

BARON ASSET FUND

December 31, 2021

Institutional Shares (BARIX)



Portfolio Manager

Andrew Peck joined Baron in 1998 as a research analyst and was named portfolio manager of Baron Asset Fund in 2003 and Baron All Cap Growth Strategy in 2004. In 2020, he was named co-chief investment officer. He has 26 years of research experience. From 1992 to 1994, he worked as an analyst in Salomon Brothers' Equity Capital Markets group. Andrew graduated *magna cum laude* from Yale College with a B.A. in History in 1991 and from Stanford Law School and Graduate School of Business with a J.D. and M.B.A. in 1998.

Investment Principles

- Long-term perspective allows us to think like an owner of a business
- Independent and exhaustive research is essential to understanding the long-term fundamental growth prospects of a business
- We seek open-ended growth opportunities, exceptional leadership, and durable competitive advantages
- Purchase price and risk management are integral to our investment process

Investment Strategy

The Fund invests mainly in mid-sized U.S. companies that have matured beyond their start-up phase and have significant secular growth opportunities. Diversified.

Value	Blend	Growth	
			Large
			Medium
			Small

Portfolio Facts and Characteristics

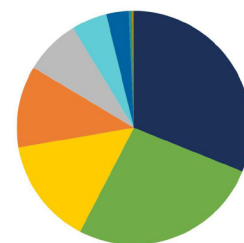
Inception Date	June 12, 1987
Net Assets	\$6.35 billion
# of Issuers / % of Net Assets	65 / 99.7%
Turnover (3 Year Average)	10.53%
Active Share	83.6%
Median Market Cap ²	\$22.72 billion
Weighted Average Market Cap ²	\$34.38 billion
As of FYE 9/30/2021	Institutional Shares
CUSIP	068278605
Expense Ratio	1.03%

Retail and R6 Shares are also available for this Fund.

Top 10 Holdings

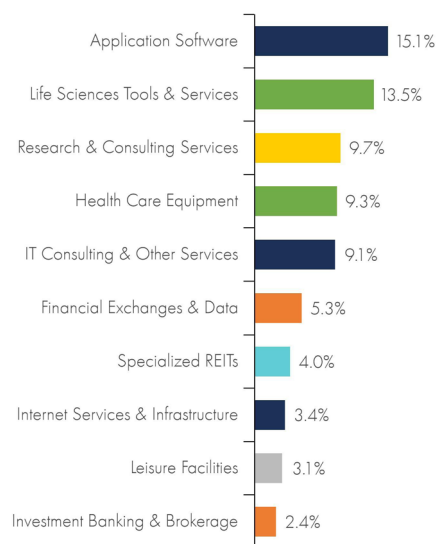
	% of Net Assets
Gartner, Inc.	7.8
IDEXX Laboratories, Inc.	7.0
Mettler-Toledo International, Inc.	5.2
ANSYS, Inc.	3.6
Verisk Analytics, Inc.	3.5
Bio-Techne Corporation	3.3
Vail Resorts, Inc.	3.1
West Pharmaceutical Services, Inc.	3.0
FactSet Research Systems, Inc.	2.8
TransUnion	2.7
Total	42.0

GICS Sector Breakdown¹



- Information Technology 31.1%
- Health Care 26.5%
- Industrials 14.7%
- Financials 11.3%
- Consumer Discretionary 7.7%
- Real Estate 4.9%
- Communication Services 3.1%
- Materials 0.4%
- Cash & Cash Equivalents 0.3%

Top GICS Sub-Industry Breakdown¹



Colors of Sub-Industry bars correspond to sector chart above.

Risks

Risks: Securities issued by medium sized companies may be thinly traded and may be more difficult to sell during market downturns. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund's returns.



Historical Performance (Calendar Year %)

Year	BARIX	Russell Midcap Growth Index	S&P 500 Index
2012	15.63	15.81	16.00
2013	39.25	35.74	32.39
2014	9.77	11.90	13.69
2015	0.20	-0.20	1.38
2016	6.51	7.33	11.96
2017	26.49	25.27	21.83
2018	0.14	-4.75	-4.38
2019	37.96	35.47	31.49
2020	33.33	35.59	18.40
2021	14.22	12.73	28.71

Performance Based Characteristics³

	3 Years	5 Years	10 Years
Std. Dev. (%) - Annualized	19.08	17.28	14.92
Sharpe Ratio	1.42	1.19	1.13
Alpha (%) - Annualized	3.04	2.93	1.72
Beta	0.90	0.93	0.94
R-Squared (%)	92.39	91.81	91.64
Tracking Error (%)	5.68	5.12	4.40
Information Ratio	0.11	0.35	0.20
Upside Capture (%)	100.36	103.18	102.07
Downside Capture (%)	97.82	96.71	98.52

Performance

	Total Return (%)				Annualized Returns (%)					Cumulative Returns (%)
	4th Q 2021	3rd Q 2021	2nd Q 2021	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception ⁴ 6/12/1987	Since Inception ⁴ 6/12/1987
BARIX-Institutional Shares	5.04	-0.14	10.03	14.22	14.22	28.08	21.62	17.51	12.52	5788.15
Russell Midcap Growth Index	2.85	-0.76	11.07	12.73	12.73	27.46	19.83	16.63	11.08	3656.06
S&P 500 Index	11.03	0.58	8.55	28.71	28.71	26.07	18.47	16.55	10.72	3268.05
Morningstar Mid-Cap Growth Category Average	2.76	-0.86	7.00	13.05	13.05	27.47	19.37	15.66	N/A	N/A

Top Contributors/Detractors to Performance²

BY SUB-INDUSTRIES¹

Top Contributors	Average Weight(%)	Contribution(%)
Life Sciences Tools & Services	11.83	1.22
IT Consulting & Other Services	8.91	0.91
Financial Exchanges & Data	5.00	0.62
Specialized REITs	3.68	0.53
Hotels, Resorts & Cruise Lines	1.97	0.44

Top Detractors	Average Weight(%)	Contribution(%)
Real Estate Services	0.97	-0.61
Internet & Direct Marketing Retail	0.97	-0.44
Health Care Technology	2.11	-0.24
Data Processing and Outsourced Services	1.07	-0.11
Specialty Stores	0.25	-0.08

BY HOLDINGS

Top Contributors	Average Weight(%)	Contribution(%)
Mettler-Toledo International, Inc.	4.63	0.98
Gartner, Inc.	7.58	0.70
ANSYS, Inc.	3.47	0.55
FactSet Research Systems, Inc.	2.62	0.54
Verisign, Inc.	2.16	0.45

Top Detractors	Average Weight(%)	Contribution(%)
Zillow Group, Inc.	0.69	-0.40
Stitch Fix, Inc.	0.36	-0.32
Avalara, Inc.	0.98	-0.29
Wix.com Ltd.	1.26	-0.25
Veeva Systems Inc.	2.11	-0.24

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 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.

1 - Industry sector or sub-industry group levels are provided from the Global Industry Classification Standard ("GICS"), developed and exclusively owned by MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"). All GICS data is provided "as is" with no warranties. The Adviser may have reclassified/classified certain securities in or out of a sub-industry. Such reclassifications are not supported by S&P or MSCI.

2 - Source: FactSet PA and BAMCO.

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 - For this report, the Since Inception date for Russell Midcap Growth Index is 6/30/1987.

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

Performance for the Institutional Shares prior to 5/29/2009 is based on the performance of the Retail Shares, which have a distribution fee. The Institutional Shares do not have a distribution fee. If the annual returns for the Institutional Shares prior to 5/29/2009 did not reflect this fee, the returns would be higher.

Prior to February 15, 2007, the Fund's strategy was to invest primarily in small and mid-sized growth companies. Since then, the Fund's investment strategy has shifted to mid-sized companies.

Definitions (provided by BAMCO, Inc.): The indexes are unmanaged. The **Russell Midcap Growth Index** measures the performance of medium-sized U.S. companies that are classified as growth, and the **S&P 500 Index** of 500 widely held large-cap U.S. companies. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell is a trademark of Russell Investment Group. The indexes and the Fund include reinvestment of dividends, net of withholding taxes, which positively impact the performance results. Index performance is not Fund performance; one cannot invest directly into an index. Morningstar calculates the **Morningstar Mid-Cap Growth Category Average** performance and rankings using its Fractional Weighting methodology. © 2022 Morningstar, Inc. All Rights Reserved. The Morningstar information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. 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. **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. Active Share was introduced in 2006 in a study by Yale academics, M. Cremers and A. Petajisto, as a measure of active portfolio management.

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