

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 joined Baron in 2000, and Randy Gwirtzman joined Baron two years later, in 2002. Laird and Randy were named portfolio managers in 2013. They each have 22 years of research experience. Please visit our website, www.BaronFunds.com, for a complete description of their experience and education.

Portfolio Facts and Characteristics

Inception Date	September 30, 2013
Net Assets	\$338.15 million
# of Equity Securities / % of Net Assets	65 / 90.3%
Turnover (3 Year Average)	67.13%
Active Share	94.5%
Median Market Cap†	\$1.30 billion
Weighted Average Market Cap†	\$1.72 billion
Retail Shares	
CUSIP	068278860
Gross Expense Ratio ³	1.40%
Less: Reimbursement of Expenses by Adviser ³	(0.05)%
Net Expense Ratio ³	1.35%
Institutional Shares	
CUSIP	068278852
Gross Expense Ratio ³	1.12%
Less: Reimbursement of Expenses by Adviser ³	(0.02)%
Net Expense Ratio ³	1.10%

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

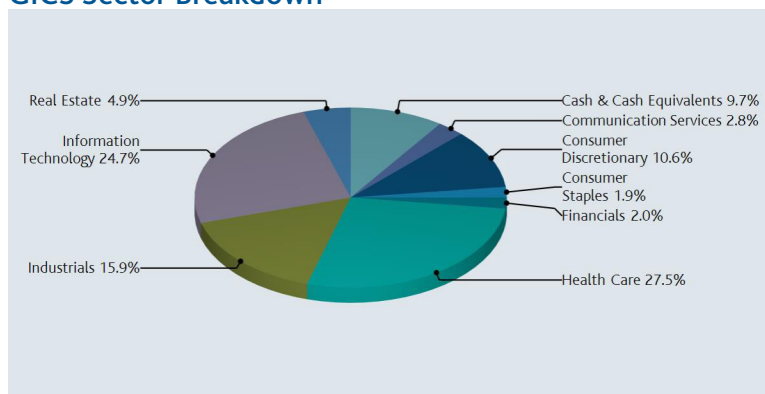
Performance Based Characteristics - Retail Shares²

	3 Years	5 Years	Since Inception
Std. Dev. (%) - Annualized	19.31	19.06	18.90
Sharpe Ratio	0.89	0.48	0.64
Alpha (%) - Annualized	10.12	4.66	5.86
Beta	1.07	1.05	1.06
R-Squared (%)	85.98	80.45	80.23
Tracking Error (%)	7.33	8.47	8.45
Information Ratio	1.50	0.56	0.73
Upside Capture (%)	133.11	113.77	118.89
Downside Capture (%)	89.05	94.64	94.64

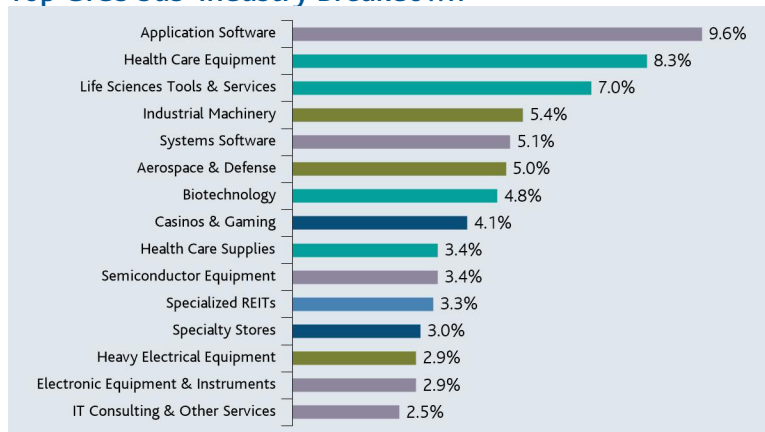
Top 10 Holdings

	% of Net Assets
Mercury Systems, Inc.	3.9
Intersect ENT, Inc.	3.2
Myriad Genetics, Inc.	3.2
CareDx, Inc.	3.0
TPI Composites, Inc.	2.9
The Trade Desk	2.7
Americold Realty Trust	2.6
Yext, Inc.	2.6
ViewRay Incorporated	2.2
Qualys, Inc.	2.2
Total	28.5

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

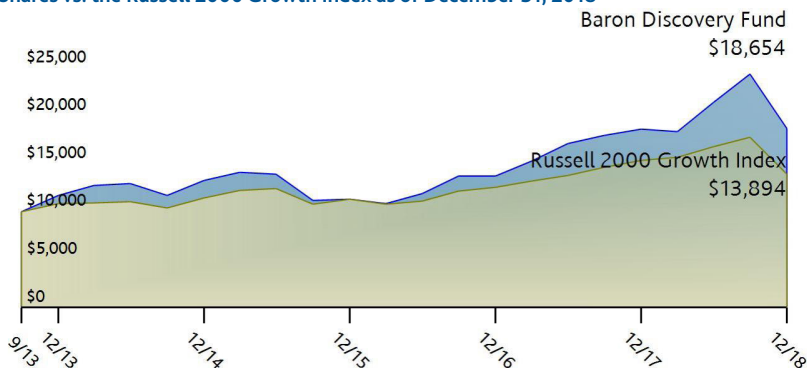
1 - Industry sector or sub-industry group levels are provided from the Global Industry Classification Standard ("GICS"), developed and exclusively owned by MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"). All GICS data is provided "as is" with no warranties. The Adviser may have 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 9/30/2018

This information does not constitute an offer to sell or a solicitation of any offer to buy securities by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation. This information is only for the intended recipient and may not be distributed to any third party. Not bank guaranteed, may lose value, not FDIC insured.

Comparison of Change in Value of \$10,000 Investment in Baron Discovery Fund - Retail Shares vs. the Russell 2000 Growth Index as of December 31, 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
2018	0.42	-9.31	-4.38

Performance as of December 31, 2018

	Total Return (%)				Annualized Returns (%)					Cumulative Returns (%)
	4th Q 2018	3rd Q 2018	2nd Q 2018	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 9/30/2013	Since Inception 9/30/2013
BDFFX-Retail Shares	-23.39	13.78	16.76	0.42	0.42	18.22	9.83	-	12.61	86.54
BDFIX-Institutional Shares	-23.36	13.83	16.82	0.64	0.64	18.50	10.11	-	12.88	88.87
Russell 2000 Growth Index	-21.65	5.52	7.23	-9.31	-9.31	7.24	5.13	-	6.47	38.94
S&P 500 Index	-13.52	7.71	3.43	-4.38	-4.38	9.26	8.49	-	10.15	66.13
Morningstar Small Growth Category Average	-20.82	7.00	8.53	-5.76	-5.76	8.47	5.12	-	N/A	N/A

Top Contributors/Detractors to Performance for the Quarter Ended December 31 2018⁵

BY SUB-INDUSTRIES¹

Top Contributors	Average Weight(%)	Contribution(%)
Health Care Services	0.19	0.07

Top Detractors	Average Weight(%)	Contribution(%)
Health Care Equipment	8.63	-3.13
Application Software	9.35	-2.55
Biotechnology	5.79	-1.76
Health Care Supplies	3.91	-1.67
Life Sciences Tools & Services	6.79	-1.60

BY HOLDINGS

Top Contributors	Average Weight(%)	Contribution(%)
Corium International, Inc.	0.09	0.23
Studio City International Holdings Limited	0.88	0.16
Anaplan, Inc.	0.38	0.14
PAR Technology Corporation	0.68	0.08
Guardant Health, Inc.	0.19	0.07

Top Detractors	Average Weight(%)	Contribution(%)
IntriCon Corporation	1.64	-1.11
Teladoc Health, Inc.	2.20	-1.08
Sientra, Inc.	1.98	-1.07
Myriad Genetics, Inc.	2.94	-0.98
TherapeuticsMD, Inc.	2.10	-0.93

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.

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 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.