

BARON REAL ESTATE INCOME FUND

December 31, 2020

Institutional Shares (BRIIX)



Portfolio Manager

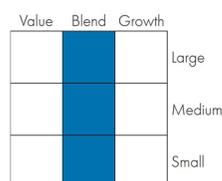
Jeff Kolitch joined Baron in 2005 as a research analyst specializing in real estate and was named portfolio manager in 2009. He has 29 years of research experience. Previously, Jeff was with Goldman Sachs from 1995 to 2005, where in 2002 he was named a managing director of its Equity Capital Markets group. Jeff graduated from The Wharton School of the University of Pennsylvania with a B.S. in Economics in 1990 and from the Kellogg Graduate School of Management at Northwestern University with a Masters of Management in 1995.

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 sustainable competitive advantages
- Purchase price and risk management are integral to our investment process

Investment Strategy

The Fund invests primarily in income-producing real estate businesses of any size. It maintains significant exposure to REITs. Non-diversified.



Portfolio Facts and Characteristics

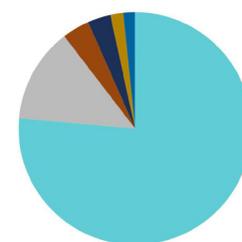
Inception Date	December 29, 2017
Net Assets	\$4707 million
# of Equity Securities / % of Net Assets	40 / 98.2%
Turnover (3 Year Average)	53.88%
Active Share	63.9%
Median Market Cap ²	\$11.70 billion
Weighted Average Market Cap ²	\$27.99 billion
As of FYE 12/31/2019	Institutional Shares
CUSIP	06828M736
Gross Expense Ratio	5.63%
Less: Reimbursement of Expenses by Adviser	(4.83)%
Net Expense Ratio	0.80%

Retail and R6 Shares are also available for this Fund.

Top 10 Holdings

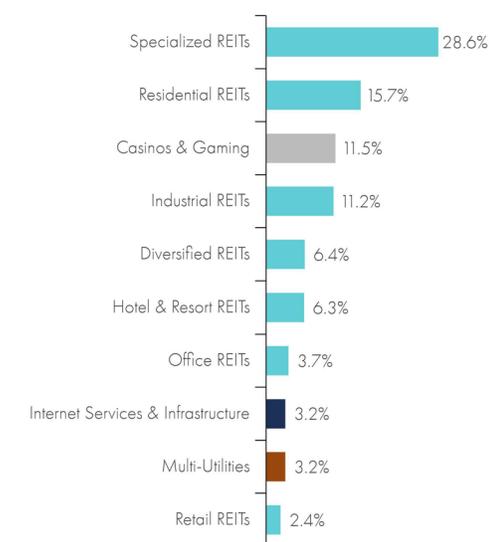
	% of Net Assets
American Tower Corp.	6.3
Prologis, Inc.	5.8
Las Vegas Sands Corporation	5.1
Equinix, Inc.	5.1
Invitation Homes, Inc.	4.9
Equity Lifestyle Properties, Inc.	3.6
Alexandria Real Estate Equities, Inc.	3.2
Brookfield Infrastructure Partners L.P.	3.2
CoreSite Realty Corporation	3.0
Colony Capital, Inc.	3.0
Total	43.2

GICS Sector Breakdown¹



- Real Estate 76.4%
- Consumer Discretionary 13.2%
- Utilities 3.8%
- Information Technology 3.2%
- Cash & Cash Equivalents 1.8%
- Communication Services 1.6%

Top GICS Sub-Industry Breakdown¹



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

Risks

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 debt securities which are affected by changes in prevailing interest rates and the perceived credit quality of the issuer. 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.



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Historical Performance (Calendar Year %)

Year	BRIIX	MSCI US REIT Index
2018	-11.03	-5.83
2019	36.54	24.33
2020	22.30	-8.70

Performance Based Characteristics³

	3 Years	Since Inception
Std. Dev. (%) - Annualized	17.74	17.74
Sharpe Ratio	0.71	0.71
Alpha (%) - Annualized	12.05	12.05
Beta	0.78	0.78
R-Squared (%)	78.95	78.95
Tracking Error (%)	9.26	9.26
Information Ratio	1.28	1.28
Upside Capture (%)	112.41	112.41
Downside Capture (%)	66.14	66.14

Performance

	Total Return (%)				Annualized Returns (%)					Cumulative Returns (%)
	4th Q 2020	3rd Q 2020	2nd Q 2020	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 12/29/2017	Since Inception 12/29/2017
BRIIX-Institutional Shares	14.36	8.47	17.02	22.30	22.30	14.11	-	-	14.11	48.58
MSCI US REIT Index	11.16	1.34	11.39	-8.70	-8.70	2.25	-	-	2.25	6.90
Morningstar Real Estate Category Average	11.15	2.35	13.66	-4.49	-4.49	4.18	-	-	N/A	N/A

Top Contributors/Detractors to Performance²

BY SUB-INDUSTRIES¹

Top Contributors	Average Weight(%)	Contribution(%)
Casinos & Gaming	14.47	4.95
Diversified REITs	6.57	2.82
Hotel & Resort REITs	5.83	1.85
Internet Services & Infrastructure	6.33	1.38
Residential REITs	14.46	1.18

Top Detractors	Average Weight(%)	Contribution(%)
Specialized REITs	26.90	-0.03
Integrated Telecommunication Services	1.59	-0.01

BY HOLDINGS

Top Contributors	Average Weight(%)	Contribution(%)
Wynn Resorts Ltd.	3.17	1.77
Colony Capital, Inc.	2.83	1.66
Red Rock Resorts, Inc.	3.34	1.34
Las Vegas Sands Corporation	3.86	1.11
GDS Holdings Limited	5.14	0.90

Top Detractors	Average Weight(%)	Contribution(%)
American Tower Corp.	5.52	-0.35
Equinix, Inc.	5.41	-0.31
SBA Communications Corp.	1.40	-0.18
Digital Realty Trust, Inc.	2.28	-0.11
Crown Castle International Corp.	2.05	-0.03

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, 2031, 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.

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

Definitions (provided by BAMCO, Inc.): The indexes cited are free float-adjusted market capitalization indexes. The **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 indexes and the Fund include reinvestment of dividends, net of withholding taxes, which positively impact the performance results. Morningstar calculates the **Morningstar Real Estate Category Average** performance and rankings using its Fractional Weighting methodology. © 2021 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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