

BARON DURABLE ADVANTAGE FUND



September 30, 2023

Institutional Shares (BDAIX)

CUSIP 068278761



Portfolio Manager

Alex Umansky joined Baron Capital in 2011 as the portfolio manager of Baron Fifth Avenue Growth Fund. He was named portfolio manager of Baron Global Advantage Fund in 2012 and Baron Durable Advantage Fund in 2017. He has 30 years of research experience.

Portfolio Facts and Characteristics

| | |
|--|-------------------|
| Inception Date | December 29, 2017 |
| Net Assets | \$100.21 million |
| # of Issuers / % of Net Assets | 30 / 97.4% |
| Turnover (3 Year Average) | 18.20% |
| Active Share | 73.0% |
| Median Market Cap ² | \$143.79 billion |
| Weighted Average Market Cap ² | \$618.06 billion |
| As of FYE 9/30/2022 | |
| Gross Expense Ratio | 1.10% |
| Less: Reimbursement of Expenses by Adviser | (0.40)% |
| Net Expense Ratio | 0.70% |

Retail: BDAFX
R6: BDAUX

Top 10 Holdings⁴

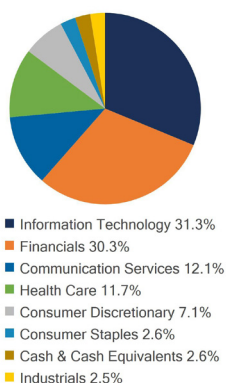
| | % of Net Assets |
|---------------------------------|-----------------|
| Microsoft Corporation | 9.2 |
| Meta Platforms, Inc. | 7.2 |
| Amazon.com, Inc. | 7.1 |
| Arch Capital Group Ltd. | 4.8 |
| Alphabet Inc. | 4.8 |
| UnitedHealth Group Incorporated | 4.3 |
| NVIDIA Corporation | 4.2 |
| Visa Inc. | 4.0 |
| S&P Global Inc. | 3.9 |
| Intuit Inc. | 3.5 |
| Total | 53.0 |

Investment Strategy

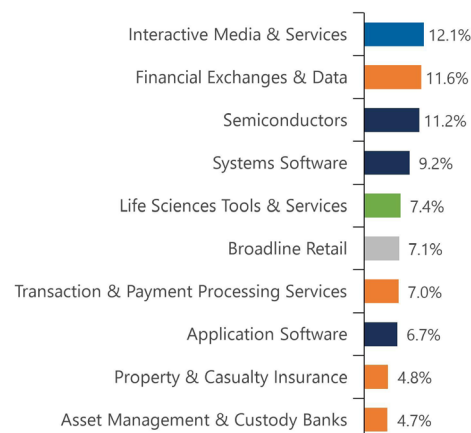
The Fund mainly holds large-sized U.S. companies with competitive advantages. The portfolio manager emphasizes businesses with excess free cash flow that can be returned to shareholders. Diversified.

| Value | Blend | Growth | |
|-------|-------|--------|--------|
| | | | Large |
| | | | Medium |
| | | | Small |

GICS Sector Breakdown^{1, 4}



Top GICS Sub-Industry Breakdown¹



Colors of Sub-Industry bars correspond to sector chart.

Performance

| | Total Return (%) | | Annualized Returns (%) | | | | Since Inception 12/29/2017 |
|---|------------------|-------|------------------------|---------|---------|----------|-------------------------------|
| | QTD | YTD | 1 Year | 3 Years | 5 Years | 10 Years | |
| BDAIX-Institutional Shares | -0.55 | 27.71 | 33.65 | 10.95 | 13.18 | - | 12.79 |
| S&P 500 Index | -3.27 | 13.07 | 21.62 | 10.15 | 9.92 | - | 10.48 |
| Morningstar Large Growth Category Average | -3.59 | 19.80 | 23.46 | 4.26 | 9.04 | - | 10.17 |

Historical Performance (Calendar Year %)

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|----------------------------|--------|-------|-------|-------|-------|
| BDAIX-Institutional Shares | -24.81 | 32.16 | 20.32 | 41.13 | -7.28 |
| S&P 500 Index | -18.11 | 28.71 | 18.40 | 31.49 | -4.38 |

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 Fund expenses pursuant to a contract expiring on August 29, 2034, 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 baronfunds.com or call 1-800-99-BARON.

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Performance Based Characteristics³

| | Std. Dev. (%) - Annualized | Sharpe Ratio | Alpha (%) - Annualized | Beta | R-Squared (%) | Tracking Error (%) | Information Ratio | Upside Capture (%) | Downside Capture (%) |
|-----------------|----------------------------|--------------|------------------------|------|---------------|--------------------|-------------------|--------------------|----------------------|
| 3 Years | 19.69 | 0.47 | 0.48 | 1.05 | 91.00 | 5.98 | 0.13 | 110.34 | 111.00 |
| 5 Years | 19.71 | 0.58 | 3.11 | 1.00 | 92.99 | 5.22 | 0.63 | 107.87 | 98.13 |
| Since Inception | 18.64 | 0.59 | 2.28 | 0.99 | 92.60 | 5.07 | 0.46 | 104.60 | 96.85 |

Top Contributors/Detractors to Performance²

BY SUB-INDUSTRIES¹

| Top Contributors | Average Weight (%) | Contribution (%) |
|-------------------------------|--------------------|------------------|
| Interactive Media & Services | 12.35 | 0.70 |
| Application Software | 6.14 | 0.43 |
| Property & Casualty Insurance | 4.63 | 0.27 |

| Top Detractors | Average Weight (%) | Contribution (%) |
|--------------------------------|--------------------|------------------|
| Semiconductors | 11.49 | -0.73 |
| Systems Software | 8.47 | -0.56 |
| Life Sciences Tools & Services | 7.10 | -0.22 |

BY HOLDINGS

| Top Contributors | Average Weight (%) | Contribution (%) |
|----------------------|--------------------|------------------|
| Meta Platforms, Inc. | 8.02 | 0.38 |
| Intuit Inc. | 3.14 | 0.33 |
| Alphabet Inc. | 4.32 | 0.33 |

| Top Detractors | Average Weight (%) | Contribution (%) |
|--------------------------------|--------------------|------------------|
| Microsoft Corporation | 8.47 | -0.56 |
| Monolithic Power Systems, Inc. | 3.21 | -0.43 |
| S&P Global Inc. | 4.00 | -0.35 |

1 - The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and S&P Global Market Intelligence ("S&P") and is licensed for use by BAMCO, Inc. and Baron Capital Management, Inc. (each an "Adviser" and collectively "Baron Capital" or the "Firm"). Neither MSCI, S&P nor any other party involved in making or compiling the GICS or any GICS classification makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. All GICS structure changes that have occurred since 2016 have been applied retroactively in historical holdings-based analyses, including performance attribution. The Adviser may have reclassified/classified certain securities in or out of a sub-industry within a sector. Such reclassifications are not supported by S&P or MSCI. **2** - Source: FactSet PA and Baron Capital. **3** - Source: FactSet SPAR. Except for Standard Deviation and Sharpe Ratio, the performance based characteristics above were calculated relative to the Fund's benchmark. **4** - Individual weights may not sum to the total due to rounding.

Risks: The Fund invests primarily in equity securities, which are subject to price fluctuations in the stock market. In addition, because the Fund invests primarily in large-cap company securities, it may underperform other funds during periods when the Fund's securities are out of favor.

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

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 1-800-99-BARON or visiting baronfunds.com. Please read them carefully before investing.

Definitions (provided by BAMCO, Inc.): The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. The Fund includes reinvestment of dividends, net of withholding taxes, while the S&P 500 Index includes reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results. The index is unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index. Morningstar calculates the **Morningstar Large Growth Category Average** performance and rankings using its Fractional Weighting methodology. © 2023 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its affiliates or content providers; (2) may not be copied, adapted or distributed; (3) is not warranted to be accurate, complete or timely; and (4) does not constitute advice of any kind, whether investment, tax, legal or otherwise. User is solely responsible for ensuring that any use of this information complies with all laws, regulations and restrictions applicable to it. 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. **MORNINGSTAR IS NOT RESPONSIBLE FOR ANY DELETION, DAMAGE, LOSS OR FAILURE TO STORE ANY PRODUCT OUTPUT, COMPANY CONTENT OR OTHER CONTENT.** **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.

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