

Baron Funds - 2018 Shareholder Tax Guide

| Fund / Share Class | CUSIP | TICKER | Record Date | Ex - Dividend Date | Payable Date | Qualified Dividend Percentage | Return of Capital Percentage (Non Dividend Distribution) | Foreign Tax Credit | Foreign Source Income | For Corporate Shareholders: Dividend Received Deduction | Income from Tax-Exempt securities | Percent of Ordinary Dividends from U.S. Government Obligations | Percent of Long-Term Capital Gains Attributable to Gains on U.S. Government Obligations |
|---|-----------|--------|-------------|--------------------|--------------|-------------------------------|--|--------------------|-----------------------|---|-----------------------------------|--|---|
| Baron Asset Fund- Retail Class | 068278100 | BARAX | 11/28/2018 | 11/29/2018 | 11/30/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Asset Fund- Institutional Class | 068278605 | BARIX | 11/28/2018 | 11/29/2018 | 11/30/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Asset Fund- R6 Class | 068278845 | BARUX | 11/28/2018 | 11/29/2018 | 11/30/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Growth Fund- Retail Class | 068278209 | BGRFX | 11/28/2018 | 11/29/2018 | 11/30/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Growth Fund- Institutional Class | 068278704 | BGRIX | 11/28/2018 | 11/29/2018 | 11/30/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Growth Fund- R6 Class | 068278837 | BGRUX | 11/28/2018 | 11/29/2018 | 11/30/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Small Cap Fund- Retail Class | 068278308 | BSCFX | 11/28/2018 | 11/29/2018 | 11/30/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Small Cap Fund- Institutional Class | 068278903 | BSFIX | 11/28/2018 | 11/29/2018 | 11/30/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Small Cap Fund- R6 Class | 068278829 | BSCUX | 11/28/2018 | 11/29/2018 | 11/30/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Opportunity Fund- Retail Class | 068278407 | BIOPX | 11/28/2018 | 11/29/2018 | 11/30/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Opportunity Fund- Institutional Class | 068278886 | BIOIX | 11/28/2018 | 11/29/2018 | 11/30/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Opportunity Fund- R6 Class | 068278795 | BIOUX | 11/28/2018 | 11/29/2018 | 11/30/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Focused Growth Fund- Retail Class | 06828M207 | BFGFX | 9/24/2018 | 9/25/2018 | 9/26/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Focused Growth Fund - Institutional Class | 06828M504 | BFGIX | 9/24/2018 | 9/25/2018 | 9/26/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Focused Growth Fund - R6 Class | 06828M785 | BFGUX | 9/24/2018 | 9/25/2018 | 9/26/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron International Growth Fund - Retail Class | 06828M306 | BIGFX | 9/24/2018 | 9/25/2018 | 9/26/2018 | 100.00% | n/a | n/a | n/a | 3.17% | n/a | n/a | n/a |
| Baron International Growth Fund - Retail Class | 06828M306 | BIGFX | 11/28/2018 | 11/29/2018 | 11/30/2018 | 100.00% | n/a | 0.028375267 | 100.00% | 3.17% | n/a | n/a | n/a |
| Baron International Growth Fund - Institutional Class | 06828M603 | BINIX | 9/24/2018 | 9/25/2018 | 9/26/2018 | 100.00% | n/a | n/a | n/a | 3.17% | n/a | n/a | n/a |
| Baron International Growth Fund - Institutional Class | 06828M603 | BINIX | 11/28/2018 | 11/29/2018 | 11/30/2018 | 100.00% | n/a | 0.028375267 | 100.00% | 3.17% | n/a | n/a | n/a |
| Baron International Growth Fund - R6 Class | 06828M777 | BIGUX | 9/24/2018 | 9/25/2018 | 9/26/2018 | 100.00% | n/a | n/a | n/a | 3.17% | n/a | n/a | n/a |
| Baron International Growth Fund - R6 Class | 06828M777 | BIGUX | 11/28/2018 | 11/29/2018 | 11/30/2018 | 100.00% | n/a | 0.028375267 | 100.00% | 3.17% | n/a | n/a | n/a |
| Baron Real Estate Fund- Retail Class | 06828M702 | BREFX | 11/28/2018 | 11/29/2018 | 11/30/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Real Estate Fund- Retail Class | 06828M702 | BREFX | 9/24/2018 | 9/25/2018 | 9/26/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Real Estate Fund- Institutional Class | 06828M801 | BREIX | 11/28/2018 | 11/29/2018 | 11/30/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Real Estate Fund- Institutional Class | 06828M801 | BREIX | 9/24/2018 | 9/25/2018 | 9/26/2018 | 100.00% | n/a | n/a | n/a | 100.00% | n/a | n/a | n/a |
| Baron Real Estate Fund- R6 Class | 06828M827 | BREUX | 11/28/2018 | 11/29/2018 | 11/30/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Real Estate Fund- R6 Class | 06828M827 | BREUX | 9/24/2018 | 9/25/2018 | 9/26/2018 | 100.00% | n/a | n/a | n/a | 100.00% | n/a | n/a | n/a |
| Baron Emerging Markets Fund - Retail Class | 06828M884 | BEXFX | 11/28/2018 | 11/29/2018 | 11/30/2018 | 100.00% | n/a | 0.027663311 | 100.00% | n/a | n/a | n/a | n/a |
| Baron Emerging Markets Fund - Institutional Class | 06828M876 | BEXIX | 11/28/2018 | 11/29/2018 | 11/30/2018 | 100.00% | n/a | 0.027663311 | 100.00% | n/a | n/a | n/a | n/a |
| Baron Emerging Markets Fund - R6 Class | 06828M819 | BEXUX | 11/28/2018 | 11/29/2018 | 11/30/2018 | 100.00% | n/a | 0.027663311 | 100.00% | n/a | n/a | n/a | n/a |
| Baron Discovery Fund - Retail Class | 068278860 | BDFFX | 11/28/2018 | 11/29/2018 | 11/30/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Discovery Fund - Institutional Class | 068278852 | BDFIX | 11/28/2018 | 11/29/2018 | 11/30/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Discovery Fund - R6 Class | 068278787 | BDFUX | 11/28/2018 | 11/29/2018 | 11/30/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Durable Advantage - Retail Class | 068278779 | BDAFX | 11/28/2018 | 11/29/2018 | 11/30/2018 | 100.00% | n/a | n/a | n/a | 100.00% | n/a | n/a | n/a |
| Baron Durable Advantage - Institutional Class | 068278761 | BDAIX | 11/28/2018 | 11/29/2018 | 11/30/2018 | 100.00% | n/a | n/a | n/a | 100.00% | n/a | n/a | n/a |
| Baron Durable Advantage - R6 Class | 068278753 | BDAUX | 11/28/2018 | 11/29/2018 | 11/30/2018 | 100.00% | n/a | n/a | n/a | 100.00% | n/a | n/a | n/a |
| Baron Real Estate Income Fund -Retail Class | 06828M744 | BRIFX | 4/17/2018 | 4/18/2018 | 4/19/2018 | 10.19% | 39.7959% | n/a | n/a | 5.18% | n/a | n/a | n/a |
| Baron Real Estate Income Fund -Retail Class | 06828M744 | BRIFX | 6/26/2018 | 6/27/2018 | 6/28/2018 | 10.19% | 39.7959% | n/a | n/a | 5.18% | n/a | n/a | n/a |
| Baron Real Estate Income Fund -Retail Class | 06828M744 | BRIFX | 9/24/2018 | 9/25/2018 | 9/26/2018 | 10.19% | 39.7959% | n/a | n/a | 5.18% | n/a | n/a | n/a |
| Baron Real Estate Income Fund -Retail Class | 06828M744 | BRIFX | 12/26/2018 | 12/27/2018 | 12/28/2018 | 10.19% | 39.7959% | n/a | n/a | 5.18% | n/a | n/a | n/a |
| Baron Real Estate Income Fund- Institutional Class | 06828M736 | BRIIX | 4/17/2018 | 4/18/2018 | 4/19/2018 | 10.19% | 39.7959% | n/a | n/a | 5.18% | n/a | n/a | n/a |
| Baron Real Estate Income Fund- Institutional Class | 06828M736 | BRIIX | 6/26/2018 | 6/27/2018 | 6/28/2018 | 10.19% | 39.7959% | n/a | n/a | 5.18% | n/a | n/a | n/a |
| Baron Real Estate Income Fund- Institutional Class | 06828M736 | BRIIX | 9/24/2018 | 9/25/2018 | 9/26/2018 | 10.19% | 39.7959% | n/a | n/a | 5.18% | n/a | n/a | n/a |
| Baron Real Estate Income Fund- Institutional Class | 06828M736 | BRIIX | 12/26/2018 | 12/27/2018 | 12/28/2018 | 10.19% | 39.7959% | n/a | n/a | 5.18% | n/a | n/a | n/a |
| Baron Real Estate Income Fund- R6 Class | 06828M728 | BRIUX | 4/17/2018 | 4/18/2018 | 4/19/2018 | 10.19% | 39.7959% | n/a | n/a | 5.18% | n/a | n/a | n/a |
| Baron Real Estate Income Fund- R6 Class | 06828M728 | BRIUX | 6/26/2018 | 6/27/2018 | 6/28/2018 | 10.19% | 39.7959% | n/a | n/a | 5.18% | n/a | n/a | n/a |
| Baron Real Estate Income Fund- R6 Class | 06828M728 | BRIUX | 9/24/2018 | 9/25/2018 | 9/26/2018 | 10.19% | 39.7959% | n/a | n/a | 5.18% | n/a | n/a | n/a |
| Baron Real Estate Income Fund- R6 Class | 06828M728 | BRIUX | 12/26/2018 | 12/27/2018 | 12/28/2018 | 10.19% | 39.7959% | n/a | n/a | 5.18% | n/a | n/a | n/a |
| Baron Wealthbuilder Fund -Retail Class | 06828M710 | BWBFX | 12/3/2018 | 12/4/2018 | 12/5/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Wealthbuilder Fund - Institutional Class | 06828M694 | BWBIX | 12/3/2018 | 12/4/2018 | 12/5/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Baron Wealthbuilder Fund- TA Class | 06828M686 | BWBTX | 12/3/2018 | 12/4/2018 | 12/5/2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |

Qualified Dividends - These dividends are taxable federally at the capital gains rate, which depends on your modified adjusted gross income and taxable income. If your Baron Fund has a qualified dividend percentage listed in the table, multiply that percentage by the sum of your income dividends plus short-term capital gains. This is the amount of your year-end dividend distribution that is eligible to be taxed at your applicable qualified dividend tax rate. In order to treat a dividend as qualifying for the lower rates, you must have held your shares for at least 61 days during the 121-day period beginning 60 days before the ex-dividend date of the distribution.

Return of Capital / Non Dividend Distribution - A nondividend distribution is a distribution that is not paid out of the earnings and profits of a mutual fund and is reported in Box 3 of Form 1099-DIV. It is not taxable. You will need to subtract any amounts reported in Box 3 of Form 1099-DIV from the cost basis of your shares.

Foreign Tax Credit - For the 2018 tax year, Baron Emerging Markets Fund and Baron International Growth Fund elected to pass through a credit for taxes paid to foreign jurisdictions. Your share of foreign withholding taxes paid by the Fund has been reported to you and the Internal Revenue Service in Box 6 of Form 1099-DIV. Federal tax rules generally permit U.S. taxpayers to either claim a deduction or take a credit against their U.S. tax liability for taxes paid to foreign jurisdictions. Your ability to claim a foreign tax credit may be subject to certain limitations, including a holding period requirement.

This information does not constitute, and should not be considered a substitute for, legal advice. We strongly urge shareholders to consult with their tax advisers regarding the tax consequences of these distributions.