

BARON DURABLE ADVANTAGE FUND

December 31, 2022

Institutional Shares (BDAIX)



Portfolio Manager

Alex Umansky joined Baron in 2011 as a portfolio manager. He has 30 years of research experience, 18 of which were at Morgan Stanley. From 2007 to 2011, he was co-manager of the Morgan Stanley Opportunity Fund. He co-managed the Global Opportunity Fund from 2008 to 2011 as well as the International Opportunity and the International Advantage Funds from 2010 to 2011. He co-managed the Information Fund from 2004 to 2005 and the Small Company Growth Fund from 1999 to 2002. He was lead manager of the Morgan Stanley Institutional Technology Strategy and the Technology Fund from 1998 to 2004. Alex graduated from New York University Stern School of Business with a B.S. in Finance, Information Systems, and Mathematics in 1993.

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 open-ended growth opportunities, exceptional leadership, and durable competitive advantages
- Purchase price and risk management are integral to our investment process

Investment Strategy

The Fund invests mainly in large-sized U.S. companies with competitive advantages. The Fund emphasizes businesses with excess free cash flow that can be returned to shareholders. Diversified.

Value	Blend	Growth	
			Large
			Medium
			Small

Portfolio Facts and Characteristics

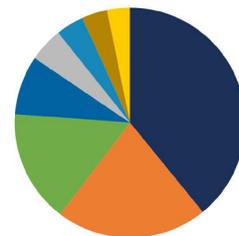
Inception Date	December 29, 2017
Net Assets	\$50.61 million
# of Issuers / % of Net Assets	29 / 96.4%
Turnover (3 Year Average)	21.29%
Active Share	78.4%
Median Market Cap ²	\$109.34 billion
Weighted Average Market Cap ²	\$388.08 billion
As of FYE 9/30/2022	Institutional Shares
CUSIP	068278761
Gross Expense Ratio	1.10%
Less: Reimbursement of Expenses by Adviser	(0.40)%
Net Expense Ratio	0.70%

Retail and R6 Shares are also available for this Fund.

Top 10 Holdings⁴

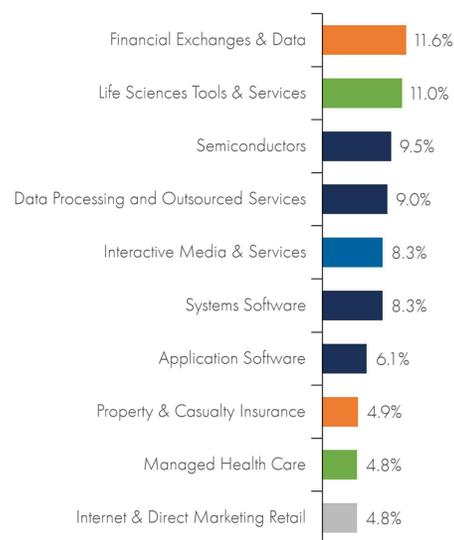
	% of Net Assets
Microsoft Corporation	8.3
Meta Platforms, Inc.	5.0
Arch Capital Group Ltd.	4.9
Visa, Inc.	4.9
UnitedHealth Group Incorporated	4.8
Amazon.com, Inc.	4.8
Accenture plc	4.7
Danaher Corporation	4.2
Mastercard Incorporated	4.1
Intuit Inc.	4.1
Total	49.9

GICS Sector Breakdown^{1,4}



- Information Technology 39.1%
- Financials 21.2%
- Health Care 15.8%
- Communication Services 8.3%
- Consumer Discretionary 4.8%
- Consumer Staples 3.9%
- Cash & Cash Equivalents 3.6%
- Industrials 3.2%

Top GICS Sub-Industry Breakdown¹



Colors of Sub-Industry bars correspond to sector chart above.

Risks

Risks: The Fund invests primarily in equity securities, which are subject to price fluctuations in the stock market. In addition, because the Fund invests primarily in large-cap company securities, it may underperform other funds during periods when the Fund's securities are out of favor.



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Historical Performance (Calendar Year %)

Year	BDAIX	S&P 500 Index
2018	-7.28	-4.38
2019	41.13	31.49
2020	20.32	18.40
2021	32.16	28.71
2022	-24.81	-18.11

Performance Based Characteristics³

	3 Years	5 Years	Since Inception
Std. Dev. (%) - Annualized	21.70	18.98	18.98
Sharpe Ratio	0.25	0.43	0.43
Alpha (%) - Annualized	-1.28	0.18	0.18
Beta	1.00	0.98	0.98
R-Squared (%)	94.27	93.71	93.71
Tracking Error (%)	5.19	4.77	4.77
Information Ratio	-0.29	-0.01	-0.01
Upside Capture (%)	99.86	98.93	98.93
Downside Capture (%)	104.98	98.79	98.79

Performance

	Total Return (%)				Annualized Returns (%)					Cumulative Returns (%)
	4th Q 2022	3rd Q 2022	2nd Q 2022	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 12/29/2017	Since Inception 12/29/2017
BDAIX-Institutional Shares	4.65	-5.00	-15.67	-24.81	-24.81	6.14	9.37	-	9.37	56.47
S&P 500 Index	7.56	-4.88	-16.10	-18.11	-18.11	7.66	9.42	-	9.42	56.88
Morningstar Large Growth Category Average	3.10	-4.09	-20.82	-29.91	-29.91	4.72	8.30	-	8.30	46.09

Top Contributors/Detractors to Performance²

BY SUB-INDUSTRIES¹

Top Contributors	Average Weight(%)	Contribution(%)
Property & Casualty Insurance	4.96	1.66
Data Processing and Outsourced Services	8.78	1.54
Life Sciences Tools & Services	11.62	1.24
Financial Exchanges & Data	11.96	1.03
Semiconductors	8.22	0.34

Top Detractors	Average Weight(%)	Contribution(%)
Internet & Direct Marketing Retail	5.63	-1.62
Interactive Media & Services	7.67	-0.38
Asset Management & Custody Banks	4.60	-0.35
Hypermarkets & Super Centers	3.11	-0.07

BY HOLDINGS

Top Contributors	Average Weight(%)	Contribution(%)
Arch Capital Group Ltd.	4.96	1.66
Mastercard Incorporated	4.25	0.86
Visa, Inc.	4.53	0.68
Mettler-Toledo International, Inc.	1.50	0.47
S&P Global Inc.	3.88	0.43

Top Detractors	Average Weight(%)	Contribution(%)
Amazon.com, Inc.	5.63	-1.62
Alphabet Inc.	4.42	-0.28
Brookfield Asset Management Ltd.	0.14	-0.15
Blackstone Inc.	1.30	-0.12
Meta Platforms, Inc.	3.24	-0.11

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, 2033, 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.

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.

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 PA and BAMCO.

3 - Source: FactSet SPAR. Except for Standard Deviation and Sharpe Ratio, the performance based characteristics above were calculated relative to the Fund's benchmark.

4 - Individual weights may not sum to the total due to rounding.

The Fund may not achieve its objectives. Portfolio holdings may change over time.

Definitions (provided by BAMCO, Inc.): The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. The index and the Fund include reinvestment of dividends, net of withholding taxes, which positively impact the performance results. The index is unmanaged. Index performance is not Fund performance; one cannot invest directly into an index. Morningstar calculates the **Morningstar Large Growth Category Average** performance and rankings using its Fractional Weighting methodology. © 2023 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. Past performance is no guarantee of future results. **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.

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