

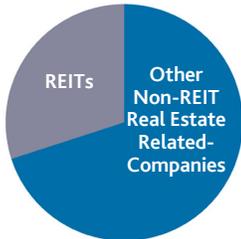
Baron Real Estate Fund

Retail Shares (BREFX)
Institutional Shares (BREIX)
R6 Shares (BREUX)



As of June 30, 2019

Baron Real Estate Fund



A Differentiated and Compelling Real Estate Fund

We believe the Baron Real Estate Fund is a unique real estate fund—one that is more expansive than typical REIT funds because it also invests in non-REIT commercial and residential real estate-related categories. We believe the Fund's broader approach has the potential to produce better results over the long term.

Investment Type	
REITs	<ul style="list-style-type: none"> ▶ Dividend yields, currently 3.9%¹ on average, should continue to have appeal in a low interest rate environment ▶ Valuations are attractive for several REITs
Building Products/Service Companies	<ul style="list-style-type: none"> ▶ We believe the current housing market slowdown represents a pause in what will continue to be a multi-year housing recovery ▶ We find company valuations and balance sheets attractive
Casino & Gaming Operators	<ul style="list-style-type: none"> ▶ We expect the gaming industry to benefit from solid consumer spending ▶ Embedded real estate value
Hotels & Leisure Companies	
<ul style="list-style-type: none"> ▪ Hotels & Timeshare/Leisure Companies 	<ul style="list-style-type: none"> ▶ Acquisition opportunities exist for well-capitalized companies
<ul style="list-style-type: none"> ▪ Cruise Lines 	<ul style="list-style-type: none"> ▶ Favorable industry structure and high barriers to entry ▶ Strong growth prospects and attractive valuations
Data Centers	<ul style="list-style-type: none"> ▶ Favorable demand drivers from the increased adoption of the internet, consumption of data on mobile devices, and increased corporate IT outsourcing
Real Estate Service Companies	<ul style="list-style-type: none"> ▶ Benefiting from secular trend of companies outsourcing their commercial real estate needs ▶ High percentage of recurring revenues and favorable valuations
Homebuilders and Land Developers	<ul style="list-style-type: none"> ▶ We believe there is pent-up demand to buy homes ▶ Owners/developers of well-located land should benefit due to land inventory shortage
Real Estate Operating Companies	<ul style="list-style-type: none"> ▶ Open-ended growth opportunities ▶ Less reliant on the capital markets than REITs
Tower Operator & Wireless Telecommunication Services	<ul style="list-style-type: none"> ▶ Towers have highly predictable recurring revenue models ▶ High barriers to entry

We are optimistic about the outlook for real estate—both commercial and residential—demand exceeds supply, credit is still available at historically low interest rates, balance sheets are solid, private equity funds are acquiring real estate businesses, and valuations are still attractive.

Jeff Kolitch

- 27 years of investment and research experience
- Portfolio manager since Fund inception on December 31, 2009
- Also manages of Baron Real Estate Income Fund since inception
- Baron research analyst since 2005

Portfolio Profile

- Broad and flexible real estate mandate
- Invests in growth businesses using a value-oriented purchase discipline
- Investment goal is capital appreciation, not income
- May invest in:
 - ▶ Companies of all market capitalizations
 - ▶ International companies up to 25% of total assets
- Portfolio typically holds fewer than 50 positions

Investment Philosophy

- Long-term investing creates an advantage
- Independent and exhaustive research is essential to understanding a business
- Successful growth businesses have open-ended opportunities and sustainable competitive advantages
- People are the key drivers of a successful business
- Purchase price matters
- Risk management is integral to portfolio management

Fund's Key Advantages

- Baron has a long history of investing in real estate-related growth companies
- We believe our approach to real estate takes advantage of the full spectrum of real estate opportunities in the public markets

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

1 - Source: Citigroup.

Risks: 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.



Baron Real Estate Fund

REIT Flexibility Is an Advantage

Since Inception



- Our flexible real estate mandate allows the portfolio manager to increase and decrease REIT exposure as relative valuations and growth prospects fluctuate.
- The Strategy's REIT allocation is currently above its historical average of 24.5%, and is modestly below its peak level.

Since Inception, the Fund Has Outperformed Its Primary Index by 0.96% Per Year Annualized, and the MSCI US REIT Index by 2.77% Per Year Annualized

Performance as of 6/30/2019

	Calendar Years (%)										Annualized (%)					Since Inception (12/31/2009)	
	2010	2011	2012	2013	2014	2015	2016	2017	2018	3 Mos ²	YTD ²	1 Year	3 Years	5 Years	Returns	Excess Returns	
Baron Real Estate Fund (BREIX)	26.90	0.80	42.99	27.48	16.93	-4.42	-1.75	31.42	-22.04	4.22	24.12	1.08	9.17	4.98	13.23	-	
MSCI USA IMI Extended Real Estate Index	24.81	-2.26	27.00	17.44	17.96	2.27	8.24	18.04	-10.73	3.57	19.91	7.82	8.22	8.79	12.27	0.96	
MSCI US REIT Index	26.98	7.48	16.47	1.26	28.82	1.28	7.14	3.74	-5.83	0.99	17.07	9.66	2.81	6.44	10.46	2.77	
Morningstar Real Estate Category Average	-	7.51	17.60	1.55	28.03	2.41	6.89	6.22	-5.97	1.93	18.33	10.45	4.66	7.23			
Morningstar Real Estate Category Average Percentile Ranking	-	95	1	1	96	97	99	1	100	-	-	98	4	92			
# of Share Classes in Morningstar Real Estate Category	-	242	263	259	274	282	267	257	251	-	-	259	226	198			

2 - Not annualized.

Investors 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.

Unless otherwise noted, all performance and performance related calculations are based on the Institutional Shares.

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 expiring on August 29, 2030, unless renewed for another 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.

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.

Morningstar US Fund Real Estate Category. Morningstar calculates the Morningstar Category Average using its Fractional Weighting methodology. Morningstar rankings are based on total returns and do not include sales charges. Total returns do account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets.

As of the fiscal year ended 12/31/2018, the expense ratio of the Fund's Institutional Shares was 1.06%.

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 an unmanaged 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 index performance is not fund performance; one cannot invest directly into an index.

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