

BARON DISCOVERY FUND

December 31, 2021

Institutional Shares (BDFIX)



Portfolio Managers

Laird Bieger joined Baron in 2000, and Randy Gwartzman joined Baron two years later, in 2002. They were named portfolio managers in 2013, and they each have 25 years of research experience.

Please visit our website for details on their experience and education.

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 primarily in small-sized U.S. companies. It invests in a select number of high-growth businesses that tend to be in an early phase of their lifecycles. Diversified.

Value	Blend	Growth	
			Large
			Medium
			Small

Portfolio Facts and Characteristics

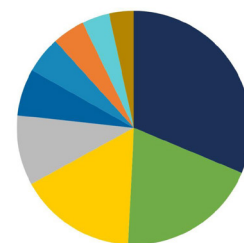
Inception Date	September 30, 2013
Net Assets	\$1.94 billion
# of Issuers / % of Net Assets	78 / 96.6%
Turnover (3 Year Average)	44.00%
Active Share	94.8%
Median Market Cap ²	\$3.26 billion
Weighted Average Market Cap ²	\$4.89 billion
As of FYE 9/30/2021	Institutional Shares
CUSIP	068278852
Expense Ratio	1.05%

Retail and R6 Shares are also available for this Fund.

Top 10 Holdings

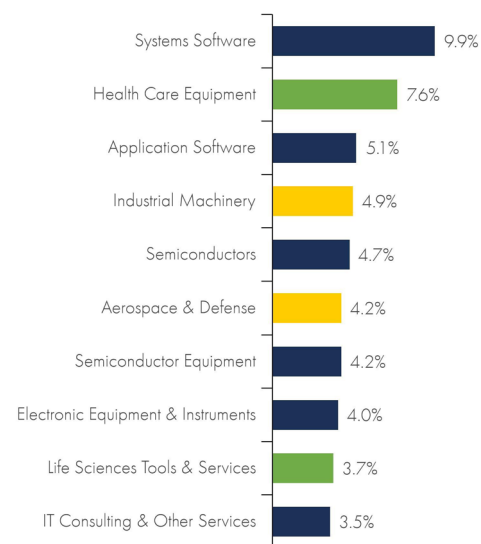
	% of Net Assets
Endava plc	3.5
Kinsale Capital Group, Inc.	3.1
Mercury Systems, Inc.	2.8
Rexford Industrial Realty, Inc.	2.7
The Beauty Health Company	2.5
Floor & Decor Holdings, Inc.	2.3
Boyd Gaming Corporation	2.2
Montrose Environmental Group, Inc.	2.2
Advanced Energy Industries, Inc.	2.2
Future plc	2.1
Total	25.6

GICS Sector Breakdown¹



- Information Technology 31.3%
- Health Care 19.5%
- Industrials 16.2%
- Consumer Discretionary 9.7%
- Communication Services 6.5%
- Consumer Staples 5.1%
- Financials 4.5%
- Real Estate 3.8%
- Cash & Cash Equivalents 3.4%

Top GICS Sub-Industry Breakdown¹



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

Risks

Risks: Specific risks associated with investing in smaller companies include that the securities may be thinly traded and 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.



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Historical Performance (Calendar Year %)

Year ⁴	BDFIX	Russell 2000 Growth Index	S&P 500 Index
2013	16.70	8.17	10.51
2014	13.80	5.60	13.69
2015	-14.53	-1.38	1.38
2016	21.73	11.32	11.96
2017	35.83	22.17	21.83
2018	0.64	-9.31	-4.38
2019	26.85	28.48	31.49
2020	66.13	34.63	18.40
2021	4.89	2.83	28.71

Performance Based Characteristics³

	3 Years	5 Years	Since Inception
Std. Dev. (%) - Annualized	24.40	22.54	21.06
Sharpe Ratio	1.20	1.05	0.86
Alpha (%) - Annualized	8.06	8.96	6.74
Beta	0.99	1.03	1.02
R-Squared (%)	90.53	88.63	85.29
Tracking Error (%)	7.51	7.62	8.09
Information Ratio	1.21	1.34	0.91
Upside Capture (%)	110.83	119.79	115.29
Downside Capture (%)	86.69	89.10	91.17

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 9/30/2013	Since Inception 9/30/2013
BDFIX-Institutional Shares	-3.13	-5.02	6.07	4.89	4.89	30.26	24.75	-	18.91	317.49
Russell 2000 Growth Index	0.01	-5.65	3.92	2.83	2.83	21.17	14.53	-	11.59	147.16
S&P 500 Index	11.03	0.58	8.55	28.71	28.71	26.07	18.47	-	15.69	232.87
Morningstar Small Growth Category Average	1.74	-2.57	4.88	11.89	11.89	25.87	18.09	-	N/A	N/A

Top Contributors/Detractors to Performance²

BY SUB-INDUSTRIES¹

Top Contributors	Average Weight(%)	Contribution(%)
Property & Casualty Insurance	2.42	0.90
Industrial REITs	2.08	0.70
IT Consulting & Other Services	3.04	0.64
Semiconductor Equipment	3.63	0.62
Semiconductors	4.03	0.35

Top Detractors	Average Weight(%)	Contribution(%)
Health Care Equipment	8.19	-1.54
Application Software	6.28	-1.32
Systems Software	9.92	-0.78
Life Sciences Tools & Services	3.79	-0.72
Interactive Media & Services	1.68	-0.71

BY HOLDINGS

Top Contributors	Average Weight(%)	Contribution(%)
Kinsale Capital Group, Inc.	2.42	0.90
Rexford Industrial Realty, Inc.	2.08	0.70
Endava plc	3.04	0.64
Nova Ltd.	1.52	0.52
Navitas Semiconductor Corporation	1.23	0.47

Top Detractors	Average Weight(%)	Contribution(%)
Revance Therapeutics, Inc.	1.08	-0.68
Everbridge, Inc.	0.93	-0.62
S4 Capital plc	1.74	-0.46
CareDx, Inc.	1.76	-0.46
Accolade, Inc.	0.91	-0.40

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, 2032, 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.

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 - Performance information for 2013 is from its inception date 9/30/2013 to 12/31/2013.

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

The Fund's 1-, 3- and 5-year historical performance was impacted by gains from IPOs and there is no guarantee that these results can be repeated or that the Fund's level of participation in IPOs will be the same in the future.

Definitions (provided by BAMCO, Inc.): The indexes are unmanaged. The **Russell 2000® Growth Index** measures the performance of small-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 Small 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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