

Baron Asset Fund
Baron Growth Fund
Baron Small Cap Fund
Baron Opportunity Fund
Baron Partners Fund
Baron Fifth Avenue Growth Fund
Baron Focused Growth Fund
Baron International Growth Fund
Baron Real Estate Fund
Baron Emerging Markets Fund

March 31, 2012

Baron Funds®

Quarterly Report

"You can't put a gun rack in a Volt." Newt Gingrich. February 2012.

That was the world according to Newt Gingrich when he unsuccessfully campaigned to become the Republican Presidential nominee in this Fall's election against President Obama. That remark was also an implicit critique of government regulations; clean energy cars for the "elite;" and subsidies for electric cars while ordinary workers struggled to buy used pick-up trucks. Gingrich also probably believed his remark would be favorably received by members of the National Rifle Association, an important and powerful pro-gun lobby.

What was most disappointing to me about the Republican primary campaign this year was its focus on social and religious issues that most of us believed had been resolved more than fifty years ago. The campaign's principal emphasis seemed to be a disingenuous appeal to a significant minority of the Republican Party who represent an even smaller percentage of all Americans. This despite the strong interest by most of us in debates regarding ideas for programs and policies that could, in President John F. Kennedy's words, "get the economy moving again." This primary has also given President Obama, a brilliant politician, the opportunity to talk about "gay marriage" and "women's rights" rather than the economy for which many believe his administration should now be held accountable.

With so much short-term concern about the economy, many now anxiously parse the weekly "jobs reports." When I was a young analyst, it would have been inconceivable that America could have a robust recovery from recession without a strong housing recovery. Regardless, we have had steady if not robust job growth for the past 22 months while housing has remained mired in Depression. We think the jobs recovery to date is due to the enormous "stimulus" from our government's spending trillions more than they are receiving as tax revenues. According to

the Bureau of Labor Statistics, the loss of 2.2 million construction jobs and another 1.6 million jobs that are indirectly dependent upon housing represents nearly 40% of all the jobs lost during the Great Recession. Since housing starts are only about 600,000 currently, a lot of construction worker jobs will be created when housing finally does recover. When America again begins to build enough homes to satisfy demand from the one million annual family formations in our nation, we think our economy will grow much more robustly than most expect. There are lots of good and humane ideas that could accelerate this process. It will happen regardless.

Anyway, back to the politics of the moment. I thought a March 23 CNBC Squawk Box interview with Democrat Gina Raimondo, the Treasurer of Rhode Island, was quite encouraging. Ms. Raimondo described how her state had made promises to its teachers and other employees to provide pensions that had become unaffordable. She told the interviewer that when she dropped off her daughter at school every morning she "couldn't look her 35-year old teacher in the eye and say she would have a pension in 30 years. It was about math, not politics," Raimondo said. She "put it to the people of Rhode Island" and said, "Do you want to have 30-40% of your state revenues going for pensions or do you want to fix the system and invest for the future?" Raimondo led a campaign to inform her constituents that they would have to pay more and receive less to secure their pensions. "There was no finger pointing. There were no recriminations. Rhode Islanders and that state's legislature chose the future," she explained. Interviewer Scott Wapner then asked her if she was an elected official and whether Rhode Island was a liberal leaning state. Raimondo answered "yes" to both questions. "How difficult was it as an elected official to make such a seemingly unpopular decision?" Scott asked. "You have to decide that you care more about doing the right thing than getting re-elected," she answered. "Rhode Island rallied around and the people said get that done."



RONALD BARON
CEO AND CHIEF INVESTMENT OFFICER

Soon after that interview, I watched an advertisement on Squawk Box encouraging businesses to relocate their factories to Georgia, a former republic of the USSR. A soothing voice intoned over a picture of a glorious sunset behind the mountains of that country, "Come to Georgia. One of the *least* corrupt countries in the world." (Emphasis on least is mine.) What an interesting juxtaposition with the Treasurer of Rhode Island, I thought.

In November 2011, Bank of China published a study of China's millionaires. Nearly half of those individuals were thinking about leaving their fast growing



Letter from Ron

country with 14% in the process of applying for emigration. More than 40% of those wealthy individuals wanted to live in America. Apparently, the lack of basic legal protections has led to a worsening business environment in China. As a result, many Chinese entrepreneurs are afraid they will end up in prison for offending Chinese officials. Of course, it is not so easy these days to immigrate to America. At Mike Milken's recent Global Investment Conference that I attended in California, the head of a large Chinese institution asked in a half frustrated, half joking tone, "You let my people build your railroads a hundred years ago. Why is it now so hard for them to live here?"

Listening to that remark made me wonder how many American millionaires do you suppose want to leave our country to live in China? Or anywhere else for that matter? Which we think makes the case that America's competitive advantage is its innovative, hard working, entrepreneurial people who have the rule of law to provide and protect the strongest personal liberties and most vibrant middle class in the world. It is why, despite our current difficult politics, that we still believe the prospects for our businesses, economy and markets remain so favorable.

"Bobby Jones worked on his swing, not his score. That is why he became the best golfer of his generation." IBM commercial. The Masters. April 8, 2012.

Similarly, Baron Funds works on our investment management process, not on our investment returns. We believe, like Bobby Jones did about his golf game, that as we improve our research, analytic and risk management processes, our long-term returns will also improve. We continue to make substantial investments in our long tenured and expanding research team. This is to increase our knowledge and expertise in industries and businesses that we believe offer attractive long-term growth opportunities.

"Go Deep"

We often say "we invest in people, not just buildings." During the past year we've added another sports refrain, "Go Deep," to the repertoire of phrases we use to describe how we invest. "Go Deep" is often used by baseball coaches who want their batters to try for a long ball. We use the phrase to show that we want our analysts and portfolio managers to not just hit home runs. We want them to gain deep, comprehensive expertise about the businesses and individuals in which we invest. We think that effort mitigates risk and offers our fellow shareholders greater, long-term appreciation potential.

The "Go Deep" refrain was, as you might have guessed, suggested by Linda Martinson, the sports-crazed Chairman of our mutual funds business. "Go Deep" fits well thematically with her exhortation last year to "Go Long," the theme of the 2011 Baron Investment Conference which she also suggested. The ideas of investing for the long term and "going deep" are apparent during the many research meetings we conduct daily. These meetings take place when executives visit our office in New York for quarterly updates and when we visit them in their offices wherever they may be.

Vail Resorts, Inc. has been a large holding of Baron Funds for more than ten years. Adam Aron, the former Chairman of that company, several years ago spoke at our annual meeting and referred to a meeting with us as an "out of body experience." Rich Handler, the Chairman of Jefferies Group, Inc. and the moderator of one of our portfolio manager panels at our annual meeting two years ago, called them a "Baron proctology." Rich was excited to moderate that panel since, as he noted, "turnabout is fair play." We have been an investor in Jefferies for many years and Rich has been subjected to many interviews with me and our analysts.

We think that executives are only teasing when they "complain" about these interviews. In fact, they have often been overheard in elevators leaving our office remarking to each other, "Wow. That was a really fun meeting. Those "guys" (our men and women) are really smart and they are interested in exactly the same things that we are...the long term. We haven't had any other meetings like that." Steve Wynn told our shareholders at another of our annual meetings how much he looked forward to our conversations since they were always interesting and the perspective he gained was always helpful to him.

A research meeting with Dinos Iordanou, Arch Capital's Chairman. "Getting a sense for the person"

A recent meeting with Dinos Iordanou, Chairman of Arch Capital Group Ltd., is also illustrative. Arch Capital is a property and casualty business in which we have been one of the largest shareholders since 2001. We have since about quadrupled our money. Dinos visited us this month after reporting Arch's results. This was to give us a quarterly update and answer any of our questions.

We began to invest in Arch Capital soon after the terror attacks on America on September 11, 2001. At that time we had become interested in investing in property and casualty insurers. This

was because following a series of calamitous events including both natural ones like earthquakes, tsunamis and hurricanes and man-made ones like corporate malfeasance and terror attacks, insurance reserves had been sharply reduced. We thought that was going to mean a substantial increase in rates and therefore in insurance company profitability. (That's the way Wall Street guys and girls are trained to think for those of you interested in knowing how we try to find investments with strong growth prospects.) We were then especially interested in finding a property and casualty insurer that had been formed relatively recently. This was because that company would have the benefit of higher rates without having an obligation to pay for legacy liabilities. An investment banker introduced us to Dinos that Fall when Dinos was seeking to raise capital for his newly formed insurance business. We took the meeting since I had remembered reading about Dinos in either a shareholder letter or interview with Warren Buffett when "The Great One" attributed an important part of Berkshire Hathaway's profitability one year to a Berkshire insurance executive with an unusual name, Dinos Iordanou.

When Dinos visited us last month, he asked our firm's four other analysts and portfolio managers in that meeting if they "know why Ron invested in Arch eleven years ago?" He then began to describe our first meeting. "It was different than all my other meetings. Ron began to ask me questions rapid fire about how my family came to America from Cyprus; what kind of a house I lived in; how many children I had; what my wife did; how much money I had invested in Arch; and, finally, about my education. Ron wasn't interested in the schools I attended. He was interested in what I did when I worked for Warren at Berkshire and Greenberg at AIG and how I had become successful. He was trying to get a sense for me as a person," Dinos said. "Ron's questions were the right ones. Insurance is a risk business. Ron was trying to decide whether he trusted us enough to invest capital with Arch. He was trying to judge whether I would be a good steward of that capital; whether I would be a prudent risk taker; and, whether I would likely make you money. No one else asked us such questions."

Cliff Greenberg tells our analysts that it is as important in an interview with managements to "get a sense of the person with whom we are meeting" as understanding a business' financial prospects and opportunities. That is exactly what Dinos described to our analysts that I was trying to do in that first meeting with him.

Maturing investments made during recent years offer Baron Funds long-term opportunity

Investments we made years ago on behalf of Baron Funds in businesses like Arch Capital Group Ltd., Dick's Sporting Goods, Inc., Under Armour, Inc., Apple, Inc., FactSet Research Systems, Inc., AMERIGROUP Corp., Gartner, Inc., Mettler-Toledo International, Inc., Concho Resources, Inc., Copart, Inc., Edwards Lifesciences Corp., ITC Holdings Corp., Panera Bread Co., and so many others have contributed significantly to our results during the past few years. We think investments we are making today, like Hyatt Hotels Corp., Booz Allen Hamilton Holding Corp., The Carlyle Group, Colfax Corp., American Campus Communities, Inc., Air Lease Corp. and others will contribute significantly to our returns four or five years from now. We think at least several in this backlog of new ideas and investments that are growing and maturing within our portfolios offer the potential to become among our top 20 investments in five or six years. We believe this will give investors and consultants confidence that our long-term absolute and relative performance is the result of our process, not of any one person who happens to guess right about "something." Of course, we think "guessing right about something" by anyone about anything may or may not ever happen again.

21st Annual Baron Investment Conference. Metropolitan Opera House. New York City. October 12, 2012.

Our annual investment conferences give Baron Funds' shareholders; intermediaries and consultants who advise them; and our Firm's private clients an opportunity to meet the managements of several businesses in which their hard-earned savings have been invested. We ask managements to outline the prospects for their businesses and to "tell their stories," to tell how they became Ralph Lauren, Chuck Schwab, Leo Melamed, Steve Wynn, Tom Pritzker, Kevin Plank and so many other individuals we believe are unusually talented, hard-working, ethical and inspiring but perhaps not as well known. We then give our investors an opportunity to ask those executives unscripted questions...no holds barred...in front of literally

thousands of their fellow shareholders and dozens of reporters and other media.

We also give you an opportunity to hear from several Baron Funds' executives and portfolio managers, including me, and question us in the same way...unscripted and no holds barred. There are also special dinners the evening before and breakout sessions during the day with Baron analysts and portfolio managers. These breakout sessions and dinners are designed to meet the special needs of the more than 500 consultants and advisors whom we expect to attend. This year other programs will permit our shareholders to spend more time with Baron analysts, managers and executives.

Baron Investment Conferences are intended to allow you to judge for yourselves the talent and directness of individual executives of our portfolio companies as well as of Baron analysts, portfolio managers and executives. We hope this glimpse into "our world" will help you judge whether we remain true to our objective of "investing in people, not just buildings." Our plan is to allow you to "kick the tires" of your investments in Baron Funds every year to determine whether our funds remain an attractive and suitable investment for you and your family. In essence, this is what we do every day on your behalf with our investment research as well as in the management of our business as we seek to recruit, train and retain the most talented, hard working and ethical managers, analysts and executives to oversee and manage your savings.

We again expect more than 5,000 conference attendees to include individual shareholders from across America. Among them will be doctors, lawyers, engineers, teachers, firemen and police as well as financial advisors, consultants, family offices, plan sponsors and other institutional investors.

We long ago replaced Beatlemania at breaks and lunch with surprise lunchtime entertainment like James Taylor, Hugh Jackman, Diana Ross, John Mellencamp, Sheryl Crow, Faith Hill, Lionel Ritchie, Belushi and Ackroyd's Blues Brothers, Jessica Simpson, Bernadette Peters, Kelli O'Hara and The Jersey Boys. We've also added surprise entertainment later in the afternoon that has

included Sting, Jon Bon Jovi, Jerry Seinfeld, Rod Stewart, Bette Midler, Sir Elton John, Billy Crystal, Stevie Wonder, Cher, Paul Simon, Neil Diamond and Billy Joel. This is to thank you for your interest and for taking time from your busy schedules to spend the day with us.

The annual Baron Investment Conference continues to be at our expense not yours. We've also continued to do our best to find executives to speak with you whom we think provide interesting case studies of so many who run the companies in which Baron Funds has invested. We hope you'll be able to attend our annual meeting this Fall to help us celebrate the 30th Anniversary of the founding of Baron Capital in 1982 and the 25th Anniversary of the founding of Baron Funds in 1987. We're looking forward to seeing you October 12, 2012.

Thank you for investing in Baron Funds.

Thank you for joining us as fellow shareholders in Baron Funds. We believe the growth prospects for the well managed, competitively advantaged and appropriately financed businesses in which Baron Funds has invested are favorable. Volatile markets in recent months have created uncertainty among investors causing many to be fearful about investing. These developments have made stocks, in our judgment, quite cheap which we think should offer investment opportunity and limit investment risk.

We are continuing to work hard to justify your confidence and trust in our stewardship of your family's hard-earned savings. Thank you again for your long-term support. We are especially thankful for the confidence you have expressed in us in such unusual times.

Respectfully,



Ronald Baron
CEO and Chief Investment Officer
May 17, 2012

P.S. We still have complimentary Baron 2011 "Go Long" T-shirts available in many sizes for our shareholders. If you're a Baron Funds shareholder and would like one of these shirts, please send us your mailing address as well as size information to info@baronfunds.com. Supplies are limited so don't wait too long. In addition, as the Baron Investment Conference approaches, I wanted to remind you to send us your favorite photo wearing your Baron T-shirt (G-rated only) so that we can post it on the Baron Funds website.

P.P.S. Also, if you would like to receive this report by email in the future, please let us know by emailing info@baronfunds.com and provide your email address. Thanks!

Letter from Ron

Net Realized and Unrealized Gains per Fund (in Millions) As of March 31, 2012

	Baron Asset Fund	Baron Growth Fund	Baron Small Cap Fund	Baron Opportunity Fund	Baron Partners Fund	Baron Fifth Avenue Growth Fund	Baron Focused Growth Fund	Baron International Growth Fund
AMERIGROUP Corp.	—	145.4	—	—	(0.8)	—	1.5	—
Apple, Inc.	—	—	—	17.1	—	5.2	—	—
Arch Capital Group Ltd.	66.6	126.3	12.3	—	72.8	0.1	2.7	0.3
Concho Resources, Inc.	26.9	56.4	52.9	—	46.1	—	3.0	—
Copart, Inc.	0.8	61.5	—	—	—	—	—	—
Dick's Sporting Goods, Inc.	18.7	154.0	—	—	76.3	—	3.4	—
Edwards Lifesciences Corp.	—	245.5	0.1	0.4	69.9	—	2.9	—
FactSet Research Systems, Inc.	33.6	79.4	—	1.4	44.9	—	1.5	—
Gartner, Inc.	47.8	70.8	48.2	4.8	—	—	—	—
ITC Holdings Corp.	—	103.2	7.9	—	73.2	—	0.8	—
Mettler-Toledo International, Inc.	49.2	135.0	63.9	—	—	—	2.3	—
Panera Bread Co.	—	107.3	11.8	—	—	—	—	—
Under Armour, Inc.	—	82.2	0.8	—	(7.4)	—	(0.8)	—

Investors should consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The Baron Family of Funds is described in prospectuses which contain this and other information about the Funds. You should carefully read the prospectus before investing. You can obtain a copy of the prospectus by contacting the Funds' distributor, Baron Capital, Inc., at 767 Fifth Avenue, New York, New York, 10153, or by calling 1-800-99BARON, or by going to our website at www.BaronFunds.com.

Performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted above. For performance information current to the most recent month end, visit www.BaronFunds.com/performance or call 800-99BARON. The Adviser has reimbursed certain fund expenses for Baron Opportunity Fund, Baron Fifth Avenue Growth Fund, Baron Focused Growth Fund, Baron International Growth Fund, Baron Real Estate Fund, and Baron Emerging Markets Fund and all Funds' transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower.

For the period ended March 31, 2012, the one-, five-, ten-year and since inception (6/12/87) annualized returns for the Retail Shares of the **Baron Asset Fund** were 3.77%, 2.37%, 6.18% and 11.00%, respectively; the one-, five-, ten-year and since inception (12/31/94) annualized returns for the Retail Shares of the **Baron Growth Fund** were 0.92%, 3.00%, 7.37% and 13.18%, respectively; the one-, five-, ten-year and since inception (9/30/97) annualized returns for the Retail Shares of the **Baron Small Cap Fund** were 1.40%, 3.67%, 7.79% and 9.25%, respectively; the one-, five-, ten-year and since inception (2/29/00) annualized returns for the Retail Shares of the **Baron Opportunity Fund** were 2.46%, 6.65%, 11.18% and 3.92%, respectively; the one-, five-year and since inception (4/30/04) annualized returns for the Retail Shares of the **Baron Fifth Avenue Growth Fund** were 15.85%, 2.06% and 4.95%, respectively; the one-, five-, ten-year and since inception (1/31/92) annualized returns for the Retail Shares of the **Baron Partners Fund** were 0.18%, 0.88%, 8.48% and 12.27%, respectively; the one-, five-, ten-year and since inception (5/31/96) annualized returns for the Retail Shares of the **Baron Focused Growth Fund** were 0.57%, 4.58%, 12.06% and 11.42%, respectively; the one-year and since inception (12/31/08) annualized returns for the Retail Shares of the **Baron International Growth Fund** were -3.21% and 18.64%, respectively; and the one-year and since inception (12/31/10) annualized returns for the Retail Shares of the **Baron Emerging Markets Fund** were -3.24% and -3.62%, respectively.

As of September 30, 2011, the annual expense ratios for the Retail Shares of the **Baron Asset Fund**, **Baron Growth Fund**, **Baron Small Cap Fund** and **Baron Opportunity Fund**, were 1.33%, 1.32%, 1.31%, and 1.41%, respectively and for the Retail Shares of **Baron Fifth Avenue Growth Fund**, the total operating expense ratio was 1.59%, but the net annual expense ratio was 1.30% (net of Adviser's fee waivers). As of December 31, 2011, the expense ratio for the Retail Shares of **Baron Partners Fund** was 1.71% (comprised of operating expenses of 1.35% and interest expense of 0.36%; for the Retail Shares of **Baron Focused Growth Fund**, the total expense was 1.48% but the net annual expense ratio was 1.35% (net of Adviser's fee waivers); for the Retail Shares of **Baron International Growth Fund**, the total expense ratio was 1.73%, but the net annual expense ratio was 1.50% (net of Adviser's fee waivers); and for the Retail Shares of **Baron Emerging Markets Fund** the total expense ratio was 4.49%, but the net annual expense ratio was 1.50% (net of Adviser's fee waivers).

For Baron Partners Fund and Baron Focused Growth Fund the performance reflects the actual fees and expenses that were charged when the Funds were partnerships. The predecessor partnerships charged a 20% performance fee (Baron Partners Fund) or a 15% performance fee (Baron Focused Growth Fund) after reaching a certain performance benchmark. If the annual returns for the Funds did not reflect the performance fee for the years the predecessor partnerships charged a performance fee, returns would be higher. The Funds' shareholders are not charged a performance fee. The predecessor partnerships' performance is only for periods before the Funds' registration statements were effective (4/30/03 for BPF and 6/30/08 for BFGF). During those periods, the predecessor partnerships were not registered under the Investment Company Act of 1940 and were not subject to its requirements or the requirements of the Internal Revenue Code relating to registered investment companies, which, if they were, might have adversely affected their performance.

As of 3/31/2012, certain Baron Funds held positions in the companies mentioned in Ron's letter. The Fund's percentage of net assets in each of these companies and the top ten holdings were as follows: **Baron Asset Fund** are: Gartner, Inc. 4.2%, IDEXX Laboratories, Inc. 3.8%, Equinix, Inc. 3.7%, Fastenal Co. 3.6%, Ralph Lauren Corp. 3.1%, Verisk Analytics, Inc. 3.1%, SBA Communications Corp. 3.0%, priceline.com, Inc. 2.8%, Mettler-Toledo International, Inc. 2.7%, Arch Capital Group Ltd. 2.7%, Vail Resorts, Inc. 2.0%, Hyatt Hotels Corp. 1.6%, Colfax Corp. 0.7%, Air Lease Corp. 0.5%. **Baron Growth Fund** are: Dick's Sporting Goods, Inc. 3.7%, Core Laboratories N.V. 2.8%, ITC Holdings Corp. 2.8%, FactSet Research Systems, Inc. 2.6%, AMERIGROUP Corp. 2.6%, Arch Capital Group Ltd. 2.5%, Mettler-Toledo International, Inc. 2.4%, MSCl, Inc. 2.4%, ANSYS, Inc. 2.3%, Equinix, Inc. 2.2%, Vail Resorts, Inc. 1.4%, Colfax Corp. 1.2%, Booz Allen Holding Corp. 1.0%, American Campus Communities, Inc. 0.4%, Jefferies Group, Inc. 0.3%, Air Lease Corp. 0.2%. **Baron Small Cap Fund** are: SBA Communications Corp. 3.4%, TransDigm Group, Inc. 3.4%, Equinix, Inc. 3.3%, Penn National Gaming, Inc. 3.2%, Liberty Media Corp. 2.7%, Fossil, Inc. 2.4%, Gartner, Inc. 2.3%, Clean Harbors, Inc. 2.1%, Waste Connections, Inc. 2.0%, Intuitive Surgical, Inc. 2.0%, Air Lease Corp. 1.0%. **Baron Opportunity Fund** are: Equinix, Inc. 4.1%, Gartner, Inc. 3.4%, SBA Communications Corp. 3.0%, RealPage, Inc. 3.0%, CARBO Ceramics, Inc. 2.8%, CoStar Group, Inc. 2.8%, priceline.com, Inc. 2.7%, Polypore International, Inc. 2.6%, Velti plc 2.4%, ANSYS, Inc. 2.3%. **Baron Partners Fund** are: Fastenal Co. 12.1%, ITC Holdings Corp. 11.4%, Hyatt Hotels Corp. 10.6%, Arch Capital Group Ltd. 10.4%, Dick's Sporting Goods, Inc. 10.4%, FactSet Research Systems, Inc. 9.8%, Verisk Analytics, Inc. 7.7%, The Charles Schwab Corp. 6.4%, MSCl, Inc. 5.5%, C.H. Robinson Worldwide, Inc. 5.2%, Vail Resorts, Inc. 4.6%. **Baron Fifth Avenue Growth Fund** are: Apple, Inc. 8.1%, Google, Inc. 4.7%, Amazon.com, Inc. 4.6%, Monsanto Co. 3.7%, Baidu, Inc. 3.6%, Visa, Inc. 3.2%, priceline.com, Inc. 3.1%, YUM! Brands, Inc. 3.1%, The CME Group, Inc. 3.0%, Wynn Resorts, Ltd. 3.0%. **Baron Focused Growth Fund** are: Hyatt Hotels Corp. 6.9%, Verisk Analytics, Inc. 6.1%, Fastenal Co. 5.5%, Genesee & Wyoming, Inc. 5.0%, Airgas, Inc. 5.0%, AMERIGROUP Corp. 4.9%, Dick's Sporting Goods, Inc. 4.9%, American Campus Communities, Inc. 4.5%, MSCl, Inc. 4.5%, Booz Allen Hamilton Holding Corp. 4.3%. **Baron International Growth Fund** are: Eurofins Scientific SE 4.0%, Opera Software ASA 2.7%, Velti plc 2.5%, Bridgestone Corp. 2.5%, Softbank Corp. 2.4%, Julius Baer Group Ltd. 2.3%, Compagnie Financière Richemont SA 2.3%, Ryanair Holdings plc 2.3%, FANUC Corp. 2.3%, bwin.party digital entertainment plc 2.3%, Tencent Holdings, Ltd. 1.0%. **Baron Real Estate Fund** are: Equinix, Inc. 7.1%, Capital Senior Living Corp. 6.2%, Wyndham Worldwide Corp. 5.9%, Hyatt Hotels Corp. 3.7%, CBRE Group, Inc. 3.2%, Brookdale Senior Living, Inc. 3.1%, Stanley Black & Decker, Inc. 3.0%, SBA Communications Corp. 3.0%, RealPage, Inc. 2.8%, Starwood Hotels & Resorts Worldwide, Inc. 2.8%, American Campus Communities, Inc. 1.9%, Vail Resorts, Inc. 0.8%. **Baron Emerging Markets Fund** are: Bank Rakyat Indonesia (Persero) Tbk PT 2.3%, TOTVS SA 2.0%, 21Vianet Group, Inc. 2.0%, Universal Robina Corp. 2.0%, CFR Pharmaceuticals SA 1.9%, Asialinfo Linkage, Inc. 1.9%, Itaú Unibanco Holdings SA 1.9%, Cia. Hering SA 1.9%, Redecard SA, 1.8%, Sarana Menara Nusantara Tbk PT 1.8%, Tencent Holdings, Ltd. 1.4%. Baron Growth Fund and Baron Partners Fund initiated positions in The Carlyle Group in the second quarter of 2012.