Dear Baron Discovery Fund Shareholder:

Performance

During the first quarter of 2024, Baron Discovery Fund® (the Fund) was up 4.57% (Institutional Shares), which was 3.01% lower than the 7.58% increase for the Russell 2000 Growth Index (the Benchmark). While we were not satisfied with the underperformance this quarter, we think there were some unique circumstances that make the underlying reality of our performance better than it appears on the surface.

Table I.
Performance†
Annualized for periods ended March 31, 2024

	Baron Discovery Fund Retail Shares[1,2]	Baron Discovery Fund Institutional Shares[1,2]	Russell 2000 Growth Index[1]	S&P 500 Index[1]
Three Months[3]	4.51%	4.57%	7.58%	10.56%
One Year	14.96%	15.27%	20.35%	29.88%
Three Years	(6.96)%	(6.72)%	(2.68)%	11.49%
Five Years	8.68%	8.96%	7.38%	15.05%
Ten Years	10.28%	10.55%	7.89%	12.96%
Since Inception (September 30, 2013) (Annualized)	12.30%	12.59%	8.36%	13.57%
Since Inception (September 30, 2013) (Cumulative)[3]	238.18%	247.20%	132.35%	280.58%

RANDY GWIRTZMAN
PORTFOLIO MANAGER

LAIRD BIEGER
PORTFOLIO MANAGER

Retail Shares: BDFFX
Institutional Shares: BDFIX
R6 Shares: BDFUX

Performance listed in the above table is net of annual operating expenses. The annual expense ratio for the Retail Shares and Institutional Shares as of September 30, 2023 was 1.33% and 1.06%, respectively. 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 may waive or reimburse 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.

† The Fund's 1Q2024, 5-year, and 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.

1 The **Russell 2000® Growth Index** measures the performance of small-sized U.S. companies that are classified as growth. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. All rights in the FTSE Russell Index (the "Index") vest in the relevant LSE Group company which owns the Index. Russell® is a trademark of the relevant LSE Group company and is used by any other LSE Group company under license. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. The Fund includes reinvestment of dividends, net of withholding taxes, while the Russell 2000® Growth Index and S&P 500 Index include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

2 The performance data in the table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

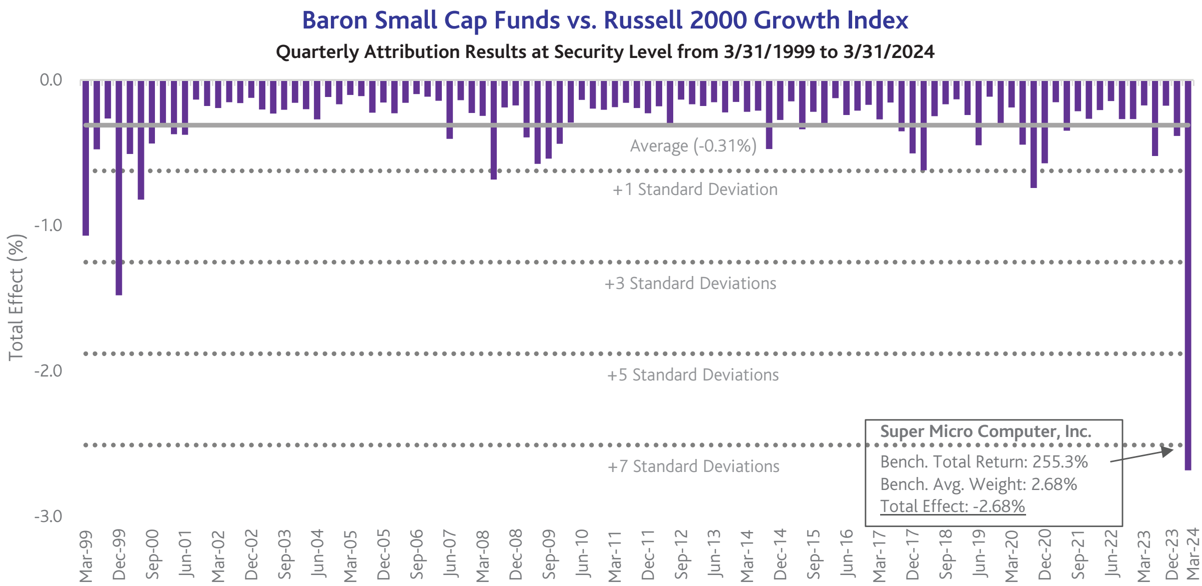
3 Not annualized.

BARON FUNDS 1987

First Quarter 2024 Commentary

To understand the Fund's first quarter 2024 relative results, take a look at Chart A.

Chart A – Securities Unique to the Benchmark with the Largest Detrimental Impacts[1]



1 – The quarterly performance impacts shown above were determined using security-level attribution for a composite of Baron's Small Cap Funds (Baron Discovery Fund, Baron Small Cap Fund, and Baron Growth Fund) versus the Russell 2000 Growth Index to identify the largest negative impacts from individual securities that were unique to the Index (i.e., not owned by any of the Baron small-cap funds and relative performance was penalized as a result) every quarter for the last 25 years.

When reviewing performance attribution on our portfolio, please be aware that we construct the portfolio from the bottom up, one stock at a time. Each stock is included in the portfolio if it meets our rigorous investment criteria. To help manage risk, we are aware of our sector and security weights, but we do not include a holding to approximate an index. The performance data quoted represents past performance. Past performance is no guarantee of future results.

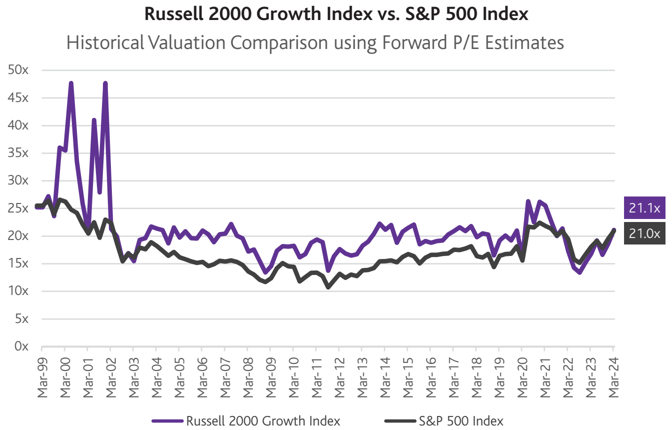
Sources: FactSet PA, FTSE Russell, and Baron Capital.

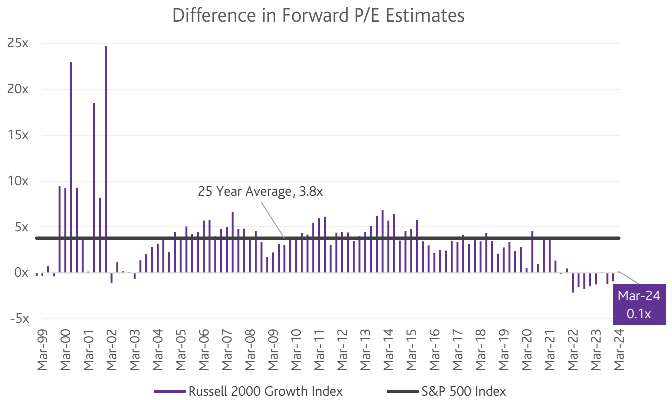
This chart goes back 25 years and shows that it is rare to see an outsized impact on relative performance from a single security in the Benchmark that we didn't own. However, in the first quarter of 2024, the Benchmark's largest constituent, Super Micro Computer (Supermicro), negatively impacted the Fund's relative results by 2.68%, meaning this one stock accounted for about 90% of the Fund's underperformance in the quarter. In the context of history, this was a seven-plus standard deviation event. How rare is it for a single security in the Benchmark to have this level of impact on our relative returns? Well in a normal distribution, about 99.999999974% of the data falls within seven standard deviations from the mean. This means the probability of a seven standard deviation event is equivalent to roughly 1 part per 385 billion. For context, the estimated number of stars in the Milky Way is approximately 400 billion. In a nutshell, it is unlikely we will ever see a single stock impact relative performance to this level again. While we do not have an opinion on the fundamentals of Supermicro as a business, the frustrating thing for us is that when Russell reconstituted the Benchmark in June 2023, Supermicro had a market capitalization of over $13 billion. As most of you know, that is a market capitalization which is above where we will purchase new investment ideas. So, back in June 2023, even if we were smart enough to have envisioned that Supermicro was an investment we wanted to make, the market capitalization was too large for us to have considered purchasing it. Furthermore, even if we threw our process out the window and bought it anyway (don't worry, we would never do that!), we would have had to sell it well before it reached its current (at the time of this writing) market cap of approximately $60 billion. As we have written in the past, we intend to keep the Fund squarely in the Morningstar Small Growth category. As a result, we sell investments when their market caps become too large and we recycle that capital into new smaller-cap ideas. We want to be clear that we are not making excuses for our underperformance this quarter. We only want to highlight that the relative shortfall was mostly driven by one company that is no longer considered small cap. If an investor were to agree to this reasoning and we exclude Supermicro from the Benchmark, the Fund would have only underperformed by a much more modest 0.36% in the first quarter. Supermicro will almost certainly be removed from the Benchmark when it is reconstituted this June. That being said, given it is now such a large position in the Benchmark, it could once again have an outsized positive (or negative) impact on relative performance in the second quarter.

2024 Outlook

We remain bullish on the Fund's prospects for 2024. The tailwinds for small-cap outperformance that we have been writing about in the last handful of quarterly letters remain firmly in place. Mainly, small-cap growth stocks have attractive valuations both on an absolute basis and relative to large-cap stocks (Chart B) and that small-cap growth stocks typically show significant appreciation coming out of deep market downturns (Chart C). We know that at some point the economic environment will become stronger and that there will be mean reversion in the relative valuations of large-cap and small-cap growth stocks. We continue to position the portfolio to be able to capitalize on this eventuality. We believe the portfolio is set up to shine in an environment where small-cap growth stocks transition from a bear to a bull market.

Chart B – Historical Valuation Comparison and the Difference in Forward P/E Estimates





Sources: The Bank of New York Mellon Corporation using I/B/E/S 1 Year Forward EPS and FactSet Market Aggregates.

Chart C – Small-Cap Growth Generally Outperforms the Broader Market Coming Out of Significant Market Downturns

	Cumulative Total Returns (%)		
	Dotcom Collapse/ September 11 Attacks Trough (10/9/2002) to 10/9/2004	Great Recession Bottom (3/9/2009) to 3/9/2011	COVID-19 Trough (3/18/2020) to Recent All-Time High (2/9/2021)
Baron Discovery Fund (Institutional Shares)	–	–	184.92
Russell Microcap Growth Index	88.77	147.73	223.49
Russell 2000 Growth Index	76.18	145.85	152.61
Russell 2500 Growth Index	73.61	148.98	142.48
Russell Midcap Growth Index	68.50	138.52	102.78
Russell 1000 Growth Index	39.54	104.09	84.56
S&P 500 Index	49.65	103.44	65.62
Difference – Russell 2000 Growth Index vs. S&P 500 Index	26.53	42.41	86.99

Sources: FTSE Russell, S&P Global Inc., and Baron Capital.

Market troughs and the recent 2021 high are based on total return levels of the Russell 2000 Growth Index. Performance shown for the Dotcom Collapse/September 11 Attacks and Great Recession bull markets is for the first two years of the market recovery following market bottoms, while the COVID recovery spanned from the market trough on (3/18/2020) to the latest all-time high for Russell 2000 Growth Index on 2/9/2021. The performance data quoted represents past performance. Past performance is no guarantee of future results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

Table II.
Top contributors to performance for the quarter ended March 31, 2024

	Percent Impact
Kinsale Capital Group, Inc.	1.34%
DraftKings Inc.	0.94
CyberArk Software Ltd.	0.64
Axon Enterprise, Inc.	0.61
Establishment Labs Holdings Inc.	0.54

Specialty insurer **Kinsale Capital Group, Inc.** reported financial results that exceeded Street forecasts. After a slowdown in the prior quarter, gross written premiums grew 34% and EPS grew 49% with a record-high underwriting margin. Market conditions remain favorable with rising premium rates and more business shifting from the standard market to the excess and surplus lines market where Kinsale operates. In addition, insurance stocks broadly rebounded from last quarter's pullback as interest rates stabilized. We remain bullish on the stock because we believe Kinsale is well managed and has a long runway for growth in an attractive segment of the insurance market.

Shares of **DraftKings Inc.**, a leading online sportsbook in the U.S., rose during the quarter following an earnings release that showed strong market share gains and an improved outlook for future profitability. Market share capture has been driven by investment in innovative product offerings that are resulting in strong customer retention. The company also announced the acquisition of JackPocket, a digital lottery courier service. We believe the acquisition will help DraftKings achieve a first-mover advantage in many states that offer the JackPocket service but have not yet legalized online sports betting and casino gaming. DraftKings is well positioned to expand margins and generate positive free cash flow as it grows revenues alongside the rapidly expanding U.S. sports betting market, in our view.

Shares of **CyberArk Software Ltd.**, an identity security platform focused primarily on privileged access management (protecting credentials for high-level technology administrators), rose after the company delivered strong quarterly results. CyberArk grew annual recurring revenue by 36% year-over-year and generated 20% free-cash-flow margins. New customer deal sizes and existing customer expansions at renewal were strong, boosted by high demand for CyberArk's newer product categories like access management (credential management and multi-factor authentication for all employees) and secrets management (credentials for machine identities). The increasing frequency and severity of cyberattacks, new SEC regulatory requirements for cyberattack disclosures, and greater emphasis from the federal government on privilege controls for its agencies and suppliers are driving healthy demand for CyberArk's products. Management issued consensus-beating full-year guidance across all metrics. We remain optimistic about CyberArk's long-term revenue and free-cash-flow growth prospects.

Table III.
Top detractors from performance for the quarter ended March 31, 2024

	Percent Impact
Endava plc	-0.67%
Inari Medical, Inc.	-0.55
Navitas Semiconductor Corporation	-0.52
Mercury Systems, Inc.	-0.48
SentinelOne, Inc.	-0.45

Shares of IT services provider **Endava plc** fell after management cut guidance for the fiscal year ending June 30, 2024. Growth has slowed over the last year as business customers pulled back on discretionary IT spending due to macroeconomic uncertainty. Last fall, management was seeing early signs of a recovery, but new projects have been taking longer to materialize as customers delay spending decisions. Higher expenses due to increased staffing to meet anticipated demand weighed on margins as well. Management acknowledged that it misread the market and is taking steps to right-size the cost structure to improve margins. We remain invested because we expect these near-term headwinds to abate over time, leading to better growth as clients embrace digital transformation.

Inari Medical, Inc. offers catheter-based devices to remove clots from veins, known as venous thromboembolism (VTE). VTE is the third most common vascular condition in the U.S. after heart attacks and strokes, and if left untreated it can be fatal. The stock detracted from performance on investor concerns about a competitive product launch from Penumbra, Inc., coupled with Inari's disclosure of a Department of Justice civil investigation concerning some of its payments to doctors. Such investigations are common in the medical technology industry, and we anticipate any potential fine to be manageable based on precedent. Inari's core VTE market remains largely untapped, with many patients still relying on ineffective drugs, leaving ample room for multiple devices to succeed. In addition, Inari is at various stages of launching multiple new products (for other venous and arterial blockage conditions) that could unlock billions of dollars in additional addressable market.

Navitas Semiconductor Corporation is a leader in gallium nitride (GaN) power semiconductors and a smaller player in silicon carbide (SiC) power semiconductors. Shares fell during the quarter on lowered guidance. Despite the softer near-term outlook, the company highlighted several design wins across mobile, data center, renewable energy, and vehicle electrification that are expected to ramp later in 2024 and into 2025 and should support above-industry growth. The company's monolithically integrated GaN power chips provide greater reliability and performance compared to discrete power devices. It recently purchased a co-packaged silicon controller to drive additional integration and performance. Its SiC products also offer better performance than peers and robustness across many applications. We expect Navitas to gain share in the rapidly growing GaN and SiC power semiconductor markets over time, driven by its superior technology, especially with its high-power GaN product in data center, solar, and electric vehicles just starting to ramp.

Portfolio Structure

Table IV.
Top 10 holdings as of March 31, 2024

	Year Acquired	Quarter End Investment Value (millions)	Percent of Net Assets
DraftKings Inc.	2023	$56.1	3.6%
Kinsale Capital Group, Inc.	2016	52.5	3.4
Axon Enterprise, Inc.	2022	45.1	2.9
CyberArk Software Ltd.	2022	42.6	2.8
Advanced Energy Industries, Inc.	2019	40.3	2.6
GitLab Inc.	2022	39.5	2.6
SiteOne Landscape Supply, Inc.	2016	39.3	2.5
Masimo Corporation	2024	38.9	2.5
Floor & Decor Holdings, Inc.	2019	38.9	2.5
Axonics, Inc.	2020	38.8	2.5

Recent Activity

Table V.
Top net purchases for the quarter ended March 31, 2024

	Year Acquired	Quarter End Market Cap (billions)	Net Amount Purchased (millions)
Masimo Corporation	2024	$7.8	$35.9
Intapp, Inc.	2024	2.5	18.2
Allegro MicroSystems, Inc.	2020	5.2	15.4
RH	2022	6.4	10.6
CareDx, Inc.	2024	0.5	10.2

We made a new investment in **Masimo Corporation**, a provider of high-end vital sign monitoring equipment and software. This is a *special situation* investment, as it is in the process of unwinding an unpopular consumer products acquisition, which we believe will unlock the value of the core health care business (more on that below). Masimo is a market leader in monitoring pulse rates, oxygen levels and perfusion, blood hemoglobin content and other key signs on a continuous basis. Studies have shown that Masimo's higher-quality monitoring can save lives (and money) via higher accuracy and better warning capabilities. The base health care business produces revenues of about $1.3 billion (2024 company guidance), of which about 15% consists of non-recurring sensor hardware sales (what Masimo calls sockets) that are the *razor* in the business model analogy. The remaining 85% of revenues come from disposable sensors that are the *blades* in the business model analogy. They produce recurring (and growing) revenue. Masimo can grow its health care revenues by introducing new products (including monitor networking and warning software), gaining new U.S. and international customers, and getting customers to buy more *parameters* (additional vital signs) for the existing sockets they have installed. Currently, the company averages about $8 per socket in sensor revenues, but that has the potential to go to $100 per socket over time. While we don't believe we will see a 12-fold increase in revenues, we do believe that revenues could double over the next seven years. At the same time margins should expand due to gross margin improvements with the completion of a new Malaysian manufacturing facility and operating leverage because its sales force is largely built out and it has a comfortable research and development budget. So, overall base business cash flow could double as well in six to seven years.

This is all overshadowed by Masimo's $1 billion acquisition of Sound United in early 2022. Sound United designs and manufacturers high-end stereo equipment under brands like Marantz and Denon. Masimo is launching a smartwatch designed for higher-end vital sign monitoring (for health and consumer markets) than products like Apple and Android's watches and bought the company for its sales and distribution assets. But the acquisition added debt and the market viewed it as a distraction, far afield from its health care roots. Shares dropped nearly 70% by October 2023. We got involved after an activist started to push for the separation of the businesses. At the end of the first quarter, Masimo announced that it was exploring modalities to split the consumer and health care businesses, including a spin-off or JV structure. We think this is a great idea that will unlock value in the currently under-appreciated health care business. In addition, Masimo is likely to retain a good portion the potential proceeds of a lawsuit against Apple alleging patent infringement related to vital signs on the Apple watch. While this could be worth hundreds of millions or more in ultimate value, we view it as just additional value optionality on the investment. All in, we believe we can double our investment from current valuation levels from Masimo's cash flow growth and higher trading multiple that we believe will be justified for the cleaner health care structure that the company should achieve this year.

We also initiated a position in **Intapp, Inc.** Founded in 2000, Intapp provides cloud-based software for regulated professional services industries such as legal, accounting, consulting, private capital markets, and investment banking. Intapp's software helps manage and automate many of the administrative workflows unique to these industries, such as clearing conflicts for new engagements, onboarding new clients, recording billable hours, and establishing regulatory walls between divisions. Its DealCloud suite also functions as a deal lifecycle management and customer relationship management system that has become the industry standard in private equity and investment banking. Intapp serves more than 2,400 customers, including 96 of the top 100 American law firms, 15 of the top 20 accounting firms, and 1,600 leading financial services firms.

Intapp competes in a large and growing addressable market, spanning 28,000 firms that collectively spend roughly $15 billion annually on software in Intapp's categories. The company has grown its annual recurring revenue by more than 20% annually for the past five years as customers have seen good returns on their Intapp investment. For example, Intapp products have helped professional services firms reduce new client onboarding and conflict clearance processing times by more than 50%, saved millions of dollars in billable hours leakage, and significantly expanded new deal origination volumes for financial services firms. This success has led to low churn rates, increased market share capture, and expanding footprints in existing accounts. Intapp has several competitive advantages that should drive continued market share capture over time, including a proprietary graph data model that is better equipped for professional services needs than traditional databases, good brand recognition with decades of experience serving the largest firms in its industries, and AI capabilities that continuously improve product effectiveness.

We see a long runway for growth through a combination of new customer wins and existing customer expansion. Management believes its largest 200 customers alone represent a $1.3 billion wallet opportunity, and that Intapp can continue to generate mid-teens expansion rates in existing accounts by cross-selling product modules, growing its user penetration, and capturing better pricing. While Intapp is profitable today and has expanded its free-cash-flow margins over the last two years, we see an opportunity for margins to inflect further to 20% or more as the company benefits from operating leverage and a higher cloud revenue mix. The combination of good organic growth and free-cash-flow margin expansion should bode well for the stock long term.

We added to our investment in **Allegro MicroSystems, Inc.**, a fabless designer and manufacturer of integrated circuit (IC)-based sensors and application-specific analog power ICs for automotive and industrial markets. We had meaningfully reduced our position in the third quarter of 2023 given what we viewed were extreme valuations, even on long-term metrics. Since then, shares have come down from a low-$50's level to the mid-$20's, and we *re-loaded* the position as we view Allegro as a solid long-term grower that can double again from here.

During the quarter, we added to our position in **RH**, a high-end retailer of home furnishings and furniture that has a unique vision to transform from a domestic furniture company to a global luxury brand. Shares were pressured in the earlier part of the quarter due to shorter-term concerns regarding demand amid a volatile macroeconomic environment. Despite these short-term pressures, we remain confident in RH's ability to gain market share in the fragmented high-end furnishings market, and we see a multi-year growth pipeline driven by store expansion around the globe. We also believe that RH will see improvements in profitability as the brand returns to a fuller-priced sales environment, and as it begins to scale its early international investments.

CareDx, Inc. is a diagnostic company that facilitates organ donor matches pre-transplant and rejection monitoring post-transplant. Transplant rejection testing is recurring and can help ensure the right immunosuppressant treatment to avoid overdosage or organ loss. We re-established an investment in the company after selling the position in the first quarter of 2023. At the time, we noted that the reason for sale was "a very unexpectedly negative notice out of MolDx (which is the CMS-related entity that determines pricing and reimbursement criteria for diagnostic tests) exceeded our worst downside scenarios. The vagueness of the notice from MolDx, combined with the potential for a far reduced paid volume of approved tests for Medicare patients put a dramatic amount of current revenue and profitability at risk. We determined that until the issue is resolved, we could not properly underwrite our investment in the company." As things currently stand, the company has *lapped* the massive negative revenue effect of the CMS notice and has started growing revenues again under the lower reimbursement regime. Combined with improvement in cash collections and meaningful efficiency improvements in operating expenses, we believe the company will be cash flow breakeven by 2025 and then will be completely self-funding given $235 million of cash and no debt on its balance sheet. The company trades at only 1.3 times its enterprise value to sales ratio, which should be at least double that level. We believe there is a reasonable chance that the CMS guidelines are reversed or at least improved from current levels. This would be a *blue sky* scenario, where we could see multiple doubles of valuation in a short period of time.

Table VI.
Top net sales for the quarter ended March 31, 2024

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap or Market Cap When Sold (billions)	Net Amount Sold (millions)
SiTime Corporation	2023	$2.3	$ 2.1	$10.4
Navitas Semiconductor Corporation	2021	0.5	0.9	8.6
Ichor Holdings, Ltd.	2016	0.2	1.3	8.6
Repligen Corporation	2023	8.7	10.3	7.8
CyberArk Software Ltd.	2022	5.2	11.2	7.8

We trimmed our position in **CyberArk Software Ltd.** to manage its position size after good appreciation in the stock. That said, we continue to like the company's strong competitive footing in identity security and are optimistic about its longer-term growth prospects.

We trimmed our position in **Repligen Corporation**, a life science tools supplier to the bioprocessing industry. 2023 had been a year of headwinds including customer destocking, biopharmaceutical funding constraints, and weakness in China. Estimates have moved lower and the recovery is taking longer than expected, while valuation has moved up significantly to levels where we wanted to de-risk a bit. We still like the company's long-term positioning.

We sold the remaining portion of our position in **Ichor Holdings, Ltd.**, which manufactures semiconductor capital equipment components, as we felt the stock's valuation was already embedding a relatively strong upcycle in wafer fabrication equipment spending and to make room for other positions with more long-term upside.

We reduced our position in **Navitas Semiconductor Corporation**, a provider of analog power management semiconductors, as we grew concerned about the near-term prospects for consumer spending (communications charging segment), some increased Chinese competition, and the mixed messages coming out of the auto industry (which is a new growth area for the company). We continue to really like the company's products and are watching the environment closely. We also reduced our position in **SiTime Corporation**, which manufactures analog semiconductors that regulate timing within chips and for communications purposes. This was for similar reasons to our Navitas reduction, aside from the Chinese competition. We remain excited about SiTime's long-term growth prospects, and we still believe it can achieve its targeted 30% revenue growth rate and 30% operating margin.

Outlook

During the first quarter, we saw the larger-cap S&P 500 and NASDAQ Composite Indexes reach all-time highs. Meanwhile, small-cap growth stocks remain in a three-plus year bear market, defined as a greater than 20% decline in the Benchmark from its all-time intraday high on 2/10/2021 (price levels, excluding dividends). We continue to believe that there will be a meaningful *catch up trade* where small-cap growth stocks return to trading at their historical premium valuation relative to large-cap stocks. In our opinion, the portfolio is well positioned to capitalize on that outcome when it finally occurs. We appreciate your trust in us and we are glad you have chosen Baron Discovery Fund as an investment.

Randy Gwirtzman
Portfolio Manager

Laird Bieger
Portfolio Manager

Investors should consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The prospectus and summary prospectus 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.

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.

The Fund may not achieve its objectives. Portfolio holdings are subject to change. Current and future portfolio holdings are subject to risk.

The discussions of the companies herein are not intended as advice to any person regarding the advisability of investing in any particular security. The views expressed in this report reflect those of the respective portfolio manager only through the end of the period stated in this report. The portfolio managers' views are not intended as recommendations or investment advice to any person reading this report and are subject to change at any time based on market and other conditions and Baron has no obligation to update them.

This report does not constitute an offer to sell or a solicitation of any offer to buy securities of Baron Discovery Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

The **Russell 1000® Growth Index** measures the performance of large-sized U.S. companies that are classified as growth. The **Russell 2500™ Growth Index** measures the performance of small to medium-sized U.S. companies that are classified as growth. The **Russell Microcap® Growth Index** measures the performance of the microcap growth segment of the U.S. equity market. The **Russell Midcap® Growth Index** measures the performance of medium-sized U.S. companies that are classified as growth. All rights in the FTSE Russell Index (the "Index") vest in the relevant LSE Group company which owns the Index. Russell® is a trademark of the relevant LSE Group company and is used by any other LSE Group company under license. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. The Fund includes reinvestment of dividends, net of withholding taxes, while the Russell indexes include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results.

Enterprise Value (EV) is a measure of a company's total value, often used as a more comprehensive alternative to equity market capitalization. EV includes in its calculation the market capitalization of a company but also short-term and long-term debt as well as any cash on the company's balance sheet. **Free Cash Flow (FCF)** represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets. **Price/Earnings Ratio or P/E (next 12-months)**: is a valuation ratio of a company's current share price compared to its mean forecasted 4 quarter sum earnings per share over the next twelve months. If a company's EPS estimate is negative, it is excluded from the portfolio-level calculation.

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