Letter from Ron

March 31, 2020

Baron Funds®

Quarterly Report

"The price is forgotten but the quality remains." Mrs. Joan Danoff. Will's mom. 2005. Will is the portfolio manager of the $112 billion Fidelity Contrafund.

Fidelity Contrafund is the largest actively managed mutual fund run by one person in the United States. Fidelity Contrafund has been managed by Will Danoff since 1990. Will is a terrific portfolio manager and a good friend. The former President of Fidelity's equity business, Jacques Perold, is also friendly with Will and, coincidentally, happens to be a MSCI Board member. MSCI is a $25 billion market capitalization "fin tech" business in which Baron Funds is a significant shareholder. MSCI is a unique and leading provider of market indexes, financial data, and risk analytics.

Baron Funds became one of MSCI's largest shareholders during its November 2007 initial public offering amid the 2008 Financial Panic. Baron Funds remains one of MSCI's largest shareholders. From 2007 to 2015, MSCI made substantial investments in its business. Those investments then penalized MSCI's profitability but have since enabled MSCI to become a substantially larger company. During the seven-year period from November 2007 to December 2014, MSCI's share price nearly tripled. Since 2015, when MSCI began to earn significant returns on its growth investments, MSCI's share price multiplied an additional six fold! Its share price is now approximately 16 times our initial purchase price! We believe MSCI's stock can triple again over the next decade...but we can obviously offer you no assurance that will be so.

On January 24, 2020, Henry Fernandez, Chairman, CEO and Founder of MSCI, invited me to speak to MSCI's Board of Directors. When I asked what he wanted me to talk about, Henry said he wanted me to describe how we choose businesses in which to invest, how we construct portfolios, why we invested in MSCI, and how did we remain such a large MSCI shareholder throughout the past 12 years despite volatile markets? He also asked me to speak about our thoughts on his industry, our opinion on MSCI's governance, and MSCI's executives' decisions. Of course, an easy answer to one question was, how could we not want to invest in MSCI, a business we perceived to be wonderful and which was founded and run by a terrific executive like Henry? Further, Henry once told

View from our offices In New York City.
There is no question we will return...when it is safe!

us, "*I am eternally grateful to Ron for the belief in which he placed in us. I would rather die before I disappoint him in anything.*" What a neat guy!

Following a wide-ranging discussion with MSCI's board that January day lasting for an hour and a half, Jacques Perold, the former Fidelity executive, walked me to the elevator. Jacques was aware that I am friendly with both Peter Lynch and Will Danoff. Jacques then asked whether Will ever told me a story he tells freshmen Fidelity analysts about his mom? When I answered he hadn't, Jacques told me the story, which I relay in Will's words (which I have edited a little) below.

"Ron, you met a MSCI board member named Jacques Perold. Jacques ran the equity division at Fidelity in the early 2000s. Every year, I do an annual presentation to the Fidelity research department that Jacques attended. I talk about how the analysts can help me and then call an executive from my past on a speaker phone to answer questions from the group. Finally, I always remind the research team what my mom told us when I was growing up, '*The price is forgotten but the quality remains.*' In other words, don't worry as much about the price as the quality of the business.

"Toward the end of the meeting, which Jacques remembered, when the executive phone call was over, some wise guy suggested that we should call my mother. So, we did. My mom answered the phone, and I asked her on the speaker what she had always advised my sisters and me when buying things, after a hint or two she got it. Despite what Jacques told you, that was the only time I ever called my mom during the annual research meeting. But, I often refer to that quote which is now famous in the halls of Fidelity.

"The origins of the quote came from my mother's father's career in the cashmere sweater business. He and my grandmother had a wholesale business buying cashmere sweaters from mills in Pennsylvania and then selling them to specialty and department stores in the New York and New England market. The company was 'Maurice Bruder – Aristocrat of Cashmere.' My grandparents kept their excess inventory in their basement and had a showroom on Broadway. In those days, the cashmere was much thicker and lasted longer than today. The sweaters were more expensive than cotton sweaters, but as my grandmother would say, '*the price is forgotten but the quality remains.*' And, as you know, the same is true for certain businesses and managements and their stocks. Hope this helps.

"Good luck this year. Thank you, Ron, very much for making the time for Fidelity. The team and I are always energized by your enthusiasm and your clear thinking about the businesses you own."

Sincerely,

Will

My response was brief. "Thanks, Will. I will send my letter to your mom since she's prominently mentioned. Good health to you and your family. Timing of scourge perfect by the way. Will pass over on Passover. What could be more perfect? Ron"

"People think that investment managers need to sit in front of screens all day and trade. I would do better if I didn't buy and sell at all." Warren Buffett. Interview with Becky Quick. CNBC Squawk Box. February 24, 2020.

Retail investors panic in the face of "terrifying" news reports of virus infections and job losses...

Letter from Ron

Chris Dodds is a close friend, and a Board member, and former CFO of Charles Schwab, the large wealth advisory/asset manager/brokerage firm. I have known Chris since 1992. That was when Baron began to purchase Charles Schwab's stock. Schwab was then "disrupting" mutual fund distribution, which we got to see "up close and personal" as they say. Baron Asset Fund was added to Schwab's Mutual Fund Marketplace and "One Source" "platforms" of "no-load" mutual funds in 1992. Schwab's clients then began to make significant…for us…investments in Baron mutual funds.

Charles Schwab's principal clients are registered investment advisers and individuals the firm calls "mass affluent." Those clients held $60 billion in assets at Schwab in 1992. Schwab's revenues and profits are a function of the client assets it holds. Schwab's customers presently have about $3.5 trillion in assets at Schwab. When Schwab completes its acquisition of Ameritrade, it will hold about $5 trillion of customer assets! Schwab's share price in 1992 was an adjusted $0.88 per share. It is now $36 per share. We think Schwab's stock price could triple once more in the next 10 years.

When I spoke with Chris by phone on Sunday evening March 22, he told me that liquidations by retail investors had been so substantial that Schwab's customer cash had increased materially. Schwab's trading volumes, as disclosed on its web site, have been 3.5-4 times trading volumes that were considered "normal" only five months ago!

Chris then told me that he and another brokerage executive were trying to guess when the "market bottom" would be reached. "We think it will not occur until retail liquidations slow dramatically. What do you think?" he asked. "I don't bet on such things," I answered. "However, after you described what is taking place at Schwab and other banks, and, giving credit to the unprecedented trillions of fiscal and monetary stimulus by our government so far…with more promised…if markets were open now, I would think tonight would be the bottom! Another Great Depression is definitely off the table." The Dow Jones Industrial Average had closed at 19,173.98 on the preceding Friday, March 20.

Institutional investors had also piled on as aggressive sellers since mid-February. That was when, after deciding earlier this year that "cash is trash," they changed their minds and determined according to a popular "value at risk" quant, momentum strategy to go "risk off…" That quant strategy is the exact opposite of the fundamental research focused investment strategy used by Baron…

Bridgewater Associates is a successful hedge fund with reportedly approximately $160 billion in assets under management. Bridgewater is principally a fixed income manager. It is also a leading proponent of a "value at risk" quantitative, asset allocation investment strategy. Ray Dalio, the founder of that firm, has recently written about the basis for that strategy. Dalio's efforts to gain perspective about events that have taken place regularly but not in his lifetime are what led him to study historical analogues.

According to Dalio, in 1971 when he was 22, he had a summer job clerking on the floor of the New York Stock Exchange. "On a Sunday night, August 15, 1971, President Nixon announced that the U.S. would renege on its promise to allow paper dollars to be turned into gold. That couldn't be good, I thought, so on Monday morning, I walked onto the floor of the exchange expecting pandemonium as stocks took a dive. Instead, the market jumped 4%! I was shocked. That was because I hadn't experienced a devaluation before…In the days that followed, I dug into history and saw there were many cases of currency devaluations that had similar effects on stock markets." That is what made Dalio study history to try to understand big economic and market moves over the last 100 years in all major countries.

The digitization of stock and commodity markets and proliferation of passive funds, ETFs, CTAs, futures, options, options on futures, and highly leveraged entities have provided liquidity, enabling investors to panic sell…and institutions like Bridgewater to bet on "macro" developments and to sell and purchase stocks as if they were commodities. We believe this is what creates occasional and unpredictable "crashes" and "melt ups." Regardless, few such investors have been able to do as well as equity markets over the long run. Their track records are a matter of public record.

"We're all in this together." Dr. Anthony Fauci. Director, National Institute of Allergy and Infectious Diseases. March 2020.

When I spoke by phone to my friend Chris Dodds that Sunday evening three weeks ago at 7:01 pm San Francisco time, I asked about the clanging sounds in the background. He said it was his wife MJ on their front porch banging pots and pans together. MJ and her neighbors every evening at 7:01 pm stand on their front porches with their pots and pans yelling "thanks" to show support for health care workers risking their lives to help them. My friend, Ambassador to Italy, Lew Eisenberg reports that every evening at 7 pm in Rome, its citizens show appreciation and thanks to health care workers in that city by singing arias to them and yelling "thank you." Residents in New York City open their windows every evening at 7 pm to clap and yell "thank you" to its brave and selfless health care workers. In Tel Aviv, the largest city in Israel, which I consider America's closest ally, the same thing occurs…as it does throughout the world. That, and somehow the Congress and President working together to fashion a bipartisan rescue package for small businesses like restaurants, bars, dry cleaners, and summer camps…and hopefully very few who don't need those forgivable loans applying for them, gives me a lot of hope in the human condition.

"What's next?" Baron Investment Conference theme. October 25, 2019.

"How are you positioning your portfolio?" is a question we are frequently asked. We continue to invest for the long term as we always have in competitively advantaged growth companies managed by individuals in whom we trust and in whom we have great faith as leaders and in their integrity. We remain optimistic about the prospects for Baron mutual funds and remain the largest investors in those funds. We believe the track record of our funds speaks about them better than I could. While few investment managers have been able to perform better than the benchmark indexes against which they compete, 16 of 17 Baron Funds, representing **98.6%** of Baron Funds' assets under management ("AUM"), have **outperformed** their respective passive benchmark indexes since their inceptions as of March 31, 2020. Twelve of those funds, representing **97.4%** of Baron Funds' AUM, rank in the **top 18%** of their respective Morningstar categories, and seven funds, representing **61.7%** of Baron Funds' AUM, rank in the **top 6%**.

Baron Funds' 2019 performance was **exceptional.** Six of our 16 **Baron funds increased more than 40%!** This includes **Baron Partners Fund,** which increased **45.4%. Baron Partners Fund** was the number one fund in the Morningstar Mid-Cap Growth Category. **Baron Global Advantage Fund** increased **45.5%** last year and was in the **1st percentile** of the Morningstar World Large Stock Category for the year ended December 31, 2019. Seven additional

Baron funds last year were up more than 30% and **Baron WealthBuilder Fund**, Baron's Fund of Baron mutual funds, was up 36.5%**.** Only one Baron mutual fund was up less than 20% last year. That fund increased *only* 18.9%, and the portfolio manager believes many of that fund's holdings are poised to outperform as the current crisis subsides.

Further, the performance of Baron Funds last year was consistent with the performance of Baron since our Firm's founding in 1982 and since the offering of our first mutual fund in 1987. As of December 31, 2019, **Baron Partners Fund** is the **eighth** top performing equity mutual fund of **2,364** since its conversion to a mutual fund in 2003.* **Baron Growth Fund** is the **fourth** top performing U.S. equity mutual fund of **601** U.S. equity mutual funds for the **25 years** ended December 31, 2019.**

One more thing. We are as proud of our performance in two difficult market environments. Firstly, from December 31, 1999 through December 31, 2008. Secondly, in the difficult 2020 market environment. As of April 9, 2020, the date of this letter, every Baron mutual fund except for one has outperformed its primary benchmark index year-to-date. Further, 8 out of 17 Baron funds have declined single-digits, much less than market indexes. They are Baron Opportunity Fund (2.43)%, Baron Health Care Fund (4.57)%, Baron Global Advantage Fund (4.70)%, Baron Fifth Avenue Growth Fund (5.25)%, Baron FinTech Fund (6.10)%, Baron Real Estate Income Fund (8.10)%, Baron Durable Advantage Fund (9.20)%, and Baron Focused Growth Fund (9.92)%. The Dow Jones Industrial Average has fallen (16.32%) year-to-date through April 9, 2020, the S&P 500 Index (13.15%), and the Russell 2000 Growth (20.30%).

Finally, we think, just like Ray Dalio thought in 1971 when President Nixon halted the conversion of dollars into gold, that recent Federal Reserve monetary programs and Treasury and Congressional fiscal programs are effectively devaluing the dollar. We expect such programs will provide positive impacts on our economy and stock markets. As a result, we believe it is likely that the returns we earn in the next 10 years through 2030 will be similar to the returns we earned in the 10 years from 2009 to 2019. Four to five times. Of course, there can be no assurance that will be the case…But, we see the analogies of government programs attempting to offset the 35% to 40% six week Coronavirus panic to the programs instituted to offset the 50% crash in response to the 2008-2009 Financial Panic.

We also believe that there will be good that comes from the Coronavirus with huge advances in health care during the next 10 years. This is just like the benefits we derived from Russia's Sputnik in 1958, which caused us to make huge advances in technology, the internet, communications, and space over the next decade. A number of our existing Funds including Opportunity, Fifth Avenue Growth, Partners, Focused Growth, Global Advantage, and Discovery, as well as three new Baron Funds – Health Care, FinTech, and WealthBuilder should benefit from these trends. We also expect our other Funds to have greater allocations to health care and technology businesses and benefit as well.

We will continue to try to provide you with information about Baron Funds that we would like to have if our roles were reversed. Thank you, again, for your confidence in joining us as investors in Baron mutual funds.

Respectfully,

Ronald Baron
CEO and Portfolio Manager
April 9, 2020

* **This is a hypothetical ranking created by Baron Capital using Morningstar data and is as of 12/31/2019.** There are **2,364** share classes in these nine Morningstar Categories for the period from 4/30/2003 to 12/31/2019.

****This is a hypothetical ranking created by Baron Capital using Morningstar data and is as of 12/31/2019.** Baron Growth Fund's Retail Share class was launched on 12/31/1994 and now has a 25-year track record. There are **601** share classes in these nine Morningstar Categories for the period from 12/31/1994 to 12/31/2019.

As of 3/31/2020, Baron Partners Fund is the sixteenth top performing equity mutual fund of 2,355 since its conversion to a mutual fund in 2003. * Baron Growth Fund is the seventh top performing U.S. equity mutual fund of 598 U.S. equity mutual funds for the 25.25 years ended March 31, 2020.

Note, the peer groups used for these analyses includes all U.S. equity funds in Morningstar Direct domiciled in the U.S., including obsolete funds, index funds, and ETFs. The individual Morningstar Categories used for these analyses are the Morningstar Large Blend, Large Growth, Large Value, Mid-Cap Blend, Mid-Cap Growth, Mid-Cap Value, Small Blend, Small Growth, and Small Value Categories.

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.

Baron Funds (Institutional Shares) Calendar Year 2019 Performance

Fund	
SMALL CAP	
Baron Growth Fund	40.50%
Baron Small Cap Fund	34.87%
Baron Discovery Fund	26.85%
SMALL/MID CAP	
Baron Focused Growth Fund	30.33%
MID CAP	
Baron Asset Fund	37.96%
LARGE CAP	
Baron Fifth Avenue Growth Fund	34.25%
Baron Durable Advantage Fund	41.13%
ALL CAP	
Baron Partners Fund	45.38%
Baron Opportunity Fund	40.60%

Fund	
INTERNATIONAL	
Baron Emerging Markets Fund	18.86%
Baron Global Advantage Fund	45.45%
Baron International Growth Fund	29.39%
SPECIALTY	
Baron Real Estate Fund	44.44%
Baron Real Estate Income Fund	36.54%
Baron Health Care Fund	35.57%
FUND OF FUNDS	
Baron WealthBuilder Fund	36.49%

Baron Funds (Institutional Shares) and Benchmark Performance 3/31/2020

Fund	Primary Benchmark	Annualized Return Since Fund Inception	Annualized Benchmark Return Since Fund Inception	Inception Date	Average Annualized Returns 1-Year	3-Year	5-Year	10-Year	Annual Expense Ratio	Net Assets
SMALL CAP										
Baron Growth Fund	Russell 2000 Growth Index	12.19%	6.78%	12/31/1994	(10.27)%	7.02%	5.67%	10.71%	1.04%(3)	$5.41 billion
Baron Small Cap Fund	Russell 2000 Growth Index	8.91%	4.88%	9/30/1997	(16.05)%	4.08%	3.93%	9.47%	1.05%(3)	$3.03 billion
Baron Discovery Fund†	Russell 2000 Growth Index	10.54%	4.43%	9/30/2013	(15.18)%	7.51%	6.22%	N/A	1.10%(3)	$479.88 million
SMALL/MID CAP										
Baron Focused Growth Fund(1)	Russell 2500 Growth Index	10.51%	6.99%	5/31/1996	(3.23)%	9.61%	6.43%	9.57%	1.11%/1.10%(4)	$228.33 million
MID CAP										
Baron Asset Fund	Russell Midcap Growth Index	11.17%	9.52%(2)	6/12/1987	(4.48)%	9.76%	8.47%	11.83%	1.05%(3)	$3.70 billion
LARGE CAP										
Baron Fifth Avenue Growth Fund†	Russell 1000 Growth Index	8.92%	9.27%	4/30/2004	2.38%	14.67%	11.61%	12.88%	0.80%/0.75%(3)(6)	$294.58 million
Baron Durable Advantage Fund	S&P 500 Index	4.32%	0.48%	12/29/2017	3.30%	N/A	N/A	N/A	4.91%/0.70%(3)(7)	$8.24 million
ALL CAP										
Baron Partners Fund(1)	Russell Midcap Growth Index	12.34%	9.09%	1/31/1992	(1.30)%	10.04%	8.18%	12.65%	1.96%(4)(5)	$2.22 billion
Baron Opportunity Fund†	Russell 3000 Growth Index	7.31%	4.27%	2/29/2000	8.11%	20.30%	13.26%	13.00%	1.11%(3)	$459.36 million
INTERNATIONAL										
Baron Emerging Markets Fund	MSCI EM Index	1.57%	(0.87)%	12/31/2010	(20.39)%	(3.31)%	(1.02)%	N/A	1.09%(4)	$3.81 billion
Baron Global Advantage Fund†	MSCI ACWI Index	13.38%	5.96%	4/30/2012	6.49%	18.34%	13.04%	N/A	1.00%/0.90%(4)(8)	$508.72 million
Baron International Growth Fund†	MSCI ACWI ex USA Index	8.57%	5.15%	12/31/2008	(13.00)%	1.35%	2.80%	5.21%	1.04%/0.95%(4)(9)	$259.76 million
SPECIALTY										
Baron Real Estate Fund†	MSCI USA IMI Extended Real Estate Index	11.44%	8.56%	12/31/2009	(2.81)%	3.25%	1.27%	10.98%	1.08%(4)	$472.02 million
Baron Real Estate Income Fund	MSCI US REIT Index	1.04%	(6.87)%	12/29/2017	(2.43)%	N/A	N/A	N/A	5.63%/0.80%(4)(10)	$4.38 million
Baron Health Care Fund†	Russell 3000 Health Care Index	8.58%	5.86%	4/30/2018	6.84%	N/A	N/A	N/A	2.39%/0.85%(4)(11)	$15.00 million
Baron FinTech Fund	S&P 500 Index	(12.50)%*	(19.60)%*	12/31/2019	N/A	N/A	N/A	N/A	1.62%/0.95%(12)	$7.10 million
FUND OF FUNDS										
Baron WealthBuilder Fund	S&P 500 Index	1.83%	0.48%	12/29/2017	(6.37)%	N/A	N/A	N/A	1.33%/1.23%(4)(13)	$108.57 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 March 31, 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.
(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.

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, 2030, 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.

Baron Partners Fund performance reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 20% performance fee after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fees the returns would be higher. The Fund's shareholders will not be charged a performance fee. The predecessor partnership's performance is only for periods before the Fund's registration statement was effective, which was April 30, 2003. During those periods, the predecessor partnership was not registered under the Investment Company Act of 1940 and was not subject to its requirements or the requirements of the Internal Revenue Code relating to registered investment companies, which, if it were, might have adversely affected its performance.

Ranking information for Baron Partners Fund is calculated using the Retail Share Class. As of 12/31/2019:

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 618, 501, and 385 share classes for the 1-, 5-, and 10-year periods.

Morningstar ranked **Baron Partners Fund** in the 1st, 9th, 3rd, and 1st 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 235 share classes for the since conversion period.

Ranking information for Baron Global Advantage Fund is calculated using the Institutional Share Class. As of 12/31/2019:

The **Morningstar US Fund World Large Stock Category** consisted of 873, 722, 605, and 439 share classes for the 1-year, 3-year, 5-year, and since inception (4/30/2012) periods. Morningstar ranked **Baron Global Advantage Fund** in the 1st, 1st, 2nd, and 1st percentiles, respectively, in the category.

As of 3/31/2020:

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

The **Morningstar Mid-Cap Growth Category** consisted of 611, 498, and 386 share classes for the 1-, 5-, and 10-year periods.

Morningstar ranked **Baron Asset Fund** in the 17th, 10th, 14th, and 16th percentiles, respectively, in the category for the 1-year, 5-year, 10-year, and since inception periods. The Fund was incepted 6/12/1987 and the category consisted of 20 share classes for the since inception period.

Morningstar ranked **Baron Growth Fund** in the 50th, 37th, 35th, and 5th percentiles, respectively, in the category for the 1-year, 5-year, 10-year, and since inception periods. The Fund was incepted 12/31/1994 and the category consisted of 58 share classes for the since inception period.

Morningstar ranked **Baron Partners Fund** in the 7th, 12th, 6th, and 1st 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 234 share classes for the since conversion period.

The **Morningstar Small Growth Category** consisted of 635, 502, and 381 share classes for the 1-, 5-, and 10-year time periods.

Morningstar ranked **Baron Small Cap Fund** in the 42nd, 38th, 51st, and 15th percentiles, respectively, in the category for the 1-year, 5-year, 10-year, and since inception periods. The Fund was incepted 9/30/1997 and the category consisted of 101 share classes for the since inception period.

Morningstar ranked **Baron Discovery Fund** in the 34th, 16th, and 3rd percentiles, respectively, in the category for the 1-year, 5-year, and since inception periods. The Fund was incepted 9/30/2013 and the category consisted of 466 share classes for the since inception period.

The **Morningstar Real Estate Category** consisted of 263, 199, and 136 share classes for the 1-year, 5-year, and 10-year time periods.

Morningstar ranked **Baron Real Estate Fund** in the 5th, 29th, 1st, and 1st percentiles, respectively, in the category for the 1-year, 5-year, 10-year, and since inception periods. The Fund was incepted 12/31/2009 and the category consisted of 138 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 incepted 12/29/2017 and the category consisted of 243 share classes for the since inception period.

The **Morningstar Large Growth Category** consisted of 1,358, 1,086, 812, and 310 share classes for the 1-year, 5-year, 10-year, and since inception (2/29/2000) periods. Morningstar ranked **Baron Opportunity Fund** in the 1st, 3rd, 18th, and 7th percentiles, respectively, in the category.

The **Morningstar Foreign Large Growth** Category consisted of 466, 340, 248, and 234 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 88th, 33rd, 29th, and 18th percentiles, respectively, in the category.

The **Morningstar Diversified Emerging Markets Category** consisted of 825, 580, 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 63rd, 51st, and 6th percentiles, respectively, in the category.

The **Morningstar World Large Stock Category** consisted of 864, 619, and 444 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 2nd percentiles, respectively, in the category.

The **Morningstar Health Category** consisted of 146 and 142 share classes for the 1-year and since inception (4/30/2018) periods. Morningstar ranked **Baron Health Care Fund** in the 4th and 11th percentiles, respectively, in the category.

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

The discussion of market trends is not intended as advice to any person regarding the advisability of investing in any particular security. The views expressed in this document reflect those of the respective writer. Some of our comments are based on 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 at any time based on market and other conditions and Baron has no obligation to update them.

Portfolio holdings as a percentage of net assets as of March 31, 2020 for securities mentioned are as follows: **MSCI., Inc.** – Baron Asset Fund (0.2%), Baron Growth Fund (9.5%), Baron Partners Fund (1.3%*), Baron Durable Advantage Fund (1.4%), Baron FinTech Fund (4.2%).
*% of Long Positions. Portfolio holdings are subject to change. Current and future portfolio holdings are subject to risk.

Dow Jones Industrial Average is a price-weighted measure of 30 U.S. blue-chip companies. It covers all industries with the exception of Transportation and Utilities. The total return version of the index is calculated with gross dividends reinvested. **Russell 2000® Growth Index** measures the performance of small-sized U.S. companies that are classified as growth. **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. The indexes are unmanaged. The index performance is not fund performance; one cannot invest directly into an index.

Baron Capital, Inc. is not affiliated with Fidelity, MSCI, Charles Schwab, or Bridgewater Associates. For information pertaining to Fidelity funds, please refer to that firm's website.

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