

March 3, 2020



Baron Emerging Markets Fund – February 2020 Summary Update

Baron Emerging Markets Fund (“the Fund”) was down 2.94% (Institutional Shares) in February, yet outperformed the MSCI EM Index (“the Index”), which fell 5.27%, by 233 basis points.

Relative Performance

The Fund’s outperformance was driven by stock selection and, to a lesser extent, relative country/sector weights.

On a country level, favorable stock selection in China and India contributed the most to relative results. Investments in Russia, Korea, Thailand, and Hong Kong also added value. These positive effects were somewhat offset by a combination of poor stock selection in Brazil and higher exposure to this lagging country. Brazilian equities fell sharply late in the month as investors responded to the deep losses in various world markets, as well as news that the country confirmed its first case of the COVID-19 coronavirus. The Brazilian real also fell to all-time lows versus the U.S. dollar in the period. Lower exposure to **Taiwan Semiconductor Manufacturing Company Ltd.** and several other strong performing Taiwanese equities also weighed on relative results.

On a sector level, investments in Information Technology added nearly 90 basis points to relative performance as several of the Fund’s holdings in the sector managed sizeable gains. Positive stock selection in Health Care, Financials, Energy, Consumer Discretionary, and Consumer Staples, higher exposure to outperforming life sciences tools & services and biotechnology stocks within Health Care, and meaningfully lower exposure to the lagging Energy and Materials sectors also bolstered relative results. Offsetting a portion of the above was adverse stock selection in Industrials and lower exposure to the outperforming Communication Services sector.

Purchases & Sales Activity

Please note the activity in this section references only top 10 holdings as of 2/29/2020.

During the month, we took advantage of market weakness to add a several new names while at the same time exiting a couple stub positions. Notable increases were Chinese internet service company and gaming developer **Tencent Holdings Limited** and Indian non-banking financial corporation **Bajaj Finance Limited**.

The outsized pullback in Brazilian equities also afforded us the opportunity to add to a few of our highest conviction ideas in the country. Commercial banking and financial services provider **Sberbank of Russia PJSC** was among the largest decreased positions during the month.

Top Contributors

Security Name	Average % of Net Assets	Contribution to Return	Country
Shenzhen Mindray Bio-Medical Electronics Co., Ltd.	0.9%	0.21%	China
Tencent Holdings Limited	3.8	0.20	China
GDS Holdings Limited	2.0	0.20	China
Glodon Company Limited	1.2	0.19	China
China Conch Venture Holdings Ltd.	1.8	0.17	China

Top Detractors

Security Name	Average % of Net Assets	Contribution to Return	Country
Azul S.A.	1.6%	-0.48%	Brazil
Petroleo Brasileiro S.A. Petrobras	1.7	-0.24	Brazil
Cogna Educacao SA	1.3	-0.22	Brazil
Sberbank of Russia PJSC	2.0	-0.19	Russia
Bid Corporation Ltd.	1.0	-0.19	South Africa

As of 12/31/2019, for the Institutional Share Class, Baron Emerging Markets Fund's 1- 3-, and 5-year and since inception annualized returns are 18.86%, 10.86%, 4.77%, and 4.92%, respectively. The inception date for the Fund is 12/31/2010. Annual expense ratio for the Institutional Share Class as of December 31, 2018, was 1.10%.

As of 2/29/2020, for the Institutional Share Class, Baron Emerging Markets Fund's 1- 3-, and 5-year and since inception annualized returns are 1.74%, 5.75%, 3.43%, and 4.11%, respectively.

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

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 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.

Risks: In addition to the general stock market risk that securities may fluctuate in value, investments in developing countries may have increased risks due to a greater possibility of: settlement delays; currency and capital controls; interest rate sensitivity; corruption and crime; exchange rate volatility; and inflation or deflation. 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.

The discussion of market trends and companies are not intended as advice to any person regarding the advisability of investing in any particular security. Some of our comments are based on current management expectations and are considered “forward-looking statements.” Actual future results, however, may prove to be different from our expectations. Our views are a reflection of our best judgment at the time and are subject to change any time based on market and other conditions, and we have no obligation to update them.

Portfolio holdings are subject to change. Current and future portfolio holdings are subject to risk

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