Dear Baron Health Care Fund Shareholder:

Performance

In the quarter ended March 31, 2019, Baron Health Care Fund (the "Fund") advanced 15.01% (Institutional Shares), compared with the 8.67% gain for the Russell 3000 Health Care Index (the "Benchmark") and the 13.65% gain for the S&P 500 Index. Since inception (4/30/2018), the Fund has increased 9.60% (Institutional Shares) compared with the 13.94% increase for the Benchmark and the 9.08% increase for the S&P 500 Index.

Table I.
Performance
For periods ended March 31, 2019

	Baron Health Care Fund Retail Shares[1,2]	Baron Health Care Fund Institutional Shares[1,2]	Russell 3000 Health Care Index[1]	S&P 500 Index[1]
Three Months[3]	14.93%	15.01%	8.67%	13.65%
Since Inception (April 30, 2018)[3]	9.30%	9.60%	13.94%	9.08%

NEAL KAUFMAN

PORTFOLIO MANAGER

Retail Shares: BHCFX
Institutional Shares: BHCHX
R6 Shares: BHCUX

Equity markets snapped back in the March quarter after a difficult fourth quarter. Stock prices appreciated when it became apparent that the Federal Reserve would hold interest rates steady instead of continuing to raise rates. The change in the Fed's stance came about due to low inflation and slowing economic growth. Market expectations for the number of interest rate hikes declined from two to zero in 2019. Trade tensions with China also subsided, with the Trump Administration delaying the scheduled increase in tariffs on Chinese goods while negotiations continue.

Health Care was the worst performing sector in the Russell 3000 Index in the quarter, impacted by a rotation out of more defensive sectors and by proposed regulations, legislation, and political rhetoric. In January, the Department of Health and Human Services proposed a regulation to encourage the drug industry to shift away from the rebate system which rewards list price increases and toward a system that offers discounts to the patient at the point of sale. The proposal set off a decline in the stocks of managed care companies with pharmacy benefit manager ("PBM") units. Although industry stakeholders are trying to delay implementation of the proposed regulation in order to offset the loss of rebates by repricing their drug plans, there is considerable political pressure to make the regulation effective as of January 1, 2020. Because of the uncertainty about the ultimate impact on the earnings of managed care companies with PBM divisions, stocks such as **UnitedHealth Group Incorporated** and **Humana Inc.** underperformed.

Political rhetoric about structural changes to the health care system also heated up. Over 100 House Democrats introduced a Medicare for All bill to achieve universal health care coverage. The bill would replace private insurance with a single payor system. Similar plans have been estimated to cost around $30 trillion. Although most investors agree that the bill has no chance of passing, the bill represents a shift in approach by Democrats with some Democratic presidential candidates promoting variations of a Medicare for All approach. We believe some expansion of Medicare coverage could ultimately happen, but a move to single payor, which would represent a fundamental change in how health care is delivered in America, is highly unlikely in our opinion.

In addition, the latest legal challenge to the Affordable Care Act ("ACA") resurfaced as a threat to the status quo. In a March 25 filing in the U.S. Court of Appeals for the 5th Circuit, the Department of Justice argued that the Texas federal judge's decision invalidating the ACA should be affirmed. The federal judge in the case had ruled that the ACA's individual mandate was unconstitutional because it could no longer be justified as an exercise of Congress' tax power after Congress in 2017 lowered the penalty for not having insurance to zero. The judge also held that the entire ACA was unconstitutional because the individual mandate was essential to the ACA and not severable from the invalid portion. If the 5th Circuit affirms the district judge's decision, the case will go to the Supreme Court. In two

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of December 31, 2018 was 4.94% and 4.06%, respectively, but the net annual expense ratio was 1.10% and 0.85% (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. The Adviser reimburses certain Baron Fund expenses pursuant to a contract with an 11-year term 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.*

1 The indexes are unmanaged. The Russell 3000® Health Care Index is an unmanaged index representative of companies involved in medical services or health care in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies as determined by total market capitalization. The S&P 500 Index measures the performance 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.

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

3 Not annualized.

separate prior cases, the Supreme Court has rejected challenges to the ACA. Many legal experts believe this current challenge to the ACA is the weakest of the three cases. Although we think the Supreme Court is likely to uphold the ACA again, it is difficult to predict the outcome of the case and there will be uncertainty until the case is decided. This uncertainty may represent an overhang on the stocks of managed care companies and hospital providers because if the Court overturns the ACA, a politically divided Congress would be unlikely to agree on a replacement and over 20 million Americans would lose health care coverage gained through Medicaid expansion and exchanges. Other non-insurance provisions including Medicare and provider reimbursement changes designed to promote care quality and cost savings would also be eliminated. We believe such an outcome without an alternative would prove highly disruptive to the health care system.

Despite these issues weighing on the Health Care sector, the Fund outperformed both the Benchmark and the S&P 500 Index in the quarter. The Fund's investments in biotechnology, which averaged about 21% of the Fund's assets, contributed the most to relative results. Gains in biotechnology stocks were driven by the outperformance of **Sage Therapeutics, Inc.**, which is developing novel drugs for depression, and **argenx SE**, which is developing novel drugs for severe autoimmune diseases. Other outperformers included **Bio-Techne Corporation**, a leading life sciences tools company, and **Guardant Health, Inc.**, a leader in the exciting field of liquid biopsy.

We continue to think the Health Care sector offers attractive investment opportunities now and will continue to do so over the next decade and beyond. Health Care is one of the largest and most complex sectors in the U.S. economy, accounting for approximately 18% of GDP, growing faster than GDP, and encompassing a diverse array of sub-industries. Health Care is also a dynamic industry undergoing significant changes driven by legislation, regulation, and market forces.

The Fund's investment approach is consistent with the Baron investment philosophy. We take a long-term perspective, conduct independent research and analysis, and look for businesses that we believe have open-ended secular growth opportunities, durable competitive advantages, and strong management teams. We are particularly focused on businesses that solve problems in health care, whether by reducing costs, enhancing efficiency and/or improving patient outcomes.

Table II.
Top contributors to performance for the quarter ended March 31, 2019

	Percent Impact
Sage Therapeutics, Inc.	1.52%
argenx SE	1.37
Bio-Techne Corporation	1.36
Guardant Health, Inc.	0.86
Dechra Pharmaceuticals PLC	0.70

Sage Therapeutics, Inc. develops novel drugs for central nervous system disorders. Shares appreciated after several positive recent developments, including promising clinical trial results for lead assets in postpartum depression and major depression. Sage has announced its expansion into disease indications, and we expect maturation of the pipeline and eventual commercial execution to drive further share appreciation over time.

Argenx SE is a Dutch biotech company developing innovative antibody therapies for cancer and auto-immune diseases. Recent strong performance comes from a previously undisclosed milestone payment from Abbvie on an underfollowed asset in argenx's pipeline and the signing of an exclusive licensing deal with Halozyme to utilize Halozyme's subcutaneous technology that practically assures argenx's lead in the FcRn market. We believe argenx's FcRn platform is one of the most valuable assets in the biotechnology development space.

Bio-Techne Corporation is a leading developer and manufacturer of life sciences tools, such as high-quality purified proteins and protein analysis tools, which it sells to biomedical researchers and clinical research laboratories. Shares contributed to performance on strong financial results, highlighted by 11% organic revenue growth. We continue to think Bio-Techne has an attractive business with high single-digit to low double-digit organic revenue growth, high margins, and strong free cash flow.

Shares of **Guardant Health, Inc.** contributed to performance in the quarter. Guardant offers a liquid biopsy diagnostic test for advanced stage cancer and is developing liquid biopsy diagnostic tests for recurrence detection in cancer survivors and early detection of cancer in higher risk individuals. The stock appreciated on revenue and guidance numbers that exceeded investor expectations, driven by strong demand for Guardant 360. The company also reported positive clinical data from the NILE study and made progress with its new product pipeline.

Dechra Pharmaceuticals PLC is a U.K.-based company that develops, manufactures, and sells specialty veterinary products in the EU and North America. Shares rose on strong sales results. Acquisitions are performing well, contributing to gross and EBIT margin expansions of 32% and 29%, respectively. We believe Dechra has many avenues for growth, including its recent entry into Brazil, the fourth largest animal health market in the world.

Table III.
Top detractors from performance for the quarter ended March 31, 2019

	Percent Impact
Medtronic Public Limited Company	–0.18%
DexCom, Inc.	–0.14
Covetrus, Inc.	–0.13
WellCare Health Plans, Inc.	–0.11
Cantel Medical Corp.	–0.07

Shares of medical device company **Medtronic Public Limited Company** detracted from performance after investors found themselves disappointed by the company's cautious commentary about near-term earnings at an investor conference in January. We sold our shares to pursue other investment ideas.

DexCom, Inc. sells a continuous glucose monitoring device for patients with diabetes. Although the company reported fourth quarter results that were well above market expectations, investors sold the stock ahead of the FDA's pending approval of Abbott's Libre 2, a product some investors expect to close the performance gap with the DexCom G6. We retain conviction, as we believe the market is large enough for two players to generate attractive growth. We are also excited about DexCom's next generation product, the G7, which is being developed with Verily.

Covetrus, Inc. is a newly formed global animal health technology and services company comprised of Vet's First Choice and Henry Schein Animal Health. The company's stock has been pressured since its launch in early February of this year, but we remain positive on Covetrus' long-term prospects. Vets are rapidly embracing the company's technology, which drives higher utilization through increased prescription compliance. We believe Henry Schein will accelerate adoption by leveraging its relationships with more than 100,000 customers in over 100 countries.

WellCare Health Plans, Inc. provides government-sponsored managed health care services through Medicaid, Medicare Advantage, and Medicare PDP plans to low-income families and individuals. Health care stocks reacted negatively to unfavorable regulatory and legislative proposals and heightened political rhetoric, which we expect will continue in the run-up to the 2020 election. We exited our small position, as we wished to reduce our exposure to expected sector volatility.

Cantel Medical Corp. sells products used to disinfect endoscopes, water purification and filtration products for dialysis, and health care disposables for the dental market. Shares fell due to disappointing results in its dialysis business due to a slowdown in dialysis clinic growth and a key customer in-sourcing equipment purchases. With a new CEO in place, we believe Cantel may be more likely to sell the dialysis business unit and become more aggressive with M&A.

Portfolio Structure

We build the portfolio from the bottom up, one stock at a time, using the Baron investment approach. We do not try to mimic an index, and we expect the Fund to look very different from the Benchmark. The Fund may invest in stocks of any market capitalization and may hold both domestic and international stocks. As of March 31, 2019, the Fund held 45 positions. This compares with 498 positions in the Benchmark. International stocks represented 14.2% of the Fund's net assets. The Fund's 10 largest holdings represented 39.0% of net assets and the 20 largest holdings represented 63.2% of net assets. Compared with the Benchmark, the Fund was overweight life sciences tools & services, health care equipment, and biotechnology; and underweight pharmaceuticals, health care services, and managed health care. The Fund includes a mix of stocks ranging from large, stable growth companies to small, pre-commercial biotechnology companies. The market cap range of the holdings of the Fund was $714 million to $237 billion, with a weighted average market cap of $39.8 billion. This compared with the Benchmark's weighted average market cap of $119.8 billion.

We continue to invest in the following themes:

- Genomics: We have an investment in **Illumina, Inc.**, the market leader in DNA sequencing technology. As the cost and time to sequence a human genome have declined to less than $1,000 in under a day, the applications for DNA sequencing are expanding, most notably in cancer diagnosis and treatment, as well as in rare and undiagnosed genetic diseases, non-invasive pre-natal testing, population genomics, and consumer genomics. We have investments in companies using Illumina's DNA sequencing technology for diagnostics applications, including: **Guardant Health, Inc.**, which offers a non-invasive blood test for cancer therapy selection and is developing non-invasive blood tests for cancer recurrence monitoring and early detection of cancer; and **CareDx, Inc.**, which offers a non-invasive blood test for kidney transplant surveillance.
- Innovative New Drugs: We have investments in companies developing innovative new drugs. **Sage Therapeutics, Inc.** is developing novel medications for depression, which have the potential to offer a faster onset of action (days vs. months) and a change in the treatment paradigm from chronic to acute. **argenx SE's** lead molecule has the potential to treat a long list of severe autoimmune diseases caused by pathogenic auto-antibodies. **Vertex Pharmaceuticals Incorporated**, the leader in the treatment of cystic fibrosis, has shown promising data for its "triple therapy," a cocktail of three drugs combined into one pill that would address an expanded group of patients with the disease, and has a promising new product pipeline for other diseases.
- Minimally Invasive Surgery: Less invasive surgery is less traumatic for the patient, enabling a faster recovery. We have investments in: **Intuitive Surgical, Inc.**, the pioneer in robotic surgery; **Edwards Lifesciences Corp.**, a leader in transcatheter heart valve replacement; **Abbott Laboratories**, a leader in transcatheter mitral valve repair; and **Teleflex Incorporated**, which offers a new minimally invasive treatment for benign prostatic hyperplasia, also known as enlarged prostate.
- Diabetes Management: Approximately 30 million Americans have diabetes and another 84 million have prediabetes. Diabetes was the seventh leading cause of death in the U.S. in 2015, and according to the American Diabetes Association, the direct medical costs and indirect expenditures attributable to diabetes in the U.S. were an estimated $327 billion in 2017. Worldwide, the prevalence of diabetes is staggering: over 400 million people globally have diabetes and The International Diabetes Federation estimates that by 2045, this number could reach 629 million people. We have investments in two innovative medical technology companies which help patients better manage their diabetes: **DexCom, Inc.**, which sells a continuous glucose monitoring system that eliminates the need for fingersticks, and **Insulet Corp.**, which sells a unique tubeless, disposable insulin pump.
- Tools Providers to Life Sciences Companies: We believe companies that provide products and services to biotechnology and pharmaceutical companies are attractive because they can benefit from the growth in those areas without the risk inherent in drug development. We have multiple investments in companies that supply equipment, analytical instruments, consumables, services, and software to research and commercial laboratories or that play a role in drug and food production as testers of quality, including **Bio-Techne Corporation**, **Eurofins Scientific SE**, and **Mettler-Toledo International, Inc.**, among others.
- Integration between Payors and Providers: Efforts to control health care costs are driving a shift towards value-based health care, which rewards health care providers for the quality of care they provide rather than the quantity of care. As a result, the lines between health care payors and providers are blurring as providers assume more insurance risk and payors acquire providers to control health care costs. We have investments in **UnitedHealth Group Incorporated**, a leading managed care organization that is the largest employer of physicians in the U.S., and **Humana Inc.**, a leading managed care organization that is the largest hospice operator in the U.S. We believe both of these companies are well positioned to potentially benefit from enrollment growth in Medicare Advantage, the value-based Medicare program which is growing more rapidly than traditional Medicare because of the more attractive value proposition to enrollees.

- **Animal Health:** We believe the animal health industry is attractive based on the trends toward greater pet ownership, increased spending on pets, increased consumption of animal protein, and increased focus on food safety. Further, compared with drug development for humans, the animal health industry is characterized by lower regulatory barriers, shorter and less costly R&D, less generic competition, and lower third-party reimbursement risks. We have investments in **Dechra Pharmaceuticals PLC**, which develops and sells medicines for pets and food producing animals; **IDEXX Laboratories, Inc.**, the leading provider of diagnostic instruments and assays used for pet care in veterinarian offices; and **Covetrus, Inc.**, a newly formed company resulting from the merger of Henry Schein's Animal Health Business, a leading distributor of products to veterinarians, with Vets First Choice, a technology platform used by veterinarians.

Table IV.
Top 10 holdings as of March 31, 2019

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Quarter End Investment Value (thousands)	Percent of Net Assets
UnitedHealth Group Incorporated	2018	$227.2	$237.3	$606.8	6.0%
argenx SE	2018	2.8	4.7	477.1	4.7
Abbott Laboratories	2018	124.6	140.4	463.3	4.6
Bio-Techne Corporation	2018	5.7	7.5	421.3	4.2
Sage Therapeutics, Inc.	2018	6.7	8.1	380.4	3.8
Vertex Pharmaceuticals Incorporated	2018	39.0	47.0	363.3	3.6
Intuitive Surgical, Inc.	2018	49.9	65.8	318.4	3.2
DexCom, Inc.	2018	8.3	10.7	306.7	3.0
Illumina, Inc.	2018	35.4	45.6	298.0	3.0
IDEXX Laboratories, Inc.	2018	16.9	19.2	290.0	2.9

Table V.
Fund investments in GICS sub-industries as of March 31, 2019

	Percent of Net Assets
Health Care Equipment	27.0%
Biotechnology	24.4
Life Sciences Tools & Services	14.2
Managed Health Care	7.8
Pharmaceuticals	5.6
Health Care Supplies	4.4
Health Care Facilities	2.5
Specialized REITs	2.0
Health Care Technology	1.6
Health Care Distributors	1.5
Health Care Services	0.8
Cash and Cash Equivalents	8.2
	100.0%

Recent Activity

Table VI.
Top net purchases for the quarter ended March 31, 2019

	Quarter End Market Cap (billions)	Amount Purchased (thousands)
Ligand Pharmaceuticals Incorporated	$ 2.6	$232.7
DexCom, Inc.	10.7	211.7
Covetrus, Inc.	3.5	163.0
Inspire Medical Systems, Inc.	1.3	135.5
Abbott Laboratories	140.4	133.5

We initiated a position in **Ligand Pharmaceuticals Incorporated**. Ligand's business model is based on a "shots on goal" strategy. Ligand licenses its early stage drug development programs or technology platforms to biopharmaceutical companies in exchange for milestone payments, royalties, and future economics. Ligand has a broad portfolio of assets at all stages of development. Management believes the most valuable asset is the OmniAb platform, which consists of animal models engineered to produce high quality, fully human antibodies very rapidly. Biopharmaceutical partners are developing antibody therapeutics derived from the OmniAb platform. Management estimates that by 2030, 25 to 35 OmniAb-derived products could be on the market generating $500 million to $1 billion in annual royalties to Ligand. After recently selling its Promacta royalty rights for $725 million after tax, Ligand has over $1.4 billion in cash that can be used for share repurchases and business development. Ligand is highly profitable and expects to generate revenue and earnings at a mid-teens CAGR over the next 5 to 10 years. We think the stock represents attractive value and the risk/reward is favorable.

We added to our position in **DexCom, Inc.**, a stock we have owned in this Fund since June 2018, and in Baron Small Cap Fund since 2012. DexCom's G6 continuous glucose monitoring device enables people with diabetes to track their blood glucose levels continuously, to see trends, to set alerts and alarms, and to have their glucose information remotely monitored by their family, all without having to perform fingerstick tests. DexCom's G6 helps users avoid life-threatening and costly hypoglycemic events and allows them to achieve and sustain tight glycemic control, which lowers the risk of long-term health complications, such as cardiovascular disease, eye disease, nerve damage, and kidney disease. DexCom's G6 is rapidly replacing fingersticks in the insulin intensive market in the U.S. and abroad. DexCom's next generation product, the G7, is expected to launch in late 2020 or early 2021. We think the G7, which will be low cost, fully disposable, and miniaturized, will enable DexCom to expand its addressable market to include the much larger non-insulin intensive patient population as well as other new markets. Speculation about the potential FDA approval and launch of Abbott's Libre 2.0 weighed on the stock at the end of the quarter. We saw an opportunity to increase our position because we have high conviction in the company's long-term growth potential irrespective of the approval and launch of the Libre 2.0.

We initiated a position in **Covetrus, Inc.**, a leading provider of distribution, technology, and services to veterinarians. Covetrus is a newly formed company resulting from the spin-out of Henry Schein Animal Health, a leading global distributor of products to veterinarians, and simultaneous merger with Vets First Choice, a rapidly growing private company with a unique technology platform. We think Covetrus operates in an attractive market growing mid-single digits driven by increasing pet ownership and higher spending on pets. The Vets First Choice technology platform increases pet owner compliance with medications, which in turn drives higher traffic and revenue for veterinarians and better medical outcomes for pets. We think combining the Vets First Choice technology platform with Henry Schein Animal Health's large customer base and sales force provides a significant global cross-selling opportunity for Covetrus. We expect Covetrus to increase the number of vet customers served and the revenue per vet customer over time.

We initiated a position in **Inspire Medical Systems, Inc.**, a company which offers a therapy called Upper Airway Stimulation ("UAS") for patients with moderate-to-severe obstructive sleep apnea who have failed continuous positive airway pressure therapy. UAS therapy involves a small implantable device that delivers mild stimulation to a patient's hypoglossal nerve which causes the patient's tongue to move out of the airway. Based on clinical trial data showing the therapy significantly reduced sleep apnea events and improved quality of life for patients, the treatment was approved in 2014. Since then, the company has been methodically securing insurance coverage for the therapy. The company estimates that there are 500,000 patients in the U.S. who are eligible for its therapy, which translates into an addressable market of over $10 billion in the U.S. alone. The company has no competition for at least the next few years other than existing highly-invasive surgical procedures. We think the company is set up for strong growth driven by recent progress securing insurance coverage.

We added to our position in **Abbott Laboratories** because of increased conviction in the company's key growth drivers, including the company's growing diabetes and structural heart businesses.

Table VII.
Top net sales for the quarter ended March 31, 2019

	Amount Sold (thousands)
Medtronic Public Limited Company	$222.8
Humana Inc.	175.0
Boston Scientific Corporation	160.9
Teleflex Incorporated	154.6
LivaNova PLC	99.5

We sold our position in **Medtronic Public Limited Company** and **LivaNova PLC** and reduced our positions in **Boston Scientific Corporation** and **Teleflex Incorporated** to manage the Fund's weighting in medical device companies. We reduced our position in **Humana Inc**. due to the uncertainty related to the impact of the proposed regulation regarding rebates on prescription drugs paid by manufacturers to PBMs.

Outlook

We expect greater health care stock volatility in the run-up to the 2020 elections as the health care political debate remains front and center. However, we think ultimately health care reform will be incremental rather than revolutionary and our outlook on the sector remains positive.

In general, business fundamentals are solid. The regulatory and funding environment remains favorable. The number of new drugs approved by the FDA reached an all-time high in 2018. Biotechnology companies raised $24 billion in the first quarter of 2019, which is on track to be the second highest since 1996. NIH funding for fiscal year 2019 increased 5.4%, following similar increases in fiscal years 2016 to 2018, and we expect bipartisan support for NIH funding to continue.

M&A activity has been heating up, with several health care deals announced at significant price premiums, including Eli Lilly and Company's acquisition of LOXO Oncology for $8 billion in cash (68% premium to LOXO's last stock price) and Roche Holding's acquisition of Spark Therapeutics for $4.8 billion, net of cash (122% premium to Spark's last stock price). Other large health care transactions announced in the quarter included Bristol-Myers Squibb Company's proposed acquisition of Celgene Corporation for $74 billion, Danaher Corporation's proposed acquisition of the bioproduction business of GE Life Sciences for $21 billion, and Centene Corporation's proposed acquisition of WellCare Health Plans, Inc.

We are optimistic about the growth prospects for our holdings. We believe the companies in which the Fund invests are unique, competitively advantaged, well-managed growth companies. Thank you for investing in Baron Health Care Fund. I am an investor in the Fund, alongside you.

Sincerely,

Neal Kaufman

Neal Kaufman
Portfolio Manager

Investors should consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The prospectus and summary prospectus contains 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: In addition to general market conditions, the value of the Fund will be affected by investments in health care companies which are subject to a number of risks, including the adverse impact of legislative actions and government regulations. The Fund is non-diversified, which means it may have a greater percentage of its assets in a single issuer than a diversified fund. The Fund invests in small and medium sized companies whose securities may be thinly traded and more difficult to sell during market downturns. Portfolio holdings are subject to change. Current and future portfolio holdings are subject to 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 manager 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.

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