

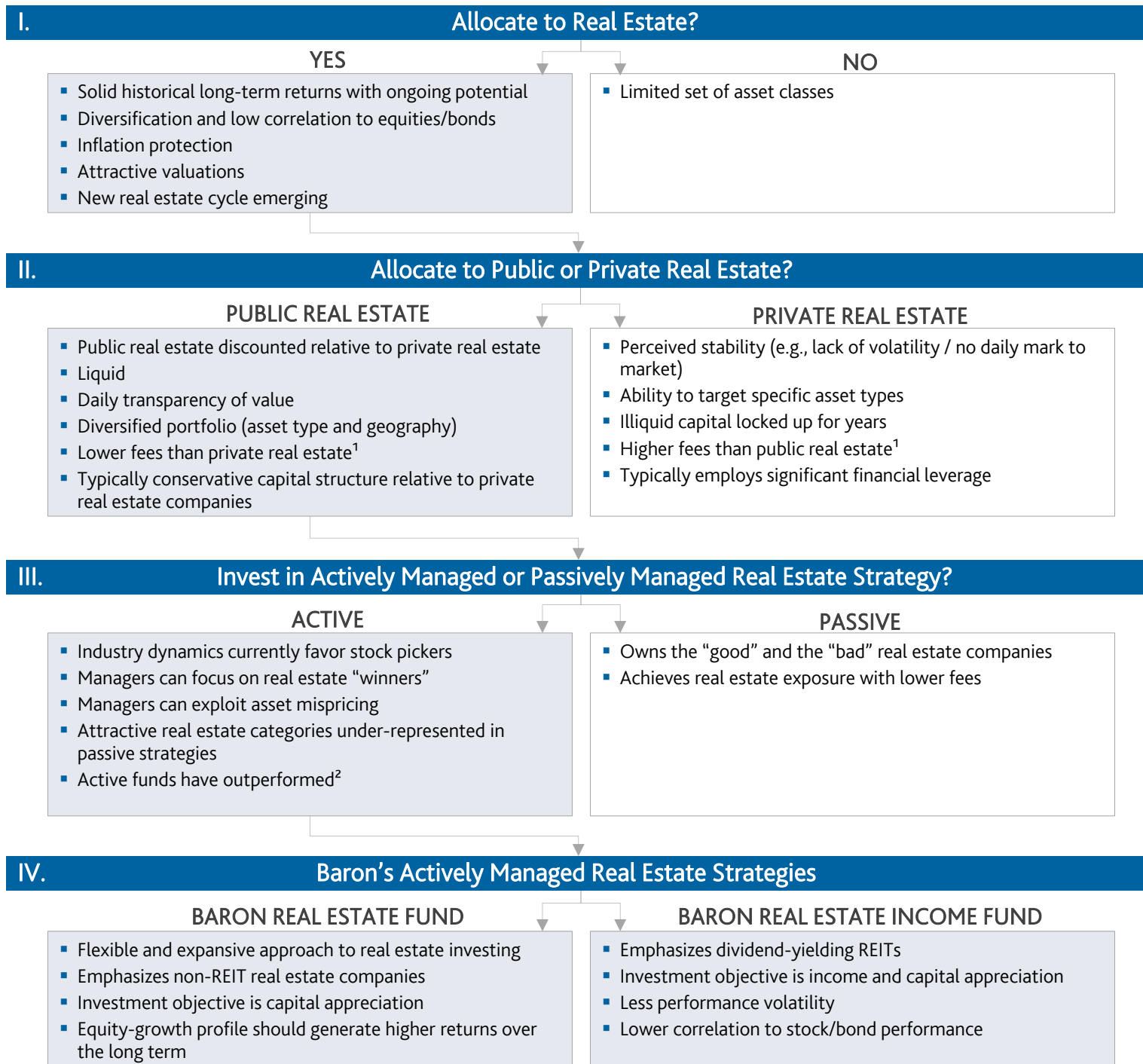
Investing in Real Estate

As of September 30, 2020

We believe there is a strong case to allocate capital to real estate, in the public markets, in an actively managed strategy.

Baron Real Estate Fund and/or Baron Real Estate Income Fund are excellent options for allocations to real estate.

Decision Tree



1 - Sources: Morningstar, Inc. (9/30/2020) and The White Coat Investor (9/7/2020). The average Prospectus Net Expense Ratio for the Morningstar Real Estate Category as of 9/30/2020 was 1.08%. The data was downloaded on 10/15/2020 and, as of this date, the Category contained 263 mutual funds and ETFs including index funds. Each private equity fund is different, however, all-in fees for real estate private equity funds typically range from 2.5% to 5.5%. Performance fees may be charged in addition.

2 - Source: Morningstar, Inc. As of 9/30/2020 and for the trailing 3-month, YTD, 1-year, 3-year, 5-year, and 10-year periods, active real estate funds have returned 2.46%, -12.06%, -11.59%, 2.47%, 4.76%, and 7.91%, respectively. For the same time periods, passive real estate funds have returned 1.98%, -17.97%, -17.42%, -1.01%, 3.17%, and 7.45%, respectively.

Fund Performance

As of September 30, 2020

Baron Real Estate Fund

Launched 12/31/2009

| | Annualized (%) | | | | | |
|--|----------------|--------|---------|---------|----------|-----------------|
| | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception |
| Baron Real Estate Fund | 23.54 | 37.09 | 15.13 | 13.60 | 15.37 | 15.44 |
| MSCI USA IMI Extended Real Estate Index | -5.57 | -2.81 | 5.13 | 8.29 | 10.60 | 11.03 |
| MSCI US REIT Index | -17.86 | -18.77 | -0.95 | 2.66 | 6.59 | 7.81 |
| Vanguard Real Estate ETF (VNQ) | -12.79 | -12.26 | 2.34 | 5.21 | 8.49 | 9.68 |
| Morningstar Real Estate Category Average | -14.01 | -13.44 | 1.17 | 4.28 | 7.80 | - |
| % Rank in Morningstar Real Estate Category | - | 1 | 1 | 2 | 1 | - |
| # of Share Classes in Morningstar Real Estate Category | - | 253 | 224 | 197 | 141 | - |

Baron Real Estate Income Fund

Launched 12/29/2017

| | Annualized (%) | | |
|--|----------------|--------|-----------------|
| | YTD | 1 Year | Since Inception |
| Baron Real Estate Income Fund | 6.94 | 13.69 | 9.99 |
| MSCI US REIT Index | -17.86 | -18.77 | -1.41 |
| Vanguard Real Estate ETF (VNQ) | -12.79 | -12.26 | 2.05 |
| Morningstar Real Estate Category Average | -14.01 | -13.44 | - |
| % Rank in Morningstar Real Estate Category | - | 3 | - |
| # of Share Classes in Morningstar Real Estate Category | - | 253 | - |

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, charges, and expenses of the Fund carefully before investing. The prospectus and summary prospectus contain this and other information about the Fund and can be obtained from the Fund's distributor, Baron Capital, Inc., by calling 1-800-99BARON or visiting www.BaronFunds.com. Please read them carefully before investing.

This information does not constitute an offer to sell or a solicitation of any offer to buy securities by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation. Unless otherwise noted, all performance and performance related calculations are based on the Institutional Shares.

Risks: In addition to general market conditions, the value of the **Baron Real Estate 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. In addition to general market conditions, the value of the **Baron Real Estate Income 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. Both Funds invest 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.

For information pertaining to the Vanguard Real Estate ETF, please refer to that firm's website.

Morningstar calculates the Morningstar Fund Real Estate Category Average 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.

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The indexes are unmanaged. The index performance is not Fund performance; one cannot invest directly into an index. The **MSCI USA IMI Extended Real Estate Index** is a custom index calculated by MSCI for, and as requested by, BAMCO, Inc. The index includes real estate and real estate-related GICS classification securities. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, reviewed or produced by MSCI. The **MSCI US REIT Index** is a 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 interest, capital gains and dividends, which positively impact the performance results. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. MSCI is a trademark of Russell Investment Group.

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