

BARON EMERGING MARKETS FUND

September 30, 2022

Institutional Shares (BEXIX)



Portfolio Manager

Michael Kass joined Baron in 2007 as a portfolio manager and has 35 years of research experience. From 2003 to 2007, Michael was a managing principal of Artemis Advisors, which he formed to acquire the Artemis Funds, a long-short equity strategy he co-founded in 1998. From 1993 to 2003, he worked at ING as a director of proprietary trading and was named senior managing director and portfolio manager in 1996. From 1989 to 1993, he worked at Lazard Frères in investment banking. From 1987 to 1989, he worked at Bear Stearns as a corporate finance analyst. Michael graduated *summa cum laude* from Tulane University with a B.A. in Economics in 1987.

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 emerging market companies of all sizes with significant growth potential. The Fund may invest up to 20% in companies in developed and frontier countries. Diversified.

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

Portfolio Facts and Characteristics

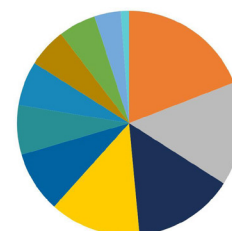
| | |
|--|-----------------------------|
| Inception Date | December 31, 2010 |
| Net Assets | \$4.89 billion |
| # of Issuers / % of Net Assets | 99 / 94.4% |
| Turnover (3 Year Average) | 43.34% |
| Active Share | 76.9% |
| Median Market Cap ² | \$10.02 billion |
| Weighted Average Market Cap ² | \$94.93 billion |
| As of FYE 12/31/2021 | Institutional Shares |
| CUSIP | 06828M876 |
| Expense Ratio | 1.08% |

Retail and R6 Shares are also available for this Fund.

Top 10 Holdings

| | % of Net Assets |
|---|-----------------|
| Taiwan Semiconductor Manufacturing Company Ltd. | 4.2 |
| Samsung Electronics Co., Ltd. | 3.1 |
| Bajaj Finance Limited | 2.8 |
| Alibaba Group Holding Limited | 2.8 |
| Tencent Holdings Limited | 2.7 |
| Reliance Industries Limited | 2.7 |
| Baidu, Inc. | 1.9 |
| Bharti Airtel Limited | 1.9 |
| Suzano S.A. | 1.8 |
| Korea Shipbuilding & Offshore Engineering Co., Ltd. | 1.7 |
| Total | 25.6 |

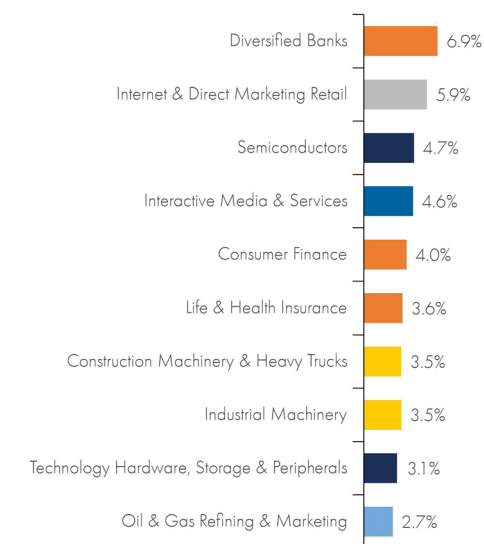
GICS Sector Breakdown¹



| | |
|-------------------------|-------|
| Financials | 19.1% |
| Consumer Discretionary | 14.9% |
| Information Technology | 14.5% |
| Industrials | 13.1% |
| Communication Services | 8.8% |
| Materials | 7.1% |
| Consumer Staples | 6.4% |
| Cash & Cash Equivalents | 5.6% |
| Health Care | 5.4% |
| Energy | 3.8% |
| Real Estate | 1.2% |

Individual weights may not sum to 100% due to rounding.

Top GICS Sub-Industry Breakdown¹



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

Risks

Risks: In addition to the general stock market risk that securities may fluctuate in value, investments in developing countries may have increased risks due to a greater possibility of: settlement delays; currency and capital controls; interest rate sensitivity; corruption and crime; exchange rate volatility; and inflation or deflation. The Fund invests 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.



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Historical Performance (Calendar Year %)

| Year | BEXIX | MSCI EM Index | MSCI EM IMI Growth Index |
|------|--------|---------------|--------------------------|
| 2013 | 15.02 | -2.60 | 0.10 |
| 2014 | 3.75 | -2.19 | -0.15 |
| 2015 | -10.97 | -14.92 | -10.51 |
| 2016 | 4.08 | 11.19 | 5.84 |
| 2017 | 40.63 | 37.28 | 44.70 |
| 2018 | -18.49 | -14.58 | -18.44 |
| 2019 | 18.86 | 18.42 | 23.60 |
| 2020 | 29.22 | 18.31 | 30.75 |
| 2021 | -6.07 | -2.54 | -5.50 |

Performance Based Characteristics³

| | 3 Years | 5 Years | 10 Years |
|----------------------------|---------|---------|----------|
| Std. Dev. (%) - Annualized | 21.37 | 18.56 | 15.69 |
| Sharpe Ratio | -0.17 | -0.23 | 0.12 |
| Alpha (%) - Annualized | -0.63 | -1.17 | 1.60 |
| Beta | 1.07 | 1.00 | 0.90 |
| R-Squared (%) | 91.51 | 91.04 | 85.58 |
| Tracking Error (%) | 6.35 | 5.55 | 6.16 |
| Information Ratio | -0.17 | -0.24 | 0.23 |
| Upside Capture (%) | 102.03 | 95.59 | 91.79 |
| Downside Capture (%) | 105.99 | 101.54 | 85.03 |

Country Breakdown

| | % of Net Assets | % of Net Assets | |
|-------------|-----------------|----------------------|-----|
| Other | 0.0 | Emerging (Cont'd) | |
| Russia | 0.0 | South Africa | 1.3 |
| Emerging | 86.8 | Peru | 1.2 |
| China | 30.8 | Poland | 0.9 |
| India | 26.9 | United Arab Emirates | 0.3 |
| Korea | 7.3 | Developed | 7.6 |
| Brazil | 6.2 | Hong Kong | 4.0 |
| Taiwan | 5.4 | United Kingdom | 1.2 |
| Indonesia | 2.6 | Italy | 1.1 |
| Mexico | 2.4 | Japan | 1.0 |
| Philippines | 1.5 | United States | 0.2 |
| | | Spain | 0.1 |

Performance

| | Total Return (%) | | | | Annualized Returns (%) | | | | | Cumulative Returns (%) |
|--|------------------|------------|------------|--------|------------------------|---------|---------|----------|----------------------------|----------------------------|
| | 3rd Q 2022 | 2nd Q 2022 | 1st Q 2022 | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception 12/31/2010 | Since Inception 12/31/2010 |
| BEXIX-Institutional Shares | -11.30 | -10.33 | -14.11 | -31.68 | -34.46 | -3.16 | -3.13 | 2.48 | 2.11 | 27.77 |
| MSCI EM Index | -11.57 | -11.45 | -6.97 | -27.16 | -28.11 | -2.07 | -1.81 | 1.05 | 0.12 | 1.39 |
| MSCI EM IMI Growth Index | -11.35 | -12.83 | -9.86 | -30.34 | -31.37 | -0.85 | -1.26 | 2.36 | 1.18 | 14.72 |
| Morningstar Diversified Emerging Mkts Category Average | -10.19 | -12.20 | -8.66 | -27.86 | -28.59 | -1.92 | -1.81 | 1.13 | -0.26 | -3.02 |

Top Contributors/Detractors to Performance²

BY SUB-INDUSTRIES¹

| Top Contributors | Average Weight(%) | Contribution(%) |
|---|-------------------|-----------------|
| Data Processing and Outsourced Services | 1.95 | 0.24 |
| Wireless Telecommunication Services | 1.56 | 0.19 |
| Managed Health Care | 0.79 | 0.16 |
| Integrated Telecommunication Services | 1.13 | 0.16 |
| Diversified Banks | 6.19 | 0.15 |

| Top Detractors | Average Weight(%) | Contribution(%) |
|---------------------------------------|-------------------|-----------------|
| Construction Machinery & Heavy Trucks | 3.90 | -1.31 |
| Interactive Media & Services | 4.83 | -1.24 |
| Semiconductors | 5.66 | -1.18 |
| Industrial Machinery | 4.00 | -0.97 |
| Internet & Direct Marketing Retail | 6.07 | -0.93 |

BY HOLDINGS

| Top Contributors | Average Weight(%) | Contribution(%) |
|--|-------------------|-----------------|
| Bajaj Finance Limited | 2.37 | 0.45 |
| Coupage, Inc. | 0.95 | 0.25 |
| Bharti Airtel Limited | 1.56 | 0.19 |
| PJSC Polyus | 0.00 | 0.19 |
| Hapvida Participacoes e Investimentos S.A. | 0.79 | 0.16 |

| Top Detractors | Average Weight(%) | Contribution(%) |
|---|-------------------|-----------------|
| Alibaba Group Holding Limited | 2.90 | -0.96 |
| Tencent Holdings Limited | 2.97 | -0.82 |
| Taiwan Semiconductor Manufacturing Company Ltd. | 4.63 | -0.72 |
| Korea Shipbuilding & Offshore Engineering Co., Ltd. | 1.93 | -0.66 |
| Beijing Oriental Yuhong Waterproof Technology Co., Ltd. | 0.80 | -0.54 |

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, 2033, 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 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.

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

The Fund's 10-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 **MSCI EM (Emerging Markets) Index** is designed to measure equity market performance of large and mid-cap securities across 24 Emerging Markets countries. The **MSCI EM (Emerging Markets) IMI Growth Index** is designed to measure equity market performance of large, mid and small-cap securities exhibiting overall growth characteristics across 24 Emerging Markets countries. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The indexes and the Fund include reinvestment of dividends, net of foreign withholding taxes, which positively impact the performance results. The indexes are unmanaged. Index performance is not fund performance; one cannot invest directly into an index. Morningstar calculates the **Morningstar Fund Diversified Emerging Markets 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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