

September 30, 2016

Institutional Shares (BGRIX)

Baron Growth Fund Fact Sheet

BAMCO, Inc., Registered Investment Adviser



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

Definitions (provided by BAMCO, Inc.): 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. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell is a trademark of Russell Investment Group. The **Morningstar US OE Small Growth Category Average** is not weighted and represents the straight average of annualized returns of each of the funds in the Small Growth category. Morningstar moved the Fund from the Small Growth Category effective May 31, 2011 to the Mid-Cap Growth Category. We intend to continue to provide comparative performance data for the Small Growth Category because we strongly disagree with Morningstar's reclassification of the Fund. Because of its long-term approach, the Fund could have a significant percentage of its assets invested in securities that have appreciated beyond their market capitalization at the time of the Fund's initial investment. As of 9/30/16, the category consisted of 760, 741, 736, 660, 596 and 433 funds for the 3-month, YTD, 1-, 3-, 5-, and 10-year time periods. The **Morningstar US OE Mid-Cap Growth Category Average** is not weighted and represents the straight average of annualized returns of each of the funds in the Mid-Cap Growth category. As of 9/30/16, the category consisted of 732, 723, 721, 660, 574 and 425 funds for the 3-month, year-to-date, 1-, 3-, 5-, and 10-year periods. © 2016 Morningstar, Inc. All Rights Reserved. The Morningstar information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Standard Deviation (Std. Dev.)**: measures the degree to which a fund's performance has varied from its average performance over a particular time period. The greater the standard deviation, the greater a fund's volatility (risk). **Sharpe Ratio**: is a risk-adjusted performance statistic that measures reward per unit of risk. The higher the Sharpe ratio, the better a fund's risk adjusted performance. **Alpha**: measures the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. **Beta**: measures a fund's sensitivity to market

movements. The beta of the market is 1.00 by definition. **R-Squared**: measures how closely a fund's performance correlates to the performance of the benchmark index, and thus is a measurement of what portion of its performance can be explained by the performance of the index. Values for R-Squared range from 0 to 100, where 0 indicates no correlation and 100 indicates perfect correlation. **Tracking Error**: measures how closely a fund's return follows the benchmark index returns. It is calculated as the annualized standard deviation of the difference between the fund and the index returns. **Information Ratio**: measures the excess return of a fund divided by the amount of risk the fund takes relative to the benchmark index. The higher the information ratio, the higher the excess return expected of the fund, given the amount of risk involved. **Upside Capture**: explains how well a fund performs in time periods where the benchmark's returns are greater than zero. **Downside Capture**: explains how well a fund performs in time periods where the benchmark's returns are less than zero. **EPS Growth Rate (3-5 year forecast)**: indicates the long-term forecasted EPS growth of the companies in the portfolio, calculated using the weighted average of the available 3-to-5 year forecasted growth rates for each of the stocks in the portfolio provided by FactSet Estimates. The EPS Growth rate does not forecast the Fund's performance. **Price/Earnings Ratio (trailing 12-months)**: is a valuation ratio of a company's current share price compared to its actual earnings per share over the last twelve months. **Price/Book Ratio**: is a ratio used to compare a company's stock price to its tangible assets, and it is calculated by dividing the current closing price of the stock by the latest quarter's book value per share. **Price/Sales Ratio**: is a valuation ratio of a stock's price relative to its past performance. It represents the amount an investor is willing to pay for a dollar generated from a particular company's operations. Price/ Sales is calculated by dividing a stock's current price by its revenue per share for the last 12 months. Historical portfolio characteristics are provided by Compustat and FactSet Fundamentals. **Weighted Harmonic Average**: is a calculation that reduces the impact of extreme observations on the aggregate calculation by weighting them based on their size in the fund.

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Not bank guaranteed, may lose value, not FDIC insured.



Portfolio Facts and Characteristics

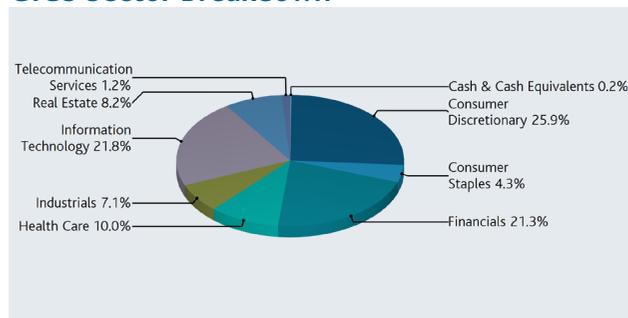
	Fund	Russell 2000 Growth Index
# of Equity Securities / % of Net Assets	61/99.8%	-
Turnover (3 Year Average)	8.26%	-
Median Market Cap†	\$2.73 billion	\$0.85 billion
Weighted Average Market Cap†	\$5.79 billion	\$1.99 billion
EPS Growth (3-5 year forecast)†	13.1%	14.8%
Price/Earnings Ratio (trailing 12-month)*†	29.1	23.3
Price/Book Ratio*†	3.5	3.6
Price/Sales Ratio*†	2.2	1.5

* Weighted Harmonic Average

† Source: FactSet PA – Compustat, FactSet and BAMCO. Internal valuations metrics may differ.

R6 Shares are also available for this Fund.

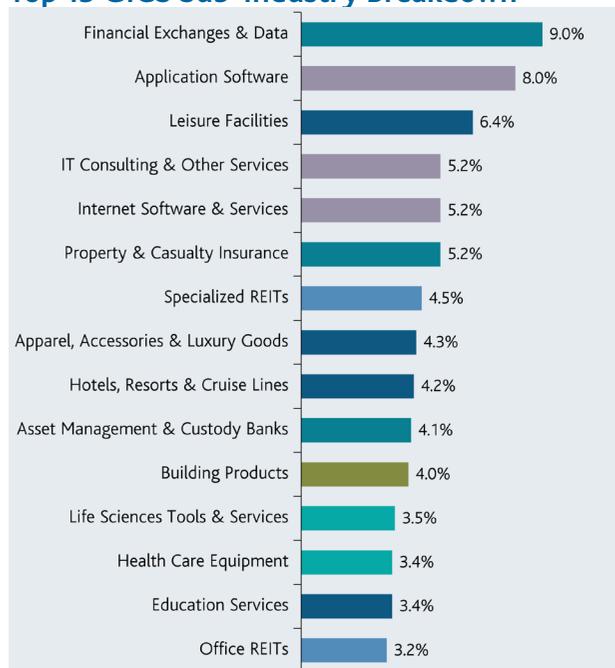
GICS Sector Breakdown¹



Performance Based Characteristics²

	3 Years	5 Years	10 Years	Since Inception
Std. Dev. (%) - Annualized	11.75	12.19	16.88	17.41
Sharpe Ratio	0.42	1.17	0.41	0.59
Alpha (%) - Annualized	0.34	2.73	0.96	7.11
Beta	0.67	0.70	0.79	0.68
R-Squared (%)	81.92	85.63	91.06	78.90
Tracking Error (%)	7.13	6.69	6.57	10.88
Information Ratio	-0.24	-0.29	-0.08	0.48
Upside Capture (%)	68.11	73.80	78.56	81.35
Downside Capture (%)	66.87	60.30	74.47	60.56

Top 15 GICS Sub-Industry Breakdown¹



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

Top 10 Holdings

% of Net Assets

Vail Resorts, Inc.	5.4
Arch Capital Group Ltd.	5.2
FactSet Research Systems, Inc.	4.4
Under Armour, Inc.	4.3
Gartner, Inc.	4.2
CoStar Group, Inc.	3.6
IDEXX Laboratories, Inc.	3.4
SS&C Technologies Holdings, Inc.	3.2
Gaming and Leisure Properties, Inc.	3.2
MSCI, Inc.	3.0
Total	39.9

Specific risks associated with investing in smaller companies include that the securities may be thinly traded and more difficult to sell during market downturns. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund's returns.

1 - Industry sector or sub-industry group levels are provided from the Global Industry Classification Standard ("GICS"), developed and exclusively owned by MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"). All GICS data is provided "as is" with no warranties. The Adviser may have reclassified/classified certain securities in or out of a sub-industry. Such reclassifications are not supported by S&P or MSCI.

2 - Source: FactSet SPAR. Except for Standard Deviation and Sharpe Ratio, the performance based characteristics above were calculated relative to the Fund's benchmark.

Investment Strategy

The Fund invests in small-sized U.S. companies with significant growth potential. Diversified.

Portfolio Manager

Ron Baron has been portfolio manager since inception. Ron founded Baron Capital in 1982 and has 46 years of research experience. From 1970 to 1982, Ron worked for several brokerage firms as an institutional securities analyst. From 1966 to 1969, Ron worked at the U.S. Patent Office as a patent examiner, while attending George Washington University Law School. From 1965 to 1966, Ron worked at Georgetown University as a teaching fellow in biochemistry. Ron graduated from Bucknell University with a B.A. in Chemistry in 1965.

Investment Principles

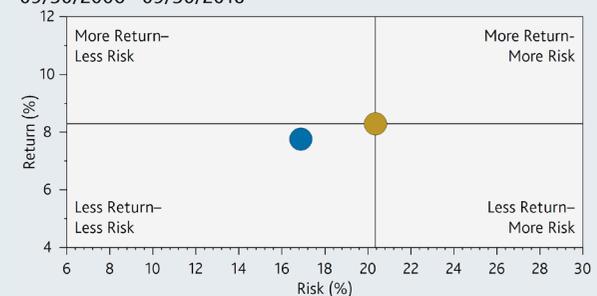
- Long-term perspective allows us to think like an owner of a business
- Independent and exhaustive research is essential to understanding the long-term fundamental growth prospects of a business
- We seek appropriately capitalized open-ended growth opportunities, exceptional leadership, and sustainable competitive advantages
- Purchase price and risk management are integral to our investment process

Fund Facts

Inception Date	December 31, 1994
Net Assets	\$5.96 billion
Institutional Shares	
CUSIP	068278704
Expense Ratio (as of FYE 09/15)	1.04%

Risk/Return Comparison²

09/30/2006 - 09/30/2016



- Baron Growth Fund - I
- Russell 2000 Growth Index



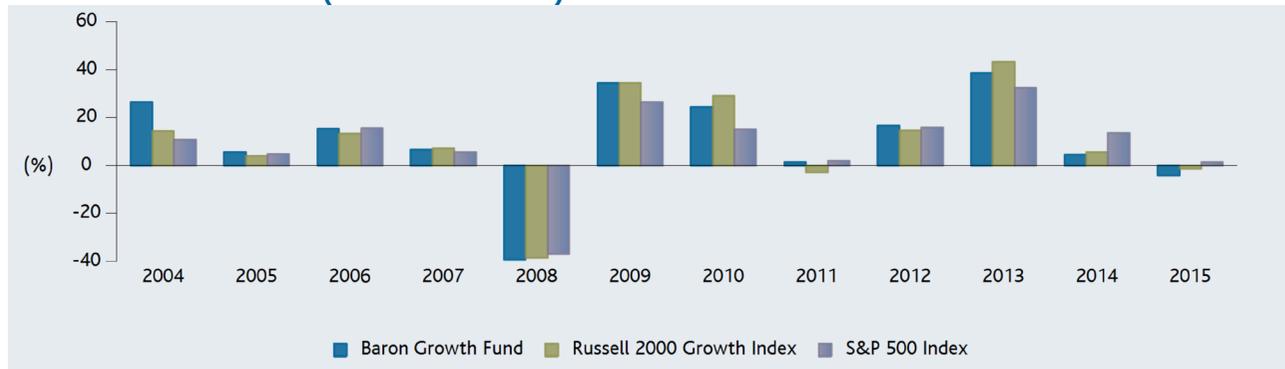
Performance as of September 30, 2016



	Total Returns(%)				Annualized Returns(%)											
	3rd Q 2016		Year to Date		1 Year		3 Years		5 Years		10 Years		Since Inception 12/31/1994			
	Return	+ -	Return	+ -	Return	+ -	Return	+ -	Return	+ -	Return	+ -	Return	+ -		
BGRIX - Institutional Shares	2.59		6.39		7.88		4.89		14.21		7.76		12.72			
Russell 2000 Growth Index	9.22	-6.63	7.48	-1.09	12.12	-4.24	6.58	-1.69	16.15	-1.94	8.29	-0.53	7.46	5.26		
S&P 500 Index	3.85	-1.26	7.84	-1.45	15.43	-7.55	11.16	-6.27	16.37	-2.16	7.24	0.52	9.47	3.25		
Morningstar Mid-Cap Growth Category Average	4.81	-2.22	4.93	1.46	8.41	-0.53	6.40	-1.51	13.89	0.32	7.39	0.37	N/A			
Morningstar Small Growth Category Average	8.22	-5.63	7.39	-1.00	10.47	-2.59	5.09	-0.20	14.42	-0.21	7.56	0.20	N/A			

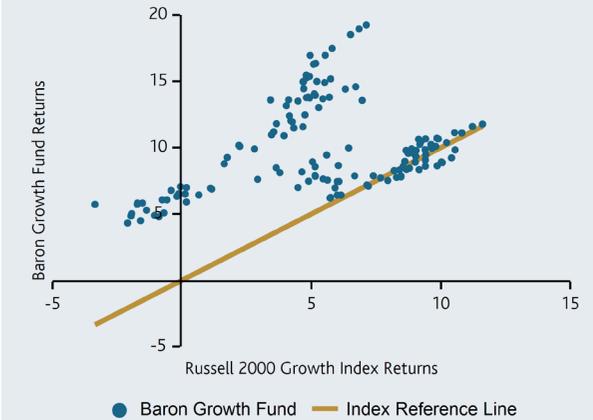
The blue shading represents Fund outperformance vs. the corresponding benchmark. The yellow shading represents underperformance.

Historical Performance(Calendar Year %)



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
BGRIX - Institutional Shares	26.61	5.71	15.50	6.59	-39.18	34.44	24.32	1.51	16.74	38.69	4.66	-4.06
Russell 2000 Growth Index	14.31	4.15	13.35	7.05	-38.54	34.47	29.09	-2.91	14.59	43.30	5.60	-1.38
S&P 500 Index	10.88	4.91	15.79	5.49	-37.00	26.46	15.06	2.11	16.00	32.39	13.69	1.38

BGRIX has outperformed the Russell 2000 Growth Index 88% of the time (since its inception and using rolling 10-year annualized returns).



The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, visit www.BaronFunds.com or call 1-800-99BARON. You should consider the investment objectives, risks, charges, and expenses of the Fund carefully before investing. The prospectus and summary prospectus contain this and other information about the Fund and can be obtained from the Fund's distributor, Baron Capital, Inc., by calling 1-800-99BARON or visiting www.BaronFunds.com. Please read them carefully before investing.

Performance for the Institutional Shares prior to 5/29/2009 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 prior to 5/29/2009 did not reflect this fee, the returns would be higher. Morningstar moved the Fund from the Small Growth Category effective May 31, 2011 to the Mid-Cap Growth Category. We intend to continue to provide comparative performance data for the Small Growth Category because we strongly disagree with Morningstar's reclassification of the Fund. The Fund's investment mandate has been and continues to be investing in small cap growth stocks for the long term.



Review and Outlook

After the initial shock of the Brexit vote in late June, the U.S. stock markets settled down in the third quarter, experiencing significantly less volatility than in the first half of 2016. Stable economic data, monetary policy rates that remained relatively unchanged, and the lack of a major disruptive event allayed investor concerns and drove a broad-based rebound during the three-month period ended September 30, 2016.

Investor appetite for risk increased, and stocks (particularly small-cap stocks) rose more or less steadily throughout the quarter. Lower quality stocks outperformed their higher quality counterparts. After mostly underperforming in the first half of the year, risk-on categories such as biotechnology and semiconductors outperformed. On the other hand, defensive sectors retreated after strong performance in the first half of 2016.

Baron Growth Fund increased in the quarter. Holdings in Consumer Discretionary, Financials, and Industrials were the top contributors. Consumer Discretionary had a somewhat mixed quarter, with both top contributor Vail Resorts, Inc. and third largest detractor Under Armour, Inc. within the sector. Financials advanced primarily on the strength of third largest contributor Arch Capital Group Ltd. Performance of the Industrials sector was led by composite decking manufacturer Trex Company, Inc. The company's share price advanced on the strength of Q2 results and Q3 guidance that beat Street estimates.

Consumer Staples and Telecommunication Services investments detracted as investors shifted out of defensive sectors. All four Consumer Staples holdings fell, led by private-label food company TreeHouse Foods, Inc., which gave up some gains as a result of concerns regarding the integration of the Conagra private label food business. We believe TreeHouse, as a pure private-label company, is well-positioned to take advantage of secular growth in this market. Telecommunication Services detracted somewhat due to weak performance of the Fund's only sector holding, Iridium Communications Inc. Despite strong Q2 financial results, delays in payments from a customer raised concerns. In addition, the SpaceX explosion of a Falcon 9 missile increased the risk of a delayed launch schedule. We see potentially significant cash flow yields for the NEXT constellation launch in 2018 and beyond and look forward to launches later this year.

The U.S. economy showed signs of acceleration in the third quarter. Historically, the U.S. stock market has been closely aligned with GDP. In 1960, GDP was \$520 billion and the Dow Jones Industrial Average was 600. In 2007, GDP was \$14 trillion and the Dow was 14,000. In 2015, GDP was \$17.9 trillion and the Dow was 17,000. We think the U.S. economy and the stock market are closely intertwined. Over the past half century or so, our economy and stock market have grown at a compound annual rate between 6-7% in nominal terms. Factoring in annual dividends of about 2-3%, stock prices have approximately doubled every 10 years during the same period. We think our nation's economy and stock markets will continue to achieve similarly strong results over the long term.

Top Contributors/Detractors to Performance for the Quarter Ended September 30, 2016

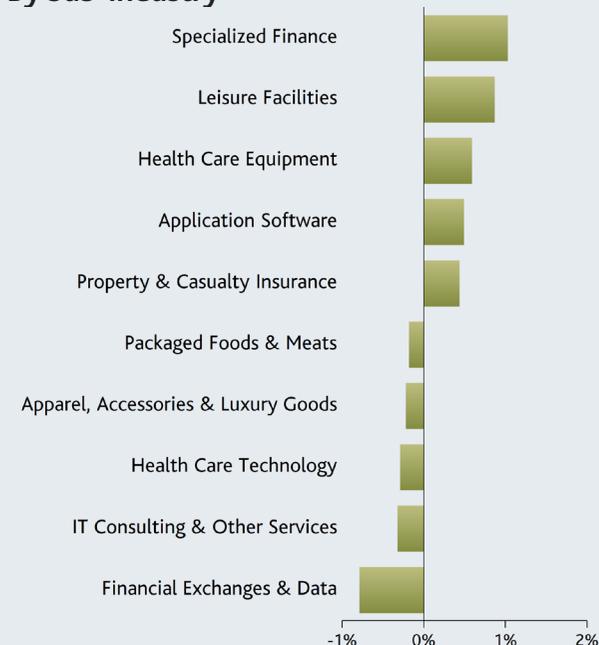
Contributors

- Shares of ski resort company **Vail Resorts, Inc.** increased in Q3 on news that the company had entered into an agreement to acquire Whistler Blackcomb in Canada. Vail owns some of the best ski resorts across North America, including Vail, Beaver Creek, Park City, and now Whistler. The deal gives the company even greater scale, which we think it will be able to leverage in its bid to continue to grow its season pass sales.
- Shares of veterinary diagnostics leader **IDEXX Laboratories, Inc.** increased in Q3. The stock continued to rally on strong financial results and multiple expansion. Competitive trends are strong and improving, highlighted by instrument revenue growth, domestic lab growth, rising sales productivity, and stability in rapid assays. We believe that IDEXX's direct go-to-market model coupled with research and development-driven product enhancements will put steady upward pressure on organic revenue and earnings growth over time.
- **Arch Capital Group Ltd.** is a specialty insurance and reinsurance company. The stock performed well during Q3 on solid quarterly results, with profitable underwriting, modest catastrophe losses, and favorable reserve development. The market also reacted favorably to Arch's agreement to acquire mortgage insurance company United Guaranty from AIG. This acquisition will make Arch the largest provider of mortgage insurance, a market that we believe has attractive profitability and growth characteristics.

Detractors

- Shares of **Gartner, Inc.**, a provider of syndicated IT research, relinquished some gains due to tougher comparisons and slightly more challenging macro conditions. We believe Gartner's key metrics are solid. The company has significant financial flexibility, and we think it will aggressively deploy capital for repurchases or mergers and acquisitions. Over time, in our view, Gartner will generate accelerating top line growth, significant growth in earnings and free cash flow, and persistent return of capital.
- Shares of health care data and analytics vendor **Inovalon Holdings, Inc.** fell in Q3 on weak financial results and reduced guidance through year-end. Management attributed the revenue shortfall to price reductions in its retrospective risk adjustment business, and the margin shortfall to investments aimed at long-term growth. We think the recent poor performance is temporary. Inovalon has high quality products that generate solid ROI for its customers, and we think it is well-positioned to capitalize on the need for robust data and analytics in health care.
- Shares of **Under Armour, Inc.**, a manufacturer and distributor of athletic apparel and footwear, declined in Q3 as the bankruptcy and store closing of a top sporting goods retailer created questions around upcoming growth targets. Under Armour is diversifying into mass channels that could potentially pressure margins as well. We remain optimistic about Under Armour's ability to grow its core domestic business, achieve profitability overseas, and increasingly sell products direct to consumers.

Contribution to Return¹ By Sub-Industry



By Holdings

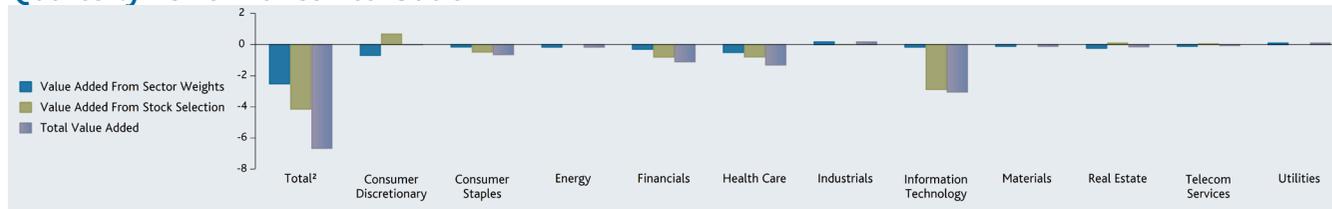
Top Contributors	Average Weight(%)	Contribution(%)
Vail Resorts, Inc.	5.13	0.62
IDEXX Laboratories, Inc.	3.09	0.59
Arch Capital Group Ltd.	4.87	0.44
SS&C Technologies Holdings, Inc.	3.14	0.41
Dick's Sporting Goods, Inc.	1.79	0.38

Top Detractors	Average Weight(%)	Contribution(%)
Gartner, Inc.	4.33	-0.40
Inovalon Holdings, Inc.	1.48	-0.29
Under Armour, Inc.	4.40	-0.22
TreeHouse Foods, Inc.	1.19	-0.18
Primerica, Inc.	2.44	-0.18

1 - Source: FactSet PA.

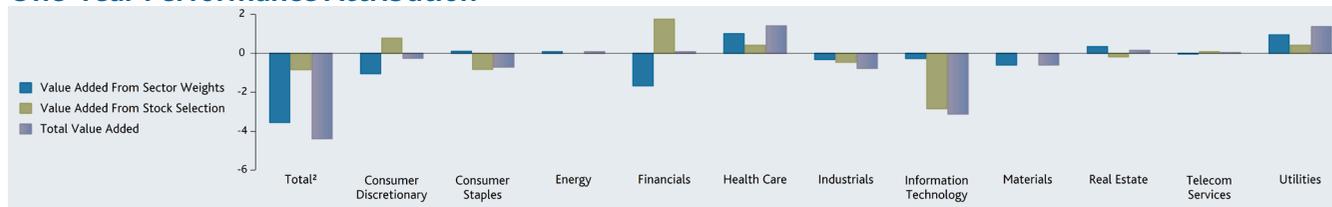


Quarterly Performance Attribution¹



Sector Average Weights(%)	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate ³	Telecom Services	Utilities
Baron Growth Fund	25.47	4.54	-	21.57	9.52	7.32	21.90	-	8.24	1.24	-
Russell 2000 Growth Index	15.75	3.16	1.06	4.94	22.86	15.65	24.72	4.72	5.48	0.86	0.80
Over/Underweight	9.72	1.38	-1.06	16.63	-13.34	-8.33	-2.82	-4.72	2.76	0.38	-0.80
Total Return(%)											
Baron Growth Fund	5.08	-10.39	-	3.65	4.78	7.27	1.32	-	1.98	-8.31	-
Russell 2000 Growth Index	2.15	-0.43	23.91	7.49	13.37	6.99	15.52	11.66	0.57	-11.98	-5.15
Relative Return	2.93	-9.95	-23.91	-3.84	-8.59	0.29	-14.19	-11.66	1.41	3.66	5.15

One-Year Performance Attribution¹



Sector Average Weights(%)	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate ³	Telecom Services	Utilities
Baron Growth Fund	24.86	5.15	-	19.59	9.64	8.84	21.28	-	6.77	1.14	1.24
Russell 2000 Growth Index	17.13	3.49	1.08	4.75	24.81	14.05	25.12	4.38	4.02	0.87	0.30
Over/Underweight	7.73	1.67	-1.08	14.84	-15.17	-5.20	-3.84	-4.38	2.75	0.27	0.94
Total Return(%)											
Baron Growth Fund	3.07	-1.11	-	10.54	12.61	12.59	8.50	-	22.01	31.60	16.56
Russell 2000 Growth Index	-0.18	13.99	3.09	0.58	7.32	17.36	23.07	27.09	25.49	16.61	5.19
Relative Return	3.24	-15.10	-3.09	9.96	5.29	-4.77	-14.57	-27.09	-3.48	14.99	11.37

Return calculations for the Portfolio are transaction based and are calculated from the underlying security-level data; they may not correspond with published performance information based on NAV per share.

1 - Attribution analysis for other periods or versus another index will be provided upon request. Source: FactSet PA.

2 - Fund total returns include cash, fees and unassigned securities.

3 - As of 9/1/2016 GICS added Real Estate as a new sector. The performance attribution figures above assume that the Real Estate sector existed during the entire time period presented.

When reviewing performance attribution on our portfolio, please be aware that we construct the portfolio from the bottom up, one stock at a time. Each stock is included in the portfolio if it meets our rigorous investment criteria. To help manage risk, we are aware of our sector and security weights, but we do not include a holding to achieve a target sector allocation or to approximate an index. Our exposure to any given sector is purely a result of our stock selection process.

Quarterly Analysis

Baron Growth Fund increased 2.59% in the third quarter, yet underperformed the Russell 2000 Growth Index by 663 basis points due to a combination of stock selection and relative sector weights. The notable outperformance of lower quality stocks in the quarter also weighed on relative performance.

Lower exposure to the lagging Industrials sector, lack of exposure to the poor performing Utilities sector, and outperformance of Consumer Discretionary investments contributed the most to relative results. Strength in Consumer Discretionary was mostly attributable to the outperformance of ski resort operators Vail Resorts, Inc. and Whistler Blackcomb Holdings, Inc., whose stock prices were up sharply in early August after Vail agreed to acquire Whistler Blackcomb. Outperformance of sporting goods retailer Dick's Sporting Goods, Inc. and lower exposure to poor performing restaurant stocks, which fell 4.7% within the index, also added value. Favorable stock selection in the Consumer Discretionary sector was offset by larger exposure to the underperforming apparel, accessories & luxury goods, hotels, resorts & cruise lines, and education services sub-industries.

Information Technology (IT), Health Care, and Financials holdings were the largest detractors from relative results. Within IT, underperformance of the Fund's two largest sector holdings, Gartner, Inc. and CoStar Group, Inc., and lack of exposure to outperforming semiconductor stocks detracted the most from relative results. Gartner was the largest detractor from absolute performance, while shares of CoStar, a real estate information and marketing services company, fell slightly on modest multiple compression after outperforming in Q2. Underperformance of application software holdings, led by ANSYS, Inc. and Guidewire Software, Inc., and lack of exposure to the strong performing systems software and communications equipment sub-industries also weighed on relative results. Within Health Care, meaningfully lower exposure to strong performing biotechnology stocks, which rose nearly 23% within the index, detracted 101 basis points from relative results. The underperformance of Inovalon Holdings, Inc., the second largest detractor from absolute results, and Bio-Techne Corporation, which sells specialized proteins, antibodies and assay kits used to investigate possible therapies for diseases, also hurt sector performance. Although Bio-Techne reported strong organic revenue growth during the quarter, the stock price declined due to dilution from a recent acquisition and foreign currency headwinds. Within Financials, underperformance of FactSet Research Systems, Inc. and Primerica, Inc. and significantly larger exposure to this lagging sector hurt relative results. Shares of FactSet, a financial information provider to investment firms, underperformed as growth moderated slightly due to choppy end markets, while Primerica gave back some gains after significantly outperforming in the prior quarter.



Top 10 Holdings as of September 30, 2016

Company	Investment Premise	Company	Investment Premise
<p>Vail Resorts, Inc. (MTN) is the largest operator of ski resorts in the U.S. It owns and operates 13 ski resorts in Vail, Breckenridge, Keystone, and Beaver Creek in Colorado; Canyons and Park City in Utah; Heavenly, Northstar, and Kirkland in Lake Tahoe, Perisher in Australia and three U.S. regional resorts.</p>	<p>Most of Vail's revenues come from its ski resorts. The company has been upgrading its properties to offer new and higher quality services and amenities and summer recreational activities, which should help attract more visitors and allow it to raise ski ticket prices. Vail is also focused on increasing season pass sales, which helps immunize against poor ski conditions. It has been acquiring resorts to enhance the attractiveness of its multi-resort season pass. Most recently, it announced a deal to buy Whistler Blackcomb in Canada, North America's largest ski resort.</p>	<p>CoStar Group, Inc. (CSGP) is the leading provider of information and marketing services to the commercial real estate industry.</p>	<p>CoStar has built a proprietary database through primary and data collection research over a 20-year period, creating high barriers to entry. We believe the acquisitions of Apartments.com and ApartmentFinder offer dramatic cross-sell synergies that can add \$1 billion of revenue and \$600 million of EBITDA over the next decade. CoStar currently has retention rates in the low 90% range, giving great visibility into the future earnings stream. We believe that margins will improve towards 50% given the high operating leverage.</p>
<p>Arch Capital Group Ltd. (ACGL) is a specialty insurance and reinsurance company with operations in Bermuda, the U.S., Europe, and Canada.</p>	<p>Arch Capital is led by an experienced management team with a successful track record across several insurance cycles. We believe the company excels at underwriting specialized policies and can nimbly shift its business mix to target the most profitable lines. Arch has a compensation system that rewards long-term profitability rather than short-term premium growth. In our view, management has demonstrated good underwriting discipline and capital stewardship, allowing Arch to maintain industry-leading returns on equity.</p>	<p>IDEXX Laboratories, Inc. (IDXX) is the leading provider of diagnostics to the veterinary industry.</p>	<p>IDEXX continues to benefit from secular growth spending on pets, due to a growing human-animal bond, favorable demographics, increased use of diagnostics, and an increasing focus on preventative care. We believe IDEXX has the best menu of diagnostics, which it has continuously improved by spending six times more on R&D annually than all its competitors combined. The company's products are sold via a razor/razorblade model, which creates high retention rates and incremental margins. IDEXX generates outstanding cash flow, which it has returned to shareholders via repurchases.</p>
<p>FactSet Research Systems, Inc. (FDS) provides financial information to the global investment community.</p>	<p>FactSet is serving only a small part of the addressable market, which we estimate is approximately \$20 billion annually. The company has been taking market share, offering broader data sets and more advanced portfolio analytics than its competitors, and has a highly regarded customer service model. The company has also been expanding into fixed income markets. Its products are sticky, leading to retention rates over 95% and high visibility. FactSet generates robust free cash flow, which it has aggressively returned to shareholders via share repurchases and dividends.</p>	<p>SS&C Technologies, Inc. (SSNC) is a leading provider of mission-critical software products and services for the financial services industry.</p>	<p>SS&C offers a portfolio of tools and services for portfolio management and accounting, financial modeling, trading, treasury, and fund administration. We believe that the company is less than 1% penetrated in its \$200 billion total addressable market. We view the acquisition of Advent as transformational. We expect meaningful cross-sales of technology and services into a sticky installed base, and for SS&C to boost Advent's EBITDA margins toward 60%. We believe the acquisition will enable SS&C to gain share in fund administration both organically and through M&A.</p>
<p>Under Armour, Inc. (UA) is a leading designer, developer, marketer, and distributor of athletic and performance apparel.</p>	<p>Under Armour has built a recognizable brand that resonates with younger customers. These loyal customers have enabled it to gain share in an industry dominated by large competitors. The company has been expanding its footwear and women's apparel offerings in addition to growing its core men's lines. We think the company will continue to grow its direct-to-consumer sales, which should increase its profitability. We also expect the company to expand its presence internationally.</p>	<p>Gaming and Leisure Properties, Inc. (GLPI) holds all of the real property interests related to the gaming operations of Penn National Gaming and Pinnacle Entertainment, as well as the Casino Queen in Illinois. It also has full ownership of and operates Penn's Baton Rouge and Maryland casinos.</p>	<p>Management has indicated it has a pipeline of potential acquisitions and expects to spend about \$500 million a year on acquisitions. The company expects to finance these acquisitions with half debt and half equity. It has a \$700 million credit facility at 2% interest, and its stock trades at 13.5 times forward EBITDA, so these acquisitions will be free cash flow accretive and add significantly to the dividend, in our view.</p>
<p>Gartner, Inc. (IT) is the leading independent provider of research and analysis on the information technology industry.</p>	<p>Gartner has a vast addressable market, which management estimates is in excess of \$47 billion annually, implying a penetration rate of less than 3%. IT is rapidly changing and growing in strategic importance, leading users to turn to third-party providers for insight into trends. The Gartner brand is highly valued in the IT community, and the company is frequently cited in the mass media as the leading expert on IT trends. The low price of Gartner's research relative to its value has created strong renewal trends, with retention rates running above 100%.</p>	<p>MSCI, Inc. (MSCI) provides investment-decision support tools to global investment institutions.</p>	<p>We believe MSCI, as the de facto standard for measuring global market performance, is well positioned to benefit from the continuing development of emerging markets and the growth of global financial assets. We believe the company's indexes remain the global standard for cross-border investing, and will continue to be selected by institutions when issuing new mandates. The financial crisis and associated regulation is driving secular growth for MSCI's risk assessment and reporting tools, as institutions procure software to manage risk across their portfolios.</p>



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