

DEAR BARON WEALTHBUILDER FUND SHAREHOLDER:

PERFORMANCE

Baron WealthBuilder Fund (the "Fund") advanced considerably in the second quarter of 2020 and meaningfully exceeded its comparable benchmarks. The Fund gained 35.46% (Institutional Shares) in the quarter. The S&P 500 Index (the "Index") gained 20.54%. The MSCI ACWI Index, which measures global markets, increased 19.22%.

The Fund's gains in the quarter have more than offset the sudden and rapid declines in the first quarter as COVID-19 began to impact America and halt many global economies. The Fund has now advanced 10.42% since the start of the year. This result compares favorably to its benchmarks. The Index has fallen 3.08% in the first six months of 2020. The MSCI ACWI Index has declined 6.25%.

Table I.
Performance

Annualized for periods ended June 30, 2020

	Baron Wealth Builder Fund Retail Shares ^{1,2}	Baron Wealth Builder Fund Institutional Shares ^{1,2}	Baron Wealth Builder Fund TA Shares ^{1,2}	S&P 500 Index ¹	MSCI ACWI Index ¹
Three Months ³	35.31%	35.46%	35.43%	20.54%	19.22%
Six Months ³	10.30%	10.42%	10.50%	(3.08)%	(6.25)%
One Year	19.53%	19.83%	19.91%	7.51%	2.11%
Since Inception (December 29, 2017)	14.53%	14.77%	14.80%	8.23%	2.94%

While COVID-19 remains a threat to world health, governments have met this pandemic with an unprecedented level of financial stimulus to prevent the health crisis from becoming a liquidity and financial crisis. Stay at home measures have had a severe impact on many individuals' ability to earn and spend. However, investors have looked past their depressed results and valued businesses on their potential growth and anticipated future profits.

Economic events and cycles do not neatly line up with quarters or even years. The COVID-19 pandemic did not begin precisely on January 1 and we doubt its conclusion (as measured by the development of widely available therapeutics or a vaccine) will exactly coincide with the final day of a month or year. Therefore, we find it more insightful and helpful to understand how the Fund has performed thus far through the COVID-19 cycle rather than only the previous three-month period.

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, 2019 was 1.57%, 1.33%, and 1.33%, respectively, but the net annual expense ratio was 1.48%, 1.23%, and 1.23% (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 or call 1-800-99BARON.

¹ 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.
² 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.
³ Not annualized.



MICHAEL BARON ASSISTANT PORTFOLIO MANAGER
 RONALD BARON CEO AND PORTFOLIO MANAGER
 Retail Shares: BWBFX
 Institutional Shares: BWBIX
 TA Shares: BWBTX

2020 can be divided into three segments: pre-COVID-19, the COVID-19 panic, and the COVID-19 temporary normal. The underlying funds' investments vary across market caps, sectors, geographies, and growth rates. These categories have performed differently in these various periods. That diversity has contributed to the strong relative and absolute returns exhibited so far in the year.

Pre-COVID-19: December 31, 2019 – February 19, 2020

The Fund performed very well during the pre-COVID-19 environment, December 31 through the Index's peak on February 19. This period was a continuation of the 2019 economic conditions. Disruptive and high-growth companies that exhibited revenue expansion and operational efficiencies were rewarded as the likelihood of their long-term success increased. Underlying funds with investments in disruptive companies, like the concentrated Baron Focused Growth and Partners Funds, led the performance. High-growth diversified portfolios, like Baron Opportunity and Global Advantage Funds, also did well. Several funds' performance was helped by advances in **Tesla, Inc.** That company demonstrated that its new



Baron WealthBuilder Fund

China factory could produce vehicles at lower costs than at older facilities. It has also manufactured at higher volumes than predicted to meet unprecedented foreign demand. Companies like **CoStar Group, Inc.**, **Twilio Inc.**, and **GDS Holdings Limited** also rose due to wide acceptance of new products and services and consolidation of their markets. Smaller positions in Baron International Growth and Emerging Markets Funds lagged because COVID-19 impacted those markets before the pandemic reached America.

The COVID-19 Panic: February 19 – March 23, 2020

Things suddenly and drastically changed in late February. Over about a month's time, the Index fell 33.8% until bottoming on March 23. COVID-19 cases grew exponentially, and governments took drastic steps to "flatten the curve," which were often at the expense of economic activity. Economies around the globe came to a standstill. Investors reacted with panic selling during these unprecedented times. Individuals and corporations around the world reined in spending. Businesses that curtailed operations were discarded by investors. Limited refuge was found in "essential" Consumer Staples, a category Baron Funds has generally avoided due to less favorable growth prospects and reservations about their long-term sustainable competitive advantages.

Larger companies were considered able to sustain operations and exhibit some growth, albeit at a slower pace, despite the economic shutdown. They declined less rapidly than the Index and were held in funds like Baron Opportunity and Fifth Avenue Growth Funds. Baron Health Care Fund was populated with businesses that could assist in the discovery of disease treatments and would benefit from the anticipated increase in government and private funding. The stock prices of these businesses also declined less than the overall market.

But those were the exceptions. This short period saw stock prices rapidly deteriorate for travel and leisure businesses held in Baron Growth Fund. Guests at hotels were non-existent as travel was largely prohibitive. Both the near-term financial viability and the longer-term business models were questioned if the pandemic persisted.

Disruptive businesses, owned by Baron Partners and Focused Growth Funds, also saw their stock fall sharply. In our opinion, investors were not properly assessing business opportunities, but rather exited highly valued companies at alarming rates. Disruptive businesses fit that criteria. Investors focused on short-term results instead of long-term business opportunities. They sold businesses with high valuations. Disruptive businesses often penalize near-term earnings by investing in future products and operations. They often hire staff, build facilities that are operating subscale, and launch products that do not yet have a sufficient scale to produce strong profits. These actions depress current earnings and artificially inflate commonly used valuation metrics.

The COVID-19 Temporary Normal: March 23 – June 30, 2020

We believe the market and economy are currently amid a "COVID-19 temporary normal," which began at the market's bottom on March 23. The Fund's performance since has been exceptional, increasing 57.7%. Underlying funds that held businesses with disruptive business models and large addressable market opportunities led the performance: Baron Discovery Fund's holdings in small technology businesses; Global Advantage Fund's fast-growing globally competitive businesses; and Partners Fund's concentrated portfolio dominated by companies with potential to disrupt large segments of the economy all did well. We believe the COVID-19 pandemic has not created a "new normal" where people will be permanently

isolated, and global commerce is hampered. Instead, COVID-19 has accelerated changes in the economy that we had previously believed would eventually occur. Investors now realize that these disruptive businesses are often advantaged in this forthcoming economy. These businesses had often digitalized platforms, operated more efficiently with the lower density footprint, and were providing the infrastructure for changes in commerce.

Tesla, Inc. produces its cars with more automation than competitors. Its cars are connected through the cloud and continuously improve with software updates after they have been purchased. Tesla sales occur without physical dealership locations. **Zillow Group, Inc.** facilitates home transactions without interested buyers present at the property. It allows for increased research and transactions. **Wix.com Ltd.** enables companies to build online brands, reach customers, and more efficiently manage their business. We believe these changes of convenience and efficiency in the economy would have occurred regardless of COVID-19, but the current pandemic has accelerated the rate of conversion.

Investors have closely examined balance sheets and assessed that the Fund's businesses with irreplaceable assets can sustain during the pandemic and their properties will ultimately be utilized. Baron Real Estate Fund's holdings in hotels and housing did well. We believe competitors' reduction in capital expenditures has tightened future supply and increased the value of existing assets. Business and leisure customers are expected to return. Convention business in 2021 has remained steady for **Hyatt Hotels Corp.**, while skiers at **Vail Resorts, Inc.** continue to purchase advance season passes. However, June's increase in COVID-19 cases and slowing economic reopening plans in many states tempered the returns.

The only mild constraints on overall Fund returns during this COVID-19 temporary normal period have been mid-sized businesses found in Baron Growth and Asset Funds. They hold many businesses that have continued to operate throughout the entire year and their returns across the various periods have been steadier. Additionally, their holdings in financial businesses have not increased as rapidly during this period. The financial service data and analytics providers, **MSCI, Inc.** and **FactSet Research Systems, Inc.**, have continued to do exceptionally well. Their products have been incrementally more valuable as clients have dispersed from corporate offices. Both companies' data and analytics is vital to enable their customers' smooth operations. However, the valuations of **Primerica, Inc.**, **Arch Capital Group Ltd.**, and **The Charles Schwab Corp.** remain based upon fears that the income generated from their assets has been permanently impaired. We strongly disagree with that assessment. We still view these businesses as able to grow organically, consolidate competitors at favorable valuations to improve services and operational efficiency, and earn higher future returns on a larger asset base. We continue to think we will earn 3 to 4 times on these three investments in the next 10 years and more than 50% in the next 2 years.

We do not attempt to predict the unpredictable, and the various economic turning points of COVID-19 are such unpredictable events. We do not assert to have accurately forecasted how long the investor panic would last nor claim to know when developed therapeutics or a vaccine will end the health crisis (although we are confident that such developments will occur). There may be an economic rebound when the Fund trails its benchmark for a short period. Government intervention or a scientific discovery could temporarily revitalize highly levered or weaker operational businesses not held in the underlying funds. While some real estate and financial investments should also benefit, other categories may trail as some other businesses rebound from their lows.

However, we remain confident in the Fund's underlying holdings to sustain themselves during this difficult time. We also believe in many of these businesses' ability to emerge from the COVID-19 pandemic with an enhanced competitive position and lead change in the new economy. We anticipate the Fund performing well on both an absolute and relative basis over the course of the entire cycle.

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

Table II.
Performance by COVID-19 periods

	Pre-COVID-19 12/31/2019 to Peak (2/19/2020) [†]	COVID-19 Panic Peak to Trough (3/23/2020) [†]	COVID-19 Temporary Normal Trough to 6/30/2020 [†]	YTD through 6/30/2020 [†]
Small Cap				
Baron Discovery Fund	10.62%	-37.33%	60.63%	11.36%
Baron Growth Fund	11.65%	-41.12%	50.65%	-0.97%
Baron Small Cap Fund	9.19%	-39.42%	57.36%	4.09%
Small/Mid Cap				
Baron Focused Growth Fund	25.88%	-41.89%	60.12%	17.13%
Mid Cap				
Baron Asset Fund	8.13%	-34.10%	49.77%	6.73%
Large Cap				
Baron Fifth Avenue Growth Fund	12.11%	-28.71%	56.19%	24.83%
Baron Durable Advantage Fund	8.05%	-33.57%	43.06%	2.68%
All Cap				
Baron Opportunity Fund	17.11%	-28.68%	56.23%	30.49%
Baron Partners Fund	30.87%	-50.76%	83.92%	18.53%
International				
Baron Emerging Markets Fund	2.03%	-33.62%	40.24%	-5.02%
Baron Global Advantage Fund	15.52%	-27.32%	61.06%	35.23%
Baron International Growth Fund	2.17%	-32.06%	45.17%	0.76%
Specialty				
Baron Real Estate Fund	7.05%	-37.85%	56.51%	4.12%
Baron Health Care Fund	7.97%	-28.32%	46.00%	13.00%
Baron FinTech Fund	13.00%	-34.34%	55.66%	15.50%
Baron WealthBuilder Fund	13.84%	-38.48%	57.67%	10.42%
S&P 500 Index	5.08%	-33.79%	39.31%	-3.08%
MSCI ACWI Index	2.74%	-33.64%	37.50%	-6.25%

[†] Not annualized.

The peak and trough dates are based on the S&P 500 Index.

An investor cannot invest directly in an index.

Baron WealthBuilder Fund

Table III.
Baron Funds Performance
As of June 30, 2020

Institutional Share Class Data

% of Net Assets of Fund		Second Quarter of 2020*	Annualized 12/29/17 to 6/30/20	Primary Benchmark	Second Quarter of 2020*	Annualized 12/29/17 to 6/30/20
29.5%	Small Cap					
4.1%	Baron Discovery Fund	39.12%	15.11%	Russell 2000 Growth Index	30.58%	4.99%
12.5%	Baron Growth Fund	27.46%	12.90%			
12.9%	Baron Small Cap Fund	35.77%	11.19%			
4.1%	Small/Mid Cap					
4.1%	Baron Focused Growth Fund	40.67%	20.34%	Russell 2500 Growth Index	32.87%	9.42%
15.0%	Mid Cap					
15.0%	Baron Asset Fund	28.02%	16.80%	Russell Midcap Growth Index	30.26%	12.55%
8.4%	Large Cap					
6.8%	Baron Fifth Avenue Growth Fund	37.91%	23.62%	Russell 1000 Growth Index	27.84%	16.82%
1.6%	Baron Durable Advantage Fund	22.17%	10.73%†	S&P 500 Index	20.54%	7.21%†
24.1%	All Cap					
7.5%	Baron Opportunity Fund	39.78%	31.63%	Russell 3000 Growth Index	27.99%	16.00%
16.6%	Baron Partners Fund	49.47%	23.44%	Russell Midcap Growth Index	30.26%	12.55%
12.0%	International					
3.9%	Baron Emerging Markets Fund	26.67%	(3.27)%	MSCI EM Index	18.08%	(3.59)%
5.5%	Baron Global Advantage Fund	46.39%	27.07%†	MSCI ACWI Index	19.22%	1.77%†
2.6%	Baron International Growth Fund	28.37%	2.87%	MSCI ACWI ex USA Index	16.12%	(2.95)%
6.9%	Specialty					
4.3%	Baron Real Estate Fund	29.93%	6.57%	MSCI USA IMI Extended Real Estate Index	21.76%	0.32%
1.4%	Baron Health Care Fund	24.68%	19.91%†	Russell 3000 Health Care Index	16.88%	8.64%†
1.2%	Baron FinTech Fund	32.00%	14.58%*†	S&P 500 Index	20.54%	4.80%*†

* Not annualized.

† Performance is calculated from the time the Fund was added to Baron WealthBuilder Fund: Baron Durable Advantage Fund – 3/13/2018; Baron Global Advantage Fund – 1/9/2018; Baron Health Care Fund – 10/18/2018; and Baron FinTech Fund – 2/27/2020. An investor cannot invest directly in an index.

FUND OF FUNDS STRUCTURE AND INVESTMENT STRATEGY

Baron WealthBuilder Fund closely mimics the way we would incrementally invest across our various funds and strategies. Baron WealthBuilder Fund allows investors to diversify across several Baron Funds' products, gain exposure to various market caps, sectors, and geographies in a single structure, and have us rebalance the allocations in a tax efficient manner. The portfolio managers of each underlying fund abide by the same core investment process and philosophy, focused on proprietary research to discover competitively advantaged businesses with immense opportunities led by smart and honorable executives. Baron Funds has had broad historical success. Our investment approach and process have yielded outstanding results since the Firm's founding in 1982. As of 6/30/2020, 16 of 17 Baron Funds, representing 98.5% of Baron Funds' assets under management ("AUM"), have outperformed their respective passive benchmark since their inceptions. Twelve of those funds, representing 97.3% of Baron Funds' AUM, rank in the top 17% of their respective Morningstar categories; and nine funds, representing 65.1% of AUM, rank in the top 7%. Since their inclusion in Baron WealthBuilder, all underlying funds have exceeded their respective benchmarks. 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 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 holding nearly the same number of securities as the its benchmark (421 in the Fund vs. 502 in the S&P 500 Index), the similarities end there. The holdings in the Fund have a lower dividend yield (0.4% vs. 1.9% for the S&P 500 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 24.4% for the Fund's holdings vs. 10.2% for the S&P 500 Index (or 139.2% higher growth). We think that many of our investments can exceed those stated projections. These businesses have grown at nearly double the Index's growth rate over the preceding five years (the Fund's five-year historical earnings per share growth rate for the Fund is 20.4% vs. the S&P 500 Index's 12.4%). Yet these companies are only 40.0% more expensive than the S&P 500 Index's holdings (the Fund's trailing price-to-earnings ratio is 30.1 times versus 21.5 times for the S&P 500 Index). We feel that this valuation metric is misleading for the Fund's holdings as many have depressed margins as they sacrifice current profitability for more sustainable and higher long-term growth rates. The significantly higher growth for a modest premium in price should, we believe, reward long-term investors.

The portfolio is also distinct in its sector weightings. The S&P 500 Index has a higher share of Consumer Staples, Energy, Materials, and Utilities businesses than our Fund. These sectors typically consist of defensive companies that have been traditionally important but have limited unique traits, future growth prospects, and are heavily reliant on unpredictable commodity prices. Those sectors are 15.4% of the S&P 500 Index, yet account for only 1.6% for the Fund. Instead, the Fund favors Consumer Discretionary, Industrials, and Real Estate and segments of Information Technology companies where the competitive advantage is more apparent and the growth projections more robust. Those sectors account for 63.4% of the Fund, yet only 49.1% of the Index.

Finally, the Fund has exposure to international companies unlike the S&P 500 Index, which only has investments in domestic businesses. We anticipate the diversity to provide benefits with lower volatility over time. The Fund is also differentiated from the global coverage of the MSCI ACWI Index. North America is 60.1% of MSCI ACWI Index compared to 85.2% for the Fund. The greater international exposure for the MSCI ACWI Index is heavily skewed towards slow growth developed markets, whereas the Fund seeks faster growth in emerging economies. Of the Fund's international investments, 38.6% are in Asia/Pacific ex-Japan. This number is only 30.0% for the MSCI ACWI Index. However, the MSCI ACWI Index has 58.1% of its international investments in slower growth European and Japanese companies while these regions only constitute 34.5% of the Fund.

Table IV.
Sector exposures as of June 30, 2020

	Percent of Net Assets	S&P 500 Index	MSCI ACWI Index
Information Technology	23.7%	27.5%	20.7%
Consumer Discretionary	21.5	10.8	11.8
Health Care	16.1	14.6	12.9
Industrials	12.9	8.0	9.4
Financials	11.7	10.1	13.4
Communication Services	7.0	10.8	9.4
Real Estate	5.3	2.8	2.9
Materials	0.8	2.5	4.6
Consumer Staples	0.6	7.0	8.1
Energy	0.2	2.8	3.6
Unclassified	0.2	–	–
Utilities		3.1	3.2

Table V.
Country exposures as of June 30, 2020

	Percent of Net Assets	S&P 500 Index	MSCI ACWI Index
United States	84.2%	100.0%	57.5%
China	4.4		5.0
United Kingdom	2.1		3.9
Israel	1.7		0.2
Netherlands	1.7		1.2
Canada	1.0		2.8
India	0.9		1.0
Brazil	0.8		0.6
Argentina	0.5		0.1
Japan	0.4		7.0
Other	2.4		20.8

Table VI.
Fund of fund holdings as of June 30, 2020

	Percent of Net Assets
Baron Partners Fund	16.6%
Baron Asset Fund	15.0
Baron Small Cap Fund	12.9
Baron Growth Fund	12.5
Baron Opportunity Fund	7.5
Baron Fifth Avenue Growth Fund	6.8
Baron Global Advantage Fund	5.5
Baron Real Estate Fund	4.3
Baron Discovery Fund	4.1
Baron Focused Growth Fund	4.1
Baron Emerging Markets Fund	3.9
Baron International Growth Fund	2.6
Baron Durable Advantage Fund	1.6
Baron Health Care Fund	1.4
Baron FinTech Fund	1.2

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. We hope this letter enables you to make an informed decision about whether this Fund remains an appropriate investment.

Respectfully,



Ronald Baron
CEO and Portfolio Manager



Michael Baron
Assistant Portfolio Manager

Baron WealthBuilder Fund

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. 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 June 30, 2020.**

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

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 Mid-Cap Growth Category** consisted of 602, 500, and 381 share classes for the 1-, 5-, and 10-year periods.

Morningstar ranked **Baron Asset Fund** in the 46th, 15th, 18th, and 17th 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 60th, 37th, 46th, and 7th percentiles, respectively, in the category for the 1-year, 5-year, 10-year, and since inception periods. The Fund was inceptioned 12/31/1994 and the category consisted of 56 share classes for the since inception period.

Morningstar ranked **Baron Partners Fund** in the 1st, 4th, 3rd, and 2nd 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 Small Growth Category** consisted of 625, 508, and 377 share classes for the 1-, 5-, and 10-year time periods.

Morningstar ranked **Baron Small Cap Fund** in the 34th, 24th, 47th, and 13th 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 99 share classes for the since inception period.

Morningstar ranked **Baron Discovery Fund** in the 12th, 13th, and 3rd 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 455 share classes for the since inception period.

The **Morningstar Real Estate Category** consisted of 253, 199, and 140 share classes for the 1-year, 5-year, and 10-year time periods.

Morningstar ranked **Baron Real Estate Fund** in the 2nd, 6th, 1st, and 1st percentiles, respectively, in the category for the 1-year, 5-year, 10-year, and since inception periods. The Fund was inceptioned 12/31/2009 and the category consisted of 132 share classes for the since inception period.

Morningstar ranked **Baron Real Estate Income Fund** in the 3rd and 4th percentiles, respectively, in the category for the 1-year and since inception periods. The Fund was inceptioned 12/29/2017 and the category consisted of 234 share classes for the since inception period.

The **Morningstar Large Growth Category** consisted of 1,343, 1,084, 809, and 304 share classes for the 1-year, 5-year, 10-year, and since inception (2/29/2000) periods. Morningstar ranked **Baron Opportunity Fund** in the 3rd, 3rd, 15th, and 5th percentiles, respectively, in the category.

The **Morningstar Foreign Large Growth Category** consisted of 477, 344, 246, and 229 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 25th, 27th, 23rd, and 12th percentiles, respectively, in the category.

The **Morningstar Diversified Emerging Markets Category** consisted of 815, 595, and 280 share classes for the 1-year, 5-year, and since inception (12/31/2010) periods. Morningstar ranked **Baron Emerging Markets Fund** in the 27th, 33rd, and 4th percentiles, respectively, in the category.

The **Morningstar World Large Stock Category** consisted of 866, 626, and 436 share classes for the 1-year, 5-year, and since inception (4/30/2012) periods. Morningstar ranked **Baron Global Advantage Fund** in the 1st, 1st, and 1st percentiles, respectively, in the category.

The **Morningstar Health Category** consisted of 148 and 140 share classes for the 1-year and since inception (4/30/2018) periods. Morningstar ranked **Baron Health Care Fund** in the 18th and 5th percentiles, respectively, in the category.

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Risk: All investments are subject to risk and may lose value.

Baron Funds (Institutional Shares) and Benchmark Performance 6/30/2020

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	3-Year	5-Year	10-Year		
SMALL CAP										
Baron Growth Fund	Russell 2000 Growth Index	13.14%	7.83%	12/31/1994	6.85%	13.78%	11.17%	14.24%	1.04% ⁽³⁾	\$6.80 billion
Baron Small Cap Fund	Russell 2000 Growth Index	10.28%	6.06%	9/30/1997	8.61%	12.77%	10.78%	13.71%	1.05% ⁽³⁾	\$3.96 billion
Baron Discovery Fund†	Russell 2000 Growth Index	15.65%	8.46%	9/30/2013	16.74%	15.70%	13.86%	N/A	1.10% ⁽³⁾	\$725.12 million
SMALL/MID CAP										
Baron Focused Growth Fund ⁽¹⁾	Russell 2500 Growth Index	11.97%	8.18%	5/31/1996	34.64%	18.96%	13.24%	14.05%	1.11%/1.10% ⁽⁴⁾	\$326.72 million
MID CAP										
Baron Asset Fund	Russell Midcap Growth Index	11.91%	10.32% ⁽²⁾	6/12/1987	11.25%	16.26%	13.79%	15.67%	1.05% ⁽³⁾	\$4.79 billion
LARGE CAP										
Baron Fifth Avenue Growth Fund†	Russell 1000 Growth Index	10.96%	10.79%	4/30/2004	32.44%	24.20%	18.19%	18.12%	0.80%/0.75% ⁽³⁾⁽⁶⁾	\$426.66 million
Baron Durable Advantage Fund	S&P 500 Index	12.54%	8.23%	12/29/2017	16.84%	N/A	N/A	N/A	4.91%/0.70% ⁽³⁾⁽⁷⁾	\$12.00 million
ALL CAP										
Baron Partners Fund ⁽¹⁾	Russell Midcap Growth Index	13.82%	10.02%	1/31/1992	37.23%	20.19%	16.47%	18.35%	1.96% ⁽⁴⁾⁽⁵⁾	\$3.30 billion
Baron Opportunity Fund†	Russell 3000 Growth Index	8.99%	5.49%	2/29/2000	42.31%	29.72%	20.41%	17.85%	1.11% ⁽³⁾	\$829.37 million
INTERNATIONAL										
Baron Emerging Markets Fund	MSCI EM Index	4.09%	0.90%	12/31/2010	0.56%	2.46%	3.61%	N/A	1.09% ⁽⁴⁾	\$4.83 billion
Baron Global Advantage Fund†	MSCI ACWI Index	18.34%	8.07%	4/30/2012	45.91%	31.02%	21.21%	N/A	1.00%/0.90% ⁽⁴⁾⁽⁸⁾	\$1.23 billion
Baron International Growth Fund†	MSCI ACWI ex USA Index	10.75%	6.41%	12/31/2008	8.78%	7.72%	7.08%	8.93%	1.04%/0.95% ⁽⁴⁾⁽⁹⁾	\$328.36 million
SPECIALTY										
Baron Real Estate Fund†	MSCI USA IMI Extended Real Estate Index	13.96%	10.40%	12/31/2009	21.17%	10.01%	7.51%	14.88%	1.08% ⁽⁴⁾	\$625.84 million
Baron Real Estate Income Fund	MSCI US REIT Index	7.48%	(2.07)%	12/29/2017	11.57%	N/A	N/A	N/A	5.63%/0.80% ⁽⁴⁾⁽¹⁰⁾	\$5.14 million
Baron Health Care Fund†	Russell 3000 Health Care Index	19.08%	13.02%	4/30/2018	25.32%	N/A	N/A	N/A	2.39%/0.85% ⁽⁴⁾⁽¹¹⁾	\$25.18 million
Baron FinTech Fund	S&P 500 Index	15.50%*	(3.08)%*	12/31/2019	N/A	N/A	N/A	N/A	1.62%/0.95% ⁽¹²⁾	\$10.75 million
FUND OF FUNDS										
Baron WealthBuilder Fund	S&P 500 Index	14.77%	8.23%	12/29/2017	19.83%	N/A	N/A	N/A	1.33%/1.23% ⁽⁴⁾⁽¹³⁾	\$145.61 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.

(2) For the period June 30, 1987 to June 30, 2020.

(3) As of 9/30/2019.

(4) As of 12/31/2019.

(5) Comprised of operating expenses of 1.06% and interest expenses of 0.90%.

(6) Annual expense ratio was 0.80%, but the net annual expense ratio was 0.75% (net of Adviser's fee waivers).

(7) Annual expense ratio was 4.91%, but the net annual expense ratio was 0.70% (net of Adviser's fee waivers).

(8) Annual expense ratio was 1.00%, but the net annual expense ratio was 0.90% (net of Adviser's fee waivers).

(9) Annual expense ratio was 1.04%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers).

(10) Annual expense ratio was 5.63%, but the net annual expense ratio was 0.80% (net of Adviser's fee waivers).

(11) Annual expense ratio was 2.39%, but the net annual expense ratio was 0.85% (net of Adviser's fee waivers).

(12) Expense ratios are estimated for the current fiscal year.

Baron WealthBuilder Fund

⁽¹³⁾ Annual expense ratio was 1.31%, but the net annual expense ratio was 1.21% (includes acquired fund fees and expenses, net of the Adviser's fee waivers).

* Not annualized.

† 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.