unmanaged custom index calculated by MSCI for, and as requested by, BAMCO, Inc. The index includes real estate and real estate-related GICS classified securities. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, reviewed or produced by MSCI. **MSCI US REIT Index** is a free float-adjusted market capitalization index that measures the performance of all equity REITs in the US equity market, except for specialty equity REITs that do not generate a majority of their revenue and income from real estate rental and leasing operations. The indexes and the Baron Real Estate Fund reflect the reinvestment of dividends, which positively impacts performance results.

Baron Real Estate Fund is non-diversified, which means the volatility of the Fund's returns may increase and expose the Fund to greater risk of loss in any given period. In addition to general market conditions, the value of the Fund will be affected by the strength of the real estate markets as well as by interest rate fluctuations, credit risk, environmental issues and economic conditions. The Fund invests in companies of all sizes, including small and medium sized companies whose securities may be thinly traded and more difficult to sell during market downturns.

For performance information current to the most recent month end, visit www.BaronFunds.com or call 1-800-99BARON.

