



## **2023 Shareholder Tax Guide**

This document provides you with important tax information relating to the distributions you received or re-invested during the calendar year 2023. Because tax laws vary among states, you should consult your personal tax adviser about the specific rules in the state(s) in which you pay income taxes and how the enclosed information relates to the preparation of your tax return(s).

This document is for informational purposes only and has not been furnished to the Internal Revenue Service. This information does not constitute and should not be considered a substitute for legal advice. We strongly urge shareholders to consult with their tax advisers regarding the tax consequences of distributions.

### **Distributions of Ordinary Dividends**

As a result of the Jobs and Growth Tax Relief Reconciliation Act of 2003 a portion of the total ordinary dividends (box 1a on Form 1099-DIV) paid by your fund(s) during 2023 may be designated as qualified dividends (box 1b on Form 1099-DIV). Qualified dividends are dividends received by a mutual fund (and paid to shareholders) from domestic corporations or qualified foreign corporations for which the fund has also met the required holding period (the fund must hold the security for greater than 60 days during the 121-day period beginning 60 days before the ex-dividend date). The qualified dividends are subject to tax rates (0%/15%/20%) applicable to your specific filing status (Single, MFJ/QW, MFS, Head of Household) and taxable income amount. For a shareholder to report the amount of qualified dividends in box 1b as qualified dividend income, the shareholder must also satisfy the holding period requirement mentioned above with respect to his/her mutual fund shares. If the holding period requirement is not satisfied, the qualified dividends will be taxed as ordinary dividend income.

### **Distributions from Capital Gains**

Long-term capital gain distributions paid by the funds during 2023 will be taxed at the capital gains tax rates (0%/15%/20%) applicable to your specific filing status (Single, MFJ/QW, MFS, Head of Household) and taxable income amount. The amount of total capital gain distributions is shown in Box 2a of Form 1099-DIV.

If applicable, amounts taxed at 28% (gain on collectibles) are shown in Box 2d and amounts subject to Unrecaptured Section 1250 Gain are shown in Box 2b of Form 1099-DIV.

### **Foreign Taxes**

You are allowed to claim a tax credit or an itemized deduction on your federal income tax return for your share of foreign taxes paid by a mutual fund during 2023. In most cases, you will receive more benefit by claiming a tax credit.

The amount reported in Box 7 of Form 1099-DIV represents the amount of creditable foreign taxes paid by your fund(s). The information below will assist you in calculating the information necessary to claim either a credit or itemized deduction.

To calculate your total foreign source income passed through from your fund(s), multiply your ordinary dividends (Box 1a of Form 1099-DIV) by the foreign source income factor shown in the Total Foreign Source Income Factor column below for the appropriate Fund(s).

<b>Fund</b>	<b>Total Foreign Source Income Factor</b>
Baron International Growth Fund	100.00%
Baron Emerging Markets Fund	100.00%

In order to claim a foreign tax credit, shareholders must also satisfy certain holding period requirements with respect to his/her mutual fund shares. If the holding period requirements are not satisfied, the foreign taxes will qualify as

itemized deductions. Please consult your tax adviser to determine whether the foreign taxes passed through to you by a fund are either creditable or qualify as an itemized deduction, and whether to make the election to exempt you from the foreign tax credit limitation and the filing requirement of Form 1116. Please review the instructions to Form 1116 and consult with your tax adviser.

**Nontaxable Distributions**

The amount included in Box 3 of Form 1099-DIV represents amounts distributed as return of capital, which, for tax purposes, are nontaxable. The amount included in Box 3 as non-dividend distributions should reduce the cost basis of your shares. Once you have received return of capital distributions equivalent to your cost basis, any additional return of capital distributions received will be taxable to you as capital gain even though they will be reported as nontaxable distributions on Form 1099-DIV.

Baron Funds - 2023 Shareholder Tax Guide

Fund / Share Class	CUSIP	TICKER	Record Date	Ex - Dividend Date	Payable Date	Qualified Dividend Percentage	Return of Capital Percentage (Non Dividend Distribution)	Foreign Tax Credit	Foreign Source Income	For Corporate Shareholders: Dividend Received Deduction	Income from Tax-Exempt securities	Percent of Ordinary Dividends from U.S. Government Obligations	Percent of Long-Term Capital Gains Attributable to Gains on U.S. Government Obligations
Baron Asset Fund - Institutional Class	068278605	BARX	12/6/2023	12/7/2023	12/8/2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Baron Asset Fund - R6 Class	068278845	BARUX	12/6/2023	12/7/2023	12/8/2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Baron Asset Fund - Retail Class	068278100	BARAX	12/6/2023	12/7/2023	12/8/2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Baron Durable Advantage Fund - Institutional Class	068278761	BDAIX	12/6/2023	12/7/2023	12/8/2023	100.00%	n/a	n/a	n/a	100.00%	n/a	n/a	n/a
Baron Durable Advantage Fund - R6 Class	068278753	BDAUX	12/6/2023	12/7/2023	12/8/2023	100.00%	n/a	n/a	n/a	100.00%	n/a	n/a	n/a
Baron Durable Advantage Fund - Retail Class	068278779	BDAFX	12/6/2023	12/7/2023	12/8/2023	100.00%	n/a	n/a	n/a	100.00%	n/a	n/a	n/a
Baron Emerging Markets Fund - Institutional Class	06828M876	BEXIX	12/6/2023	12/7/2023	12/8/2023	100.00%	n/a	0.022176421	100.00%	1.51%	n/a	n/a	n/a
Baron Emerging Markets Fund - Retail Class	06828M876	BEXIX	12/26/2023	12/27/2023	12/28/2023	100.00%	n/a	0.022176421	100.00%	1.51%	n/a	n/a	n/a
Baron Emerging Markets Fund - R6 Class	06828M819	BEXUX	12/6/2023	12/7/2023	12/8/2023	100.00%	n/a	0.022176421	100.00%	1.51%	n/a	n/a	n/a
Baron Emerging Markets Fund - R6 Class	06828M819	BEXUX	12/26/2023	12/27/2023	12/28/2023	100.00%	n/a	0.022176421	100.00%	1.51%	n/a	n/a	n/a
Baron Emerging Markets Fund - Retail Class	06828M884	BEXFX	12/6/2023	12/7/2023	12/8/2023	100.00%	n/a	0.022176421	100.00%	1.51%	n/a	n/a	n/a
Baron Emerging Markets Fund - Retail Class	06828M884	BEXFX	12/26/2023	12/27/2023	12/28/2023	100.00%	n/a	0.022176421	100.00%	1.51%	n/a	n/a	n/a
Baron Growth Fund - Institutional Class	068278704	BGRIX	7/24/2023	7/25/2023	7/26/2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Baron Growth Fund - Institutional Class	068278704	BGRIX	12/6/2023	12/7/2023	12/8/2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Baron Growth Fund - R6 Class	068278837	BGRUX	7/24/2023	7/25/2023	7/26/2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Baron Growth Fund - R6 Class	068278837	BGRUX	12/6/2023	12/7/2023	12/8/2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Baron Growth Fund - Retail Class	068278209	BGRFX	7/24/2023	7/25/2023	7/26/2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Baron Growth Fund - Retail Class	068278209	BGRFX	12/6/2023	12/7/2023	12/8/2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Baron International Growth Fund - Institutional Class	06828M603	BINIX	12/6/2023	12/7/2023	12/8/2023	100.00%	n/a	0.050058611	100.00%	1.88%	n/a	n/a	n/a
Baron International Growth Fund - R6 Class	06828M777	BIGUX	12/6/2023	12/7/2023	12/8/2023	100.00%	n/a	0.050058611	100.00%	1.88%	n/a	n/a	n/a
Baron International Growth Fund - Retail Class	06828M306	BIGFX	12/6/2023	12/7/2023	12/8/2023	100.00%	n/a	0.050058611	100.00%	1.88%	n/a	n/a	n/a
Baron Small Cap Fund - Institutional Class	068278803	BSFIX	12/6/2023	12/7/2023	12/8/2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Baron Small Cap Fund - R6 Class	068278829	BSCUX	12/6/2023	12/7/2023	12/8/2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Baron Small Cap Fund - Retail Class	068278308	BSCFX	12/6/2023	12/7/2023	12/8/2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Baron Real Estate Fund - Institutional Class	06828M801	BREIX	9/25/2023	9/26/2023	9/27/2023	100.00%	n/a	n/a	n/a	100.00%	n/a	n/a	n/a
Baron Real Estate Fund - Institutional Class	06828M801	BREIX	12/6/2023	12/7/2023	12/8/2023	100.00%	n/a	n/a	n/a	100.00%	n/a	n/a	n/a
Baron Real Estate Fund - R6 Class	06828M827	BREUX	9/25/2023	9/26/2023	9/27/2023	100.00%	n/a	n/a	n/a	100.00%	n/a	n/a	n/a
Baron Real Estate Fund - R6 Class	06828M827	BREUX	12/6/2023	12/7/2023	12/8/2023	100.00%	n/a	n/a	n/a	100.00%	n/a	n/a	n/a
Baron Real Estate Fund - Retail Class	06828M702	BREFX	9/25/2023	9/26/2023	9/27/2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Baron Real Estate Fund - Retail Class	06828M702	BREFX	12/6/2023	12/7/2023	12/8/2023	100.00%	n/a	n/a	n/a	100.00%	n/a	n/a	n/a
Baron Real Estate Income Fund - Institutional Class	06828M736	BRIIX	3/27/2023	3/28/2023	3/29/2023	16.61%	n/a	n/a	n/a	5.45%	n/a	n/a	n/a
Baron Real Estate Income Fund - Institutional Class	06828M736	BRIIX	6/26/2023	6/27/2023	6/28/2023	16.61%	n/a	n/a	n/a	5.45%	n/a	n/a	n/a
Baron Real Estate Income Fund - Institutional Class	06828M736	BRIIX	9/25/2023	9/26/2023	9/27/2023	16.61%	n/a	n/a	n/a	5.45%	n/a	n/a	n/a
Baron Real Estate Income Fund - Institutional Class	06828M736	BRIIX	12/20/2023	12/21/2023	12/22/2023	16.61%	n/a	n/a	n/a	5.45%	n/a	n/a	n/a
Baron Real Estate Income Fund - R6 Class	06828M728	BRIUX	3/27/2023	3/28/2023	3/29/2023	16.61%	n/a	n/a	n/a	5.45%	n/a	n/a	n/a
Baron Real Estate Income Fund - R6 Class	06828M728	BRIUX	6/26/2023	6/27/2023	6/28/2023	16.61%	n/a	n/a	n/a	5.45%	n/a	n/a	n/a
Baron Real Estate Income Fund - R6 Class	06828M728	BRIUX	9/25/2023	9/26/2023	9/27/2023	16.61%	n/a	n/a	n/a	5.45%	n/a	n/a	n/a
Baron Real Estate Income Fund - R6 Class	06828M728	BRIUX	12/20/2023	12/21/2023	12/22/2023	16.61%	n/a	n/a	n/a	5.45%	n/a	n/a	n/a
Baron Real Estate Income Fund - Retail Class	06828M744	BRIFX	3/27/2023	3/28/2023	3/29/2023	16.61%	n/a	n/a	n/a	5.45%	n/a	n/a	n/a
Baron Real Estate Income Fund - Retail Class	06828M744	BRIFX	6/26/2023	6/27/2023	6/28/2023	16.61%	n/a	n/a	n/a	5.45%	n/a	n/a	n/a
Baron Real Estate Income Fund - Retail Class	06828M744	BRIFX	9/25/2023	9/26/2023	9/27/2023	16.61%	n/a	n/a	n/a	5.45%	n/a	n/a	n/a
Baron Real Estate Income Fund - Retail Class	06828M744	BRIFX	12/20/2023	12/21/2023	12/22/2023	16.61%	n/a	n/a	n/a	5.45%	n/a	n/a	n/a
Baron Wealthbuilder Fund - Institutional Class	06828M694	BWBIX	9/26/2023	9/27/2023	9/28/2023	100.00%	n/a	n/a	n/a	100.00%	n/a	n/a	n/a
Baron Wealthbuilder Fund - Retail Class	06828M710	BWBFX	9/26/2023	9/27/2023	9/28/2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Baron Wealthbuilder Fund - TA Class	06828M686	BWBTX	9/26/2023	9/27/2023	9/28/2023	100.00%	n/a	n/a	n/a	100.00%	n/a	n/a	n/a

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