Baron Asset Fund
Baron Growth Fund
Baron Small Cap Fund
Baron Opportunity Fund
Baron Fifth Avenue Growth Fund

March 31, 2013

Baron Asset Fund

Ticker Symbols:

Baron Funds®

Semi-Annual Financial Report

DEAR BARON FUNDS SHAREHOLDER:

In this report you will find unaudited financial statements for Baron Asset Fund, Baron Growth Fund, Baron Small Cap Fund, Baron Opportunity Fund and Baron Fifth Avenue Growth Fund (the "Funds") for the six months ended March 31, 2013. The Securities and Exchange Commission (the "SEC") requires mutual funds to furnish these statements semi-annually to their shareholders. We hope you find these statements informative and useful.

We thank you for choosing to join us as fellow shareholders in Baron Funds. We will continue to work hard to justify your confidence.

Sincerely,

Ronald Baron Chief Executive Officer and Chief Investment Officer

May 16, 2013

Linda S. Martinson Chairman, President and Chief Operating Officer May 16, 2013 Peggy Wong Treasurer and Chief Financial Officer May 16, 2013

This Semi-Annual Financial Report is for the Baron Investment Funds Trust, which currently has five series: Baron Asset Fund, Baron Growth Fund, Baron Small Cap Fund, Baron Opportunity Fund and Baron Fifth Avenue Growth Fund. If you are interested in the Baron Select Funds, which contains the Baron Partners Fund, Baron Focused Growth Fund, Baron International Growth Fund, Baron Real Estate Fund, Baron Emerging Markets Fund, Baron Energy and Resources Fund and Baron Global Advantage Fund series, please visit the Funds' website at www.BaronFunds.com or contact us at 1-800-99BARON.

A description of the Funds' proxy voting policies and procedures is available without charge on the Funds' website, www.BaronFunds.com or by calling 1-800-99BARON, and on the SEC's website at www.sec.gov. The Funds' most current proxy voting record, Form N-PX, is also available on the Funds' website and on the SEC's website.

The Funds file their complete schedules of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the SEC's website at www.sec.gov. The Funds' Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC; information on the operation of the SEC's Public Reference Room may be obtained by calling 1-202-551-8090. A copy of the Funds' Forms N-Q may also be obtained upon request by calling 1-800-99BARON. Schedules of portfolio holdings current to the most recent quarter-end are also available on the Funds' website.

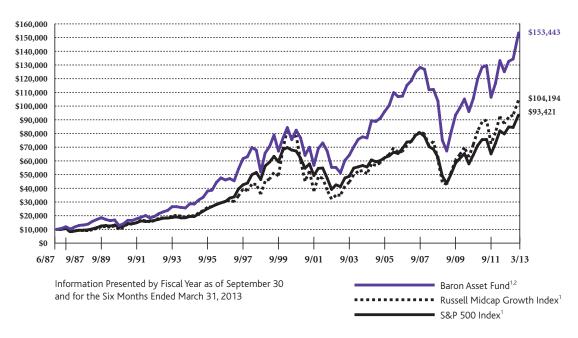
Some of the comments are based on current management expectations and are considered "forward-looking statements." Actual future results, however, may prove to be different from our expectations. You can identify forward-looking statements by words such as "estimate," "may," "expect," "should," "could," "believe," "plan" and other similar terms. We cannot promise future returns and our opinions are a reflection of our best judgment at the time this report is compiled.

The views expressed in this report reflect those of BAMCO, Inc. ("BAMCO" or the "Adviser") only through the end of the period stated in this report. The views are not intended as recommendations or investment advice to any person reading this report and are subject to change at any time without notice based on market and other conditions.

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. For more complete information about Baron Funds, including charges and expenses, call, write or go to www.BaronFunds.com for a prospectus. Read it carefully before you invest or send money. This report is not authorized for use as an offer of sale or a solicitation of an offer to buy shares of the Funds, unless accompanied or preceded by the Funds' current prospectus.



COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON ASSET FUND (RETAIL SHARES) IN RELATION TO THE RUSSELL MIDCAP GROWTH INDEX AND THE S&P 500 INDEX



AVERAGE ANNUAL TOTAL RETURNS FOR THE PERIODS ENDED MARCH 31, 2013

	Six Months*	One Year	Three Years	Five Years	Ten Years	Since Inception (June 12, 1987)
Baron Asset Fund — Retail Shares ^{1, 2}	15.67%	15.20%	13.43%	6.51%	11.59%	11.16%
Baron Asset Fund — Institutional Shares 1, 2, 4	15.82%	15.54%	13.74%	6.73%	11.70%	11.21%
Russell Midcap Growth Index1	13.39%	12.76%	14.23%	7.98%	11.53%	9.53%3
S&P 500 Index ¹	10.19%	13.96%	12.67%	5.81%	8.53%	9.05%

Not annualized.

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. The indexes and the Fund are with dividends, which positively impact the performance results.

Past performance is not predictive of future performance. The performance data does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares. The Fund's transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower.

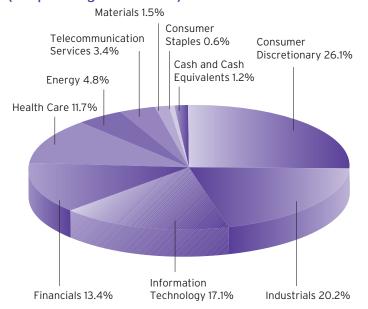
For the period June 30, 1987 to March 31, 2013.

⁴ Performance for the Institutional Shares prior to May 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 did not reflect this fee, the returns would be higher.

TOP TEN HOLDINGS AS OF MARCH 31, 2013

	Percent of Net Assets
Gartner, Inc.	4.1%
Verisk Analytics, Inc.	3.9%
SBA Communications Corp.	3.4%
Arch Capital Group Ltd.	3.3%
IDEXX Laboratories, Inc.	3.2%
Fastenal Co.	3.1%
Ralph Lauren Corp.	3.0%
Discovery Communications, Inc.	2.9%
The Charles Schwab Corp.	2.8%
Mettler-Toledo International, Inc.	2.7%
	32.4%

SECTOR BREAKDOWN AS OF MARCH 31, 2013[†] (as a percentage of net assets)



Management's Discussion of Fund Performance

For the six-month period ended March 31, 2013, Baron Asset Fund‡ gained 15.67%, while the Russell Midcap Growth Index gained 13.39% and the S&P 500 Index gained 10.19%.

Baron Asset Fund invests primarily in medium-sized growth companies for the long term, using a value-oriented purchase discipline. The Fund purchases companies that we believe have sustainable competitive advantages, strong financial characteristics,

exceptional management, and operate in industries with favorable growth characteristics.

After mixed results in the fourth quarter (negative to barely positive returns), several of the major U.S. market indexes reached all-time highs in the first quarter. Investors appeared to shrug off concerns about the impact of the ongoing budgetary disagreements on the broader U.S. economy. Instead, they focused on generally positive fourth quarter earnings results and continued signs that the U.S. economy is improving, notably the rise in existing home prices and new home construction activity. In addition, positive asset flows continued into equity mutual funds, indicating that investors' long-awaited shift away from cash may have finally begun.

The Fund's investments in the Consumer Discretionary, Industrials, and Financials sectors were the largest contributors to performance. Travel and leisure companies in the Consumer Discretionary sector rose, including hotels, resorts, cruise lines and Internet-based travel agents. We believe that continued improvement in global travel demand will lead to a meaningful increase in profitability for these companies, stemming from higher occupancy levels and increased pricing. Investments in Industrials operate in attractive growth markets, having unique assets or brands that provide competitive advantages, with recurring revenue streams and positive operating leverage. The rising stock market and investors' increased allocations to equities benefited asset managers and brokerages, and firming prices on insurance policy renewals benefited insurers. Companies with exposure to the recovering housing and commercial real estate markets also performed well.

Information Technology holding, FleetCor Technologies, Inc. was the leading contributor to Fund performance for the six-month period. FleetCor Technologies provides payment processing services to the vehicle fleet industry. The stock rose during the period due to better than expected earnings results and guidance. Organic growth has continued to be strong, and management is aggressively seeking to grow outside the U.S. through acquisitions.

MSCI, Inc. shares declined in the period as a result of Vanguard changing a subset of its ETF benchmarks from MSCI to FTSE and CRSP. As a result, the Fund exited its position.

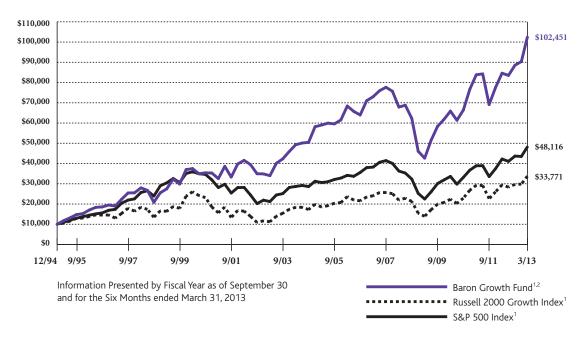
We continue to believe that stock market valuations are attractive. U.S. interest rates remain near historically low levels, and the fixed income markets offer limited inflation-adjusted returns. Although investors have begun to deploy some funds back into equities, they continue to hold substantial sums on the sidelines. We believe that the Fund will continue to benefit in a market environment that rewards high-quality companies with predictable and fast-growing earnings streams.

[†] Industry sector group levels are provided by the Global Industry Classification Standard ("GICS"), developed and exclusively owned by MSCI, Inc. and Standard & Poor's Financial Services LLC, unless otherwise stated that they have been classified by the Adviser. All GICS data is provided "as is" with no warranties.

^{*} Performance information reflects results of the Retail Shares.

¹ Prior to February 15, 2007, the Fund's strategy was to invest primarily in small- and mid-sized growth companies.

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON GROWTH FUND (RETAIL SHARES) IN RELATION TO THE RUSSELL 2000 GROWTH INDEX AND THE S&P 500 INDEX



AVERAGE ANNUAL TOTAL RETURNS FOR THE PERIODS ENDED MARCH 31, 2013

	Six Months*	One Year	Three Years	Five Years	Ten Years	Since Inception (December 31, 1994)
Baron Growth Fund — Retail Shares ^{1, 2}	15.72%	21.08%	15.84%	8.58%	11.66%	13.60%
Baron Growth Fund — Institutional Shares ^{1, 2, 3}	15.86%	21.40%	16.15%	8.79%	11.77%	13.66%
Russell 2000 Growth Index ¹	13.72%	14.52%	14.75%	9.04%	11.61%	6.90%
S&P 500 Index1	10.19%	13.96%	12.67%	5.81%	8.53%	8.99%

^{*} Not annualized.

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. The indexes and the Fund are with dividends, which positively impact the performance results.

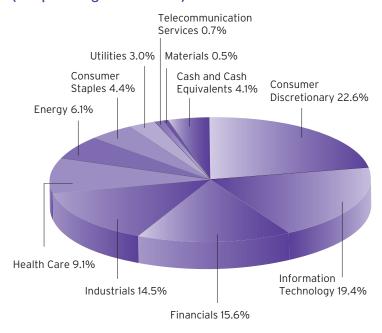
² Past performance is not predictive of future performance. The performance data does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares. The Fund's transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower.

³ Performance for the Institutional Shares prior to May 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 did not reflect this fee, the returns would be higher.

TOP TEN HOLDINGS AS OF MARCH 31, 2013

	Percent of Net Assets
Arch Capital Group Ltd.	3.3%
ITC Holdings Corp.	3.0%
Dick's Sporting Goods, Inc.	2.9%
Community Health Systems, Inc.	2.9%
Genesee & Wyoming, Inc.	2.8%
LKQ Corp.	2.8%
ANSYS, Inc.	2.6%
Gartner, Inc.	2.3%
FactSet Research Systems, Inc.	2.2%
Penn National Gaming, Inc.	2.2%
	27.0%

SECTOR BREAKDOWN AS OF MARCH 31, 2013[†] (as a percentage of net assets)



Management's Discussion of Fund Performance

For the six-month period ended March 31, 2013, Baron Growth Fund[‡] gained 15.72%, while the Russell 2000 Growth Index gained 13.72% and the S&P 500 Index gained 10.19%.

Baron Growth Fund invests primarily in small-sized U.S. growth companies for the long term. Through independent research, we utilize an investment approach that we believe allows us to look at a business's fundamental characteristics and beyond the current

market environment. We invest based on the potential profitability of a business at what we believe are attractive valuations.

After mixed results for U.S. markets in the fourth quarter, several major U.S. market indexes reached all-time highs in the first quarter. This strong performance was due, in part, to better than expected fourth quarter earnings, which businesses reported early in the first quarter. These results provided evidence that the U.S. economy continues to improve. For example, we see improvements in existing home prices, new home construction activity, and automobile sales. Natural gas prices and electricity costs remain low, which also positively impacts industrial activity. These factors appear to offset fears surrounding government fiscal restraints, higher taxes, and the economic impact of sequestration. In addition, asset flows into equity investments turned positive in the first quarter; the first such quarter in two years, indicating that investors' long-awaited shift away from cash finally might be beginning.

On a sector level, investments in every sector contributed to performance, with the Fund's investments in the Industrials, Information Technology (IT), and Consumer Discretionary sectors being the largest contributors.

Within IT, Cymer, Inc. was the largest contributor to Fund performance in the period. Shares of the leading provider of photolithography light sources for semiconductor manufacturing rose 88.3% in the period after it was announced in the fourth quarter that Cymer was being acquired by its largest customer, ASML Holding N.V. This validated our multi-year growth thesis, centered on the uptake of next-generation extreme ultra-violet lasers.

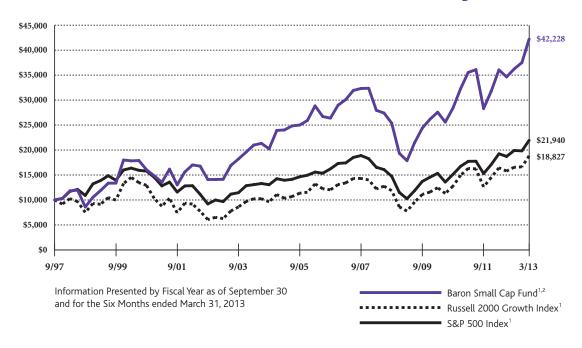
Better Place, Inc. was the largest detractor from Fund performance in the period. Better Place is the first private global end-to-end electric vehicle (EV) infrastructure provider with operating networks in Israel and Denmark. We invested in Better Place in December 2011, ahead of its commercial launch, with the view that its innovative approach to EVs would enable it to jumpstart EV adoption in Denmark and Israel. Our expectations were not met, and projected execution was above budget and behind schedule. This, plus a recent management change, caused us to mark down our investment significantly.

The Fund continues to invest in a portfolio of businesses that have significantly better financial characteristics than the benchmark index against which it is compared. These businesses have significantly higher growth rates, operating margins, net margins, EBITDA margins, return on invested capital, return on equity, return on assets, and lower standard deviations of earnings growth.

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^{*} Performance information reflects results of the Retail Shares.

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON SMALL CAP FUND (RETAIL SHARES) IN RELATION TO THE RUSSELL 2000 GROWTH INDEX AND THE S&P 500 INDEX



AVERAGE ANNUAL TOTAL RETURNS FOR THE PERIODS ENDED MARCH 31, 2013

	Six Months*	One Year	Three Years	Five Years	Ten Years	Since Inception (September 30, 1997)
Baron Small Cap Fund — Retail Shares ^{1, 2}	16.50%	17.15%	15.26%	8.60%	11.56%	9.74%
Baron Small Cap Fund — Institutional Shares ^{1, 2, 3}	16.63%	17.45%	15.56%	8.81%	11.67%	9.81%
Russell 2000 Growth Index ¹	13.72%	14.52%	14.75%	9.04%	11.61%	4.17%
S&P 500 Index ¹	10.19%	13.96%	12.67%	5.81%	8.53%	5.20%

^{*} Not annualized.

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. The indexes and the Fund are with dividends, which positively impact the performance results.

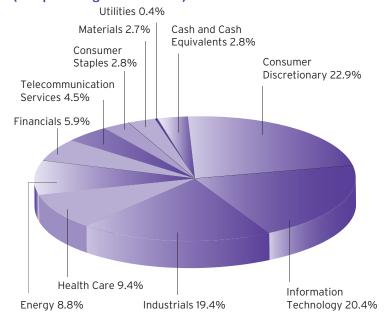
² Past performance is not predictive of future performance. The performance data does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares. The Fund's transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower.

³ Performance for the Institutional Shares prior to May 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 did not reflect this fee, the returns would be higher.

TOP TEN HOLDINGS AS OF MARCH 31, 2013

	Percent of Net Assets
SBA Communications Corp.	3.7%
Penn National Gaming, Inc.	3.4%
TransDigm Group, Inc.	3.2%
Equinix, Inc.	2.6%
Gartner, Inc.	2.5%
Liberty Media Corp.	2.3%
Waste Connections, Inc.	1.9%
The Ultimate Software Group, Inc.	1.7%
Brookdale Senior Living, Inc.	1.7%
ACI Worldwide, Inc.	1.7%
	24.7%

SECTOR BREAKDOWN AS OF MARCH 31, 2013[†] (as a percentage of net assets)



Management's Discussion of Fund Performance

For the six-month period ended March 31, 2013, Baron Small Cap Fund‡ gained 16.50%, while the Russell 2000 Growth Index gained 13.72% and the S&P 500 Index gained 10.19%.

Baron Small Cap Fund invests primarily in small-cap growth companies for the long term. The Fund invests in what we believe are well-run small-cap growth businesses that can be purchased at prices that represent a significant discount to our assessment of future value.

Despite all the worries about global macro issues such as European debt, Chinese growth, Middle East tensions, and austerity measures passed to deal with the U.S.'s fiscal cliff, surprisingly, the economy accelerated and many businesses reported better than expected fourth quarter results. Retail sales were firm, auto and industrial production rose, the housing market continued to strengthen, and employment reports beat consensus estimates by wide margins. Corporate earnings, which we contend are most important in determining stock prices, were solid. Corporate executives reported an improved tone to business and more optimism concerning their outlooks for the near future. Stocks rode the optimism to all-time highs. The upswing in stocks is four years old, yet in the first quarter it felt like a distinct change in attitude to us, with increased money flowing into equities, and the Fund.

Still, there were some anomalies in the first quarter, in our view, in that defensive sectors such as Health Care led the rally, energy and commodity prices fell, and bonds weakened. These are all unusual occurrences for a rally based upon a firming economy.

The Fund's investments in the Consumer Discretionary, Industrials, and Information Technology sectors were the strongest contributors to performance.

Penn National Gaming, Inc., a regional gaming company with casinos across the U.S., was the largest contributor to performance during the period. Its shares increased 26.3% over the past six months after the company announced it will be separating its real estate assets into two separately traded entities in the fourth quarter of 2012. Operating assets will comprise one entity and real property assets will comprise the other, which is expected to become a REIT. We believe this reorganization is a positive for the company and will add value to both entities over time.

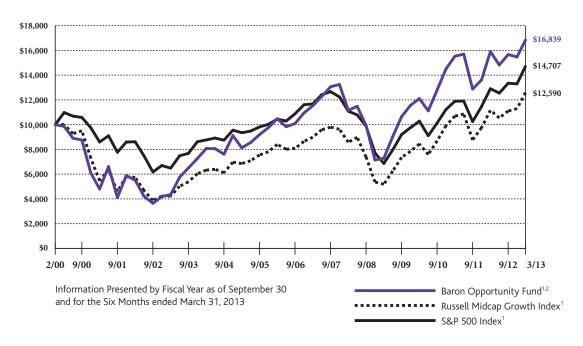
BJ's Restaurants, Inc., an operator of casual dining restaurants, was the largest detractor from performance in the period. The company lowered both sales and earnings guidance for the fourth quarter, leading analysts to lower both 2012 and 2013 earnings expectations. We viewed this as an overreaction to a modest near-term shortfall and used the occasion to buy additional shares.

Baron Small Cap Fund's investments fall into three categories: classic growth stocks, fallen angels, and special situations. The Fund intends to continue to invest predominantly in classic growth stocks that we believe have significant long-term growth prospects and can be purchased at what we believe are attractive prices because their prospects have not yet been appreciated by investors. Fallen angels are companies that we believe have strong long-term franchises but have disappointed investors with short-term results, creating what we believe is a buying opportunity. Special situations include spin-offs and recapitalizations, where lack of investor awareness creates opportunities to purchase what we believe are strong businesses at attractive prices. With the market rally and growth stocks trading at higher multiples, our new purchases in the first quarter focused on special situations and initial public offerings.

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Performance information reflects results of the Retail Shares.

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON OPPORTUNITY FUND (RETAIL SHARES) IN RELATION TO THE RUSSELL MIDCAP GROWTH INDEX AND THE S&P 500 INDEX



AVERAGE ANNUAL TOTAL RETURNS FOR THE PERIODS ENDED MARCH 31, 2013

	Six Months*	One Years	Three Years	Five Years	Ten Years	Since Inception (February 29, 2000)
Baron Opportunity Fund — Retail Shares ^{1, 2}	7.48%	5.86%	11.63%	8.57%	14.48%	4.06%
Baron Opportunity Fund — Institutional Shares ^{1, 2, 3}	7.67%	6.12%	11.94%	8.81%	14.60%	4.15%
Russell Midcap Growth Index ¹	13.39%	12.76%	14.23%	7.98%	11.53%	1.78%
S&P 500 Index ¹	10.19%	13.96%	12.67%	5.81%	8.53%	2.99%

^{*} Not annualized.

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. The indexes and the Fund are with dividends, which positively impact the performance results.

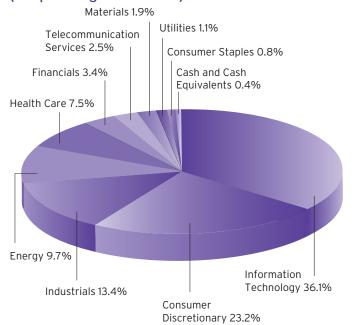
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³ Performance for the Institutional Shares prior to May 29, 2009 is based on the performance of the Retail Shares, which have a distribution fee. The Institutional Shares do not have a distribution fee. If the annual returns for the Institutional Shares did not reflect this fee, the returns would be higher.

TOP TEN HOLDINGS AS OF MARCH 31, 2013

	Percent of Net Assets
Gartner, Inc.	4.2%
Verisk Analytics, Inc.	3.6%
Guidewire Software, Inc.	3.3%
ANSYS, Inc.	3.2%
Equinix, Inc.	3.0%
RealPage, Inc.	2.8%
HomeAway, Inc.	2.7%
Discovery Communications, Inc.	2.6%
SBA Communications Corp.	2.6%
CBRE Group, Inc.	2.2%
	30.2%

SECTOR BREAKDOWN AS OF MARCH 31, 2013[†] (as a percentage of net assets)



Management's Discussion of Fund Performance

For the six-month period ended March 31, 2013, Baron Opportunity Fund[‡] gained 7.48%, while the Russell Midcap Growth Index gained 13.39% and the S&P 500 Index gained 10.19%.

Baron Opportunity Fund invests primarily in U.S. mid-cap growth companies that we believe are driving or benefiting from innovation through development of pioneering, transformative, or technologically advanced products and services.

The U.S. equity markets posted solid gains for the six-month period. Coordinated central bank actions on both sides of the Atlantic spurred investors to focus on attractive equity valuations in the context of historically low U.S. and global interest rates, and the market cheered the New Year's Eve compromise averting the fiscal cliff in the U.S. The rally continued, spurred on by better-than-feared fourth quarter earnings and strong money flows into U.S. equity markets.

The Fund did not keep pace with the broader market this period. This sixmonth period was unusual in that the Fund's investments in the Consumer Discretionary sector, and not the Information Technology (IT) sector, contributed the most to Fund performance. Fund performance was also positively impacted by its investments in the Industrials and Energy sectors. In addition, participation in IPOs contributed 2.07% to the Fund's six-month returns.* The primary detractors from performance were investments in the IT, Utilities, and Materials sectors.

Energy holding CARBO Ceramics, Inc. was the leading contributor to Fund performance for the period. CARBO is the leading supplier of advanced material proppants for the oil & gas industry. After underperforming for much of 2012, its shares rebounded over the past six months, as it appeared that the problems of oversupplied markets and logistical challenges that were hurting pricing, costs, and volumes were abating. As a result, earnings estimates have stabilized and begun to improve for 2013.

BazaarVoice, Inc., which provides social commerce SaaS solutions to brands and retailers in the U.S. and abroad, was the largest detractor from performance during the period, and the Fund exited its position. Shares of BazaarVoice declined over 50% for the period, as the company announced management changes, including the retirement of its CEO.

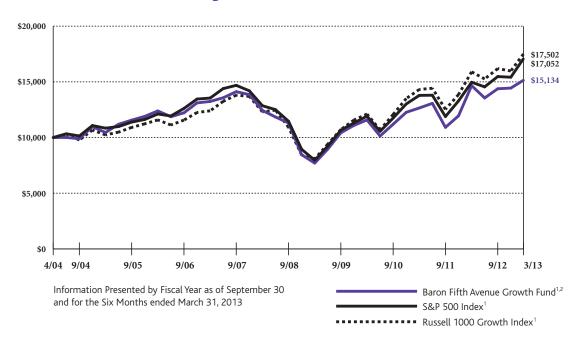
We believe the investment strategy for the Fund remains consistent and compelling. We invest in higher growth, often innovative businesses that are benefiting from powerful secular growth themes. The Fund's investments, in the aggregate, are growing their top lines at about twice the rate as the companies that make up the Russell Midcap Growth Index. Our investments also tend to have higher free cash flow margins than the average benchmark company. We sometimes pay higher multiples for these faster-growing businesses, and we accept slightly more volatility than the benchmark, but we believe, over time, our strategy will yield higher risk-adjusted returns for our investors than an investment in the passive benchmark. While we strive to outperform in every period, we acknowledge that, with our approach to investing, periods of underperformance are unavoidable. We attempt to use those periods to improve the portfolio by taking advantage of compelling opportunities when they present themselves. We believe the best approach to longterm investing is to pursue a consistent and proven strategy. We continue to focus on identifying businesses with powerful secular growth drivers, predictable and/or recurring revenue streams, sustainable competitive advantages, strong balance sheets, positive operating cash flows, and products and services that we expect to remain in high demand and critical to customers.

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^{*} Performance information reflects results of the Retail Shares.

^{*} There is no guarantee that these results can be repeated or that the Fund's level of participation in IPOs and/or secondary offerings will be the same in the future.

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON FIFTH AVENUE GROWTH FUND (RETAIL SHARES) IN RELATION TO THE S&P 500 INDEX AND THE RUSSELL 1000 GROWTH INDEX



AVERAGE ANNUAL TOTAL RETURNS FOR THE PERIODS ENDED MARCH 31, 2013

	Six Months*	One Year	Three Years	Five Years	Since Inception (April 30, 2004)
Baron Fifth Avenue Growth Fund — Retail Shares ^{1, 2}	5.24%	3.23%	9.34%	4.01%	4.76%
Baron Fifth Avenue Growth Fund — Institutional Shares ^{1, 2, 3}	5.38%	3.55%	9.61%	4.21%	4.87%
S&P 500 Index ¹	10.19%	13.96%	12.67%	5.81%	6.17%
Russell 1000 Growth Index ¹	8.10%	10.09%	13.06%	7.30%	6.48%

^{*} Not annualized.

The indexes are unmanaged. The S&P 500 Index measures the performance of 500 widely held large-cap U.S. companies and the Russell 1000® Growth Index of large-sized U.S. companies that are classified as growth. The indexes and the Fund are with dividends, which positively impact the performance results.

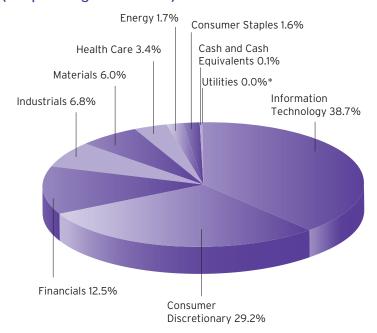
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³ Performance for the Institutional Shares prior to May 29, 2009 is based on the performance of the Retail Shares, which have a distribution fee. The Institutional Shares do not have a distribution fee. If the annual returns for the Institutional Shares did not reflect this fee, the returns would be higher.

TOP TEN HOLDINGS AS OF MARCH 31, 2013

	Percent of Net Assets
Google, Inc.	5.9%
Apple, Inc.	5.2%
Visa, Inc.	4.6%
Amazon.com, Inc.	4.3%
Monsanto Co.	4.1%
Wynn Resorts Ltd.	4.0%
Brookfield Asset Management, Inc.	3.8%
priceline.com, Inc.	3.7%
Equinix, Inc.	3.5%
Illumina, Inc.	3.4%
	42.5%

SECTOR BREAKDOWN AS OF MARCH 31, 2013[†] (as a percentage of net assets)



Management's Discussion of Fund Performance

For the six-month period ended March 31, 2013, Baron Fifth Avenue Growth Fund[‡] gained 5.24%, while the S&P 500 Index gained 10.19% and the Russell 1000 Growth Index gained 8.10%.

Baron Fifth Avenue Growth Fund focuses on identifying and investing in unique companies with sustainable competitive

advantages that we believe have the ability to redeploy capital at high rates of return. The Fund's portfolio is constructed on a bottom-up basis, with the quality of ideas and conviction level being the most important determinants of the size of each investment. When we develop high conviction in a particular business, we expect it to have a meaningful weight in the portfolio. We expect top 10 holdings to be in the range of 35% to 45% of the Fund. The Fund's sector weightings are incidental to portfolio construction, and exposure to any sector is a result of our stock selection.

After mixed results in the fourth quarter (negative to barely positive returns), several of the major U.S. market indexes reached all-time highs in the first quarter. For instance, approximately 88% of the constituents in the S&P 500 Index, which measures the performance of widely held large-cap U.S. companies, increased in value during the first quarter. Investors appeared to shrug off concerns about the impact of the ongoing budgetary disagreements on the broader U.S. economy. Instead, they focused on generally positive fourth quarter earnings results and continued signs that the U.S. economy is improving.

The Fund's investments in the Consumer Discretionary, Industrials, and Materials sectors were the largest contributors to performance, while its investments in Utilities and Information Technology detracted.

The largest contributor to performance for the period was Visa, Inc., a payment network that authorizes and facilitates payments for consumers, merchants, and financial institutions around the world. The stock rose during the period due to strong earnings growth that exceeded expectations. The stock also benefited from a higher valuation multiple, as investors increasingly sought out strong companies with secular growth characteristics.

After being a significant contributor for most of 2012, Apple, Inc., was the Fund's largest detractor over the last six months. Apple lost about a third of its value or approximately \$210 billion of its market cap during this period. The competition continues to get better, profit margins are coming down, and we are no closer to getting clarity on new products or management's thought process or priorities in addressing these issues. The current valuation suggests that the market is pricing in a significant decline in Apple's earnings and free cash flow, a scenario we find unlikely. We still believe that Apple can win in many different ways and that it retains unusually large positive optionality, despite several short-term issues.

The Fund seeks to manage risk by focusing on business risk (competition, management and regulations), valuation risk (purchase price providing a large enough margin of safety), financial risk (leverage and capital structure), and analysis risk (our assumptions). Our objective is not to predict how markets may perform in a given year. Instead, we aim to create a portfolio of unique companies with different end markets because, in our experience, this is the best way to manage market risk over time.

[†] Industry sector group levels are provided by the Global Industry Classification Standard ("GICS"), developed and exclusively owned by MSCI, Inc. and Standard & Poor's Financial Services LLC, unless otherwise stated that they have been classified by the Adviser. All GICS data is provided "as is" with no warranties.

^{*} Less than 0.1%.

^{*} Performance information reflects results of the Retail Shares.

Baron Asset Fund March 31, 2013

STATEMENT OF NET ASSETS (UNAUDITED)

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Shares		Cost	Value	Shares	Cost	Value
Common S	Stocks (97.29%)			Common Stocks (continued)		
Consumer	Discretionary (25.75%) Apparel, Accessories & Luxury Goods (3.70%)			Energy (continued) Oil & Gas Storage & Transportation (0.35%)		
	Fossil, Inc.¹ Ralph Lauren Corp.	\$ 13,482,048 \$ 7,677,813	16,905,000 70,263,650	244,934 Western Gas Equity Partners LP \$ Total Energy	5,525,167 61,276,062	\$ 8,381,641 113,739,576
		21,159,861	87,168,650	_		
750,000	Automotive Retail (1.33%) CarMax, Inc. ¹	14,772,082	31,275,000	Financials (12.33%) Asset Management & Custody Banks (1.74%)		
875,000	Broadcasting (3.50%) Discovery Communications, Inc., Cl A ¹	22,464,785	68,897,500	400,000 Eaton Vance Corp. 325,000 T. Rowe Price Group, Inc.	7,605,392 7,848,785	16,732,000 24,332,750
120,000	Liberty Media Corp. ¹	8,488,154	13,395,600	_	15,454,177	41,064,750
		30,952,939	82,293,100	Investment Banking		
135,000	Cable & Satellite (0.13%) Starz Liberty Capital ¹	1,098,254	2,990,250	& Brokerage (2.82%) 3,750,000 The Charles Schwab Corp. Office REITs (1.37%)	5,193,364	66,337,500
375,000	Casinos & Gaming (1.99%) Wynn Resorts Ltd.	1,245,697	46,935,000	98,000 Alexander's, Inc.4	4,817,388	32,309,620
325,000	Education Services (0.44%) DeVry, Inc.	546,016	10,318,750	Property & Casualty Insurance (3.35%) 1,500,000 Arch Capital Group Ltd. ^{1,2}	16,378,999	78,855,000
	Hotels, Resorts & Cruise Lines (3.96%) Choice Hotels International, Inc.	3,917,852	33,848,000	Real Estate Services (2.31%) 2,150,000 CBRE Group, Inc., Cl A ¹	29,247,253	54,287,500
1,025,000 507.471	Hyatt Hotels Corp., Cl A ¹ Norwegian Cruise Line	30,808,659	44,310,750	Regional Banks (0.74%) 450,000 First Republic Bank	11,878,902	17,379,000
221,111	Holdings Ltd. ^{1,2}	9,641,949	15,046,515	Total Financials	82,970,083	290,233,370
		44,368,460	93,205,265	_		
	Internet Retail (3.80%) HomeAway, Inc.¹ priceline.com, Inc.¹	29,580,281 12,636,160	35,824,588 53,658,540	Health Care (11.72%) Health Care Distributors (1.38%)		
		42,216,441	89,483,128	350,000 Henry Schein, Inc. ¹	9,382,832	32,392,500
1,000,000	Vail Resorts, Inc.	19,491,424	62,320,000	Health Care Equipment (3.91%) 810,000 IDEXX Laboratories, Inc. ¹ 35,000 Intuitive Surgical, Inc. ¹	31,726,860 3,456,371	74,835,900 17,191,650
500,000	Specialty Stores (4.25%) Dick's Sporting Goods, Inc. Tiffany & Co. Tractor Supply Co.	20,465,452 15,543,940 18,855,913	35,475,000 34,770,000 29,677,050	Health Care Facilities (0.54%)	35,183,231	92,027,550
	,	54,865,305	99,922,050	200,000 Universal Health Services, Inc., Cl B Health Care Technology (0.54%)	11,357,093	12,774,000
Total Consu	mer Discretionary	230,716,479	605,911,193	135,000 Cerner Corp. ¹	5,888,938	12,791,250
Consumer	Staples (0.58%)			Life Sciences Tools & Services (4.21%) 650,000 Illumina, Inc.¹ 300,000 Mettler-Toledo International, Inc.¹	28,570,042 18,943,372	35,100,000 63,966,000
275,000	Food Distributors (0.58%) United Natural Foods, Inc. ¹	14,611,786	13,530,000	500,000 Pretiter-Totedo International, inc.	47,513,414	99,066,000
				Pharmaceuticals (1.14%)	,5 .5,	,,
Energy (4.8	33%)			225,000 Perrigo Co.	16,355,774	26,714,250
	Oil & Gas Drilling (1.16%) Helmerich & Payne, Inc.	13,140,149	27,315,000	Total Health Care	125,681,282	275,765,550
	Oil & Gas Equipment			Industrials (20.18%)		
	& Services (1.90%) Core Laboratories N.V. ² Oil States International, Inc. ¹	16,127,180 10,032,536	32,411,200 12,235,500	Air Freight & Logistics (1.14%) 450,000 C.H. Robinson Worldwide, Inc.	8,215,198	26,757,000
		26,159,716	44,646,700	Electrical Components		
=	Oil & Gas Exploration & Production (1.42%)			& Equipment (1.76%) 325,000 Roper Industries, Inc.	28,285,642	41,375,750
	Concho Resources, Inc. ¹ Whiting Petroleum Corp. ¹	11,663,100 4,787,930	25,770,235 7,626,000	Environmental & Facilities Services (2.27%)		
,	3	16,451,030	33,396,235	325,000 Clean Harbors, Inc.1 325,000 Stericycle, Inc.1	18,239,236 9,162,173	18,879,250 34,508,500
				_	27,401,409	53,387,750

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Baron Asset Fund

STATEMENT OF NET ASSETS (UNAUDITED) (Continued)

Shares			Cost		Value
Common S	Stocks (continued)				
940,000	(continued) Industrial Machinery (3.44%) Colfax Corp.¹ The Middleby Corp.¹	\$	30,232,157 9,540,120	\$	43,747,600 9,889,750
	Pall Corp.	_	26,014,362 65,786,639	_	27,348,000
1,600,000	Research & Consulting Services (7.25%) IHS, Inc., Cl A ¹ Nielsen Holdings N.V. ² Verisk Analytics, Inc., Cl A ¹		18,819,422 40,612,242 39,224,920		20,944,000 57,312,000 92,445,000
	Trading Companies		98,656,584		170,701,000
	& Distributors (4.32%) Fastenal Co. MRC Global, Inc. ¹	_	25,751,882 20,987,322	_	71,890,000 29,637,000
Total Indust	rials	_	46,739,204 275,084,676	-	101,527,000 474,733,85 0
735,000	n Technology (17.06%) Application Software (4.61%) ANSYS, Inc.¹ FactSet Research Systems, Inc.		23,003,094 28,837,255		59,843,70 48,615,00
	Data Processing & Outsourced		51,840,349		108,458,70
725,000	Services (2.36%) FleetCor Technologies, Inc. ¹		26,676,932		55,585,75
	Internet Software & Services (2.66%) LinkedIn Corp., Cl A ¹ VeriSign, Inc. ¹		13,256,059 24,145,638		37,852,90 24,822,00
	IT Consulting & Other		37,401,697		62,674,90
235,000 1,775,000	Services (6.27%) Equinix, Inc. ^{1,4} Gartner, Inc. ¹		17,132,405 39,253,019 56,385,424	_	50,832,85 96,577,75 147,410,60
600,000	Systems Software (1.16%) MICROS Systems, Inc.1		29,125,508		27,306,00
	nation Technology		201,429,910	_	401,435,95

Shares	Cost	Value
Private Equity Investments (1.47%)		
Consumer Discretionary (0.35%) Hotels, Resorts & Cruise Lines (0.35%)		
5,200,000 Kerzner International Holdings Ltd., Cl A ^{1,2,3,4,6}	\$ 52,000,00	8,268,000
Financials (1.12%)		
Asset Management & Custody Banks (1.12%) 7,056,223 Windy City Investments Holdings, L.L.C. ^{1,3,4,6}	34,581,90	26,249,149
Total Private Equity Investments	86,581,90	34,517,149
Principal Amount		
Short Term Investments (1.43%)		
\$33,749,073 Repurchase Agreement with Fixed Income Clearing Corp., dated 3/28/2013, 0.01% due 4/1/2013; Proceeds at maturity - \$33,749,110; (Fully collateralized by \$33,180,000 U.S. Treasury Note, 4.00% due 2/15/2014; Market value - \$34,424,250) ⁵	33,749,07	73 33,749,073
Total Investments (100.19%)	\$1,170,002,75	2,357,543,711
Liabilities Less Cash and Other Assets (-0.19%)		= (4,468,873)
Net Assets		\$2,353,074,838
Retail Shares (Equivalent to \$55.82 per share based on 34,808,954 shares outstanding)	•	\$1,943,150,065
Institutional Shares (Equivalent to \$56.50 per share based on 7,255,155 shares outstanding)	_	\$ 409,924,773

- % Represents percentage of net assets.
- ¹ Non-income producing securities.
- ² Foreign corporation.
- At March 31, 2013, the market value of restricted and fair valued securities amounted to \$34,517,149 or 1.47% of net assets. None of these securities are deemed liquid. See Note 6 regarding Restricted Securities.
- 4 The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI
- ⁵ Level 2 security. See Note 7 regarding Fair Value Measurements.
- 6 Level 3 security. See Note 7 regarding Fair Value Measurements.

All securities are Level 1, unless otherwise noted.

Industrial Gases (1.47%)

Wireless Telecommunication Services (3.37%) 1,100,000 SBA Communications Corp., Cl A¹

Telecommunication Services (3.37%)

23,451,908

34,449,588

1,049,671,774 2,289,277,489

34,706,000

79,222,000

350,000 Airgas, Inc.

Total Common Stocks

Baron Growth Fund March 31, 2013

STATEMENT OF NET ASSETS (UNAUDITED)

March	31,	201	3
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Shares		Cost	Value	Shares		Cost	Value
Common St	ocks (95.52%)			Common St	ocks (continued)		
Consumer D	Discretionary (22.40%)			Energy (6.0	5%)		
1,464,900	Apparel Retail (0.40%) Cia. Hering SA (Brazil) ²	\$ 21,638,953	\$ 26,169,932	1,150,000	Coal & Consumable Fuels (0.06% Ceres, Inc.1 \$) 14,950,000	\$ 4,002,000
2,450,000	Apparel, Accessories & Luxury Goods (1.90%) Under Armour, Inc., Cl A ¹	39,352,776	125,440,000	900,000	Oil & Gas Drilling (0.83%) Helmerich & Payne, Inc.	20,239,977	54,630,000
, ,	Automotive Retail (0.38%)	, , , , , , , , , , , , , , , , , , , ,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		Oil & Gas Equipment & Services (3.19%)		
750,000	Penske Automotive Group, Inc. Casinos & Gaming (3.30%)	13,032,059	25,020,000	750,000	CARBO Ceramics, Inc. Core Laboratories N.V. ²	30,843,816 17,648,703	43,258,250 103,440,000
2,669,200	Ameristar Casinos, Inc. ⁴ Penn National Gaming, Inc. ¹ Pinnacle Entertainment, Inc. ¹	37,023,539 75,092,649 21,026,283	52,460,000 145,284,556 20,620,457	825,000	Era Group, Inc.¹ SEACOR Holdings, Inc.¹	1,242,269 41,483,601 91,218,389	3,853,584 60,786,000 211,337,834
, ,		133,142,471	218,365,013		Oil & Gas Exploration		
8,375,000	Distributors (2.75%) LKQ Corp. ¹	54,827,006	182,240,000		& Production (0.64%) Denbury Resources, Inc. ¹ Oasis Petroleum, Inc. ¹	2,806,886 3,460,674	9,325,000 9,410,561
	Education Services (1.64%)				SM Energy Co.	13,315,693	23,688,000
159,500	Bright Horizons Family Solutions, Inc.1	3,509,000	5,389,505		_	19,583,253	42,423,561
3,250,000	DeVry, Inc. ⁴	53,092,260	103,187,500		Oil & Gas Storage &		
	Home Improvement	56,601,260	108,577,005		Transportation (1.34%) MPLX LP Targa Resources Corp.	3,042,864 37,352,560	5,179,784 83,460,453
1 180 000	Retail (1.25%) Lumber Liquidators Holdings, Inc.	1 27,982,185	82,859,600			40,395,424	88,640,237
1, 100,000	Hotels, Resorts &	21,302,103	02,033,000	Total Energy	_	186,387,043	401,033,632
1,719,044	Cruise Lines (2.55%) Choice Hotels International, Inc. ⁴ Interval Leisure Group, Inc.	74,341,448 31,607,860	127,247,325 37,372,017	Financials (15.41%)		
100,000	Marriott Vacations Worldwide Corp.1	4,240,604	4,291,000		Asset Management & Custody Banks (4.49%)		
	Leisure Facilities (2.17%)	110,189,912	168,910,342	2,016,034	The Carlyle Group Cohen & Steers, Inc.	43,767,989 55,133,349	60,345,695 72,718,346
	Vail Resorts, Inc. ⁴ Whistler Blackcomb	56,920,200	125,621,540	1,199,681	Eaton Vance Corp. Financial Engines, Inc. Manning & Napier, Inc.	25,648,439 18,866,956 7,338,907	60,653,500 43,452,446 10,089,400
	Holdings, Inc. (Canada) ²	15,542,103	18,016,133		Oaktree Capital Group, LLC	40,883,518	49,668,684
	Marrian R. Fratautainmant (O. 740	72,462,303	143,637,673			191,639,158	296,928,071
2,917,805	Movies & Entertainment (0.749) Manchester United plc, Cl A ^{1,2}	39,472,473	48,873,234	712,000	Diversified REITs (0.34%) American Assets Trust, Inc.	14,309,605	22,791,120
1,200,000	Publishing (1.27%) Morningstar, Inc.	25,930,700	83,904,000	2,441,106	Life & Health Insurance (1.21%) Primerica, Inc.	55,247,326	80,019,455
450,000	Restaurants (1.12%) Panera Bread Co., Cl A ¹ Specialty Stores (2.03%)	15,602,751	74,358,000	567,000	Multi-Sector Holdings (0.24%) Leucadia National Corp. (formerly, Jefferies Group, Inc.)	6,723,959	15,552,810
4,100,000	Specialty Stores (2.93%) Dick's Sporting Goods, Inc.	69,383,822	193,930,000		Office REITs (1.95%)	0,7. 20,000	.5,552,6 .6
Total Consum	ner Discretionary	679,618,671	1,482,284,799		Alexander's, Inc. ⁵ Douglas Emmett, Inc.	28,435,048 47,518,561	44,508,150 84,762,000
						75,953,609	129,270,150
Consumer S	taples (4.37%)				Property & Casualty		
38,781	Brewers (0.09%) The Boston Beer Co., Inc., Cl A ¹	4,271,272	6,190,999	4,125,000	Insurance (3.28%) Arch Capital Group Ltd. ^{1,2}	40,614,565	216,851,250
2,032,844	Food Distributors (1.51%) United Natural Foods, Inc. ¹	86,173,290	100,015,925	500,000	Real Estate Services (0.41%) Zillow, Inc., Cl A ^{1,6}	13,783,624	27,335,000
1,500,000	Household Products (1.47%) Church & Dwight Co., Inc.	27,340,827	96,945,000	625,000	Residential REITs (0.43%) American Campus Communities, Inc	. 17,129,104	28,337,500
1,325,000	Packaged Foods & Meats (1.309) TreeHouse Foods, Inc. ¹	%) 52,766,413	86,323,750	3,125,000	Specialized Finance (1.60%) MSCI, Inc. ¹	66,394,463	106,031,250
Total Consum	ner Staples	170,551,802	289,475,674	775.000	Specialized REITs (1.46%)	30.000.531	EE 000 E00
					Alexandria Real Estate Equities, Inc. LaSalle Hotel Properties	29,669,521 38,188,117	55,009,500 41,242,500
					<u> </u>	67,857,638	96,252,000
				Total Financia	als	549,653,051	1,019,368,606

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STATEMENT OF NET ASSETS (UNAUDITED) (Continued)

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Total Industrials

Shares		Cost	Value	Shares	Cost	Value
Common St	ocks (continued)			Common Stocks (continued)		
Health Care	(9.06%)			Information Technology (19.44%)		
400,000	Biotechnology (0.16%) Myriad Genetics, Inc.1 \$ Health Care Equipment (1.75%)	10,135,170 \$	10,160,000	Application Software (9.50 2,000,000 Advent Software, Inc.¹ 2,125,000 ANSYS, Inc.¹	\$ 41,747,215 51,478,172	173,017,500
	Edwards Lifesciences Corp.¹ IDEXX Laboratories, Inc.¹	5,349,910 28,558,026	32,864,000 83,151,000	825,000 Concur Technologies, Inc. ¹ 1,600,000 FactSet Research Systems, Inc. 800,000 Guidewire Software, Inc. ¹	23,587,655	56,644,500 148,160,000 30,752,000
200.000	Health Care Facilities (3.06%)	33,907,936	116,015,000	1,600,000 Pegasystems, Inc. 1,265,000 RealPage, Inc. ¹ 3,087,713 SS&C Technologies Holdings,	49,240,202 30,392,784 Inc. ¹ 52,369,848	44,928,000 26,198,150 92,569,636
4,000,000	Brookdale Senior Living, Inc. ¹ Community Health Systems, Inc. ¹ VCA Antech, Inc. ¹	5,976,500 77,630,412 3,991,558	8,364,000 189,560,000 4,698,000	Data Processing & Outsour	347,655,489	628,209,786
	Health Care Services (0.10%)	87,598,470	202,622,000	Services (1.84%) 1,525,000 MAXIMUS, Inc.	58,567,377	121,954,250
150,000	IPC The Hospitalist Co., Inc. ¹ Health Care Supplies (0.13%)	3,121,417	6,672,000	Electronic Equipment & Instruments (0.64%)		
175,000	Neogen Corp. ¹	3,887,774	8,674,750	650,000 FEI Company Internet Software &	24,367,636	41,957,500
,	Life Sciences Tools & Services (2.68%) Mettler-Toledo International, Inc.¹ TECHNE Corp.	27,486,940 46,631,249	117,271,000 59,771,983	Services (1.81%) 999,653 CoStar Group, Inc. ¹ 778,366 LivePerson, Inc. ¹	44,116,616 11,235,047	109,422,017 10,570,210
000,5 15	_	74,118,189	177,042,983		55,351,663	119,992,227
3,037,400	Pharmaceuticals (1.18%) CFR Pharmaceuticals			IT Consulting & Other Services (3.56%) 6,000,000 Booz Allen Hamilton Holding	Corp. 83,408,603	80.640.000
	SA 144A, ADR ^{2,8}	70,243,684	78,273,798	2,850,000 Gartner, Inc. ¹	45,787,107	155,068,500
Total Health	Care _	283,012,640	599,460,531		129,195,710	235,708,500
				Semiconductor Equipment 600,000 Cymer, Inc. ¹	(0.87%) 29,227,760	57,660,000
Industrials (14.49%) Diversified Support Services (2.0 Copart, Inc.1	7%) 49,463,498	137,120,000	Systems Software (1.22%) 3,930,700 TOTVS SA (Brazil) ²	53,713,107	80,607,798
4,000,000	Electrical Components &	45,405,450	137,120,000	Total Information Technology	698,078,742	1,286,090,061
3,365,000	Equipment (1.80%) Generac Holdings, Inc. ¹	29,461,428	118,919,100	Managala (0.540()		
	Environmental & Facilities Services (0.40%)			Materials (0.54%) Construction Materials (0.3	6%)	
875,000	Tetra Tech, Inc. ¹	17,951,427	26,678,750	898,903 CaesarStone Sdot-Yam Ltd. ^{1,2} Fertilizers & Agricultural		23,731,039
850,000	Industrial Machinery (4.53%) Colfax Corp. The Middleby Corp. Valmont Industries. Inc.	53,608,386 74,456,718 32,589,034	107,762,439 129,327,500 62,908,000	Chemicals (0.18%) 1,476,518 Agrinos AS (Mexico) ^{1,2} 326,191 Intrepid Potash, Inc. ¹	11,031,310 9,994,509	5,561,511 6,119,344
,	_	160,654,138	299,997,939		21,025,819	11,680,855
448,026	Marine (0.14%) Seaspan Corp. ²	8,768,982	8,982,921	Total Materials	31,117,319	35,411,894
2,000,000	Railroads (2.81%) Genesee & Wyoming, Inc., Cl A ¹	32,221,169	186,220,000	Telecommunication Services (0.72%))	
275.000	Research & Consulting Services (0.81%)	15 220 110	20 270 000	Wireless Telecommunication Services (0.72%) 660,000 SBA Communications Corp., 6		47,533,200
	IHS, Inc., Cl A ¹ Mistras Group, Inc. ¹	15,320,116 7,563,468	39,270,000 14,526,000	000,000 3bA Communications Corp., (2,423,000	47,555,200
	Trading Company in 0	22,883,584	53,796,000	Utilities (3.03%)		
2 000 000	Trading Companies & Distributors (1.52%)	47 522 422	F0.640.000	Electric Utilities (3.03%) 2,245,000 ITC Holdings Corp.	69,683,650	200,388,700
	Air Lease Corp. MSC Industrial Direct	47,523,423	58,640,000	Total Common Stocks	3,067,816,345	6,320,122,857
	Co., Inc., Cl A	17,282,737	41,603,300			
	Trucking (0.419/)	64,806,160	100,243,300			
475,000	Trucking (0.41%) Landstar System, Inc.	11,073,375	27,117,750			

See Notes to Financial Statements.

959,075,760

397,283,761

Baron Growth Fund March 31, 2013

STATEMENT OF NET ASSETS (UNAUDITED) (Continued)

MARCH 31, 2013

Shares		Cost	Value
Private Equity Investments (0.39%)			
Consumer Discretionary (0.18%) Hotels, Resorts & Cruise Lines (0.18%)			
7,400,000 Kerzner International Holdin Ltd., Cl A ^{1,2,3,5,9}	ş	74,000,000	\$ 11,766,000
Financials (0.13%)			
Asset Management & Custody Banks (0.13%) 2,375,173 Windy City Investments Holdings, L.L.C. ^{1,3,5,9}		8,630,998	8,835,646
Health Care (0.08%)			
Health Care Technology (0 828,286 Castlight Health, Inc. ^{1,3,5,9}	.08%)	4,999,998	4,999,998
Utilities (0.00%) Independent Power Produc Energy Traders (0.00%)	ers &		
4,811,674 Better Place, Inc., Series C Preferred ^{1,2,3,5,9}		21,845,000	192,467
Total Private Equity Investments	1	09,475,996	25,794,111
Principal Amount			
Short Term Investments (3.99%)			
\$255,911,461 Repurchase Agreement with Fixed Income Clearing Cor dated 3/28/2013, 0.01% of 4/1/2013; Proceeds at maturity - \$255,911,746; collateralized by \$4,635,01 U.S. Treasury Note, 4.00% due 2/15/2014; Market value - \$4,808,813 \$250,000,000 U.S. Treasur Note, 1.75% due 3/31/20 Market value - \$256,077,2 \$140,000 U.S. Treasury Note, 2.125% due 2/29/2016; Market value - \$147,350)8 Repurchase Agreement with Fixed Income Clearing Cordated 3/28/2013, 0.01% of 4/1/2013; Proceeds at maturity - \$8,400,009; (Fucollateralized by \$8,570,000 U.S. Treasury Note, 0.625% due 11/30/2017;	fue (Fully DO) 3, y 14; 50 and ote, 2 p., fue block and ote, 2 p., 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	255,911,461	255,911,461
Market Value - \$8,570,000	· —	8,400,000	8,400,000
Total Investments (99 90%)		64,311,461	264,311,461
Total Investments (99.90%) Cash and Other Assets Less	\$ 5,4	41,603,802	6,610,228,429
Liabilities (0.10%)			6,404,392
Net Assets	L		\$6,616,632,821
Retail Shares (Equivalent to \$60.84 per s based on 70,179,842 shares outstandi	ng)		\$4,269,485,389
Institutional Shares (Equivalent to \$61.3 per share based on 38,269,267 shares		ling)	\$2,347,147,432

- % Represents percentage of net assets.
- ¹ Non-income producing securities.
- ² Foreign corporation.
- 3 At March 31, 2013, the market value of restricted and fair valued securities amounted to \$25,794,111 or 0.39% of net assets. None of these securities are deemed liquid. See Note 6 regarding Restricted Securities.
- ⁴ See Note 9 regarding "Affiliated" companies.
- 5 The Adviser has reclassified/classified certain securities in or out of this subindustry. Such reclassifications/classifications are not supported by S&P or MSCI.
- The value on loan at March 31, 2013 amounted to \$8,200,500 which represents 0.12% of net assets. See Note 2d regarding Securities Lending.
- Represents security purchased with the cash collateral received for security on loan.
- ⁸ Level 2 security. See Note 7 regarding Fair Value Measurements.
- ⁹ Level 3 security. See Note 7 regarding Fair Value Measurements.
- ADR American Depositary Receipt.
- 144A Security is exempt from registration under Rule 144A of the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. This security has been deemed liquid pursuant to policies and procedures approved by the Board of Trustees, unless otherwise noted. At March 31, 2013, the market value of Rule 144A securities amounted to \$78,273,798 or 1.18% of net assets.

All securities are Level 1, unless otherwise noted.

STATEMENT OF NET ASSETS (UNAUDITED)

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Shares		Cost	Value	Shares	Cost	Value
Common St	ocks (96.91%)			Common Stocks (continued)		
Consumer D	Discretionary (22.53%)			Energy (8.82%)		
2,000,000	,	\$ 33,889,975	\$ 31,560,000	Oil & Gas Equipment & Services (3.17%) 500,000 CARBO Ceramics, Inc.	\$ 34,457,138	\$ 45,535,000
650,000	Apparel, Accessories & Luxury Goods (4.20%) Fossil, Inc.1	15,294,653	62,790,000	450,000 Core Laboratories N.V. ² 1,600,000 Forum Energy Technologies, Inc	17,021,125	62,064,000 46,016,000
2,700,000 6,500,000	Iconix Brand Group, Inc. ¹ Quiksilver, Inc. ¹ Tumi Holdings, Inc. ¹	40,806,341 21,245,177 29,373,217	69,849,000 39,455,000 31,410,000	Oil & Gas Exploration	84,662,365	153,615,000
1,500,000	- Turni Frotonigs, inc.	106,719,388	203,504,000	& Production (1.62%) 402,099 Bonanza Creek Energy, Inc. ¹	12,187,057	15,549,169
1,000,000	Broadcasting (2.30%) Liberty Media Corp. ¹	12,335,040	111,630,000	5,627,689 Halcon Resources Corp.1 500,000 Oasis Petroleum, Inc.1	45,393,681 7,000,000	43,839,697 19,035,000
1,000,000	Cable & Satellite (0.46%) Starz Liberty Capital ¹	1,418,284	22,150,000	Oil & Gas Storage	64,580,738	78,423,866
	Casinos & Gaming (4.22%) Penn National Gaming, Inc. ¹ Wynn Resorts Ltd.	79,972,017 2,313,528	166,773,520 37,548,000	& Transportation (4.03%) 1,500,000 Golar LNG Partners L.P. ² 814,070 MPLX LP 1,150,000 Susser Petroleum Partners LP ⁴	36,895,962 20,095,362 26,138,991	49,500,000 30,486,921 37,375,000
	Education Services (0.09%)	82,285,545	204,321,520	750,000 Targa Resources Corp. 500,000 Tesoro Logistics LP	17,965,719 20,942,214	50,970,000 26,985,000
129,019	Bright Horizons Family	2 020 410	4 250 552		122,038,248	195,316,921
	Solutions, Inc. ¹ Footwear (0.46%)	2,838,418	4,359,552	Total Energy	271,281,351	427,355,787
1,500,000	Crocs, Inc. ¹	26,497,158	22,230,000			
1,000,000	Home Improvement Retail (1.45 Lumber Liquidators Holdings, Inc.		70,220,000	Financials (5.94%) Asset Management &		
525,000	Homebuilding (0.22%) TRI Pointe Homes, Inc. ¹	9,627,314	10,578,750	Custody Banks (1.71%) 583,000 Artisan Partners Asset Management Inc.¹	19,565,290	22,999,350
1,500,000	Homefurnishing Retail (1.07%) Mattress Firm Holding Corp. ¹	38,344,770	51,810,000	1,650,000 Financial Engines, Inc.	25,939,077 45,504,367	59,763,000 82,762,350
	Hotels, Resorts & Cruise Lines (0.53%)			Office REITs (1.33%)	43,304,307	02,702,330
15,787,000	Mandarin Oriental International L (Singapore) ²	td. 31,405,902	25,574,940	750,000 SL Green Realty Corp. Real Estate Services (0.78%)		64,582,500
	Internet Retail (1.96%) HomeAway, Inc. ¹	54,558,103	73,125,000	1,500,000 CBRE Group, Inc., Cl A ¹ Specialized REITs (2.12%)	7,261,912	37,875,000
3,035,227	Vitacost.com, Inc. ^{1,4}	28,626,533 83,184,636	21,944,691 95,069,691	2,000,000 Chesapeake Lodging Trust 1,500,000 LaSalle Hotel Properties 1,500,000 Sunstone Hotel Investors, Inc. 1	35,285,655 34,882,420 17,734,422	45,880,000 38,070,000 18,465,000
1 350 000	Movies & Entertainment (1.61% The Madison Square	6)		.,,500,000 54550	87,902,497	102,415,000
1,550,000	Garden Co., Cl A ¹	34,741,205	77,760,000	Total Financials	157,847,481	287,634,850
	Restaurants (3.31%) BJ's Restaurants, Inc. ^{1,4} Bravo Brio Restaurant	65,546,796	58,240,000	Health Com (0.25%)		
	Group, Inc. 1,4 The Cheesecake Factory, Inc.	18,548,404	19,787,500 63,706,500	Health Care (9.35%) Health Care Equipment (4.06	5%)	
	Krispy Kreme Doughnuts, Inc. ¹	39,429,179 8,527,670	18,523,632	1,250,000 DexCom, Inc.1 670,922 IDEXX Laboratories, Inc.1	17,100,776 21,699,129	20,900,000 61,986,484
		132,052,049	160,257,632	1,250,000 Insulet Corp. ¹	22,662,247	32,325,000
Total Consum	ner Discretionary	615,976,256	1,091,026,085	100,000 Intuitive Surgical, Inc.¹ 1,650,000 Masimo Corp.¹	1,450,000 35,506,954	49,119,000 32,373,000
					98,419,106	196,703,484
	taples (2.76%) Food Distributors (2.14%)	26.764.702	22 222 500	Health Care Facilities (2.58% 2,985,000 Brookdale Senior Living, Inc. 1,500,000 Emeritus Corp. 1	53,151,499 42,381,389	83,221,800 41,685,000
	The Chefs' Warehouse, Inc. ^{1,4} United Natural Foods, Inc. ¹	26,761,792 62,683,145	32,322,500 71,340,000	1,500,000 Emerica Corp.	95,532,888	124,906,800
	-	89,444,937	103,662,500	Health Care Supplies (0.40%)	
590,400	Food Retail (0.62%) Susser Holdings Corp. ¹	22,252,215	30,175,344	1,200,000 Endologix, Inc. ¹	15,625,234	19,380,000
Total Consum	ner Staples	111,697,152	133,837,844			

STATEMENT OF NET ASSETS (UNAUDITED) (Continued)

Μ	lΑ	R	c	н	3	1,	2	0	1	3	

Shares		Cost	Value	Shares	Cost	Value
Common St	ocks (continued)			Common Stocks (continued)		
	c (continued) Life Sciences Tools & Services (2.31%) Covance, Inc. 1	\$ 10,515,514	\$ 22,296,000	Information Technology (continued) Data Processing & Outsourced Services (2.64%) 1,000,000 FleetCor Technologies, Inc.¹	\$ 25,103,188	\$ 76,670,000
	ICON plc ^{1,2} Mettler-Toledo International, Inc. ¹	22,757,020 17,537,046	25,832,000 63,966,000	650,000 WEX, Inc.1	30,423,456 55,526,644	51,025,000 127,695,000
Total Health	Care	50,809,580 260,386,808	112,094,000 453,084,284	Flectronic Components (0.69% 700,000 Rogers Corp. 1 Flectronic Equipment &) 29,782,836	33,334,000
3,000,000	19.45%) Aerospace & Defense (5.02%) DigitalGlobe, Inc.¹ The KEYW Holding Corp.¹.⁴ TransDigm Group, Inc.¹	42,167,252 34,301,184 23,025,486	41,919,500 48,390,000 152,920,000	Instruments (4.92%) 1,700,000 Cognex Corp. 708,767 Coherent, Inc.¹ 1,150,000 FEI Company 750,000 FLIR Systems, Inc. 1,000,000 National Instruments Corp.	57,746,835 34,030,133 47,367,864 4,382,854 18,830,479	71,655,000 40,215,440 74,232,500 19,507,500 32,750,000
322,876	Air Freight & Logistics (0.11%) XPO Logistics, Inc. ¹	99,493,922 5,085,297	243,229,500 5,437,232	Electronic Manufacturing Services (0.27%) 1,750,000 Mercury Systems, Inc. ^{1,4}	162,358,165 32,185,131	238,360,440
1,250,000	Electrical Components & Equipment (2.93%) Acuity Brands, Inc. Polypore International, Inc. Thermon Group Holdings, Inc. 1	54,396,209 46,003,687 22,776,818	69,350,000 50,225,000 22,276,630	Internet Software & Services (0.04%) 2,545,455 Viggle, Inc. ^{1,3,4,6}	13,000,000	2,178,182
	Environmental & Facilities Services (3.24%)	123,176,714	141,851,630	IT Consulting & Other Services (5.09%) 575,000 Equinix, Inc. 1.5 2,250,000 Gartner, Inc. 1	34,779,810 41,942,703	124,378,250 122,422,500
	Clean Harbors, Inc. ¹ Waste Connections, Inc.	29,600,019 44,418,371 74,018,390	66,803,500 89,950,000 156,753,500	Total Information Technology	76,722,513 587,755,842	246,800,750 990,040,748
1,000,000	Human Resource & Employmen Services (0.52%) On Assignment, Inc. ¹	t 17,397,767	25,310,000	Materials (2.67%) Diversified Metals &		
750,000 350,000	Industrial Machinery (3.30%) Graco, Inc. Nordson Corp. Proto Labs, Inc. ¹ Rexnord Corp. ¹	17,137,401 22,985,460 10,850,000 44,806,324	43,522,500 49,462,500 17,185,000 49,890,500	Mining (1.49%) 4,000,000 Globe Specialty Metals, Inc. ⁴ 1,000,000 SunCoke Energy, Inc. ¹	46,608,066 16,688,469 63,296,535	55,680,000 16,330,000 72,010,000
2,330,000		95,779,185	160,060,500	Metal & Glass Containers (1.18 3,000,000 Berry Plastics Group, Inc. ¹	48,313,010	57,150,000
1,451,700	Office Services & Supplies (0.58 Interface, Inc. Railroads (1.55%)	19,589,709	27,901,674	Total Materials	111,609,545	129,160,000
	Genesee & Wyoming, Inc., Cl A ¹ Research & Consulting Services (1.59%) Acacia Research Corp. ¹	22,253,549 35,243,675	75,330,645 30,170,000	Telecommunication Services (4.54%) Wireless Telecommunication Services (4.54%) 14,832,329 Sarana Menara Nusantara		
314,706	The Advisory Board Company ¹ Mistras Group, Inc. ¹	15,748,355 14,680,295	16,528,359 30,262,500	Tbk PT (Indonesia) ^{1,2} 2,500,000 SBA Communications	30,976,387	39,685,161
1 000 000	Trading Companies & Distributors (0.61%)	65,672,325	76,960,859	Corp., Cl A ¹ Total Telecommunication Services	21,428,760 52,405,147	180,050,000 219,735,161
Total Industri	Air Lease Corp.	23,784,772 546,251,630	29,320,000 942,155,540	Utilities (0.41%)		
Information	Technology (20.44%)			Electric Utilities (0.41%) 225,000 ITC Holdings Corp.	9,427,959	20,083,500
1,750,000 1,263,333 3,250,500	Application Software (6.79%) ACI Worldwide, Inc.¹ Advent Software, Inc.¹ Guidewire Software, Inc.¹ RealPage, Inc.¹ The Ultimate Software Group, Inc.¹	64,584,856 31,149,679 32,362,708 66,446,395 .1 23,636,915 218,180,553	80,619,000 48,947,500 48,562,521 67,317,855 83,328,000 328,774,876	Total Common Stocks	2,724,639,171	4,694,113,799

STATEMENT OF NET ASSETS (UNAUDITED) (Continued)

MARCH 31, 2013

11, 2015		
Shares	Cost	Value
Private Equity Investments (0.32%)		
Consumer Discretionary (0.32%) Hotels, Resorts & Cruise Lines (0.11%) 3,500,000 Kerzner International Holdings Ltd., Cl A12,3,5,7	\$ 35,000,000	\$ 5,565,000
Movies & Entertainment (0.21%) 2,500,000 SFX Holding Corporation ^{1,3,5,7}	10,000,000	10,000,000
Total Private Equity Investments	45,000,000	15,565,000
Warrants (0.01%)		
Consumer Discretionary (0.01%) Internet Retail (0.01%) 242,589 Vitacost.com, Inc. Warrants, Exp 2/16/201513.4.6	30,234	351,754
Information Technology (0.00%) Internet Software & Services (0.00%) 545,455 Viggle, Inc. Warrants, Callable, Exp 4/27/2015 ^{1,3,4,6} 2,000,000 Viggle, Inc. Warrants, Non-calla Exp 8/22/2014 ^{1,3,4,6}	oble,0	0
Total Information Technology	0	0
Total Warrants	30,234	351,754
Principal Amount Short Torm Investments (2 90%)		
Short Term Investments (2.90%)		
\$140,438,691 Repurchase Agreement with Fixed Income Clearing Corp., dated 3/28/2013, 0.01% due 4/1/2013; Proceeds at maturity - \$140,438,847; (Fixed Income Clearing Corp., dated 3/28/2014; Proceeds at maturity - \$140,438,847; (Fixed Income Collateralized by \$12,185,00 U.S. Treasury Note, 4.00% divided 2/15/2014; Market value - \$12,641,938, \$12,120,000 U.S. Treasury Note, 2.75% divided 2/28/2018; Market value - \$13,332,000, \$18,290,000 U.S. Treasury Note, 2.625% divided 4/30/2018; Market value - \$20,170,962, \$16,565,000 U.S. Treasury Note, 0.625% divided 11/30/2017; Market value - \$16,565,000 and \$79,840,00 U.S. Treasury Note, 0.875% divided 1/31/2018; Market value - \$80,538,600)6	ully 0 ue ue due due	140,438,691
Total Investments (100.14%)	\$2,910,108,096	4,850,469,244
Liabilities Less Cash and Other Assets (-0.14%)	<u></u>	(7,003,462)
Net Assets		\$4,843,465,782
Retail Shares (Equivalent to \$29.52 per sha based on 116,467,371 shares outstandin		\$3,438,323,920
Institutional Shares (Equivalent to \$29.82 p	per share	
based on 47,122,047 shares outstanding	<i>)</i>	\$1,405,141,862

- % Represents percentage of net assets.
- ¹ Non-income producing securities.
- ² Foreign corporation.
- ³ At March 31, 2013, the market value of restricted and fair valued securities amounted to \$18,094,936 or 0.37% of net assets. None of these securities are deemed liquid. See Note 6 regarding Restricted Securities.
- 4 See Note 9 regarding "Affiliated" companies.
- 5 The Adviser has reclassified/classified certain securities in or out of this subindustry. Such reclassifications/classifications are not supported by S&P or MSCI
- ⁶ Level 2 security. See Note 7 regarding Fair Value Measurements.
- ⁷ Level 3 security. See Note 7 regarding Fair Value Measurements.

All securities are Level 1, unless otherwise noted.

STATEMENT OF NET ASSETS (UNAUDITED)

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Common St	ocks (99 19%)					
Consumer D	OCK3 (33.1370)			Common Stocks (continued)		
	Discretionary (23.18%) Apparel, Accessories & Luxury Goods (4.39%)			Financials (3.36%) Asset Management & Custody Banks (1.13%)		
86,000 202,850	Fossil, Inc.¹ lululemon athletica, Inc.¹ Tumi Holdings, Inc.¹	\$ 2,887,099 \$ 4,437,110 4,158,634	3,815,700 5,362,100 4,247,679	115,239 Artisan Partners Asset Management Inc.1 \$ Real Estate Services (2.23%)	3,764,181 \$	4,546,179
82,500	Under Armour, Inc., Cl A ¹	4,241,417 — 15,724,260	4,224,000 17,649,479	355,000 CBRE Group, Inc., Cl Ai	6,728,638	8,963,750
	Automobile	13,72 1,200	17,013,173	Total Financials	10,492,819	13,509,929
106,500	Manufacturers (1.00%) Tesla Motors, Inc.1	3,215,157	4,035,285	Health Care (7.11%) Biotechnology (2.22%)		
195,370	Automotive Retail (2.03%) CarMax, Inc. ¹	5,268,030	8,146,929	123,500 Cepheid ¹ 164,800 Myriad Genetics, Inc. ¹	4,175,658 4,116,828	4,738,695 4,185,920
1/19 000	Broadcasting (4.05%) Discovery Communications, Inc.				8,292,486	8,924,615
	Series C ¹ Liberty Media Corp. ¹	5,564,240 2,462,705	10,291,920 5,972,205	Health Care Equipment (2.86%) 46,000 Edwards Lifesciences Corp.¹ 393,344 Masimo Corp.¹	4,014,818 9,589,420	3,779,360 7,717,409
		8,026,945	16,264,125	_	13,604,238	11,496,769
92 500	Hotels, Resorts & Cruise Lines (1.47%) Starwood Hotels & Resorts			Life Sciences Tools & Services (2.03%) 151,000 Illumina, Inc.¹	6 274 966	0.154,000
32,300	Worldwide, Inc.	5,385,012	5,895,025	Total Health Care	6,374,866	8,154,000 28,575,384
338,222 8,450	Internet Retail (7.62%) Blue Nile, Inc.¹ HomeAway, Inc.¹ priceline.com, Inc.¹ Shutterfly, Inc.¹	5,620,354 8,104,812 1,385,259 4,991,259	5,701,475 10,992,215 5,813,008 8,083,110	Industrials (13.40%) Aerospace & Defense (1.08%)		
		20,101,684	30,589,808	149,546 DigitalGlobe, Inc. ¹	4,373,159	4,323,375
207.046	Movies & Entertainment (0.87%)	2 202 004	2 402 006	Airlines (1.04%) 100,000 Ryanair Holdings plc, ADR ^{1,2}	3,869,609	4,178,000
	Manchester United plc, Cl A ^{1,2} Publishing (1.75%)	3,393,984	3,483,096	Electrical Components & Equipment (1.96%) 195,368 Polypore International, Inc. ¹	6,981,955	7,849,886
	Shutterstock, Inc. ¹	5,022,535 66,137,607	7,011,258 93,075,005	Environmental & Facilities	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	.,,.
Total Consum	ner Discretionary		93,073,003	Services (1.19%) 156,500 Tetra Tech, Inc. ¹	3,377,195	4,771,685
	taples (0.85%) Food Retail (0.85%)	2 502 507	2 426 625	Industrial Machinery (2.48%) 175,000 The ExOne Company ¹ 27,000 The Middleby Corp. ¹	3,150,000 3,965,191	5,862,500 4,108,050
39,300	Whole Foods Market, Inc.	3,592,507	3,426,625		7,115,191	9,970,550
Energy (9.6				Research & Consulting Services (5.65%) 80,000 IHS, Inc., Cl A ¹	7.686.933	8,377,600
	Oil & Gas Equipment & Services (3.33%)			232,500 Verisk Analytics, Inc., Cl A ¹	11,075,184	14,328,975
	CARBO Ceramics, Inc. Oil States International, Inc. ¹	6,563,304 4,385,218	8,074,995 5,318,364		18,762,117 44,479,226	22,706,575 53,800,071
		10,948,522	13,393,359	_		
	Oil & Gas Exploration & Production (1.56%) Halcon Resources Corp. 1	2,109,864	2,185,095	Information Technology (36.07%) Application Software (14.77%)		40.754.440
107,381	Oasis Petroleum, Inc. ¹ Oil & Gas Storage &	1,530,711 3,640,575	4,087,995 6,273,090	156,650 ANSYS, Inc.¹ 123,500 Citrix Systems, Inc.¹ 73,300 FactSet Research Systems, Inc. 340,500 Guidewire Software, Inc.¹	5,819,759 8,874,195 5,681,265 9,156,659	12,754,443 8,911,760 6,787,580 13,088,820
	Transportation (4.78%) Golar LNG Ltd. ²	7,963,773	8,009,232	538,000 RealPage, Inc. ¹ 37,000 salesforce.com, inc. ¹	10,476,430 4,436,554	11,141,980 6,616,710
	Tesoro Logistics LP Western Gas Equity Partners LP	5,831,270 2,903,083	7,178,010 3,997,101	-	44,444,862	59,301,293
		16,698,126	19,184,343	Communications Equipment (1.48%)		
Total Energy		31,287,223	38,850,792	157,000 Radware Ltd. ^{1,2}	5,759,213	5,923,610

STATEMENT OF NET ASSETS (UNAUDITED) (Continued)

Charac		Cost	Value
Shares Common Store	cks (continued)	Cost	value
	echnology (continued) nternet Software & Services (5.86%)		
	ingie's List, Inc.1	\$ 3,957,173	
	CoStar Group, Inc.1 ivePerson, Inc.1	2,795,655 4,056,600	7,771,660 4,698,680
	Coom Corporation ¹	4,759,408	6,794,055
	•	15,568,836	23,552,315
TI	T Consulting & Other		
447400 4	Services (9.34%)		0.500.040
	cxiom Corp. ¹ quinix, Inc. ^{1,4}	6,614,417 1,621,750	8,508,840 12,113,360
	Gartner, Inc. ¹	7,530,495	16,902,140
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		15,766,662	37,524,340
S	ystems Software (4.62%)	-,,	
	ortinet, Inc.1	6,371,030	6,097,600
	mperva, Inc. ¹	3,990,750	3,927,000
100,300 Ki	led Hat, Inc. ¹	8,865,071 19,226,851	8,519,360
Total Information	on Tachnology	100,766,424	18,543,960 144,845,518
Total IIIIoiiiiatii	on reciniology	100,700,424	144,043,310
Materials (1.8	ertilizers & Agricultural		
	Chemicals (0.67%) grinos AS (Mexico) ^{1,2}	5,190,410	2,705,208
	Metal & Glass Containers (1.21 Berry Plastics Group, Inc.1	%) 4,645,398	4,842,243
Total Materials		9,835,808	7,547,451
	cation Services (2.56%) Vireless Telecommunication		
	VII etess Tetecommunication		
142,500 SI	Services (2.56%) BA Communications Corp., Cl A ¹	1,827,288	10,262,850
142,500 Si	Services (2.56%) BA Communications Corp., Cl A ¹	1,827,288	10,262,850
Utilities (1.11	Services (2.56%) BA Communications Corp., Cl A ¹ %) lectric Utilities (1.11%)		
Utilities (1.11 El 50,000 IT	Services (2.56%) BA Communications Corp., Cl A ¹ %) lectric Utilities (1.11%) TC Holdings Corp.	4,100,304	4,463,000
Utilities (1.11	Services (2.56%) BA Communications Corp., Cl A ¹ %) lectric Utilities (1.11%) TC Holdings Corp.		
Utilities (1.11 El 50,000 IT Total Common	Services (2.56%) BA Communications Corp., Cl A ¹ %) lectric Utilities (1.11%) TC Holdings Corp.	4,100,304	4,463,000
Utilities (1.11 El 50,000 IT Total Common	Services (2.56%) BA Communications Corp., Cl A ¹ (%) lectric Utilities (1.11%) TC Holdings Corp. Stocks / Investments (0.38%)	4,100,304	4,463,000
Utilities (1.11 50,000 IT Total Common Private Equity Health Care (6	Services (2.56%) BA Communications Corp., Cl A ¹ (%) lectric Utilities (1.11%) TC Holdings Corp. Stocks / Investments (0.38%)	4,100,304 300,790,796	4,463,000
Utilities (1.11 50,000 IT Total Common Private Equity Health Care (6	Services (2.56%) BA Communications Corp., Cl A1 (%) lectric Utilities (1.11%) IC Holdings Corp. Stocks / Investments (0.38%) 0.37%) lealth Care Technology (0.37% astlight Health, Inc.1,3,4,6	4,100,304 300,790,796	4,463,000 398,356,625
Utilities (1.11 50,000 IT Total Common Private Equity Health Care (6 248,486 C Utilities (0.01	Services (2.56%) BA Communications Corp., Cl A ¹ (%) lectric Utilities (1.11%) IC Holdings Corp. Stocks / Investments (0.38%) 0.37%) Health Care Technology (0.37% Castlight Health, Inc. ^{1,3,4,6} (%) Independent Power Producers 8	4,100,304 300,790,796 5) 1,500,001	4,463,000 398,356,625
Utilities (1.11 50,000 IT Total Common Private Equity Health Care (6 248,486 C Utilities (0.01	Services (2.56%) BA Communications Corp., CLA ¹ (%) lectric Utilities (1.11%) TC Holdings Corp. Stocks / Investments (0.38%) 0.37%) Health Care Technology (0.37% Lastlight Health, Inc. ^{1,3,4,6}	4,100,304 300,790,796 5) 1,500,001	4,463,000 398,356,625
Utilities (1.11 50,000 IT Total Common Private Equity Health Care (6 248,486 C Utilities (0.01	Services (2.56%) BA Communications Corp., Cl A ¹ 1%) lectric Utilities (1.11%) IC Holdings Corp. Stocks / Investments (0.38%) 0.37%) lealth Care Technology (0.37% lastlight Health, Inc. ^{1,3,4,6} 1%) Independent Power Producers 8 Energy Traders (0.01%)	4,100,304 300,790,796 5) 1,500,001	4,463,000 398,356,625

Principal Amount		Cost	Value
Short Term Investments (0.78%)			
\$ 3,116,201 Repurchase Agreement with Fixed Income Clearing Corp., dated 3/28/2013, 0.01% due 4/1/2013; Proceeds at maturity - \$3,116,205; (Fully collateralized by \$3,180,000 U.S. Treasury Note, 0.625% due11/30/2013 Market value - \$3,180,000) ⁵	7; \$	3,116,201	\$ 3,116,201
Total Investments (100.35%)	\$	307,906,999	402,994,853
Liabilities Less Cash and Other Assets (-0.35%)			(1,388,245)
Net Assets			\$ 401,606,608
Retail Shares (Equivalent to \$16.51 per share based on 19,139,085 shares outstanding)	e		\$ 316,076,914
Institutional Shares (Equivalent to \$16.69 po based on 5,125,385 shares outstanding)	er sh	are	\$ 85,529,694

[%] Represents percentage of net assets.

- At March 31, 2013, the market value of restricted and fair valued securities amounted to \$1,522,027 or 0.38% of net assets. None of these securities are deemed liquid. See Note 6 regarding Restricted Securities.
- The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.
- ⁵ Level 2 security. See Note 7 regarding Fair Value Measurements.
- ⁶ Level 3 security. See Note 7 regarding Fair Value Measurements.

ADR American Depositary Receipt.

All securities are Level 1, unless otherwise noted.

¹ Non-income producing securities.

² Foreign corporation.

STATEMENT OF NET ASSETS (UNAUDITED)

Μ	lΑ	R	c	н	3	1,	2	0	1	3	

Shares	Cost	Value	Shares	Cost	Value
Common Stocks (99.90%)			Common Stocks (continued)		
Consumer Discretionary (29.22%)			Industrials (6.79%)		
Advertising (1.49%) 16,960 Omnicom Group, Inc.	\$ 744,802 \$	998,944	Aerospace & Defense (1.39%) 4,946 Precision Castparts Corp. \$	810,502 \$	937,860
Apparel, Accessories & Luxury Goods (3.33%) 13,244 Ralph Lauren Corp.	2,107,029	2,242,342	Research & Consulting Services (2.79%) 30,503 Verisk Analytics, Inc., Cl A ¹	1,203,478	1,879,900
Broadcasting (2.95%) 17,789 Liberty Media Corp.1	1,053,200	1,985,786	Trading Companies & Distributors (2.61%)	,,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Casinos & Gaming (7.33%)			34,133 Fastenal Co.	885,614	1,752,730
39,526 Las Vegas Sands Corp. 21,654 Wynn Resorts Ltd.	2,071,380 2,608,257	2,227,290 2,710,215	Total Industrials	2,899,594	4,570,490
	4,679,637	4,937,505	Information Technology (39 72%)		
Internet Retail (7.98%) 10,762 Amazon.com, Inc. ¹ 3,641 priceline.com, Inc. ¹	1,650,694 2,100,984	2,867,965 2,504,753	Information Technology (38.73%) Application Software (3.68%) 25,074 Citrix Systems, Inc.¹	1,606,116	1,809,340
	3,751,678	5,372,718	3,732 salesforce.com, inc. ¹	468,224	667,393
Restaurants (6.14%) 32,471 Starbucks Corp. 31,778 YUM! Brands, Inc.	1,776,104 1,849,608	1,849,548 2,286,109	Communications Equipment (2.38%)	2,074,340	2,476,733
5 .,. , o . o D. aes,e.	3,625,712	4,135,657	23,913 QUALCOMM, Inc.	1,411,633	1,600,975
Total Consumer Discretionary	15,962,058	19,672,952	Computer Hardware (5.22%) 7,939 Apple, Inc.	2,186,665	3,514,040
Consumer Staples (1.57%) Hypermarkets & Super Centers (1.57%) 9,954 Costco Wholesale Corp.	641,343	1,056,219	Data Processing & Outsourced Services (7.84%) 4,043 MasterCard, Inc., Cl A 18,230 Visa, Inc., Cl A	1,334,753 1,816,915 3,151,668	2,187,789 3,096,183 5,283,972
Energy (1.69%) Oil & Gas Storage & Transportation (1.69%) 30,866 Golar LNG Ltd. ²	1,256,089	1,140,807	Internet Software & Services (12.65%) 36,739 eBay, Inc. ¹ 61,409 Facebook Inc., Cl A ¹ 5,019 Google, Inc., Cl A ¹ 5,533 LinkedIn Corp., Cl A ¹	1,857,610 1,706,499 2,516,888 412,105	1,991,989 1,570,842 3,985,236 974,140
50,000 Goldi LING LIG	1,230,069	1,140,807		6,493,102	8,522,207
Financials (12.50%) Asset Management &			IT Consulting & Other Services (3.45%) 10,738 Equinix, Inc. ^{1,4} Semiconductor	886,625	2,322,737
Custody Banks (1.45%) 82,472 Cetip SA - Mercados Organizados (Brazil) ²	1,112,411	979,502	Equipment (1.70%) 16,827 ASML Holding N.V. ²	1,038,085	1,144,404
Diversified Banks (1.50%) 23,572 ICICI Bank Limited, ADR ²	838,994	1,011,239	Systems Software (1.81%) 24,098 Red Hat, Inc.¹	1,207,077	1,218,395
Diversified Real Estate			Total Information Technology	18,449,195	26,083,463
Activities (3.76%) 69,367 Brookfield Asset Management, Inc., Cl A ²	2,197,096	2,531,202	Materials (5.98%)		
Specialized Finance (5.79%) 243,780 BM&FBOVESPA SA (Brazil) ² 36,692 The CME Group, Inc.	1,397,884 1,893,452	1,645,507 2,252,522	Diversified Chemicals (1.89%) 14,546 BASF SE (Germany) ²	998,480	1,273,881
56,652 S. 12 Group, me.	3,291,336	3,898,029	Fertilizers & Agricultural Chemicals (4.09%)		
Total Financials	7,439,837	8,419,972	26,050 Monsanto Co.	2,027,009	2,751,662
			Total Materials	3,025,489	4,025,543
Health Care (3.42%)			Total Common Stocks	51,336,953	67,274,814
Life Sciences Tools & Services (3.42%) 42,692 Illumina, Inc.1	1,663,348	2,305,368			

STATEMENT OF NET ASSETS (UNAUDITED) (Continued)

MARCH 31, 2013

Shares		Cost	Value
Private Equity Investments (0.01%)			
Utilities (0.01%)			
Independent Power Producers Energy Traders (0.01%) 83,700 Better Place, Inc., Series C Preferred1.2.3.4.5	\$	379,998	\$ 3,348
Total Investments (99.91%)	\$	51,716,951	67,278,162
Cash and Other Assets Less Liabilities (0.09%)			60,730
Net Assets			\$ 67,338,892
Retail Shares (Equivalent to \$12.45 per share based on 3,107,434 shares outstan	ding)	\$ 38,688,144
Institutional Shares (Equivalent to \$12.53 p share based on 2,286,833 shares outstan)	\$ 28,650,748

[%] Represents percentage of net assets.

All securities are Level 1, unless otherwise noted.

¹ Non-income producing securities.

² Foreign corporation.

³ At March 31, 2013, the market value of restricted and fair valued securities amounted to \$3,348 or 0.01% of net assets. This security is not deemed liquid. See Note 6 regarding Restricted Securities.

⁴ The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.

Level 3 security. See Note 7 regarding Fair Value Measurements.

ADR American Depositary Receipt.

Baron Funds March 31, 2013

STATEMENTS OF ASSETS AND LIABILITIES (UNAUDITED)

MARCH 31, 2013

	Baron Asset Fund	Baron Growth Fund	Baron Small Cap Fund	Baron Opportunity Fund	Baron Fifth Avenue Growth Fund
Assets:					
Investments in securities, at value*					
Unaffiliated investments "Affiliated" investments	\$2,357,543,711 	\$6,201,712,064 408,516,365	\$4,561,302,117 289,167,127	\$402,994,853 —	\$67,278,162 —
Total investments in securities, at value	2,357,543,711	6,610,228,429	4,850,469,244	402,994,853	67,278,162
Foreign currency, at value [†]	_	_	_	31	_
Cash	251,050	662,020	_	_	_
Receivable for shares sold	1,194,566	11,827,758	7,609,572	345,604	175,531
Dividends and interest receivable	681,537	4,048,819	1,899,506	3	14,616
Prepaid expenses	36,392	101,020	74,662	6,423	1,099
Receivable for securities sold		9,385,454	2,722,799		
	2,359,707,256	6,636,253,500	4,862,775,783	403,346,914	67,469,408
Liabilities:					
Payable for shares redeemed	4,032,543	3,582,025	8,905,493	860,544	82,592
Payable for securities purchased	2,331,000	7,101,089	10,081,232	804,380	, <u> </u>
Distribution fees payable (Note 4)	919	159	371	530	200
Investment advisory fees payable (Note 4)	792	604	237	989	144
Due to custodian	_	_	_	_	7,726
Payable for collateral on loaned securities	_	8,400,000	_	_	_
Accrued expenses and other payables	267,164	536,802	322,668	73,863	39,854
	6,632,418	19,620,679	19,310,001	1,740,306	130,516
Net Assets	\$2,353,074,838	\$6,616,632,821	\$4,843,465,782	\$401,606,608	\$67,338,892
Net Assets consist of:					
Paid-in capital	\$1,023,065,437	\$3,335,000,414	\$2,811,187,253	\$298,308,983	\$54,262,938
Undistributed (accumulated) net investment income (loss)	(5,697,714)	20,878,042	(18,163,206)	(4,567,876)	5,026
Undistributed (accumulated) net realized gain (loss) on investments					
and foreign currency transactions	148,166,155	92,153,175	110,080,587	12,777,646	(2,490,283)
Net unrealized appreciation on investments and foreign currency					
transactions	1,187,540,960	3,168,601,190	1,940,361,148	95,087,855	15,561,211
Net Assets	\$2,353,074,838	\$6,616,632,821	\$4,843,465,782	\$401,606,608	\$67,338,892
Retail Shares:					
Net Assets	\$1,943,150,065	\$4,269,485,389	\$3,438,323,920	\$316,076,914	\$38,688,144
Shares Outstanding (\$0.01 par value; indefinite shares authorized)	34,808,954	70,179,842	116,467,371	19,139,085	3,107,434
Net Asset Value Per Share	\$ 55.82	\$60.84	\$29.52	\$16.51	\$12.45
Institutional Shares:					
Net Assets	\$ 409,924,773	\$2,347,147,432	\$1,405,141,862	\$ 85,529,694	\$28,650,748
Shares Outstanding (\$0.01 par value; indefinite shares authorized)	7,255,155	38,269,267	47,122,047	5,125,385	2,286,833
Net Asset Value Per Share	\$ 56.50	\$ 61.33	\$ 29.82	\$ 16.69	\$ 12.53
*Investments in securities, at cost:					
Unaffiliated investments	\$1,170,002,751	\$3,220,226,355	\$2,618,360,965	\$307,906,999	\$51,716,951
"Affiliated" investments	\$1,170,002,751	221,377,447	291,747,131	\$307,900,999	
Total investments in securities, at cost	\$1,170,002,751	\$3,441,603,802	\$2,910,108,096	\$307,906,999	\$51,716,951
†Foreign currency, at cost:	¢	¢	¢	\$ 30	¢
Horeign currency, at cost.	-	-	-	J 30	, <u> </u>

Baron Funds

STATEMENTS OF OPERATIONS (UNAUDITED)

FOR THE SIX MONTHS ENDED MARCH 31, 2013

	Baron Asset Fund	Baron Growth Fund	Baron Small Cap Fund	Baron Opportunity Fund	Baron Fifth Avenue Growth Fund
Investment income:					
Income:					
Dividends — unaffiliated investments	\$ 12,888,573	\$ 41,912,837	\$ 29,277,802	\$ 869,396	\$ 531,720
Dividends — "affiliated" investments	_	3,335,699	2,454,444	_	_
Interest	1,400	8,296	6,541	318	69
Securities lending income	_	143,590	_	_	_
Miscellaneous income	_	176,472	674,915	25	3
Foreign taxes withheld on dividends	(59,550)	(368,052)	(56,119)		(3,849)
Total income	12,830,423	45,208,842	32,357,583	869,739	527,943
Expenses:					
Investment advisory fees (Note 4)	10,984,175	29,687,609	21,705,005	1,911,414	278,526
Distribution fees — Retail Shares (Note 4)	2,275,883	4,985,576	3,913,341	389,856	46,337
Shareholder servicing agent fees and expenses — Retail Shares	290,600	348,830	231,390	65,870	17,518
Shareholder servicing agent fees and expenses — Institutional Shares	14,820	48,580	45,190	8,680	5,620
Reports to shareholders	246,840	657,800	532,420	66,230	3,500
Registration and filing fees	47,797	87,730	73,670	31,895	24,734
Custodian and fund accounting fees	47,036	177,502	123,368	19,632	17,032
Trustee fees and expenses	32,808	85,535	62,782	5,677	798
Professional fees	21,934	64,442	53,010	23,098	19,278
Insurance expense	21,794	58,070	38,534	3,078	438
Administration fees	13,252	13,252	13,240	13,278	13,242
Line of credit fees	10,422	27,848	21,060	2,712	290
Miscellaneous expenses	1,208	1,146	1,190	1,240	1,216
Total operating expenses	14,008,569	36,243,920	26,814,200	2,542,660	428,529
Reimbursement of expenses by Adviser — Retail Shares (Note 4)	· · · · —	_	· —	· · · —	(37,652)
Reimbursement of expenses by Adviser — Institutional Shares (Note 4)	_	_	_	_	(19,595)
Net expenses	14,008,569	36,243,920	26,814,200	2,542,660	371,282
Net investment income (loss)	(1,178,146)	8,964,922	5,543,383	(1,672,921)	156,661
Realized and unrealized gain (loss) on investments:					
Net realized gain on investments sold — unaffiliated investments	148,320,358	104,517,282	115,000,431	17,833,109	501,658
Net realized gain on investments sold — "affiliated" investments	_	41,514,736	370,022	· · · · —	_
Net realized gain (loss) on foreign currency transactions	_	(5,240)	_	_	49
Net change in unrealized appreciation (depreciation) of:		, ,			
Investments	175,383,912	729,924,402	558,613,419	11,569,818	2,750,419
Foreign currency transactions		(23,437)		(1)	184
Net gain on investments	323,704,270	875,927,743	673,983,872	29,402,926	3,252,310
Net increase in net assets resulting from operations	\$322,526,124	\$884,892,665	\$679,527,255	\$27,730,005	\$3,408,971

Baron Funds March 31, 2013

STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)

	Baron As	sset Fund	Baron Gro	owth Fund	Baron Small Cap Fund		
	For the Six Months Ended March 31, 2013	For the Year Ended September 30, 2012	For the Six Months Ended March 31, 2013	For the Year Ended September 30, 2012	For the Six Months Ended March 31, 2013	For the Year Ended September 30, 2012	
Increase (Decrease) in Net Assets:							
Operations: Net investment income (loss) Net realized gain Net change in unrealized appreciation	\$ (1,178,146) 148,320,358 175,383,912	\$ (5,298,482) 171,302,435 339,828,168	\$ 8,964,922 146,026,778 729,900,965	\$ 29,532,484 496,304,897 910,961,246	\$ 5,543,383 115,370,453 558,613,419	\$ (28,163,079) 120,253,523 842,563,581	
Increase in net assets resulting from operations	322,526,124	505,832,121	884,892,665	1,436,798,627	679,527,255	934,654,025	
Distributions to shareholders from:				1,430,730,027			
Net investment income — Retail Shares Net investment income — Institutional Shares Net realized gain on investments — Retail Shares Net realized gain on investments — Institutional Shares	 (129,311,715) (25,794,972)	 (295,295,363) (44,957,997)	(7,572,210) (8,957,848) (375,799,461) (169,259,302)	 (70,607,923) (22,801,280)	— (92,464,580) (34,510,450)	— (62,711,476) (11,933,831)	
Decrease in net assets from distributions to shareholders	(155,106,687)	(340,253,360)	(561,588,821)	(93,409,203)	(126,975,030)	(74,645,307)	
Capital share transactions:							
Proceeds from the sale of shares — Retail Shares	62,353,405	109,530,493	315,666,592	566,465,559	326,997,379	489,661,271	
Proceeds from the sale of shares — Institutional Shares Net asset value of shares issued in reinvestment of	48,607,057	150,113,893	418,381,425	487,130,832	229,772,549	596,291,795	
distributions — Retail Shares Net asset value of shares issued in reinvestment of	126,784,479	287,463,007	368,871,467	68,478,826	90,937,514	60,742,912	
distributions — Institutional Shares	24,440,596	43,162,313	168,968,387	20,899,104	31,050,332	10,446,810	
Cost of shares redeemed — Retail Shares	(229,476,134)	(614,965,623)	(686,628,051)	(1,667,071,120)	(455,831,192)	(1,011,177,996)	
Cost of shares redeemed — Institutional Shares	(79,383,456)	(122,336,233)	(112,702,936)	(371,034,342)	(124,836,399)	(173,712,082)	
Increase (decrease) in net assets derived from capital share transactions	(46,674,053)	(147,032,150)	472,556,884	(895,131,141)	98,090,183	(27,747,290)	
Net increase in net assets	120,745,384	18,546,611	795,860,728	448,258,283	650,642,408	832,261,428	
Net Assets: Beginning of period	2,232,329,454	2,213,782,843	5,820,772,093	5,372,513,810	4,192,823,374	3,360,561,946	
End of period	\$2,353,074,838	\$2,232,329,454	\$6,616,632,821	\$5,820,772,093	\$4,843,465,782	\$4,192,823,374	
•	\$2,535,074,636	\$Z,Z3Z,3Z9,434	30,010,032,621	\$3,020,772,093	34,043,403,762	34, 192,023,374	
Undistributed (accumulated) net investment income (loss) at end of period	\$ (5,697,714)	\$ (4,519,568)	\$ 20,878,042	\$ 28,443,178	\$ (18,163,206)	\$ (23,706,589)	
Capital share transactions — Retail Shares							
Shares sold	1,198,073	2,199,461	5,492,900	10,646,693	12,082,559	20,068,255	
Shares issued in reinvestment of distributions Shares redeemed	2,636,400 (4,495,530)	6,436,700 (12,448,237)	6,899,429 (12,215,056)	1,393,262 (31,051,472)	3,545,322 (17,079,847)	2,742,754 (41,265,891)	
Net increase (decrease)	(661,057)	(3,812,076)	177,273	(19,011,517)	(1,451,966)	(18,454,882)	
Capital share transactions — Institutional Shares							
Shares sold	938,180	2,999,141	7,346,828	9,003,458	8,390,306	23,973,944	
Shares issued in reinvestment of distributions	502,582	959,162	3,129,757	422,375	1,199,781	467,976	
Shares redeemed	(1,543,449)	(2,460,749)	(1,972,227)	(6,819,618)	(4,618,919)	(7,033,105)	
Net increase (decrease)	(102,687)	1,497,554	8,504,358	2,606,215	4,971,168	17,408,815	

Baron Funds

STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED) (Continued)

	Baron Oppo	rtunity Fund	Baron Fifth Aven	ue Growth Fund
	For the Six Months Ended March 31, 2013	For the Year Ended September 30, 2012	For the Six Months Ended March 31, 2013	For the Year Ended September 30, 2012
Increase (Decrease) in Net Assets:				
Operations: Net investment income (loss) Net realized gain Net change in unrealized appreciation	\$ (1,672,921) 17,833,109 11,569,817	\$ (3,785,120) 3,359,679 64,111,020	\$ 156,661 501,707 2,750,603	\$ (94,944) 78,496 10,248,835
Increase in net assets resulting from operations	27,730,005	63,685,579	3,408,971	10,232,387
Distributions to shareholders from: Net realized gain on investments — Retail Shares Net realized gain on investments — Institutional Shares	(5,021,225) (900,337)			
Decrease in net assets from distributions to shareholders	(5,921,562)			
Capital share transactions: Proceeds from the sale of shares — Retail Shares Proceeds from the sale of shares — Institutional Shares Net asset value of shares issued in reinvestment of distributions — Retail Shares Net asset value of shares issued in reinvestment of distributions — Institutional Shares Cost of shares redeemed — Retail Shares Cost of shares redeemed — Institutional Shares	32,520,208 31,347,531 4,934,553 752,126 (70,323,652) (14,297,952)	113,195,896 30,456,183 — — (76,098,866) (12,263,787)	7,018,661 8,468,783 — — (5,107,696) (199,741)	11,074,077 14,217,880 — (6,965,740) (8,416,478)
Increase (decrease) in net assets derived from capital share transactions	(15,067,186)	55,289,426	10,180,007	9,909,739
Net increase in net assets	6,741,257	118,975,005	13,588,978	20,142,126
Net Assets: Beginning of period End of period	394,865,351 \$401,606,608	275,890,346 \$394,865,351	53,749,914 \$67,338,892	33,607,788 \$ 53,749,914
Undistributed (accumulated) net investment income (loss) at end of period	\$ (4,567,876)	\$ (2,894,955)	\$ 5,026	\$ (151,635)
Capital share transactions — Retail Shares	(4,507,070)	(2,034,333)	3,020	(151,055)
Shares sold Shares issued in reinvestment of distributions Shares redeemed	2,086,511 333,867 (4,574,562)	7,818,334 — (5,266,282)	585,940 — (423,913)	975,308 — (638,620)
Net increase (decrease)	(2,154,184)	2,552,052	162,027	336,688
Capital share transactions — Institutional Shares Shares sold Shares issued in reinvestment of distributions Shares redeemed	2,041,330 50,411 (930,487)	2,058,518 — (840,607)	714,776 — (17,063)	1,226,617 — (769,582)
Net increase	1,161,254	1,217,911	697,713	457,035

Baron Funds March 31, 2013

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

1. ORGANIZATION

Baron Investment Funds Trust (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company established as a Massachusetts business trust on February 19, 1987. The Trust currently offers five series (individually, a "Fund" and collectively, the "Funds"): Baron Asset Fund, Baron Growth Fund, Baron Small Cap Fund, Baron Opportunity Fund and Baron Fifth Avenue Growth Fund.

Each Fund offers two classes of shares, Retail Shares and Institutional Shares, which differ only in their ongoing fees, expenses and eligibility requirements. Retail Shares are offered to all investors. Institutional Shares are for investments in the amount of \$1 million or more per Fund. Institutional Shares are intended for certain financial intermediaries that offer shares of Baron Funds through fee based platforms, retirement platforms or other platforms. Each class of shares has equal rights to earnings and assets, except that each class bears different expenses for distribution and shareholder servicing. Each Fund's investment income, realized and unrealized gains or losses on investments and foreign currency, and expenses other than those attributable to a specific class are allocated to each class based on its relative net assets. Each class of shares has exclusive voting rights with respect to matters that affect just that class.

The investment goals of the Funds are as follows:

Baron Asset Fund seeks capital appreciation through long-term investments primarily in securities of medium-sized companies with undervalued assets or favorable growth prospects.

Baron Growth Fund seeks capital appreciation through long-term investments primarily in securities of small-sized growth companies.

Baron Small Cap Fund seeks capital appreciation through investments primarily in securities of small-sized growth companies.

Baron Opportunity Fund seeks capital appreciation through investments primarily in growth companies that benefit from technology advances.

Baron Fifth Avenue Growth Fund seeks capital appreciation through investments primarily in securities of large-sized growth companies.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Funds. The policies are in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the period. Actual results could differ from those estimates. Events occurring subsequent to the date of the Statements of Assets and Liabilities and through the date of issuance of the financial statements have been evaluated for adjustment to or disclosure in the financial statements.

a) Security Valuation. The Funds' share prices or net asset values are calculated as of the close of the regular trading session (usually 4 p.m. E.T.) on the New York Stock Exchange ("NYSE") on any day on which the NYSE is open. Portfolio securities traded on any national stock exchange are valued based on the last sale price. For securities traded on NASDAQ, the Funds use the NASDAQ Official Closing Price. Where market quotations are not readily available, or, if in BAMCO, Inc.'s (the "Adviser") judgment, they do not accurately reflect the fair value of a security, or an event occurs after the market close but before the Funds are priced that materially affects the value of a security, the securities will be valued by the Adviser using policies and procedures approved by the Board of Trustees (the "Board"). The Adviser has a Fair Valuation Committee (the "Committee") comprised of senior executives and the Committee reports to the Board every quarter. Factors the Committee considers when valuing a security include whether a current price is stale, there is recent news, the security is thinly traded, transactions are infrequent or quotations are genuine. There can be no guarantee, however, that a fair valuation used by the Funds on any given day will more accurately reflect the market value of an investment than the closing price of such investment in its market. Debt instruments having a remaining maturity greater than 60 days will be valued on the basis of prices obtained from a pricing service approved by the Board or at the mean of the bid and ask prices from the dealer maintaining an active market in that security. Money market instruments held by the Funds with a remaining maturity of 60 days or less are valued at amortized cost, which approximates fair value.

Non-U.S. equity securities are valued on the basis of their most recent closing market prices and translated into U.S. dollars at 4 p.m. E.T., except under the circumstances described below. Most foreign markets close before 4 p.m. E.T. For securities primarily traded in the Far East, for example, the most recent closing prices may be as much as fifteen hours old at 4 p.m. E.T. If the Adviser determines that developments between the close of the foreign markets and 4 p.m. E.T. will, in its judgment, materially affect the value of some or all of the Funds' non-U.S. securities, the Adviser will adjust the previous closing prices to reflect what it believes to be the fair value of the securities as of 4 p.m. E.T. In deciding whether to make these adjustments, the Adviser reviews a variety of factors, including developments in foreign markets, the performance of U.S. securities markets, and the performance of instruments trading in U.S. markets that represent non-U.S. securities and baskets of non-U.S. securities. The Adviser may also fair value securities in other situations, for example, when a particular foreign market is closed but the Funds are open. The Adviser uses an outside pricing service which utilizes a systematic methodology to provide it with closing market prices and information used for adjusting those prices. The Adviser cannot predict how often it will use closing prices or how often it will adjust those prices. As a means of evaluating its fair value process, the Adviser routinely compares closing market prices, the next day's opening prices in the same markets, and adjusted prices. Other mutual funds may adjust the prices of their securities by different amounts.

- b) Securities Transactions, Investment Income and Expense Allocation. Securities transactions are recorded on a trade date basis. Realized gain and loss from securities transactions are recorded on an identified cost basis for financial reporting and federal income tax purposes. Dividend income is recognized on the ex-dividend date and interest income is recognized on an accrual basis, which includes the accretion of discounts and amortization of premiums. Certain dividends from foreign securities will be recorded as soon as the Funds are informed of the dividend if such information is obtained subsequent to the ex-dividend date. Distributions received from certain investments held by the Funds may be comprised of dividends, realized gains and returns of capital. The Funds originally estimate the expected classification of such payments. The amounts may subsequently be reclassified upon receipt of information from the issuer. The Funds are charged for those expenses of the Trust that are directly attributable to each Fund, such as advisory and custodian fees. Expenses that are not directly attributable to a Fund are typically allocated among the Funds in proportion to their respective net assets.
- c) Foreign Currency Translations. Values of assets and liabilities denominated in foreign currencies are translated into U.S. dollars using the price of such currencies at the time the net asset value is determined. Purchases and sales of investments and dividend income are converted at the prevailing rate of exchange on the respective dates of such transactions. Net realized gain (loss) on foreign currency transactions include gain (loss) arising from the fluctuation in the exchange rates between trade and settlement dates on security transactions and currency gain (loss) between the accrual and payment dates on dividends and foreign withholding taxes. The Funds do not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments and foreign currency transactions. The Funds may invest in foreign securities and foreign currency transactions that may involve risks not associated with domestic investments as a result of the level of governmental supervision and regulation of foreign securities markets and the possibility of political or economic instability, among others.

March 31, 2013 Baron Funds

NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pursuant to U.S. federal income tax regulations, gains and losses from certain foreign currency transactions and the foreign currency portion of gains and losses realized on sales and maturities of foreign denominated debt securities are generally treated as ordinary income for U.S. federal income tax purposes.

d) Securities Lending. The Funds may lend securities to certain brokers. Upon such loans, the Funds receive collateral which is maintained by the custodian. The Funds earn interest on such collateral and earn income in the form of negotiated lenders' fees, both of which are included in securities lending income in the Statements of Operations. Securities loaned are required to be secured at all times by collateral equal to at least 102% of the market value of the securities loaned. Risks may arise upon entering into securities lending to the extent that the value of the collateral is less than the value of the securities loaned due to the changes in the value of collateral or the loaned securities. The Funds may receive collateral in the form of cash or other eligible securities, such as a letter of credit issued by a U.S. bank or securities issued or guaranteed by the U.S. government. Securities purchased with cash collateral are subject to the risks inherent in investing in these securities.

At March 31, 2013, Baron Growth Fund had securities on loan with a value of \$8,200,500 and held \$8,400,000 of short-term investments as collateral for these loans.

- e) Repurchase Agreements. The Funds may invest in repurchase agreements, which are short-term investments whereby the Funds acquire ownership of a debt security and the seller agrees to repurchase the security at a future date at a specified price. When entering into repurchase agreements, it is the Funds' policy that their custodian or a third party custodian take possession of the underlying collateral securities, the market value of which, at all times, equals at least 102% of the principal amount of the repurchase transaction. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market to ensure the adequacy of the collateral. If the seller defaults and the market value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Funds may be delayed or limited.
- f) Federal and Foreign Income Taxes. The Trust treats each Fund as a separate entity for federal income tax purposes. Each Fund intends to meet the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies, and to distribute to its shareholders substantially all of its net investment income and any net realized capital gains at least annually. None of the Funds will be subject to federal or state income taxes to the extent that they qualify as regulated investment companies and all of their income is distributed.

The Funds may be subject to foreign taxes on income and gains on investments that are accrued based upon the Funds' understanding of the tax rules and regulations that exist in the countries in which the Funds invest. Foreign governments may also impose taxes or other payments on investments with respect to foreign securities. Such taxes are accrued as applicable.

- g) Restricted Securities. The Funds may invest in securities which are restricted as to public sale in accordance with the Securities Act of 1933. Such assets are valued by the Adviser pursuant to policies and procedures approved by the Board.
- h) Distributions to Shareholders. Income and capital gain distributions to shareholders are determined in accordance with income tax regulations, which may differ from GAAP. These differences are primarily due to differing treatments for net investment loss, foreign currency gains and losses, reclassification of distributions, partnership basis adjustments, income from passive foreign investment corporations and wash sale losses deferred.
- i) Commitments and Contingencies. In the normal course of business, the Funds may enter into contracts and agreements that contain a variety of representations and warranties, which provide general indemnification. The maximum exposure to the Funds under these agreements is unknown, as this would involve future claims that may be made against the Funds that have not yet occurred. However, based on experience, the Funds expect the risk of loss to be remote.
- j) Cash and Cash Equivalents. The Funds consider all short term liquid investments with a maturity of three months or less when purchased to be cash equivalents.

3. PURCHASES AND SALES OF SECURITIES

Purchases and sales of securities, other than short term securities, for the six months ended March 31, 2013 were as follows:

Fund	Purchases	Sales
Baron Asset Fund	\$158,635,150	\$360,563,911
Baron Growth Fund	152,199,608	305,128,312
Baron Small Cap Fund	471,965,231	500,167,497
Baron Opportunity Fund	135,880,085	144,794,260
Baron Fifth Avenue Growth Fund	19,964,696	7,943,035

4. INVESTMENT ADVISORY FEES AND OTHER TRANSACTIONS WITH AFFILIATES

- a) Investment Advisory Fees. The Adviser, a wholly owned subsidiary of Baron Capital Group, Inc. ("BCG"), serves as investment adviser to the Funds. As compensation for services rendered, the Adviser receives a fee payable monthly from Baron Asset Fund, Baron Growth Fund, Baron Small Cap Fund and Baron Opportunity Fund equal to 1% per annum of the average daily net assets of the respective Funds. The Adviser receives a fee payable monthly from Baron Fifth Avenue Growth Fund equal to 0.90% per annum for daily net assets under \$1 billion, 0.85% per annum for daily net assets greater than \$1 billion but less than \$2 billion and 0.80% per annum for daily net assets greater than \$2 billion. For Baron Opportunity Fund and Baron Fifth Avenue Growth Fund, the Adviser has contractually agreed to reduce its fee, to the extent required to limit the net operating expense ratio (excluding portfolio transaction costs, interest, dividend and extraordinary expenses) to 1.50% and 1.30% of average daily net assets of the Retail Shares, and 1.25% and 1.05% of average daily net assets of the Institutional Shares, respectively.
- b) Distribution Fees. Baron Capital, Inc. ("BCI"), a wholly owned subsidiary of BCG, is a registered broker-dealer and the distributor of the Retail Shares. Pursuant to a distribution plan under Rule 12b-1 of the 1940 Act, the Funds are authorized to pay BCI a distribution fee payable monthly equal to 0.25% per annum of the Retail Shares' average daily net assets of the respective Funds.
- c) Trustee Fees. Certain Trustees of the Trust may be deemed to be affiliated with, or interested persons (as defined by the 1940 Act) of the Funds' Adviser or of BCI. None of the Trustees so affiliated received compensation for his or her services as a Trustee of the Trust. None of the Funds' officers received compensation from the Funds for their services as an officer.
- d) Fund Accounting and Administration Fees. The Funds have entered into an agreement with State Street Bank and Trust Company (the "Custodian") to perform accounting and certain administrative services. The Custodian is compensated for fund accounting services based on a percentage of the Funds' net assets, subject to certain minimums plus fixed annual fees for the administrative services.

Baron Funds March 31, 2013

NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (Continued)

5. LINE OF CREDIT

The Funds participate in a committed line of credit agreement with the Custodian to be used for temporary purposes, primarily for financing redemptions. Each Fund may borrow up to the lesser of \$100 million or the maximum amount each Fund may borrow under the 1940 Act, the limitations included in each Fund's prospectus, or any limit or restriction under any law or regulation to which each Fund is subject or any agreement to which each Fund is a party; provided that the aggregate outstanding principal amount of all loans to any of the Funds not exceed \$100 million. Interest is charged to each Fund, based on its borrowings, at a rate per annum equal to the higher of the Federal Funds Rate or the Overnight Libor Rate plus a margin of 1.00%. A commitment fee of 0.12% per annum is incurred on the unused portion of the line of credit and is allocated to the participating Funds. During the six months ended March 31, 2013, there were no loans outstanding under the line of credit.

6. RESTRICTED SECURITIES

At March 31, 2013, investments in securities included securities that are restricted and/or illiquid. Restricted securities are often purchased in private placement transactions, are not registered under the Securities Act of 1933, may have contractual restrictions on resale and are valued pursuant to the policies and procedures for fair value pricing approved by the Board. A security may be considered illiquid if it lacks a readily available market or if its valuation has not changed for a certain period of time. The Funds may receive more or less than this valuation in an actual sale and that difference could be material. At March 31, 2013, the Funds held investments in restricted and/or illiquid securities that were valued pursuant to policies and procedures for fair value pricing as follows:

	Baron Asset Fo	und
Name of Issuer	Acquisition Date(s)	Value
Private Equity Investments Kerzner International Holdings Ltd., Cl A Windy City Investments Holdings, L.L.C.	9/27/2006 11/13/2007-1/27/2011	\$ 8,268,000 26,249,149
Total Restricted Securities: (Cost \$86,581,904) [†] (1.47% of Net Assets)		\$34,517,149

	Baron Growth	Fund
Name of Issuer	Acquisition Date(s)	Value
Private Equity Investments Better Place, Inc., Series C Preferred Castlight Health, Inc. Kerzner International Holdings Ltd., Cl A Windy City Investments Holdings, L.L.C.	12/1/2011 4/26/2012 9/27/2006 11/13/2007-1/27/2011	\$ 192,467 4,999,998 11,766,000 8,835,646
Total Restricted Securities: (Cost \$109,475,996)† (0.39% of Net Assets)		\$25,794,111

	Baron Small Cap	Baron Small Cap Fund			
Name of Issuer	Acquisition Date(s)	Value			
Common Stocks Viggle, Inc.	8/25/2011, 4/27/2012	\$ 2,178,182			
Private Equity Investments Kerzner International Holdings Ltd., Cl A SFX Holding Corporation	9/27/2006 6/6/2012	5,565,000 10,000,000			
Warrants Viggle, Inc. Warrants, Callable, Exp 4/27/2015 Viggle, Inc. Warrants, Non-callable, Exp 8/22/2014 Vitacost.com, Inc. Warrants, Exp 2/16/2015	4/27/2012 8/25/2011 2/17/2012	0 0 351,754			
Total Restricted Securities: (Cost \$58,030,234)† (0.37% of Net Assets)		\$18,094,936			

	Baron Opportui	nity Fund
Name of Issuer	Acquisition Date	Value
Private Equity Investments Better Place, Inc., Series C Preferred Castlight Health, Inc.	12/1/2011 4/26/2012	\$ 22,026 1,500,001
Total Restricted Securities: (Cost \$4,000,002)† (0.38% of Net Assets)		\$ 1,522,027

[†] See Statements of Net Assets for cost of individual securities.

March 31, 2013 Baron Funds

NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (Continued)

6. RESTRICTED SECURITIES (Continued)

	Baron Fifth Avenue (Baron Fifth Avenue Growth Fund		
Name of Issuer	Acquisition Date	Value		
Private Equity Investments Better Place, Inc., Series C Preferred (Cost \$379,998) (0.01% of Net Assets)	12/1/2011	\$ 3,348		

7. FAIR VALUE MEASUREMENTS

Fair value is defined by GAAP as the price that the Funds would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market for the investment. GAAP provides a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable or unobservable inputs are based on market data obtained from sources independent of the Funds. Unobservable inputs are inputs that reflect the Funds' own assumptions based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

- Level 1 quoted prices in active markets for identical assets or liabilities;
- Level 2 prices determined using other significant inputs that are observable, either directly or indirectly, through corroboration with observable market data (which could include quoted prices for similar assets or liabilities, interest rates, credit risk, etc.);
- Level 3 prices determined using significant unobservable inputs when quoted prices or observable inputs are unavailable, such as when there is little or no market activity for an asset or liability (unobservable inputs reflect each Fund's own assumptions in determining the fair value of assets or liabilities and would be based on the best information available).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, non-U.S. securities, whose markets close hours before the Funds value their holdings may require revised valuations due to significant movement in the U.S. markets. Since these values are not obtained from quoted prices in an active market such securities are reflected as Level 2.

The Funds have procedures to determine the fair value of securities and other financial instruments for which market prices are not readily available or which may not be reliably priced. Under these procedures, the Funds primarily employ a market-based approach, which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, and other relevant information for the investment to determine the fair value of the investment. The Funds may also use an income-based valuation approach in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

The following is a summary of the inputs used as of March 31, 2013 in valuing the Funds' investments carried at fair value:

	Baron Asset Fund					
Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total		
Common Stocks† Private Equity Investments† Short Term Investments Total Investments	\$ 2,289,277,489 	\$ — 33,749,073 \$33,749,073	\$ — 34,517,149 — \$34,517,149	\$2,289,277,489 34,517,149 33,749,073 \$2,357,543,711		

Transfers between Levels 1, 2 or 3, if any, are recognized at ending value on March 31, 2013. There have been no transfers in and out of Level 1, 2 or 3 fair value measurements for the Fund for the six months ended March 31, 2013.

	Baron Growth Fund Quoted Prices in Other Active Markets Significant Significant for Identical Observable Unobservable Assets Inputs Inputs (Level 1) (Level 2) (Level 3) Total				
Active Markets for Identical					
\$ 6,241,849,059 — —	\$ 78,273,798 — 264,311,461	\$ — 25,794,111 —	\$6,320,122,857 25,794,111 264,311,461		
\$6,241,849,059	\$342,585,259	\$25,794,111	\$6,610,228,429		

Transfers between Levels 1, 2 or 3, if any, are recognized at ending value on March 31, 2013. There have been no transfers in and out of Level 1, 2 or 3 fair value measurements for the Fund for the six months ended March 31, 2013.

[†] See Statements of Net Assets for additional detailed categorizations...

Baron Funds

NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (Continued)

7. FAIR VALUE MEASUREMENTS (Continued)

	Baron Small Cap Fund					
Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total		
Common Stocks† Private Equity Investments† Warrants† Short Term Investments Total Investments	\$ 4,691,935,617 — — \$4,691,935,617	\$ 2,178,182 — 351,754 140,438,691 \$142,968,627	\$ 15,565,000 \$15,565,000	\$ 4,694,113,799 15,565,000 351,754 140,438,691 \$4,850,469,244		

Transfers between Levels 1, 2 or 3, if any, are recognized at ending value on March 31, 2013. There have been no transfers in and out of Level 1, 2 or 3 fair value measurements for the Fund for the six months ended March 31, 2013.

		Baron Opportunity Fund					
Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Significant Observable Unobservable Inputs Inputs (Level 2) (Level 3)		Total			
Common Stocks† Private Equity Investments† Short Term Investments	\$ 398,356,625 — ——————————————————————————————————	\$ <u>—</u> 	\$ — 1,522,027 —	\$ 398,356,625 1,522,027 3,116,201			
Total Investments	\$398,356,625	\$3,116,201	\$1,522,027	\$402,994,853			

Transfers between Levels 1, 2 or 3, if any, are recognized at ending value on March 31, 2013. There have been no transfers in and out of Level 1, 2 or 3 fair value measurements for the Fund for the six months ended March 31, 2013.

		Baron Fifth Avenue Growth Fund				
ion	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total		
mon Stocks† Ite Equity Investments† I Investments	\$ 67,274,814 — \$67,274,814	\$ — \$ —	\$ — 	\$ 67,274,814 3,348 \$67,278,162		

Transfers between Levels 1, 2 or 3, if any, are recognized at ending value on March 31, 2013. There have been no transfers in and out of Level 1, 2 or 3 fair value measurements for the Fund for the six months ended March 31, 2013.

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

		Baron Asset Fund								
Investments in Securities	Balance as of September 30, 2012	Accrued Premiums/ Discounts	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Purchases	Sales	Transfers Into Level 3	Transfers Out of Level 3	Balance as of March 31, 2013	Change in Net Unrealized Appreciation (Depreciation) from Investments still held at March 31, 2013
Private Equity Investor	stments									
Discretionary	\$ 8,944,000	\$ —	\$ —	\$ (676,000)	\$ —	\$ —	\$ —	\$ —	\$ 8,268,000	\$ (676,000)
Financials	23,708,908			2,540,241					26,249,149	2,540,241
Total	\$32,652,908	\$ <u> </u>	\$ —	\$1,864,241	<u> </u>	<u>\$</u>	\$ —	\$ <u> </u>	\$34,517,149	\$1,864,241

[†] See Statements of Net Assets for additional detailed categorizations.

Baron Funds

NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (Continued)

7. FAIR VALUE MEASUREMENTS (Continued)

7. FAIR VALUE ME	ASUREMENTS (Continued)								
					Baron Grov	vth Fund				
Investments in Securities	Balance as of September 30, 2012	Accrued Premiums/ Discounts	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Purchases	Sales	Transfers Into Level 3	Transfers Out of Level 3	Balance as of March 31, 2013	Change in Net Unrealized Appreciation (Depreciation) from Investments still held at March 31, 2013
Private Equity Inves	stments									
Consumer Discretionary Financials Health Care Utilities Total	\$12,728,000 7,980,583 4,999,998 21,845,000 \$47,553,581	\$ — — — — <u>\$</u> —	\$ — — — — \$ —	\$ (962,000) 855,063 — (21,652,533) \$(21,759,470)	\$ <u>\$</u>	\$ — — — — — — —	\$ <u>\$</u>	\$ — — — — <u>\$</u> —	\$11,766,000 8,835,646 4,999,998 192,467 \$25,794,111	\$ (962,000) 855,063 — (21,652,533) \$(21,759,470)
					Baron Small	Cap Fun	d			
Investments in Securities	Balance as of September 30, 2012	Accrued Premiums/ Discounts	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Purchases	Sales	Transfers Into Level 3	Transfers Out of Level 3	Balance as of March 31, 2013	Change in Net Unrealized Appreciation (Depreciation) from Investments still held at March 31, 2013
Private Equity Inves	stments									
Consumer Discretionary Total	\$ 11,020,000 \$11,020,000	\$ <u> </u>	\$ <u> </u>	\$ (455,000) \$(455,000)	\$ 5,000,000 \$5,000,000	\$ <u></u>	\$ <u> </u>	\$ <u>-</u>	\$ 15,565,000 \$15,565,000	\$ (455,000) \$(455,000)
				В	aron Opport	tunity F	und			
Investments in Securities	Balance as of September 30, 2012	Accrued Premiums/ Discounts	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Purchases	Sales	Transfers Into Level 3	Transfers Out of Level 3	Balance as of March 31, 2013	Change in Net Unrealized Appreciation (Depreciation) from Investments still held at March 31, 2013
Private Equity Inves Health Care Utilities Total	\$ 1,500,001 2,500,001 \$4,000,002	\$ — —— \$ —	\$ — <u>\$ —</u>	\$ — (2,477,975) \$(2,477,975)	\$ \$	\$ — \$ —	\$ — <u> </u>	\$ — <u>-</u> \$ —	\$ 1,500,001 22,026 \$1,522,027	\$ — (2,477,975) \$(2,477,975)
				Baro	on Fifth Avenu	e Growt	h Fund			
Investments in Securities	Balance as of September 30, 2012	Accrued Premiums/ Discounts	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Purchases	Sales	Transfers Into Level 3	Transfers Out of Level 3	Balance as of March 31, 2013	Change in Net Unrealized Appreciation (Depreciation) from Investments still held at March 31, 2013
Private Equity Inves Utilities Total	\$ 379,998 \$ 379,998	\$ <u> </u>	\$ <u> </u>	\$ (376,650) \$(376,650)	\$ <u> </u>	\$ <u> </u>	\$ <u>—</u>	\$ <u>—</u>	\$ 3,348 \$3,348	\$ (376,650) \$(376,650)

Baron Funds March 31, 2013

NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (Continued)

7. FAIR VALUE MEASUREMENTS (Continued)

Significant unobservable valuation inputs developed by the Adviser for significant (greater than 1% of net assets) Level 3 investments as of March 31, 2013 were as follows:

			Baron Asset	Fund		
Sector	Company	Fair Value as of March 31, 2013	Valuation Technique	Unobservable Input	Weighted Average used on March 31, 2013	Range used on March 31, 2013
				Estimated volatility of the returns of the enterprise value ¹	6.34%	6.34%
				Discount for lack of marketability	4.58%	4.58%
Private Equity Investments: Financials	Windy City Investments Holdings, L.L.C.	\$26,249,149	Combination of Market Comparables and Option Pricing methods	EV/Run Rate EBITDA Multiple ²	9.67x	7.2x to 11.0x
	0.		Ü	Adjustment to the EBITDA Multiple due to leverage ²	10.6%	10.6%
				Change in the composite equity index of comparable companies	0.86%	-1.54% to 1.38%

¹ The volatility was derived using the historical returns of the publicly traded debt of Nuveen Investments, Inc. and the historical returns of the equity of comparable public companies. Nuveen Investments, Inc. is the sole asset of Windy City Investments Holdings, L.L.C.

A significant change in the EV/EBITDA multiple ratio may result in a directionally similar significant change in the fair value measurement, while a significant change in the discount for lack of marketability and equity index of comparable companies may not result in a materially higher or lower fair value measurement.

8. INCOME TAXES AND DISTRIBUTIONS TO SHAREHOLDERS

Federal income tax regulations differ from GAAP. Therefore, distributions determined in accordance with tax regulations may differ in amount or character from net investment income and net realized gain for financial reporting purposes. Net investment income (loss) and net realized and unrealized gain (loss) differ for financial statement and tax purposes due to differing treatments of net investment loss, foreign currency gains and losses, reclassification of distributions, partnership basis adjustments, income from passive foreign investment corporations and wash sale losses deferred. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character. Financial records are not adjusted for temporary differences.

As of March 31, 2013, the components of net assets on a tax basis were as follows:

	Baron Asset Fund	Baron Growth Fund	Baron Small Cap Fund	Baron Opportunity Fund	Baron Fifth Avenue Growth Fund
Cost of investments	\$1,170,002,751	\$3,441,603,802	\$2,910,108,096	\$307,906,999	\$51,716,951
Gross tax unrealized appreciation Gross tax unrealized depreciation	1,242,507,010 (54,966,050)	3,285,150,226 (116,525,599)	2,041,173,255 (100,812,107)	103,074,473 (7,986,619)	16,321,709 (760,498)
Net tax unrealized appreciation Net tax unrealized currency appreciation (depreciation)	1,187,540,960 —	3,168,624,627 (23,437)	1,940,361,148 —	95,087,854 1	15,561,211 —
Undistributed (accumulated) net investment income (loss)	(5,697,714)	20,878,042	(18,163,206)	(4,567,876)	5,026
Undistributed (accumulated) net realized gain (loss)	148,166,155	92,153,175	110,080,587	12,777,646	(2,490,283)
Paid-in capital	1,023,065,437	3,335,000,414	2,811,187,253	298,308,983	54,262,938
Net Assets	\$2,353,074,838	\$6,616,632,821	\$4,843,465,782	\$401,606,608	\$67,338,892

The multiple was derived as a simple average of the multiples of comparable companies. The derived EBITDA multiple was increased by 10.6% to 9.67x. This increase adjusts for leverage, as Nuveen Investments, Inc. is more levered than its comparable companies.

March 31, 2013 Baron Funds

NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (Continued)

8. INCOME TAXES AND DISTRIBUTIONS TO SHAREHOLDERS (Continued)

As of September 30, 2012, the Funds had capital loss carryforwards expiring as follows:

	Baron A		n Growth Fund	Bard Small Fur	Сар	Baror Opportu Fund	nity	Baron Fifth Avenue Growth Fund
September 30, 2018	\$	_	\$ _	\$		\$	_	\$1,867,337

The tax character of distributions paid during the six months ended March 31, 2013 and the fiscal year ended September 30, 2012 was as follows:

		1ths Ended 31, 2013		Ended er 30, 2012
Fund	Ordinary ¹	Long Term Capital Gain	Ordinary ¹	Long Term Capital Gain
Baron Asset Fund	\$ —	\$155,106,687	\$—	\$340,253,360
Baron Growth Fund	16,530,058	545,058,763	_	93,409,203
Baron Small Cap Fund	_	126,975,030	_	74,645,307
Baron Opportunity Fund	_	5,921,562	_	
Baron Fifth Avenue Growth Fund	_	_	_	_

¹ For tax purposes, short-term capital gains are considered ordinary income distributions.

The Funds follow the provisions of the FASB Codification Section 740 ("ASC Section 740") "Accounting for Uncertainty in Income Taxes," which clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return. ASC Section 740 sets forth a threshold for financial statement recognition, measurement and disclosure of tax positions taken or expected to be taken on a tax return. The Funds are required to recognize the tax effects of certain tax positions under a "more likely than not" standard, that, based on their technical merits, have more than 50 percent likelihood of being sustained upon examination. Management has analyzed the tax positions taken on the Funds' federal income tax returns for all open years (current and prior three years), and has concluded that no provision for federal income tax is required in the Funds' financial statements. At March 31, 2013, the Funds did not have any uncertain tax benefits that require recognition, de-recognition or disclosure. The Funds' federal, state and local income and federal excise tax returns for which the applicable statutes of limitations have not expired (current and prior three years) are subject to examination by the Internal Revenue Service and state departments of revenue.

9. TRANSACTIONS IN "AFFILIATED" COMPANIES1

BARON GROWTH FUND

Name of Issuer	Value at September 30, 2012	Purchase Cost	Sales Proceeds	Net Change in Unrealized Appreciation (Depreciation)	Realized Gains/(Losses)	Dividend Income	Shares Held at March 31, 2013	Value at March 31, 2013
"Affiliated" Company as of March	31, 2013:							
Ameristar Casinos, Inc.	\$ 35,600,000	\$ - \$	_	\$ 16,860,000	\$ —	\$ 500,000	2,000,000	\$ 52,460,000
Choice Hotels International, Inc.	96,209,925	_	_	31,037,400	_	1,112,775	3,007,500	127,247,325
DeVry, Inc.	74,539,000	_	544,590	29,134,782	58,308	552,500	3,250,000	103,187,500
Vail Resorts, Inc.	115,631,487	551,564		9,438,489		1,170,424	2,015,750	125,621,540
	\$ 321,980,412	\$ 551,564 \$	544,590	\$ 86,470,671	\$ 58,308	\$ 3,335,699		\$ 408,516,365
No Longer an "Affiliated" Compan	y as of March 31, 2	013:						
Cymer, Inc.	\$ 82,501,165	\$ _ \$	93,150,623	\$ 26,853,030	\$ 41,456,428	\$ —	600,000	\$ 57,660,000
	\$ 82,501,165	<u>\$</u> _ \$	93,150,623	\$ 26,853,030	\$ 41,456,428	\$ _		\$ 57,660,000

An "Affiliated" Company, as defined in the 1940 Act, is a company in which a Fund held 5% or more of the company's outstanding voting securities at any time during the six month period ended March 31, 2013.

Baron Funds March 31, 2013

NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (Continued)

9. TRANSACTIONS IN "AFFILIATED" COMPANIES1 (Continued)

BARON SMALL CAP FUND

Name of Issuer	Value at September 30, 2012	Purchase Cost	Sales Proceeds	Net Change in Unrealized Appreciation (Depreciation)	Realized Gains/(Losses)	Dividend Income	Shares Held at March 31, 2013	Value at March 31, 2013
"Affiliated" Company as of March 3	1, 2013:							
BJ's Restaurants, Inc.	\$ 36,280,000	\$ 32,265,623 \$	_	\$ (10,305,623)	\$ —	\$ —	1,750,000	\$ 58,240,000
Bravo Brio Restaurant Group, Inc.	23,280,000	_	5,405,910	2,351,765	(438,355)	_	1,250,000	19,787,500
The Chefs' Warehouse, Inc.	28,665,000	_	_	3,657,500	_	_	1,750,000	32,322,500
Globe Specialty Metals, Inc.	60,880,000	_	_	(5,200,000)	_	1,000,000	4,000,000	55,680,000
The KEYW Holding Corp.	37,500,000	_	_	10,890,000	_	_	3,000,000	48,390,000
Mercury Systems, Inc.	18,585,000	_	_	(5,687,500)	_	_	1,750,000	12,897,500
Susser Petroleum Partners LP	21,622,907	6,108,193	_	9,643,900	_	534,444	, ,	37,375,000
Viggle, Inc.	4,734,546	_	_	(2,556,364)	_	_	2,545,455	2,178,182
Viggle, Inc., Warrants, Callable,								
Exp 4/27/2015	_	_	_	_	_	_	545,455	_
Viggle, Inc., Warrants, Non-callable,	400.000			(400,000)				
Exp 8/22/2014	180,000	_	_	(180,000)	_	_	2,000,000	
Vitacost.com, Inc.	20,578,839	_	_	1,365,852	_	_	3,035,227	21,944,691
Vitacost.com, Inc. Warrants,	262.004			(12 120)			242 500	251 754
Exp 2/16/2015	363,884			(12,130)			242,589	351,754
	\$ 252,670,176	\$ 38,373,816 \$	5,405,910	\$ 3,967,400	\$ (438,355)	\$ 1,534,444		\$ 289,167,127
No Longer an "Affiliated" Company	as of March 31, 20	013:						
Chesapeake Lodging Trust	\$ 39,740,000		_	\$ 6,140,000	\$ —	\$ 920,000	2,000,000	\$ 45,880,000
Rogers Corp.	42,360,000	_	13,061,379	4,956,467	(921,088)	_	700,000	33,334,000
XPO Logistics, Inc.	14,688,000		15,808,350	4,828,117	1,729,465	_	322,876	5,437,232
	\$ 96,788,000	\$ _ \$	28,869,729	\$ 15,924,584	\$ 808,377	\$ 920,000		\$ 84,651,232

An "Affiliated" Company, as defined in the 1940 Act, is a company in which a Fund held 5% or more of the company's outstanding voting securities at any time during the six month period ended March 31, 2013.

FINANCIAL HIGHLIGHTS (Unaudited)

BARON ASSET FUNDSelected data for a share outstanding throughout each period:

RETAIL SHARES	Six Months Ended March 31.				Year En	Year Ended September 30	ber 30,			
	2013	2012	2011	2010	2009	2008	2007	2006	2002	2004
Net asset value, beginning of period	\$ 52.03	\$ 49.00	\$ 49.27	\$ 43.62	\$ 52.12	\$ 66.57	\$ 60.08	\$ 56.52	\$ 47.89	\$ 40.05
Income (loss) from investment operations:										
Net investment loss	$(0.04)^{1}$	$(0.14)^{1}$	$(0.23)^{1}$	(0.28)	(0.20)	(0.29)	(0.10)	(0.27)	(0.46)	(0.43)
Net realized and unrealized gain (loss) on investments	7.59	10.94	0.73	5.93	(2.68)	(12.08)	11.27	6.64	12.08	8.27
Total from investment operations	7.55	10.80	0.50	5.65	(5.88)	(12.37)	11.17	6.37	11.62	7.84
Less distributions to shareholders from:										
Net investment income	0.00	0.00	0.00	00.00	0.00	0.00	0.00	0.00	0.00	0.00
Net realized gain on investments	(3.76)	(7.77)	(0.77)	0.00	(2.62)	(2.08)	(4.68)	(2.81)	(2.99)	0.00
Total distributions	(3.76)	(7.77)	(0.77)	0.00	(2.62)	(2.08)	(4.68)	(2.81)	(2.99)	0.00
Net asset value, end of period	\$ 55.82	\$ 52.03	\$ 49.00	\$ 49.27	\$ 43.62	\$ 52.12	\$ 66.57	\$ 60.08	\$ 56.52	\$ 47.89
Total return	15.67%4	24.65%	0.85%	12.95%	%(88.6)	(19.14)%	19.56%	11.54%	25.21%	19.58%
Ratios/Supplemental data:										
Net assets (in millions), end of period	\$1,943.2	\$1,845.6	\$1,924.9	\$2,424.2	\$2,652.6	\$3,311.8	\$4,468.0	\$3,365.6		\$2,002.4
Ratio of operating expenses to average net assets	1.32%5	1.33%	1.33%	1.32%	1.36%²	1.33%²	1.34%²	1.33%	1.34%	1.34%
Ratio of net investment loss to average net assets	(0.15)%	(0.28)%	(0.41)%	(0.61)%	(0.54)%	(0.49)%	(0.17)%	(0.49)%		%(06:0)
D									II	
Portfolio turnover rate	7.24%4	13.11%	23.89%	13.04%	14.67%	16.02%	13.39%	21.87%	11.47%	19.57%
INSTITUTIONAL CHAPES	Cir. Manaha									
	SIX Months Ended March 31,		Year Ended	Year Ended September 30,	0,					
		0,00	7700	0700						

INSTITUTIONAL SHARES	Six Months Ended March 31,		Year Ended	Year Ended September 30,	30,
	2013	2012	2011	2010	€6002
Net asset value, beginning of period	\$52.55	\$49.30	\$49.43	\$43.65	\$37.38
Income (loss) from investment operations:					
Net investment income (loss)	0.031	0.011	(0.10)	$(0.15)^{1}$	$(0.05)^{1}$
Net realized and unrealized gain on investments	7.68	11.01	0.74	5.93	6.32
Total from investment operations	7.71	11.02	0.64	5.78	6.27
Less distributions to shareholders from:					
Net investment income	0.00	0.00	00:0	00:00	00.0
Net realized gain on investments	(3.76)	(7.77)	(0.77)	0.00	0.00
Total distributions	(3.76)	(7.77)	(0.77)	0.00	0.00
Net asset value, end of period	\$56.50	\$52.55	\$49.30	\$49.43	\$43.65
Total raturn	15.82%4	24 99%	1 14%	13.24%	16 77%4
	8	2		- - -	
Ratios/Supplemental data:					
Net assets (in millions), end of period	\$409.9	\$386.7	\$288.9	\$242.8	\$82.3
Ratio of operating expenses to average net assets	1.05%5	1.06%	1.06%	1.06%	1.16%5
Ratio of net investment income (loss) to average net assets	0.12%5	0.02%	(0.18)%	(0.33)%	(0.39)%5
Portfolio turnover rate	7.24%4	13.11%	23.89%	13.04%	14.67%
1 Based on average shares outstanding.					

based on average snares outstanding.

Benefit of expense reduction rounds to less than 0.01%.

For the period May 29, 2009 (commencement of operations) to September 30, 2009.

Annualized.

Annualized.

See Notes to Financial Statements.

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FINANCIAL HIGHLIGHTS (Unaudited)

BARON GROWTH FUND

Selected data for a share outstanding throughout each period:

RETAIL SHARES	Six Months				Vear En	Vear Ended September 30	30			
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net asset value, beginning of period	\$ 58.19	\$ 46.18	\$ 44.37	\$ 39.00	\$ 41.69	\$ 54.55	\$ 47.23	\$45.96	\$ 38.92	\$ 32.65
Income (loss) from investment operations: Net investment income (loss)	0.061	0.201	1(0.29)	(0.34)	(0.18)	(0.28)	(0.25)1	(0.29)	(0.29)	(0:30)
Net realized and unrealized gain (loss) on investments	8.29	12.64	2.10	5.71	(2.47)	(10.07)	10.11	3.61	7.33	6.57
Total from investment operations	8.35	12.84	1.81	5.37	(2.65)	(10.35)	9.86	3.32	7.04	6.27
Less distributions to shareholders from:	(0.11)	000	000	000	000	0		0	0	0
Net realized gain on investments	(5.59)	(0.83)	0.00	0.00	(0.04)	(2.51)	(2.54)	(2.05)	0.00	00:0
Total distributions	(5.70)	(0.83)	0.00	0.00	(0.04)	(2.51)	(2.54)	(2.05)	0.00	0.00
Net asset value, end of period	\$ 60.84	\$ 58.19	\$ 46.18	\$ 44.37	\$ 39.00	\$ 41.69	\$ 54.55	\$47.23	\$ 45.96	\$ 38.92
Total return	15.72%	28.12%	4.08%	13.77%	(6.34)%	(19.78)%	21.41%	7.36%	18.09%	19.20%
Ratios/Supplemental data: Net assers (in millions) end of period	\$4.269.5	\$40735	\$41108	\$48428	\$5.034.5	\$5,615.0	\$70759	\$53158	\$5,005,1	\$3 135 6
Datio of operating eventual to average not accept	1 210/5	1 2 2 %	1 220%	1 2 2 0/2	1 250/2	1 220/2	1 2 10/2	1210/	1 21%	1 220/
natio of operating expenses to average fiel assets Ratio of net investment income (loss) to average net assets	1.31%	0.38%	%(95'0) (0.56)%	%(080) (080)	-%55.1 		(0.49)%	(061)%	%(EZ 0)	%(55.1 ===================================
	2,610	12 700%	42.50	10.00)	27,020,00	000000	(21.5)	74.5.5	17 700	74150
Portfolio turnover rate	7.61%	13.70%	13.51%	%ZI.9I 	76.65% ————	%/6.52 	%/£'1.7 =====	%/7:17	15.50%	27.15% =====
INSTITUTIONAL SHARES	Six Months		Year Ended S	/ear Ended September 30						
	2013	2012	2011	2010	2009₃					
Net asset value, beginning of period	\$ 58.70	\$ 46.46	\$ 44.52	\$39.03	\$33.71					
Income (loss) from investment operations:	1									
Net investment income (loss) Net realized and unrealized gain on investments	0.13 ¹ 8.35	0.45 ¹ 12.62	(0.17)¹ 2.11	(0.22) ¹ 5.71	(0.04) ¹ 5.36					
Total from investment operations	8.48	13.07	1.94	5.49	5.32					
Less distributions to shareholders from:										
Net investment income Net realized gain on investments	(0.26)	0.00	00:0	00:0	00:0					
Total distributions	(5.85)	(0.83)	0.00	0.00	0.00					
Net asset value, end of period	\$ 61.33	\$ 58.70	\$ 46.46	\$44.52	\$39.03					
Total return	15.86%	28.45%	4.36%	14.07%	15.78%4					
Ratios/Supplemental data:	, c c c c c c c c c c c c c c c c c c c	747	013010	1 20	6,000					
Net assets (in millions), end of period	\$4,347.1	71,747.3	8.102,14	\$778.9	\$238./					
Ratio of operating expenses to average net assets	1.05%5	1.06%	1.06%	1.06%	1.13%5					
Ratio of net investment income (loss) to average net assets	0.46%5	0.83%	(0.33)%	(0.53)%	(0.29)%5					
Portfolio turnover rate	2.61%4	13.70%	13.51%	16.12%	26.65%					
Based on average shares outstanding. Benefit of expense reduction rounds to less than 0.01%.										

Benefit of expense reduction rounds to less than 0.01%.
 For the period May 29, 2009 (commencement of operations) to September 30, 2009.
 Not Annualized.
 Annualized.

Baron Funds

FINANCIAL HIGHLIGHTS (Unaudited)

BARON SMALL CAP FUND

Selected data for a share outstanding throughout each period:

RETAIL SHARES	Six Months Ended March 31,				Year En	Year Ended September 30,	oer 30,			
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net asset value, beginning of period	\$ 26.14	\$ 20.84	\$ 20.90	\$ 17.96	\$ 18.70	\$ 25.47	\$ 23.59	\$ 23.08	\$ 19.18	\$ 17.26
Income (loss) from investment operations: Net investment income (loss) Net realized and unrealized gain (loss) on investments	0.03 ¹ 4.15		(0.15)	(0.06)	(0.13) ¹	(0.09)	(0.02) ¹	(0.18)	(0.10)	(0.15)
Total from investment operations	4.18	1	(0.06)	2.94	(0.74)	(5.10)	4.94	1.25	4.45	1.92
Less distributions to shareholders from: Net investment income Not realized gain on investment	00.0		00.0	000	0.00	0.00	0.00	0.00	0.00	0.00
Total distributions	(0.80)	1	00.0	0:00	(0.00)	(1.67)	(3.06)	(0.74)	(0.55)	0.00
Net asset value, end of period	\$ 29.52	, , ,	\$ 20.84	\$ 20.90	\$ 17.96	\$ 18.70	\$ 25.47	\$ 23.59	\$ 23.08	\$ 19.18
Total return	16.50%	28.09%	(0.29)%	16.37%	(3.95)%	(21.44)%	22.54%	5.52%	23.56%	11.12%
Ratios/Supplemental data: Net assets (in millions), end of period	\$3,438.3	07	\$2,842.0	\$3,032.0	\$2,719.4	\$2,871.6	\$3,522.4	\$2,921.7	\$2,828.6	\$1,782.1
Ratio of operating expenses to average net assets	1.31%7	1.31%	1.31%	1.31%	1.34%4	1.32%4	1.31%4	1.33%	1.33%	1.33%
Ratio of net investment income (loss) to average net assets Portfolio turnover rate	0.19%7	(0.7 <u>6</u>)% 28.02%	(0.63)% 32.81%	(0.30)%	(0.86)%	(0.42)% 41.52%	(0.09)%	(0.73)% 39.99%	(0.48)% 24.68%	(0.88)% 32.92%
INSTITUTIONAL SHARES	Six Months									

INSTITUTIONAL SHARES	Six Months Ended March 31		Year Ended	Year Ended September 30,	0,
	2013	2012	2011	2010	2000≥
Net asset value, beginning of period	\$ 26.36	\$ 20.96	\$20.97	\$17.97	\$15.52
Income (loss) from investment operations:		7		7	
Net investment income (loss) Net realized and unrealized gain on investments	0.06 4.20	(0.13) (6.00)	0.092	(0.03) 3.03)	(0.04)
Total from investment operations	4.26	5.87	(0.01)	3.00	2.45
Less distributions to shareholders from:					
Net investment income	0.00	0.00	0.00	0.00	0.00
Net realized gain on investments	(0.80)	(0.47)	0.00	0.00	0.00
Total distributions	(0.80)	(0.47)	0.00	0.00	0.00
Net asset value, end of period	\$ 29.82	\$ 26.36	\$20.96	\$20.97	\$17.97
Total return	16.63%	28.41%	(0.05)%	16.69%	15.79%
Ratios/Supplemental data:					
Net assets (in millions), end of period	\$1,405.2	\$1,111.0	\$518.6	\$261.1	\$89.4
Ratio of operating expenses to average net assets	1.05%7	1.05%	' '	1.06%	1.16%7
Ratio of net investment income (loss) to average net assets	0.42%	(0.53)%		(0.15)%	(0.75)%7
Portfolio turnover rate	11.09%	28.02%	32.81%	27.22%	35.83%

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Based on average shares outstanding.

The amount shown for a share outstanding does not correspond with the aggregate realized and unrealized gain (loss) on investments for the period due to the timing of sales and redemptions of Fund shares in fluctuating market values of investments of the Fund.
Less than \$0.01 per share.
Benefit of expense reduction rounds to less than 0.01%.
For the period May 29, 2009 (commencement of operations) to September 30, 2009.
Not Annualized.
Annualized.

FINANCIAL HIGHLIGHTS (Unaudited)

BARON OPPORTUNITY FUND

Selected data for a share outstanding throughout each period:

RETAIL SHARES	Six Months									
	Ended March 31,				Year End	Year Ended September 30,	er 30,			
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net asset value, beginning of period	\$15.61	\$12.83	\$12.76	\$10.61	\$9.90	\$13.01	\$10.05	\$ 9.16	\$ 7.58	\$ 6.48
Income (toss) from investment operations: Net investment loss	(0.07)	$(0.17)^{1}$	$(0.16)^{1}$	(0.13)1	(0.08)	1(0.09)	(0.07)	(0.03)	(60.0)	(0.10)
Net reduzed and unreduzed gain (loss) on invesuments Total from investment operations	1.1	2.78	0.07	2.15	0.73	(3.11)	2.96	0.89	1.57	1.18
Less distributions to shareholders from: Net investment income	00:00	0.00	0.00	0.00	00.00	00.00	0.00	0.00	0.00	0.00
Net realized gain on investments	(0.24)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
lotal distributions Redemption fees added to paid-in capital	00.04)	0.00	00:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net asset value, end of period	\$16.51	\$15.61	\$12.83	\$12.76	\$10.61	\$9.90	\$13.01	\$10.05	\$ 9.16	\$ 7.58
Total return	7.48%³	21.67%	0.55%	20.26%	7.17%	(23.90)%	29.45%4	9.72%	20.84%4	16.98%4
Ratios/Supplemental data: Net assets fin millions). end of period	\$316.1	\$332.4	\$240.4	\$214.4	\$142.7	\$154.4	\$198.0	\$145.4	\$145.7	\$133.9
Ratio of operating expenses to average net assets	1.38%5	1.39%	1.41%	1.44%	1.50%	1.42%	1.43%	1.45%	1.52%	1.56%
Less: Reimbursement of expenses by Adviser and/or offsets Ratio of net operating expenses to average net accets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%6	(0.01)%	0.00%	(0.02)%	(0.06)%
National net operating expenses to average net assets. Rational net investment loss to average net assets.	(0.91)%	(1.16)%	(111)%	(108)%	(100)%	%(<u>PZ ()</u>	%(19 U) (0 61)%	%(92.0) (92.0)	(101)%	(1.25%
Portfolio turnover rate	35.80%³	88.56%	65.43%	76.44%	%60:89 ————————————————————————————————————	61.44%	46.20%	67.25%	83.64%	86.35%
INSTITUTIONAL SHARES	Six Months		OS roduction Society	Oc. John 20						
	Enged March 5 I,	2012	2011	2010	20007					
	\$103 \$15 75	2017	217.00	\$10.62	2003					
The daser value, beginning of period	0/218	16.31 \$	\$ 12.00	\$ 10.02	0.00					
Net investment loss Net investment loss Net investment loss	(0.06)	$(0.13)^{1}$	(0.12)	$(0.10)^{1}$	$(0.02)^{1}$					
Total from investment operations	1.18	2.84	0.11	2.18	1.74					
Less distributions to shareholders from:										
Net investment income Net realized gain on investments	00:00	000	00.0	0000	0000					
Total distributions	(0.24)	00:00	0.00	0.00	0.00					
Redemption fees added to paid-in capital	00.00	0.00	0.00	0.002	0.00					
Net asset value, end of period	\$16.69	\$15.75	\$12.91	\$12.80	\$10.62					
Total return	7.67	22.00%	0.86%	20.53%	19.59%3,4					
Ratios/Supplemental data: Net assets (in millions), end of period	\$ 85.5	\$ 62.5	\$ 35.5	\$ 25.5	\$ 10.9					
Ratio of operating expenses to average net assets	1.11%5	1.13%	1.14%	1.18%	1.37%5					
Less: Keimbursement of expenses by Adviser and/or offsets Ratio of net operating expenses to average net assets	0.00%	0.00%	0.00%	0.00%	(0.12)%					
Ratio of net investment loss to average net assets	(0.71)%	%(06:0)	(0.84)%	(0.83)%	(0.74)%5					
Portfolio turnover rate	35.80%	88.56%	65.43%	76.44%	% <u>60.89</u>					

¹ Based on average shares outstanding. 2 Less than \$0.01 per share. 3 Not Annualized.

The total returns would have been lower had certain expenses not been reduced during the period shown. Annualized.
Benefit of expense reduction rounds to less than 0.01%.
For the period May 29, 2009 (commencement of operations) to September 30, 2009.

Baron Funds

FINANCIAL HIGHLIGHTS (Unaudited)

BARON FIFTH AVENUE GROWTH FUNDSelected data for a share outstanding throughout each period:

L										
RETAIL SHARES	Six Months Ended March 31,				Year End	Year Ended September 30,	er 30,			
	2013	2012	2011	2010	2009	2008	2007	2006	2005	20041
Net asset value, beginning of period	\$11.83	\$ 8.98	\$ 9.21	\$ 8.60	\$10.38	\$14.12	\$12.22	\$11.56	\$ 9.89	\$10.00
Income (loss) from investment operations:										
Net investment income (loss) Net realized and unrealized gain (loss) on investments	0.022	(0.03) ² 2.88	(0.17)	(0.03) ² 0.66	0.03 ² (1.03)	0.002,3	(0.01) ² 1.91	(0.07) 0.68	(0.05) 1.72	(60.0) (0.00)
Total from investment operations	0.62	2.85	(0.23)	0.63	(1.00)	(2.62)	1.90	99.0	1.67	(0.11)
Less distributions to shareholders from:										
Net investment income	0.00	0.00	0.00	(0.02)	(0.01)	0.00	0.00	0.00	0.00	0.00
Total distributions	00:0	00:0	00:0	0.00	(0.70)	(1.12)	0000	00:00	00:00	00:0
local distributions	0.00	0.00	0.00	(0.02)	(0.70)	(1.14)	0.00	0.0	0.0	0.00
Net asset value, end of period	\$12.45	\$11.83	\$ 8.98	\$ 9.21	\$ 8.60	\$10.38	\$14.12	\$12.22	\$11.56	\$ 9.89
Total return	5.24%4,5	31.74%4	(2.50)%4	7.38%4	(7.75)%4	(19.96)%4	15.55%	5.71%	16.89%4	(1.10)%4,5
Ratios/Supplemental data:										
Net assets (in millions), end of period	\$ 38.7	\$ 34.8	\$ 23.4	\$ 29.0	\$ 32.8	\$ 58.2	\$110.2	\$123.3	\$ 96.5	\$ 49.3
Ratio of operating expenses to average net assets	1.50%	1.55%	1.59%	1.62%	1.69%	1.47%	1.36%	1.39%	1.49%	1.67%
Less: Reimbursement of expenses by Adviser and/or offsets	(0.20)%	(0.25)%	(0.29)%	(0.25)%	(0.29)%	(0.01)%	0.00%7	%00.0	%(60.0)	(0.27)%
Ratio of net operating expenses to average net assets	1.30%	1.30%	1.30%	1.37%	1.40%	1.40%	1.36%	1.39%	1.40%	1.40%
Ratio of net investment income (loss) to average net assets	0.41%	(0:30)%	(0.55)%	(0.32)%	0.40%	(0.01)%	(80.0)	(0.16)%	(0.58)%	(0.79)%
Portfolio tumover rate	1304%5	%20.62	75 36%	57.67%	3961%	39 59%	28 75%	105 77%	46 71%	7 58%5
		8					2	2	<u> </u>	
INSTITUTIONAL SHARES	Six Months									
	Ended March 31,		Year Ended S	ear Ended September 30	(
	2013	2012	2011	2010	20098					

INSTITUTION ALS SHAKES	Six Months Ended March 31,		fear Ended	Year Ended September 30,	0,
	2013	2012	2011	2010	2009 ⁸
Net asset value, beginning of period	\$11.89	\$ 9.00	\$ 9.21	\$ 8.61	\$ 7.54
Income (loss) from investment operations:	0.042	(0.01)2	(0.03)2	(0.01)2	0.022
Net realized and unrealized gain (loss) on investments	09:0	2.90	(0.18)	0.66	1.05
Total from investment operations	0.64	2.89	(0.21)	0.65	1.07
Less distributions to shareholders from:				ı	
Net investment income	00:0	0.00	0.00	(0.05)	0.00
Net realized gain on investments	0.00	0.00	0.00		0.00
Total distributions	0.00	0.00	0.00		0.00
Net asset value, end of period	\$12.53	\$11.89	\$ 9.00	107	\$ 8.61
Total return	5.38%4,5	32.11%4	(2.28)%4	7.59%4	14.19%4,5
Batios/Supplemental data:				"	
Net assets (in millions), end of period	\$ 28.6	\$ 18.9	\$ 10.2	\$ 10.4	\$ 9.5
Ratio of operating expenses to average net assets Less: Reimbursement of expenses by Adviser and/or offsets	1.21%6	1.26%	1.31%	1.35%	1.61%
Ratio of net operating expenses to average net assets	1.05%	1.05%	1.05%	1.11%	1.15%
Ratio of net investment income (loss) to average net assets	9%59.0	(0.05)%	(0:30)%	(0.07)%	0.58%
Portfolio turnover rate	13.04%5	79.07%	75.36%	57.67%	39.61%

Not Annualized. Annualized. Benefit of expense reduction rounds to less than 0.01%. For the period May 29, 2009 (commencement of operations) to September 30, 2009. For the period April 30, 2004 (Commencement of Operations) to September 30, 2004.

Based on average shares outstanding.

Less than \$0.01 per share.

The total returns would have been lower had certain expenses not been reduced during the period shown.

Baron Funds March 31, 2013

FUND EXPENSES (UNAUDITED)

As a shareholder of the Funds, you may incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include advisory fees, distribution and service (12b-1) fees and other Fund expenses. Due to the payment of Rule 12b-1 fees, long-term shareholders may indirectly pay more than the maximum permitted front-end sales charge. The information on this page is intended to help you understand your ongoing costs of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

The information in the following table is based on an investment of \$1,000 invested on October 1, 2012 and held for the six months ended March 31, 2013.

ACTUAL EXPENSES

The table below titled "Based on Actual Total Return" provides information about actual account values and actual expenses. You may use the information provided in this table, together with the amount you invested, to estimate the expenses that you paid over the period. To estimate the expenses you paid on your account, divide your ending account value by \$1,000 (for example, an \$8,600 ending account value divided by \$1,000 = 8.6), then multiply the result by the number under the heading titled "Expenses Paid During the Period".

BASED ON ACTUAL TOTAL RETURN FOR THE SIX MONTHS ENDED MARCH 31, 20131

	Actual Total Return	Beginning Account Value October 1, 2012	Ending Account Value March 31, 2013	Annualized Expense Ratio	Expenses Paid During the Period ²
Baron Asset Fund- Retail Shares	15.67%	\$1,000.00	\$1,156.70	1.32%	\$7.10
Baron Asset Fund- Institutional Shares	15.82%	\$1,000.00	\$1,158.20	1.05%	\$5.65
Baron Growth Fund- Retail Shares	15.72%	\$1,000.00	\$1,157.20	1.31%	\$7.05
Baron Growth Fund- Institutional Shares	15.86%	\$1,000.00	\$1,158.60	1.05%	\$5.65
Baron Small Cap Fund- Retail Shares	16.50%	\$1,000.00	\$1,165.00	1.31%	\$7.07
Baron Small Cap Fund- Institutional Shares	16.63%	\$1,000.00	\$1,166.30	1.05%	\$5.67
Baron Opportunity Fund- Retail Shares	7.48%	\$1,000.00	\$1,074.80	1.38%	\$7.14
Baron Opportunity Fund- Institutional Shares	7.67%	\$1,000.00	\$1,076.70	1.11%	\$5.75
Baron Fifth Avenue Growth Fund- Retail Shares	5.24%	\$1,000.00	\$1,052.40 ³	1.30%4	\$6.65
Baron Fifth Avenue Growth Fund- Institutional Shares	5.38%	\$1,000.00	\$1,053.80 ³	1.05%4	\$5.38

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The table below titled "Based on Hypothetical Total Return" provides information about hypothetical account values and hypothetical expenses based on the actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Funds' actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account values and expenses you paid for the period. You may use the information provided in this table to compare the ongoing costs of investing in the Funds and other funds. To do so, compare the 5% hypothetical example relating to the Funds with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table below are meant to highlight your ongoing costs and do not reflect any transactional costs, such as redemption fees, if any. Therefore, the table is useful in comparing ongoing costs only and will not help you determine your relative total costs of owning different mutual funds. In addition, if these transactional costs were included, your costs would have been higher.

BASED ON HYPOTHETICAL TOTAL RETURN FOR THE SIX MONTHS ENDED MARCH 31, 2013

Hypothetical Annualized Total Return	Beginning Account Value October 1, 2012	Ending Account Value March 31, 2013	Annualized Expense Ratio	Expenses Paid During the Period ²
5.00%	\$1,000.00	\$1,018.35	1.32%	\$6.64
5.00%	\$1,000.00	\$1,019.70	1.05%	\$5.29
5.00%	\$1,000.00	\$1,018.40	1.31%	\$6.59
5.00%	\$1,000.00	\$1,019.70	1.05%	\$5.29
5.00%	\$1,000.00	\$1,018.40	1.31%	\$6.59
5.00%	\$1,000.00	\$1,019.70	1.05%	\$5.29
5.00%	\$1,000.00	\$1,018.05	1.38%	\$6.94
5.00%	\$1,000.00	\$1,019.40	1.11%	\$5.59
5.00%	\$1,000.00	\$1,018.45 ³	1.30%4	\$6.54
5.00%	\$1,000.00	\$1,019.70 ³	1.05%4	\$5.29
	Annualized Total Return 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00%	Annualized Total Return October 1, 2012 5.00% \$1,000.00 5.00% \$1,000.00 5.00% \$1,000.00 5.00% \$1,000.00 5.00% \$1,000.00 5.00% \$1,000.00 5.00% \$1,000.00 5.00% \$1,000.00 5.00% \$1,000.00 5.00% \$1,000.00 5.00% \$1,000.00 5.00% \$1,000.00	Annualized Total Return Account Value October 1, 2012 Account Value March 31, 2013 5.00% \$1,000.00 \$1,018.35 5.00% \$1,000.00 \$1,019.70 5.00% \$1,000.00 \$1,018.40 5.00% \$1,000.00 \$1,019.70 5.00% \$1,000.00 \$1,018.40 5.00% \$1,000.00 \$1,018.40 5.00% \$1,000.00 \$1,019.70 5.00% \$1,000.00 \$1,018.05 5.00% \$1,000.00 \$1,019.40 5.00% \$1,000.00 \$1,018.45³	Annualized Total Return Account Value October 1, 2012 Account Value March 31, 2013 Expense Ratio 5.00% \$1,000.00 \$1,018.35 1.32% 5.00% \$1,000.00 \$1,019.70 1.05% 5.00% \$1,000.00 \$1,018.40 1.31% 5.00% \$1,000.00 \$1,019.70 1.05% 5.00% \$1,000.00 \$1,018.40 1.31% 5.00% \$1,000.00 \$1,018.40 1.31% 5.00% \$1,000.00 \$1,019.70 1.05% 5.00% \$1,000.00 \$1,018.05 1.38% 5.00% \$1,000.00 \$1,019.40 1.11% 5.00% \$1,000.00 \$1,018.45³ 1.30%⁴

Assumes reinvestment of all dividends and capital gain distributions, if any.

² Expenses are equal to each Share Class' respective annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year, then divided by 365.

³ Ending account value assumes the return earned after waiver and would have been lower if a portion of the expenses had not been waived.

⁴ Annualized expense ratios are adjusted to reflect fee waiver.

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