

**DEAR BARON WEALTHBUILDER FUND SHAREHOLDER:  
PERFORMANCE**

Baron WealthBuilder Fund (the "Fund") trailed its primary benchmark this quarter, but meaningfully surpassed it over the first nine months of 2019. The third quarter witnessed a shift in investor sentiment. Economic data has been relatively strong with low unemployment, healthy consumer sentiment, declining interest rates, and modest inflation. However, some believe the global financial picture is weakening and are taking steps to position their portfolios for a slowdown. Defensive and value-oriented stocks outperformed as investors increased allocations to these businesses. Higher-growth companies saw a decline in valuations as investors more heavily discounted future earnings potential and questioned the stability of some balance sheets. Shares of any company that showed a mild slowdown in growth were significantly impacted. Our approach allows us to make attractively priced high-quality growth investments that we think should outperform the broader market over the long term. We remain encouraged about the Fund's prospects.

The Fund declined in value by 2.09% (Institutional Shares) in the quarter. The S&P 500 Index (the "Index") increased by 1.70%, while the MSCI ACWI Index declined by 0.03%.

As previously mentioned, the Fund remains considerably above these indexes since the beginning of the year. The Fund has also had impressive absolute returns year-to-date. The Fund is now up 23.15% in 2019. This compares favorably to the Index and MSCI ACWI Index, which have increased 20.55% and 16.20%, respectively.

**Table I.**  
**Performance**  
Annualized for periods ended September 30, 2019

	Baron Wealth Builder Fund Retail Shares <sup>1,2</sup>	Baron Wealth Builder Fund Institutional Shares <sup>1,2</sup>	Baron Wealth Builder Fund TA Shares <sup>1,2</sup>	S&P 500 Index <sup>1</sup>	MSCI ACWI Index <sup>1</sup>
Three Months <sup>3</sup>	(2.18)%	(2.09)%	(2.09)%	1.70%	(0.03)%
Nine Months <sup>3</sup>	22.98%	23.15%	23.15%	20.55%	16.20%
One Year	2.77%	3.04%	2.94%	4.25%	1.38%
Since Inception (December 29, 2017)	8.26%	8.47%	8.47%	8.46%	2.97%

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares, Institutional Shares, and TA Shares as of December 31, 2018 was 2.02%, 1.61%, and 1.71%, respectively, but the net annual expense ratio was 1.42%, 1.17%, and 1.17% (includes acquired fund fees, 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. BAMCO, Inc. ("BAMCO" or the "Adviser") has agreed that, pursuant to a contract expiring on August 29, 2030, unless renewed for another 11-year term, it will reimburse certain expenses of the Fund, limiting net annual operating expenses (portfolio transaction costs, interest, dividend, acquired fund fees and expenses and extraordinary expenses are not subject to the operating expense limitation) to 0.30% of average daily net assets of Retail Shares, 0.05% of average daily net assets of Institutional Shares and 0.05% of average daily net assets of TA Shares, 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](http://www.BaronFunds.com) or call 1-800-99BARON.

<sup>1</sup> The indexes are unmanaged. The index performance is not Fund performance; one cannot invest directly into an index. The S&P 500 Index measures the performance of 500 widely held large cap U.S. companies. The MSCI ACWI Index is an unmanaged, free float-adjusted market capitalization weighted index reflected in US dollars that measures the equity market performance of large- and mid-cap securities across developed and emerging markets. The indexes and the Fund are with dividends, which positively impact the performance results.  
<sup>2</sup> The performance data in the table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.  
<sup>3</sup> Not annualized.



**MICHAEL BARON**  
ASSISTANT PORTFOLIO  
MANAGER

**RONALD BARON**  
CEO AND PORTFOLIO  
MANAGER

Retail Shares: BWBFX  
Institutional Shares: BWBIX  
TA Shares: BWBTX

In this quarter, only 2 out of the 14 underlying Baron Fund holdings had positive returns. Baron Real Estate Fund and Baron Durable Advantage Fund had gains of 4.87% and 3.14%, respectively. These funds invest in businesses that are less volatile than the typical growth investments that dominate the remaining holdings. Baron Real Estate Fund benefited from a strong macroeconomic backdrop coupled with declining interest rates. GDP growth, low unemployment, and falling mortgage rates considerably improved demand and prices for commercial and residential real estate. The fund's mix of real estate investment trusts and real estate-related businesses should continue to benefit in this environment as they constructively grow their portfolios. Additionally, investors have migrated towards the reliable cash flows of these businesses. These investors struggle to find attractive yield elsewhere. Valuations are higher but still reasonable.

Baron Durable Advantage Fund benefited from a shift in investor sentiment. Reliable growth is being favored over volatile growth, a sentiment that is favorable for this fund, which invests in companies in later stages of growth. Consistency of operations and cash generation is preferred over rapid but irregular expansion. These businesses continued to execute on their business



# Baron WealthBuilder Fund

plans with minimal disruption. Companies like Apple, Alphabet, and Equinix all continued to grow their businesses and contributed favorably to Baron Durable Advantage Fund's strong absolute and relative performance.

The holdings that performed poorly in the period were our higher-growth and smaller-cap funds. Baron Health Care Fund declined the most. Negative sentiment related to the political environment impacted the valuations of many of this fund's investments. There is a sense of an increased likelihood that the Democratic Presidential nominee will favor policies that restrict drug, medical procedure, and insurance pricing. A lot needs to occur (nomination, elections, favorable house, passage) before any policy changes take place, and we believe that investors are implying that this policy change is imminent. This fund favors companies whose products will improve health care solutions, while lowering overall costs, and they should see substantial gains regardless of political outcomes. Nevertheless, these stocks' valuations were still negatively impacted, and we believe they are now trading at unusually attractive prices.

The smaller-cap and/or higher-growth holdings in Baron Discovery, Baron Small Cap, and Baron Opportunity Funds were also detractors in this period. Companies that fell short marginally on their growth projections or reinvested in their business to dampen near-term profitability while capturing longer-term opportunity had their stock prices particularly harmed. Smaller businesses are viewed to be more vulnerable in a financial downturn.

The Index consists of holdings that benefited from this change in investor sentiment. 18.4% of the Index is comprised of low growth, commoditized oriented sectors of Consumer Staples, Materials, Energy, and Utilities. These categories represented only 2.1% of the underlying Baron Funds' holdings. Utilities and Consumer Staples particularly benefited as investors favored operational reliability and yield; these two sectors contributed to a sizable portion of the Index's quarterly returns.

The Fund contains a range of investments with different growth characteristics: core, aggressive, and steady. While the steadier growth investments performed best in this environment, we do not anticipate that to always be the case. *The variety of investments with different growth characteristics should provide reduced volatility and better overall returns over the long term.*

As mentioned in previous letters, we anticipate Baron WealthBuilder Fund to succeed in two ways. First, we believe our fundamental investment analysis should result in the underlying Baron Funds exceeding their various benchmarks. We employ a repeatable process of finding businesses that we believe have sizable opportunities and durable competitive advantages, and are led by smart, talented, and trustworthy executives with whom we meet regularly and discuss their business strategies. We aim to purchase businesses at attractive prices and remain owners for the long term to capitalize on the success in their businesses. We do not focus on the short-term variation and movements in the market and economy. However, this approach will not always work over a short time period. In the current quarter, underlying Baron Funds that exceeded their respective benchmark represented only 28.1% of Fund assets.

Since the Fund's inception, we have been more successful. Underlying Baron Funds that exceeded their benchmark since the Fund's inception represent 90.4% of Fund assets. And over the even longer history of Baron Funds dating back to 1987, the results are especially impressive. As of 9/30/2019, twelve funds, representing 98.3% of Baron Funds' assets under management ("AUM"), have outperformed their respective passive benchmark since their inceptions. Ten of those funds, representing 97.8% of Baron Funds' AUM, rank in the top 17% of their respective Morningstar categories, and six, representing 62.0% of Baron Funds' AUM, rank in the top 7%.

We also believe that most of the indexes to which the underlying Baron Funds are compared will do better than the broad market over the long term. Most of the primary benchmarks are focused on growth businesses that are driving change throughout the economy. These categories have historically done better than the market, as measured by the Index. However, since Baron WealthBuilder Fund's inception, the majority of the benchmark indexes to which the underlying Baron Funds compare have failed to match the broader market. The larger businesses that dominate the broader market have benefited from tax reform, trade policies, and a perceived late-stage economic expansion. We believe these relative returns will not persist over a full economic cycle. The fundamentals of the businesses in our various funds will drive future returns and provide an extra tailwind that the Fund has yet to experience. Despite this modest current headwind, the absolute returns of Baron WealthBuilder Fund remain impressive.

We encourage you to read the various quarterly letters found in this report for a deeper understanding of the funds that comprise Baron WealthBuilder Fund.

FUND OF FUNDS STRUCTURE AND INVESTMENT STRATEGY

Table II.  
Baron Funds Performance  
As of September 30, 2019

Institutional Share Class Data

% of Total Investments of Fund		Performance			Benchmark	Performance		
		QTD as of 9/30/2019 <sup>†</sup>	YTD as of 9/30/2019 <sup>†</sup>	12/29/2017 to 9/30/2019		QTD as of 9/30/2019 <sup>†</sup>	YTD as of 9/30/2019 <sup>†</sup>	12/29/2017 to 9/30/2019
<b>32.1%</b>	<b>Small Cap</b>							
4.3%	Baron Discovery Fund	(4.84)%	15.16%	8.79%	Russell 2000 Growth Index	(4.17)%	15.34%	2.61%
14.0%	Baron Growth Fund	(0.69)%	29.32%	14.05%				
13.8%	Baron Small Cap Fund	(4.68)%	23.21%	8.00%				
<b>3.9%</b>	<b>Small/Mid Cap</b>							
3.9%	Baron Focused Growth Fund	(0.44)%	12.88%	9.64%	Russell 2500 Growth Index	(3.18)%	19.97%	6.15%
<b>16.2%</b>	<b>Mid Cap</b>							
16.2%	Baron Asset Fund	(2.35)%	29.24%	15.87%	Russell Midcap Growth Index	(0.67)%	25.23%	10.60%
<b>8.4%</b>	<b>Large Cap</b>							
6.4%	Baron Fifth Avenue Growth Fund	(1.32)%	24.86%	14.42%	Russell 1000 Growth Index	1.49%	23.30%	11.73%
2.0%	Baron Durable Advantage Fund	3.14%	27.92%	7.33%*	S&P 500 Index	1.70%	20.55%	6.98%*
<b>21.5%</b>	<b>All Cap</b>							
6.5%	Baron Opportunity Fund	(4.56)%	23.05%	17.86%	Russell 3000 Growth Index	1.10%	22.75%	11.06%
15.0%	Baron Partners Fund	(1.66)%	23.48%	11.68%	Russell Midcap Growth Index	(0.67)%	25.23%	10.60%
<b>12.5%</b>	<b>International</b>							
5.2%	Baron Emerging Markets Fund	(3.34)%	8.52%	(6.77)%	MSCI EM Index	(4.25)%	5.89%	(5.57)%
4.3%	Baron Global Advantage Fund	(3.89)%	29.57%	10.72%*	MSCI ACWI Index	(0.03)%	16.20%	1.29%*
3.0%	Baron International Growth Fund	(1.03)%	18.62%	(1.35)%	MSCI ACWI ex USA Index	(1.80)%	11.56%	(2.47)%
<b>5.4%</b>	<b>Specialty</b>							
4.4%	Baron Real Estate Fund	4.87%	30.17%	0.84%	MSCI USA IMI Extended Real Estate Index	5.52%	26.53%	7.21%
1.0%	Baron Health Care Fund	(6.01)%	14.90%	2.15% <sup>†*</sup>	Russell 3000 Health Care Index	(3.61)%	6.25%	(1.60)% <sup>†*</sup>

<sup>†</sup> Not annualized.

\* Performance is calculated from the time Fund was added to Baron WealthBuilder Fund: Baron Durable Advantage Fund – 3/13/2018; Baron Global Advantage Fund – 1/9/2018; and Baron Health Care Fund – 10/18/2018.

# Baron WealthBuilder Fund

Baron WealthBuilder Fund closely mimics the way we incrementally invest across our various underlying Baron Funds. The Fund allows investors to diversify across Baron Funds, and gain exposure to various market caps, sectors, and geographies in a single structure. Each underlying Baron Fund abides by the same core investment process and philosophy, focused on proprietary research to discover what we believe are competitively advantaged businesses with immense opportunities led by smart and honorable executives. Baron Funds has had broad historical success. The unique investment approach and process has yielded outstanding results since the first Baron Fund's inception in 1987. As of 9/30/2019, twelve funds, representing 98.3% of Baron Funds' assets under management ("AUM"), have outperformed their respective passive benchmark since their inceptions. Ten of those funds, representing 97.8% of Baron Funds' AUM rank in the top 17% of their respective Morningstar categories, and six, representing 62.0% of Baron Funds' AUM, rank in the top 7%. We have always strived to provide top performance in various asset categories. Baron WealthBuilder Fund allows individuals to gain access to a variety of these strategies in a single Fund. We are very pleased with the composition and early results.

The makeup of the underlying investments looks very different than the indexes and therefore the Fund has a high active share when measured against its benchmarks. We feel the diversity in regions and sectors should dampen risk while still providing strong absolute returns. While nearly matching the number of holdings as its benchmark (440 in the underlying Funds vs. 502 in the Index), the similarities end there. The holdings in the Fund have a lower dividend yield (0.7% vs. 2.0% for the Index), with companies electing to reinvest earnings back in their businesses for growth. And the approach is working; the projected earnings per share growth rate over the next three-to-five years is 15.6% for the Fund's holdings vs. 11.4% for the Index (or 36.8% higher growth). We feel many of our investments can exceed those stated projections. These businesses have grown at double the Index's growth rate over the preceding five years (the five-year historical earnings per share growth rate for the Fund is 16.8% vs the Index's 7.9%). These companies are 43.9% more expensive than the Index's companies (the Fund's trailing price to earnings ratio is 24.6x vs. 17.1x for the Index). We feel that this valuation metric is misleading for the businesses in the underlying Baron Funds as many have depressed margins as they sacrifice current profitability for higher long-term growth rates and sustainability. But the significantly higher growth for a premium in price has historically been well rewarded for long-term investors.

The portfolio is also distinct in its sector weightings. The Index has a higher share of Consumer Staples, Energy, and Utilities businesses. These are typically defensive companies that have been traditionally important but have limited unique traits, future growth prospects, and are heavily reliant on unpredictable commodity prices. Instead, the underlying Baron Funds' investments favor Consumer Discretionary, Industrials, and Real Estate firms where the competitive advantage is more apparent and the growth projections more robust.

Finally, the Fund is exposed to international companies unlike the Index, which only represents domestic businesses. The MSCI ACWI Index has global coverage. North America is 58.7% of that index compared to 86.3% for the Fund. The greater international exposure for the MSCI ACWI Index is heavily skewed towards slower growing developed markets, while our Fund has more exposure to faster growing emerging markets. 41.1% of the underlying Baron Funds' international investments are in Asia/ Pacific ex Japan. This number is only 28.9% for the MSCI ACWI. The MSCI Index has 64.5% of its

international investments in slower growth European and Japanese companies while this region only constitutes 31.4% for the Fund.

**Table IV.**  
Sector exposures as of September 30, 2019

	Percent of Total Investments	S&P 500 Index	MSCI ACWI Index
Information Technology	22.5%	21.9%	16.3%
Consumer Discretionary	19.7	10.1	10.8
Industrials	14.9	9.3	10.5
Health Care	14.7	13.7	11.3
Financials	13.3	12.9	16.7
Real Estate	6.6	3.2	3.3
Communication Services	6.2	10.4	8.8
Consumer Staples	1.0	7.6	8.6
Materials	0.7	2.7	4.7
Energy	0.4	4.5	5.5
Utilities	0.0	3.6	3.5

**Table V.**  
Country exposures as of September 30, 2019

	Percent of Total Investments	S&P 500 Index	MSCI ACWI Index
United States	85.7%	100.0%	55.8%
China	3.2		3.7
United Kingdom	1.4		4.8
Brazil	1.4		0.9
Israel	1.3		0.2
India	1.3		1.0
Netherlands	1.0		1.2
Canada	0.7		3.1
Argentina	0.4		0.1
Taiwan	0.4		1.3
Other	3.2		28.0

**Table VI.**  
Fund of fund holdings as of September 30, 2019

	Percent of Total Investments
Baron Asset Fund	16.2%
Baron Partners Fund	15.0
Baron Growth Fund	14.0
Baron Small Cap Fund	13.8
Baron Opportunity Fund	6.5
Baron Fifth Avenue Growth Fund	6.4
Baron Emerging Markets Fund	5.2
Baron Real Estate Fund	4.4
Baron Global Advantage Fund	4.3
Baron Discovery Fund	4.3
Baron Focused Growth Fund	3.9
Baron International Growth Fund	3.0
Baron Durable Advantage Fund	2.0
Baron Health Care Fund	1.0

**Thank you for investing in Baron WealthBuilder Fund.**

Thank you for joining us as fellow shareholders in Baron WealthBuilder Fund. We continue to work hard to justify your confidence and trust in our stewardship of your hard-earned savings. We will also remain dedicated to continuing to provide you with the information we would like to have if our roles were reversed. This is so you will be able to make an informed decision about whether the Fund remains an appropriate investment for you and your family.

Respectfully,

Ronald Baron  
CEO and Portfolio Manager

Michael Baron  
Assistant Portfolio Manager

*Investors should consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The prospectus and summary prospectus contain 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](http://www.BaronFunds.com). Please read them carefully before investing.*

**Risks:** The Fund is a non-diversified fund because it invests, at any given time, in the securities of a select number of Baron mutual funds (the "Underlying Funds"), representing specific investment strategies. The Fund can invest in funds holding U.S. and international stocks; small-cap, small to mid-cap, large-cap, all-cap stocks; and specialty stocks. Each of the Underlying Funds has its own investment risks, and those risks can affect the value of the Fund's investments and therefore the value of the Fund's shares. To the extent that the Fund invests more of its assets in one Underlying Fund than in another, it will have greater exposure to the risks of that Underlying Fund. For further information regarding the investment risks of the Underlying Funds, please refer to the Underlying Funds' prospectus.

The Fund may not achieve its objectives. Portfolio holdings are subject to change. Current and future portfolio holdings are subject to risk.

**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. **EPS Growth Rate (3-5-year forecast)** indicates the long-term forecasted EPS growth of the companies in the portfolio, calculated using the weighted average of the available 3-to-5 year forecasted growth rates for each of the stocks in the portfolio provided by FactSet Estimates. The EPS Growth rate does not forecast the Fund's performance. **Price/Earnings Ratio (trailing 12-months):** is a valuation ratio of a company's current share price compared to its actual earnings per share over the last twelve months. If a company's actual EPS is negative, it is excluded from the portfolio-level calculation.

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 managers 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.

This report does not constitute an offer to sell or a solicitation of any offer to buy securities of Baron WealthBuilder Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

Ranking information provided is calculated using the Retail Share Class and is as of September 30, 2019.

The number of share classes in each category may vary depending on the date that Baron downloaded information from Morningstar Direct.

Morningstar calculates its category averages 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.

The **Morningstar US Fund Mid-Cap Growth Category** consisted of 603, 487, and 375 share classes for the 1-, 5-, and 10-year periods.

Morningstar ranked **Baron Asset Fund** in the 14<sup>th</sup>, 13<sup>th</sup>, 18<sup>th</sup>, and 17<sup>th</sup> percentiles, respectively, in the category for the 1-year, 5-year, 10-year, and since inception periods. The Fund was inceptioned 6/12/1987 and the category consisted of 19 share classes for the since inception period.

Morningstar ranked **Baron Growth Fund** in the 32<sup>nd</sup>, 24<sup>th</sup>, 28<sup>th</sup>, and 4<sup>th</sup> percentiles, respectively, in the category for the 1-year, 5-year, 10-year, and since inception periods. The Fund was inceptioned 12/30/1994 and the category consisted of 57 share classes for the since inception period.

Morningstar ranked **Baron Partners Fund** in the 46<sup>th</sup>, 32<sup>nd</sup>, 10<sup>th</sup>, and 5<sup>th</sup> percentiles, respectively, in the category for the 1-year, 5-year, 10-year, and since conversion periods. The Fund was converted into a mutual Fund 4/30/2003 and the category consisted of 231 share classes for the since conversion period.

The **Morningstar US Fund Small Growth Category** consisted of 664, 519, and 399 share classes for the 1-, 5-, and 10-year time periods.

Morningstar ranked **Baron Small Cap Fund** in the 29<sup>th</sup>, 53<sup>rd</sup>, 50<sup>th</sup>, and 15<sup>th</sup> percentiles, respectively, in the category for the 1-year, 5-year, 10-year, and since inception periods. The Fund was inceptioned 9/30/1997 and the category consisted of 106 share classes for the since inception period.

Morningstar ranked **Baron Discovery Fund** in the 80<sup>th</sup>, 10<sup>th</sup>, and 3<sup>rd</sup> percentiles, respectively, in the category for the 1-year, 5-year, and since inception periods. The Fund was inceptioned 9/30/2013 and the category consisted of 492 share classes for the since inception period.

The **Morningstar US Fund Large Growth Category** consisted of 1,388, 1,110, 822, and 325 share classes for the 1-year, 5-year, 10-year, and since inception (2/29/2000) periods. Morningstar ranked **Baron Opportunity Fund** in the 44<sup>th</sup>, 19<sup>th</sup>, 46<sup>th</sup>, and 16<sup>th</sup> percentiles, respectively, in the category.

The **Morningstar US Fund Foreign Large Growth Category** consisted of 467, 340, 247, and 239 share classes for the 1-year, 5-year, 10-year, and since inception (12/31/2008) periods. Morningstar ranked **Baron International Growth Fund** in the 52<sup>nd</sup>, 25<sup>th</sup>, 12<sup>th</sup>, and 10<sup>th</sup> percentiles, respectively, in the category.

# Baron WealthBuilder Fund

The **Morningstar US Fund Real Estate Category** consisted of 259, 198, and 143 share classes for the 1-year, 5-year, and since inception (12/31/2009) periods. Morningstar ranked **Baron Real Estate Fund** in the 93<sup>rd</sup>, 97<sup>th</sup>, and 7<sup>th</sup> percentiles, respectively, in the category.

The **Morningstar US Fund Diversified Emerging Markets Category** consisted of 839, 569, and 293 share classes for the 1-year, 5-year, and since inception (12/31/2010) periods. Morningstar ranked **Baron Emerging Markets Fund** in the 33<sup>rd</sup>, 31<sup>st</sup>, and 3<sup>rd</sup> percentiles, respectively, in the category.

The **Morningstar US Fund World Large Stock Category** consisted of 867, 599, and 452 share classes for the 1-year, 5-year, and since inception (4/30/2012) periods. Morningstar ranked **Baron Global Advantage Fund** in the 1<sup>st</sup>, 2<sup>nd</sup>, and 2<sup>nd</sup> percentiles, respectively, in the category.

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Risk: All investments are subject to risk and may lose value. Index performance is not fund performance; one cannot invest directly into an index.

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## Baron Funds (Institutional Shares) and Benchmark Performance 9/30/2019

Fund	Primary Benchmark	Annualized Return Since Fund Inception	Annualized Benchmark Return Since Fund Inception	Inception Date	Average Annualized Returns				Annual Expense Ratio	Net Assets
					1-Year	5-Year	10-Year	15-Year		
<b>SMALL CAP</b>										
Baron Growth Fund	Russell 2000 Growth Index	13.23%	7.74%	12/31/1994	5.36%	11.89%	14.00%	10.19%	1.03% <sup>(3)</sup>	\$6.79 billion
Baron Small Cap Fund	Russell 2000 Growth Index	10.00%	5.90%	9/30/1997	(3.91)%	9.93%	12.80%	9.72%	1.04% <sup>(3)</sup>	\$3.88 billion
Baron Discovery Fund <sup>†</sup>	Russell 2000 Growth Index	13.83%	8.18%	9/30/2013	(11.75)%	13.18%	N/A	N/A	1.12%/1.10% <sup>(3)(4)</sup>	\$538.91 million
<b>SMALL/MID CAP</b>										
Baron Focused Growth Fund <sup>(1)</sup>	Russell 2500 Growth Index	10.94%	7.90%	5/31/1996	0.22%	8.97%	10.99%	9.98%	1.09% <sup>(5)</sup>	\$226.53 million
<b>MID CAP</b>										
Baron Asset Fund	Russell Midcap Growth Index	11.75%	10.17% <sup>(2)</sup>	6/12/1987	8.11%	13.26%	14.50%	10.90%	1.04% <sup>(3)</sup>	\$4.33 billion
<b>LARGE CAP</b>										
Baron Fifth Avenue Growth Fund <sup>†</sup>	Russell 1000 Growth Index	9.42%	9.95%	4/30/2004	3.73%	14.08%	14.39%	9.77%	0.82%/0.75% <sup>(3)(7)</sup>	\$308.35 million
Baron Durable Advantage Fund	S&P 500 Index	10.25%	8.46%	12/29/2017	10.23%	N/A	N/A	N/A	5.71%/0.70% <sup>(3)(8)</sup>	\$7.07 million
<b>ALL CAP</b>										
Baron Partners Fund <sup>(1)</sup>	Russell Midcap Growth Index	12.85%	9.83%	1/31/1992	2.83%	11.40%	15.07%	11.13%	1.77% <sup>(5)(6)</sup>	\$2.34 billion
Baron Opportunity Fund <sup>†</sup>	Russell 3000 Growth Index	7.14%	4.70%	2/29/2000	2.78%	13.52%	13.74%	11.44%	1.11% <sup>(3)</sup>	\$411.51 million
<b>INTERNATIONAL</b>										
Baron Emerging Markets Fund	MSCI EM Index	3.98%	0.88%	12/31/2010	1.84%	2.94%	N/A	N/A	1.10% <sup>(5)</sup>	\$4.87 billion
Baron Global Advantage Fund <sup>†</sup>	MSCI ACWI Index	13.79%	8.61%	4/30/2012	10.95%	13.02%	N/A	N/A	1.18%/0.90% <sup>(5)(9)</sup>	\$324.58 million
Baron International Growth Fund <sup>†</sup>	MSCI ACWI ex USA Index	10.57%	7.19%	12/31/2008	0.35%	6.55%	8.14%	N/A	1.07%/0.95% <sup>(5)(10)</sup>	\$289.74 million
<b>SPECIALTY</b>										
Baron Real Estate Fund	MSCI USA IMI Extended Real Estate Index	13.42%	12.55%	12/31/2009	9.01%	6.50%	N/A	N/A	1.06% <sup>(5)</sup>	\$588.99 million
Baron Real Estate Income Fund	MSCI US REIT Index	7.93%	10.12%	12/29/2017	13.98%	N/A	N/A	N/A	7.18%/0.80% <sup>(5)(11)</sup>	\$4.05 million
Baron Health Care Fund	Russell 3000 Growth Index	6.62%	7.92%	4/30/2018	(5.60)%	N/A	N/A	N/A	4.06%/0.85% <sup>(5)(12)</sup>	\$11.65 million
<b>FUND OF FUNDS</b>										
Baron WealthBuilder Fund	S&P 500 Index	8.47%	8.46%	12/29/2017	3.04%	N/A	N/A	N/A	1.61%/1.17% <sup>(5)(13)</sup>	\$104.50 million

(1) Reflects the actual fees and expenses that were charged when the Funds were partnerships. The predecessor partnerships charged a 20% performance fee (Baron Partners Fund) or a 15% performance fee (Baron Focused Growth Fund) after reaching a certain performance benchmark. If the annual returns for the Funds did not reflect the performance fee for the years the predecessor partnerships charged a performance fee, returns would be higher. The Funds' shareholders are not charged a performance fee.

- <sup>(2)</sup> For the period June 30, 1987 to September 30, 2019.
  - <sup>(3)</sup> As of 9/30/2018.
  - <sup>(4)</sup> Annual expense ratio was 1.12%, but the net annual expense ratio was 1.10% (net of the Adviser's fee waivers).
  - <sup>(5)</sup> As of 12/31/2018.
  - <sup>(6)</sup> Comprised of operating expenses of 1.06% and interest expenses of 0.71%.
  - <sup>(7)</sup> Annual expense ratio was 0.82%, but the net annual expense ratio was 0.75% (restated to reflect current fee waivers).
  - <sup>(8)</sup> Annual expense ratio was 5.71%, but the net annual expense ratio was 0.70% (net of Adviser's fee waivers).
  - <sup>(9)</sup> Annual expense ratio was 1.18%, but the net annual expense ratio was 0.90% (net of Adviser's fee waivers).
  - <sup>(10)</sup> Annual expense ratio was 1.07%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers).
  - <sup>(11)</sup> Annual expense ratio was 7.18%, but the net annual expense ratio was 0.80% (net of Adviser's fee waivers).
  - <sup>(12)</sup> Annual expense ratio was 4.06%, but the net annual expense ratio was 0.85% (net of Adviser's fee waivers).
  - <sup>(13)</sup> Annual expense ratio was 1.61%, but the net annual expense ratio was 1.17% (includes acquired fund fees and expenses, net of the Adviser's fee waivers).
- † The Fund's historical performance was impacted by gains from IPOs and/or secondary offerings. 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.