



Baron Emerging Markets Fund – February 2022 Summary Update

Baron Emerging Markets Fund (“the Fund”) fell 6.88% (Institutional Shares) in February, trailing the MSCI EM Index by 279 basis points.

Relative Performance

Underperformance was mostly due to adverse stock selection and differences in country weights.

On a country level, unique exposure to the U.K. and Hong Kong and favorable stock selection in Mexico contributed the most to relative results. Cash exposure in a difficult period for emerging market equities also added value. These gains were outweighed by disappointing stock selection in Russia, India, Taiwan, and Brazil, which together accounted for about 85% of the relative shortfall in the period. The Fund’s higher exposure to Russia detracted another 22 basis points from relative performance as equities in the country fell sharply after Russia’s invasion of Ukraine. Higher exposure to lagging Hungarian stocks and underexposure to strong performing Korean and Saudi Arabian equities also hampered performance.

From a sector perspective, positive stock selection in Consumer Staples, higher exposure to the outperforming Industrials sector, and lower exposure to the lagging Energy sector added value. Positive effects were outweighed by the negative impact of stock selection in the Financials, Communication Services, Consumer Discretionary, Information Technology, Energy, and Industrials sectors.

Purchases & Sales Activity

Please note the activity in this section references only top 10 holdings as of February 28, 2022.

We added to several of our top positions after taking in inflows during the month, with the largest being **Alibaba Group Holding Limited**, **Glencore PLC**, **Samsung Electronics Co., Ltd.**, **Han’s Laser Technology Industry Group Co., Ltd.**, and **China Conch Venture Holdings Ltd.** The only trims among our top 10 holdings were **Taiwan Semiconductor Manufacturing Company Ltd.** and **Tencent Holdings Limited.**

Top Contributors

Security Name	Average % of Net Assets	Contribution to Return	Country
Glencore PLC	2.5%	0.28%	United Kingdom
Gold Fields Limited	0.7	0.21	South Africa
Wal-Mart de Mexico, S.A.B. de C.V.	1.4	0.16	Mexico
Grupo Mexico, S.A.B. de C.V.	1.0	0.16	Mexico
Budweiser Brewing Company APAC Limited	0.9	0.14	Hong Kong

Top Detractors

Security Name	Average % of Net Assets	Contribution to Return	Country
Novatek PJSC	1.1%	-0.95%	Russia
Sberbank of Russia PJSC	0.7	-0.71	Russia
Taiwan Semiconductor Manufacturing Company Ltd.	5.2	-0.66	Taiwan
Tencent Holdings Limited	4.2	-0.58	China
OTP Bank Plc.	1.3	-0.46	Hungary

Top 10 Holdings as of February 28, 2022

Security Name	% of Net Assets
Taiwan Semiconductor Manufacturing Company Ltd.	4.6%
Tencent Holdings Limited	3.8
Samsung Electronics Co., Ltd.	3.3
Glencore PLC	2.8
Bajaj Finance Limited	2.3
Alibaba Group Holding Limited	2.2
China Conch Venture Holdings Ltd.	2.1
Reliance Industries Limited	2.0
Han's Laser Technology Industry Group Co., Ltd	1.8
Korea Shipbuilding & Offshore Engineering Co., Ltd.	1.7
Total	26.6%

As of 12/31/2021, for the Institutional Share Class, Baron Emerging Markets Fund's 1-, 3-, 5-, and 10-year and since inception annualized returns are (6.07)%, 12.99%, 10.58%, 8.46%, and 5.86%, respectively. The inception date for the Fund is 12/31/2010. Annual expense ratio for the Institutional Share Class as of December 31, 2020, was 1.09%.

As of 12/31/2021, for the MSCI EM Index's 1-, 3-, 5-, and 10-year and since fund inception annualized returns are (2.54)%, 10.94%, 9.87%, 5.49%, and 3.05%, respectively.

As of 2/28/2022, for the Institutional Share Class, Baron Emerging Markets Fund's 1-, 3-, 5-, and 10-year and since inception annualized returns are (18.08)%, 5.82%, 6.61%, 5.84%, and 4.78%, 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 Adviser reimburses certain Baron Fund expenses pursuant to a contract expiring on August 29, 2032, 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.

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.

The **MSCI Emerging Markets Index** is an unmanaged float-adjusted market capitalization index designed to measure equity market performance of large and mid-cap securities in the emerging markets. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The index and the Fund include reinvestment of dividends, net of foreign 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.

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