

Baron Discovery Fund

Retail Shares (BDFFX) and Institutional Shares (BDFIX)



BAMCO, Inc., Registered Investment Adviser

Investment Principles

- Long-term perspective allows us to think like an owner of a business
- Independent and exhaustive research is essential to understanding the long-term fundamental growth prospects of a business
- We seek appropriately capitalized open-ended growth opportunities, exceptional leadership, and sustainable competitive advantages
- Purchase price and risk management are integral to our investment process

Investment Strategy

The Fund invests primarily in small-sized U.S. companies. It invests in a select number of high growth businesses that tend to be in an early phase of their lifecycles. Diversified.

Portfolio Managers

Laird Bieger and Randy Gwartzman have been portfolio managers of the Fund since inception. Laird joined Baron in 2000, and Randy joined Baron two years later, in 2002. Laird and Randy each have 21 years of research experience. Please visit our website, www.BaronFunds.com, for a complete description of Laird's and Randy's experience and education.

Portfolio Facts and Characteristics

Inception Date	September 30, 2013
Net Assets	\$277.07 million
# of Equity Securities / % of Net Assets	60 / 94.8%
Turnover (3 Year Average)	70.92%
Active Share (%)	95.4
Median Market Cap†	\$1.51 billion
Weighted Average Market Cap†	\$2.26 billion
Retail Shares	
CUSIP	068278860
Gross Expense Ratio ³	1.47%
Less: Reimbursement of Expenses by Adviser ³	(0.12)%
Net Expense Ratio	1.35%
Institutional Shares	
CUSIP	068278852
Gross Expense Ratio ³	1.23%
Less: Reimbursement of Expenses by Adviser ³	(0.13)%
Net Expense Ratio	1.10%

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

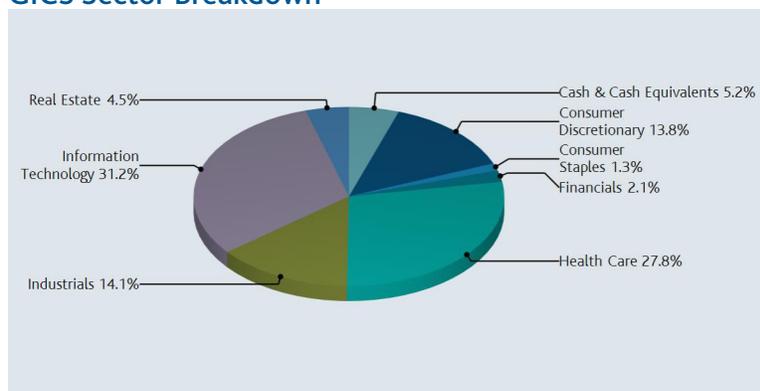
Performance Based Characteristics - Retail Shares²

	3 Years	Since Inception
Std. Dev. (%) - Annualized	16.71	16.78
Sharpe Ratio	0.89	1.01
Alpha (%) - Annualized	4.83	5.34
Beta	1.00	1.03
R-Squared (%)	75.82	75.94
Tracking Error (%)	8.22	8.24
Information Ratio	0.60	0.71
Upside Capture (%)	111.58	115.56
Downside Capture (%)	89.03	91.87

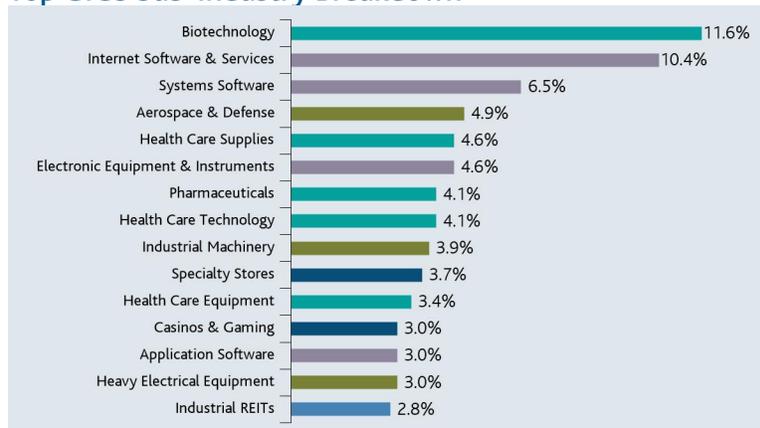
Top 10 Holdings

	% of Net Assets
Teladoc, Inc.	4.1
The Trade Desk	3.9
Myriad Genetics, Inc.	3.5
Mercury Systems, Inc.	3.1
Red Rock Resorts, Inc.	3.0
TPI Composites, Inc.	3.0
Novanta Inc.	2.9
Americold Realty Trust	2.8
Qualys, Inc.	2.7
Sientra, Inc.	2.7
Total	31.7

GICS Sector Breakdown¹



Top GICS Sub-Industry Breakdown¹



Colors of Sub-Industry bars correspond to sector chart above.

Risks

Specific risks associated with investing in smaller companies include that the securities may be thinly traded and more difficult to sell during market downturns. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund's returns.

Value	Blend	Growth	
			Large
			Medium
			Small

1 - Industry sector or sub-industry group levels are provided from the Global Industry Classification Standard ("GICS"), developed and exclusively owned by MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"). All GICS data is provided "as is" with no warranties. The Adviser may have reclassified/classified certain securities in or out of a sub-industry. Such reclassifications are not supported by S&P or MSCI.

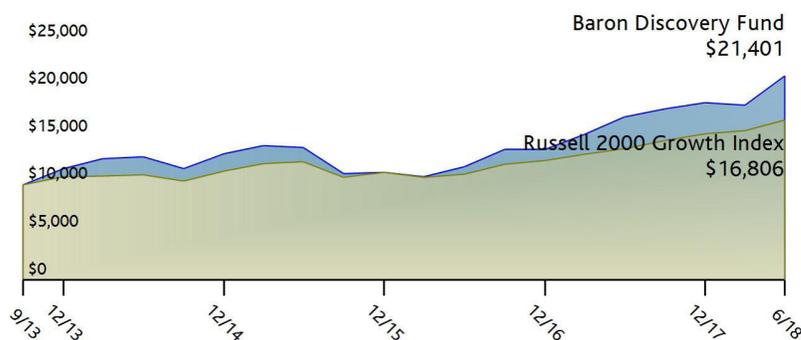
2 - Source: FactSet SPAR. Except for Standard Deviation and Sharpe Ratio, the performance based characteristics above were calculated relative to the Fund's benchmark.

3 - As of FYE 9/30/2017

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Comparison of Change in Value of \$10,000 Investment in Baron Discovery Fund - Retail Shares vs. the Russell 2000 Growth Index as of June 30, 2018



Historical Performance (Calendar Year %)

Year ⁴	BDFFX	Russell 2000 Growth Index	S&P 500 Index
2013	16.70	8.17	10.51
2014	13.45	5.60	13.69
2015	-14.73	-1.38	1.38
2016	21.40	11.32	11.96
2017	35.52	22.17	21.83

Performance as of June 30, 2018

	Total Return (%)				Annualized Returns (%)					Cumulative Returns (%)
	2nd Q 2018	1st Q 2018	4th Q 2017	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 9/30/2013	Since Inception 9/30/2013
BDFFX-Retail Shares	16.76	-1.32	3.34	15.22	25.35	15.50	-	-	17.37	114.01
BDFIX-Institutional Shares	16.82	-1.26	3.37	15.36	25.69	15.80	-	-	17.66	116.49
Russell 2000 Growth Index	7.23	2.30	4.59	9.70	21.86	10.60	-	-	11.55	68.06
S&P 500 Index	3.43	-0.76	6.64	2.65	14.37	11.93	-	-	12.95	78.35
Morningstar Small Growth Category Average	8.53	2.28	4.70	11.05	22.70	11.04	-	-	N/A	N/A

Top Contributors/Detractors to Performance for the Quarter Ended June 30 2018⁵

BY SUB-INDUSTRIES¹

Top Contributors	Average Weight(%)	Contribution(%)
Internet Software & Services	10.30	3.36
Health Care Supplies	4.71	2.62
Health Care Technology	4.85	2.01
Health Care Equipment	3.46	1.21
Biotechnology	10.94	1.11

Top Detractors	Average Weight(%)	Contribution(%)
Cable & Satellite	1.79	-0.40
Aerospace & Defense	5.10	-0.39
Oil & Gas Storage & Transportation	0.07	-0.04
Packaged Foods & Meats	0.23	-0.03
Multi-Sector Holdings	0.32	-0.03

BY HOLDINGS

Top Contributors	Average Weight(%)	Contribution(%)
Sientra, Inc.	2.70	2.21
The Trade Desk	3.15	2.20
Teladoc, Inc.	4.00	1.52
Yext, Inc.	2.16	0.98
TPI Composites, Inc.	3.01	0.91

Top Detractors	Average Weight(%)	Contribution(%)
Mercury Systems, Inc.	3.08	-0.64
Esperion Therapeutics, Inc.	0.51	-0.60
GCI Liberty, Inc.	1.79	-0.40
Coherent, Inc.	1.87	-0.34
CareDx, Inc.	0.40	-0.34

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. 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.

Footnotes continued from prior page.

4 - Performance information for 2013 is from its inception date 9/30/2013 to 12/31/2013.

5 - Source: FactSet PA.

The Fund may not achieve its objectives. Portfolio holdings may change over time.

Definitions (provided by BAMCO, Inc.): The indexes are unmanaged. The **Russell 2000® Growth Index** measures the performance of small-sized U.S. companies that are classified as growth and the **S&P 500 Index** of 500 widely held large-cap U.S. companies. The indexes and the Fund are with dividends, which positively impact the performance results. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell is a trademark of Russell Investment Group. Morningstar calculates the **Morningstar US Small Growth Category Average** using its Fractional Weighting methodology. The Fund has been included in the category since inception. © 2018 Morningstar, Inc. All Rights Reserved. The Morningstar information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Standard Deviation (Std. Dev.)**: measures the degree to which a fund's performance has varied from its average performance over a particular time period. The greater the standard deviation, the greater a fund's volatility (risk). **Sharpe Ratio**: is a risk-adjusted performance statistic that measures reward per unit of risk. The higher

the Sharpe ratio, the better a fund's risk adjusted performance. **Alpha**: measures the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. **Beta**: measures a fund's sensitivity to market movements. The beta of the market is 1.00 by definition. **R-Squared**: measures how closely a fund's performance correlates to the performance of the benchmark index, and thus is a measurement of what portion of its performance can be explained by the performance of the index. Values for R-Squared range from 0 to 100, where 0 indicates no correlation and 100 indicates perfect correlation. **Tracking Error**: measures how closely a fund's return follows the benchmark index returns. It is calculated as the annualized standard deviation of the difference between the fund and the index returns. **Information Ratio**: measures the excess return of a fund divided by the amount of risk the fund takes relative to the benchmark index. The higher the information ratio, the higher the excess return expected of the fund, given the amount of risk involved. **Upside Capture**: explains how well a fund performs in time periods where the benchmark's returns are greater than zero. **Downside Capture**: explains how well a fund performs in time periods where the benchmark's returns are less than zero. **Active Share**: a term used to describe the share of a portfolio's holdings that differ from that portfolio's benchmark index. It is calculated by comparing the weight of each holding in the Fund to that holding's weight in the benchmark. Positions with either a positive or negative weighting versus the benchmark have Active Share. An Active Share of 100% implies zero overlap with the benchmark. Active Share was introduced in 2006 in a study by Yale academics, M. Cremers and A. Petajisto, as a measure of active portfolio management.