

June 30, 2018
Institutional Shares (BPTIX)

Baron Partners 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 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. 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. Morningstar calculates the **Morningstar US Fund Mid-Cap Growth Category Average** using its Fractional Weighting methodology. The Fund's Retail Shares have been included in the category since 4/30/03 and the Fund's Institutional Shares since 5/29/2009. © 2018 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. **Active Share**: a term used to describe the share of a portfolio's holdings that differ from that portfolio's benchmark index. It is calculated by comparing the weight of each holding in the Fund to that holding's weight in the benchmark. Positions with either a positive or negative weighting versus the benchmark have Active Share. An Active Share of 100% implies zero overlap with the benchmark. Active Share was introduced in 2006 in a study by Yale academics, M. Cremers and A. Petajisto, as a measure of active portfolio management. **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. **Interest Expense Ratio**: measures interest expense as a percentage of the Fund's daily average net assets. **Leverage**: measures the degree to which a fund is utilizing borrowed money. **Long Equity Exposure**: is the total value of all long positions held in the portfolio divided by the Fund's total net assets.

This information does not constitute an offer to sell or a solicitation of any offer to buy securities by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation. This information is only for the intended recipient and may not be distributed to any third party.

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



Portfolio Facts and Characteristics

	Fund	Russell Midcap Growth Index
# of Equity Securities / % of Net Assets	27 / 125.5%	-
Turnover (3 Year Average)	19.33%	-
Active Share	96.0%	-
Median Market Cap†	\$10.62 billion	\$8.78 billion
Weighted Average Market Cap†	\$35.50 billion	\$15.44 billion
EPS Growth (3-5 year forecast)†	17.7%	16.4%
Price/Earnings Ratio (trailing 12-month)*†	26.9	25.1
Price/Book Ratio*†	3.9	5.6
Price/Sales Ratio*†	4.5	2.4

* Weighted Harmonic Average

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

R6 Shares are also available for this Fund.

Performance Based Characteristics³

	3 Years	5 Years	10 Years	Since Inception
Std. Dev. (%) - Annualized	16.84	15.92	20.56	24.00
Sharpe Ratio	0.76	0.98	0.55	0.45
Alpha (%) - Annualized	-0.24	-0.75	0.55	3.88
Beta	1.33	1.28	1.09	1.04
R-Squared (%)	75.99	77.38	86.33	69.52
Tracking Error (%)	9.02	8.17	7.76	13.27
Information Ratio	0.31	0.32	0.14	0.26
Upside Capture (%)	133.57	126.52	113.11	117.13
Downside Capture (%)	141.45	136.29	114.13	108.85

Top 10 Holdings²

% of Total Investments

Tesla, Inc.	13.4
CoStar Group, Inc.	12.7
Vail Resorts, Inc.	9.0
Hyatt Hotels Corp.	7.1
IDEXX Laboratories, Inc.	6.9
Arch Capital Group Ltd.	6.7
FactSet Research Systems, Inc.	5.4
The Charles Schwab Corp.	5.2
Zillow Group, Inc.	4.2
Space Exploration Technologies Corp.	4.0
Total	74.6

Long Equity Exposure (% of Net Assets)	125.5
Cash & Equivalents (% of Net Assets)	-25.5

Specific risks associated with non-diversification and leverage include increased volatility of the Fund's returns and exposure of the Fund to greater risk of loss in any given period. The Fund invests in companies of all sizes, including small and medium sized companies whose securities may be thinly traded and more difficult to sell during market downturns.

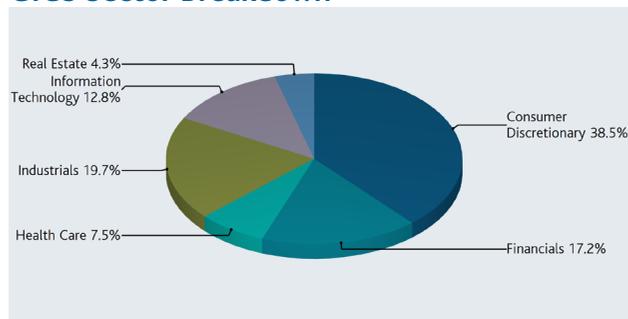
1 - Industry sector or sub-industry group levels are provided from the Global Industry Classification Standard ("GICS"), developed and exclusively owned by MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"). All GICS data is provided "as is" with no warranties. The Adviser may have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

2 - The Fund's top 10 holdings and the sector and sub-industry breakdowns are expressed as a percentage of the Fund's long positions. These percentages may change over time.

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

4 - As of FYE 12/31/2017

GICS Sector Breakdown^{1,2}



Top 15 GICS Sub-Industry Breakdown^{1,2}



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

Investment Strategy

This is a focused Fund that invests mainly in U.S. companies of any size with significant growth potential. A substantial percentage of the Fund's assets are in its top 10 holdings. It also uses leverage. Non-diversified.

Portfolio Manager

Ron Baron founded Baron Capital in 1982 and has 48 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

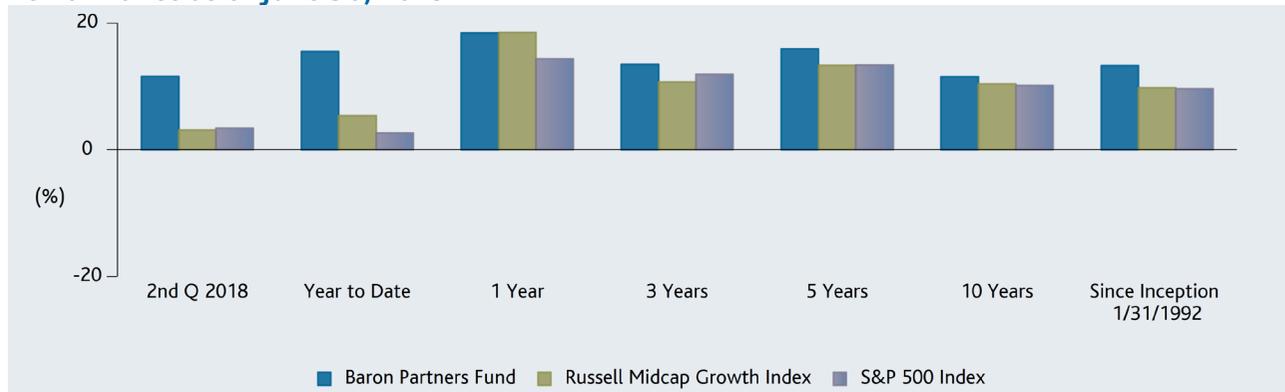
- Long-term perspective allows us to think like an owner of a business
- Independent and exhaustive research is essential to understanding the long-term fundamental growth prospects of a business
- We seek appropriately capitalized open-ended growth opportunities, exceptional leadership, and sustainable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

Fund Facts

Inception Date	January 31, 1992
Net Assets	\$2.26 billion
Institutional Shares	
CUSIP	06828M405
Expense Ratio	1.08%
Interest Expense Ratio	0.45%
Total Expense Ratio	1.53%



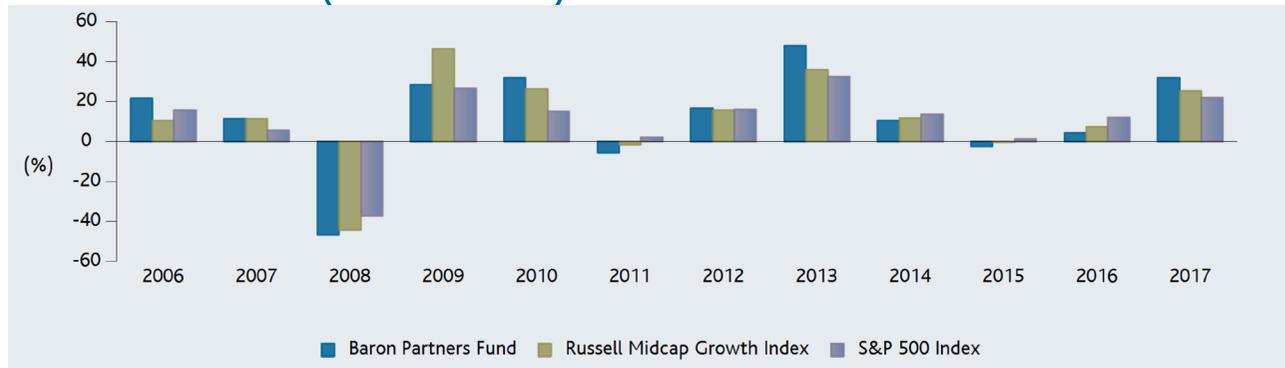
Performance as of June 30, 2018



	Total Returns(%)				Annualized Returns(%)											
	2nd Q 2018		Year to Date		1 Year		3 Years		5 Years		10 Years		Since Inception 1/31/1992			
	Return	+ -	Return	+ -	Return	+ -	Return	+ -	Return	+ -	Return	+ -	Return	+ -		
BPTIX - Institutional Shares	11.60		15.50		18.46		13.51		15.96		11.55		13.29			
Russell Midcap Growth Index	3.16	8.44	5.40	10.10	18.52	-0.06	10.73	2.78	13.37	2.59	10.45	1.10	9.80	3.49		
S&P 500 Index	3.43	8.17	2.65	12.85	14.37	4.09	11.93	1.58	13.42	2.54	10.17	1.38	9.64	3.65		
Morningstar Mid-Cap Growth Category Average	4.16	7.44	6.39	9.11	18.06	0.40	9.68	3.83	12.31	3.65	9.45	2.10	N/A			

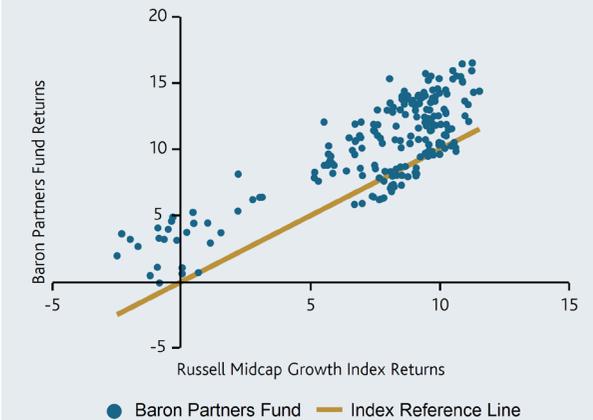
The blue shading represents Fund outperformance vs. the corresponding benchmark. The yellow shading represents underperformance.

Historical Performance(Calendar Year %)



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
BPTIX - Institutional Shares	21.55	11.34	-46.67	28.36	31.93	-5.52	16.70	48.02	10.56	-2.43	4.29	31.91
Russell Midcap Growth Index	10.66	11.43	-44.32	46.29	26.38	-1.65	15.81	35.74	11.90	-0.20	7.33	25.27
S&P 500 Index	15.79	5.49	-37.00	26.46	15.06	2.11	16.00	32.39	13.69	1.38	11.96	21.83

BPTIX has outperformed the Russell Midcap Growth Index 84% 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. Performance reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 20% performance fee after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fees for the years the predecessor partnership charged a performance fee, the returns would be higher. The Fund's shareholders will not be charged a performance fee. The predecessor partnership's performance is only for periods before the Fund's registration statement was effective, which was April 30, 2003. During those periods, the predecessor partnership was not registered under the Investment Company Act of 1940 and was not subject to its requirements or the requirements of the Internal Revenue Code relating to registered investment companies, which, if it were, might have adversely affected its performance.



Review and Outlook

U.S. markets performed well through much of the second quarter after mixed results in the first quarter. Small-cap growth stocks outperformed their mid- and large-cap counterparts. Domestic markets rallied for much of the quarter, driven by strong corporate earnings, continued solid economic conditions in the U.S. and speculation that the impact of a trade war would be more modest than previously anticipated.

The U.S. economy continues to generate slow but steady growth. Incoming second-quarter data points to real GDP growth at around 2% and consumer and business confidence remains near two-decade highs despite the negativity around trade issues. Construction activity and home prices are climbing, unemployment remains at record or close to record lows, and the net worth of the average household is rising. Although inflation increased by almost a percentage point to nearly 3% during the period, it remains low by historical standards.

Baron Partners Fund did well in the quarter, appreciating 11.60%. Consumer Discretionary, Information Technology (IT), and Industrials investments contributed the most. Performance of Consumer Discretionary was driven largely by Tesla Inc. and Vail Resorts, Inc., the top and second largest contributor, respectively. All four IT holdings appreciated in the quarter, led by Gartner, Inc. Shares of this provider of syndicated research rose as the integration of CEB proceeded ahead of schedule. We expect this acquisition to drive faster revenue growth over the medium term. Key forward-looking metrics in Gartner's traditional IT research business are solid, with contract value growing at an attractive mid-teens rate. Third largest contributor CoStar Group, Inc. drove positive performance of the Industrials sector. Financials was the only detracting sector, due mainly to top detractor Arch Capital Group Ltd.

We remain optimistic about the long-term environment for U.S. equities. While we always monitor geopolitical and other developments that may have a short-term impact on the markets, we remain focused on the long term. We invest only in growth businesses that we think can double in value about every five or six years. This compares to the stock market and economy which have doubled in value about every 11 years since 1960 on average. We remain optimistic that our research-driven approach to investing in companies with competitive advantages, experienced management, and strong, long-term growth prospects will lead to outperformance, although there are no guarantees.

Top Contributors/Detractors to Performance for the Quarter Ended June 30, 2018

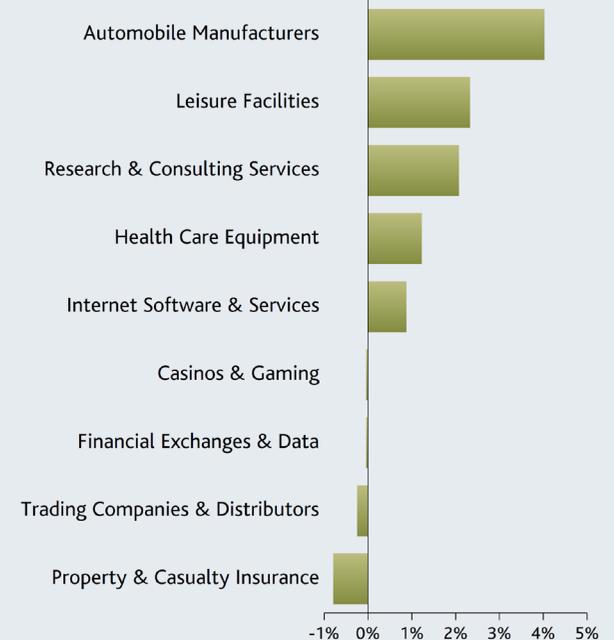
Contributors

- **Tesla, Inc.** designs, manufactures and sells fully electric vehicles, solar products, and energy storage solutions. Shares rose on positive management commentary around production ramp, an internal letter suggesting production of roughly 3,500 vehicles/week, and rapid deployment of a new general assembly line for Model 3. A staffing cut boosted confidence in Tesla's ability to meet its goal of finishing the year without needing to raise incremental external cash. Lastly, new information on battery pricing pointed to a price advantage over competitors.
- Shares of **Vail Resorts, Inc.**, a global ski resort operator, climbed in the quarter on a strong end to the ski season. Management reported an increase in next year season pass sales of almost 20% despite increased competition. The company also struck agreements to acquire four additional resorts that we think should help boost sales in the East Coast and Northern Pacific markets. Vail continues to maintain a strong balance sheet and generates significant cash flow that will allow it to make additional acquisitions, invest in its resorts, and return capital to shareholders.
- Shares of **CoStar Group, Inc.**, a real estate information and marketing services company, again contributed to performance. Business trends are excellent, with the company announcing that Q1 bookings jumped approximately 54% year-over-year. We are excited about the upsell of Loopnet Premium Searcher customers to the flagship CoStar product, which we believe can contribute an incremental \$150-\$200 million of recurring revenue. CoStar has a large opportunity to optimize its Premium Lister product, and we expect the recent acquisition of ForRent to be meaningfully accretive beginning next year.

Detractors

- **Arch Capital Group Ltd.** is a specialty insurance company based in Bermuda. This quarter, the company reported solid quarterly results that exceeded Street expectations. However, the stock declined after a mortgage insurance competitor cut premium rates, leading to concerns about industry pricing pressure. Pricing trends also remain soft in the non-mortgage P&C insurance and reinsurance segments. We continue to own the stock due to Arch's strong management team and underwriting discipline.
- **Fastenal Co.**, a leading industrial supplies distributor, continues to lead its peer group by delivering double-digit organic sales growth, the result of several market share growth initiatives. However, the stock has recently declined as these faster growing initiatives, including national accounts, vending, and OnSite, are more expensive to administer until they reach scale and thus currently dilutive of gross margins. We remain invested as Fastenal continues to post improved results that demonstrate, in our view, it can grow meaningfully faster and more profitably than peers.
- **Norwegian Cruise Line Holdings, Ltd.** is a global cruise line company with Norwegian, Oceania, and Regent brands. Shares declined in the quarter on investor concerns about accelerating supply growth and its impact on pricing. In addition, fuel price increases and dollar appreciation hurt market sentiment and potential earnings in the quarter. However, we believe yields and bookings remain robust and do not see the increase in supply hurting bookings and pricing. We also think strong yields will offset the increases in fuel cost and stronger dollar.

Contribution to Return¹ By Sub-Industry



By Holdings

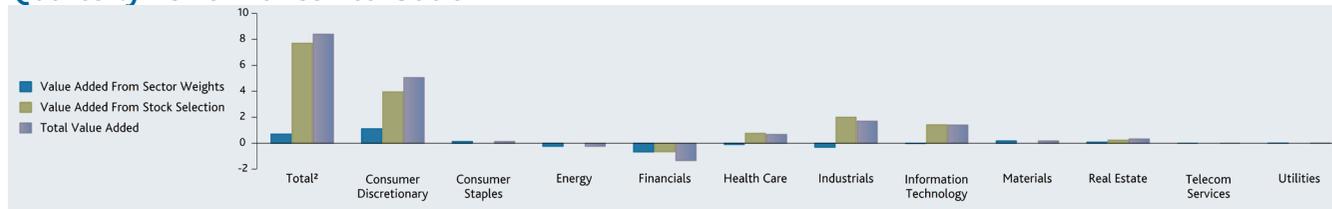
Top Contributors	Average Weight(%)	Contribution(%)
Tesla, Inc.	15.66	4.03
Vail Resorts, Inc.	10.52	2.33
CoStar Group, Inc.	15.66	2.08
IDEXX Laboratories, Inc.	8.63	1.23
Gartner, Inc.	5.06	0.67

Top Detractors	Average Weight(%)	Contribution(%)
Arch Capital Group Ltd.	8.97	-0.79
Fastenal Co.	2.18	-0.26
Norwegian Cruise Line Holdings, Ltd.	1.23	-0.13
MGM Resorts International	0.44	-0.13
Marriott Vacations Worldwide Corp.	0.82	-0.10

1 - Source: FactSet PA.

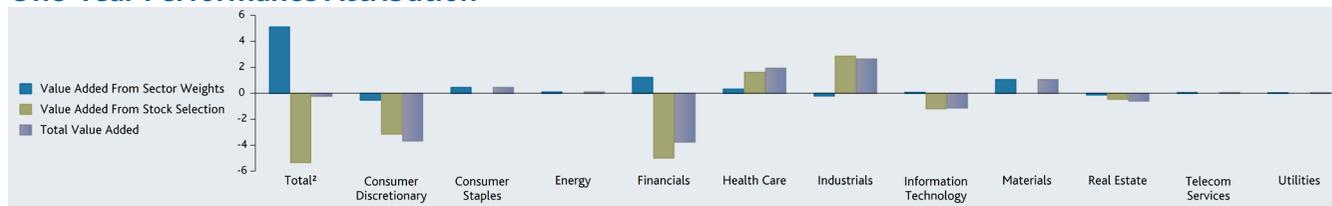


Quarterly Performance Attribution¹



Sector Average Weights(%)	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Telecom Services	Utilities
Baron Partners Fund	46.12	-	-	23.66	8.89	25.02	16.15	-	5.48	-	-
Russell Midcap Growth Index	17.20	3.89	2.39	7.41	13.48	17.23	29.49	5.63	3.01	0.21	0.05
Over/Underweight	28.92	-3.89	-2.39	16.24	-4.59	7.79	-13.34	-5.63	2.47	-0.21	-0.05
Total Return(%)											
Baron Partners Fund	16.09	-	-	-3.60	13.88	7.12	12.48	-	9.93	-	-
Russell Midcap Growth Index	7.04	1.33	14.34	-0.99	5.74	-0.97	3.39	0.24	5.54	6.79	1.70
Relative Return	9.05	-1.33	-14.34	-2.61	8.14	8.09	9.09	-0.24	4.39	-6.79	-1.70

One-Year Performance Attribution¹



Sector Average Weights(%)	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Telecom Services	Utilities
Baron Partners Fund	46.13	-	-	25.62	8.30	12.34	23.44	-	5.81	-	-
Russell Midcap Growth Index	17.24	4.10	2.39	7.21	13.98	16.96	28.51	6.16	3.19	0.21	0.05
Over/Underweight	28.90	-4.10	-2.39	18.42	-5.68	-4.62	-5.07	-6.16	2.61	-0.21	-0.05
Total Return(%)											
Baron Partners Fund	10.49	-	-	4.06	38.18	27.24	31.28	-	4.58	-	-
Russell Midcap Growth Index	16.19	11.11	18.72	23.31	15.82	16.19	28.66	1.85	11.95	18.05	80.97
Relative Return	-5.70	-11.11	-18.72	-19.25	22.36	11.05	2.61	-1.85	-7.37	-18.05	-80.97

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.

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 Partners Fund increased 11.60% in the second quarter, significantly outperforming the Russell Midcap Growth Index by 844 basis points due to stock selection. Style biases also added value, led by overexposure to strong-performing stocks with higher P/E multiples and underexposure to larger cap stocks, which trailed small caps in the quarter.

The Fund may use leverage and is especially likely to do so when we believe prospects for businesses are favorable and stock prices of those businesses do not reflect those prospects. As of June 30, 2018, Baron Partners Fund had 125.5% of its net assets invested in securities, and the use of leverage in a rising market contributed 97 basis points to relative performance.

Aside from leverage, investments in Consumer Discretionary, Industrials, Information Technology (IT), and Health Care contributed the most to relative performance. Stock selection in Consumer Discretionary added nearly 400 basis points to relative results, driven by the outperformance of sizeable positions in Tesla, Inc. and Vail Resorts, Inc., the top contributors to absolute performance in the quarter. Performance in the sector was also bolstered by the outperformance of e-commerce pioneer Amazon.com, Inc. and English Premier League team Manchester United plc. Aside from stock selection, meaningfully higher exposure to the Consumer Discretionary sector, which was up 7.0% in the index, contributed 112 basis points to relative results. Strength in Industrials was due to the outperformance of CoStar Group, Inc., the third largest contributor on an absolute basis. All four investments in IT outperformed, led by syndicated research provider Gartner, Inc. and P&C insurance software vendor Guidewire Software, Inc. Shares of Gartner were up as the integration of CEB is proceeding ahead of schedule. Gartner's Q1 results indicated early traction, with both productivity and retention rates improving on the heritage CEB business. Guidewire's stock price rose as the company has emerged as the leading core systems vendor in its market. Guidewire is early in its core system replacement cycle, and has tripled its addressable market through new products and cloud delivery. Within Health Care, outperformance of IDEXX Laboratories, Inc. and lack of exposure to biotechnology stocks, which were down 3.8% in the index, added value. Shares of veterinary diagnostics leader IDEXX rose as competitive trends are strong and improving, highlighted by instrument installed base growth of 25%, meaningful domestic lab growth, and improving sales productivity.

Investments in Financials and lack of exposure to the top-performing Energy sector detracted the most from relative performance. Within Financials, significantly greater exposure to this weak performing sector and underperformance of Arch Capital Group Ltd. hurt relative results. Arch was the largest detractor on an absolute basis.



Top 10 Holdings as of June 30, 2018

Company	Investment Premise	Company	Investment Premise
<p>Tesla, Inc. (TSLA) manufactures purely electric automobiles, energy storage, and solar solutions. It offers a sedan (Model S), a CUV (Model X), and battery-based energy storage. Tesla is now producing and delivering its highly anticipated lower cost vehicle, Model 3, with a base price of \$35,000.</p>	<p>In our view, Tesla could continue to grow its business rapidly at least through 2020. We believe its strong engineer talent pool, first mover advantage, scale with its existing facilities, \$5 billion Giga battery plant, solar activity, and recognized brand could potentially result in a market capitalization of \$100 billion in five years and more thereafter. We find the more than 450,000 pre-orders for its new Model 3 to be a testament to the strong brand Tesla has built in its short existence.</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 insurance cycles. 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 strong underwriting discipline and capital stewardship, allowing Arch to maintain industry-leading returns on equity.</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. The conversion of legacy Loopnet search customers to CoStar suite customers should add \$200mm+ of recurring revenue with almost no cost, and the conversion of Loopnet listing customers can be even more material. CoStar has expanded into the apartment space via several acquisitions, and we think it can grow its apartment marketing offerings at 20% sustainable with few incremental costs.</p>	<p>FactSet Research Systems, Inc. (FDS) provides financial information to the global investment community.</p>	<p>FactSet serves only a small part of the addressable market, which we estimate is roughly \$20 billion annually. The company has been taking market share and offering broader data sets and more advanced portfolio analytics than its competitors, and has a highly regarded customer service model. FactSet has also been expanding into fixed income markets. Its products are sticky, leading to retention rates of 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>Vail Resorts, Inc. (MTN) is the largest operator of ski resorts in the U.S. It owns 14 resorts across Colorado, Utah, Lake Tahoe, Whistler Blackstone in Canada, Perisher in Australia and Stowe in Vermont. It is also closing on 4 other ski resorts in Vermont, New Hampshire, Colorado, and Washington.</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 we believe should help attract more visitors and allow it to raise ski ticket prices. Vail is also focused on increasing season-pass sales and has been acquiring resorts to enhance the attractiveness of its multi-resort season pass. The company generates strong free cash flow that it is using for increased dividends and debt reduction.</p>	<p>The Charles Schwab Corp. (SCHW) is a discount brokerage firm offering securities brokerage and other financial services to individual investors directly and through independent financial advisors.</p>	<p>Schwab's emphasis on earning customer trust has made it a sterling brand in financial services, in our view. Schwab's stability stands out, given the credit-related struggles of some of its traditional and discount-brokerage competitors. We believe the company's Investor Services division is well positioned to take share from traditional brokerages. Its institutional business has continued to gain RIA relationships. We expect organic growth to hold above 10% once interest rates normalize.</p>
<p>Hyatt Hotels Corp. (H) is a global hospitality company with 737 Hyatt-branded properties representing 187,630 keys. The company's brands include Park Hyatt, Grand Hyatt, Hyatt Regency, Hyatt, Hyatt Place, and Hyatt Summerfield Suite.</p>	<p>We believe Hyatt has a significant opportunity to market more of its brands globally, given an undersupply of rooms in developing countries. Compared to its competitors, Hyatt has the least brand penetration across the globe and the largest pipeline of unit growth. We believe its new online availability of rooms and strong balance sheet, coupled with the continued recovery in the global lodging industry, give Hyatt an opportunity to generate strong growth. The resulting potential increased cash flow could be used for continued share repurchases and further acquisitions.</p>	<p>Zillow Group, Inc. (ZG) operates the leading residential real estate websites in the U.S., including Zillow.com, Trulia.com, StreetEasy.com, and Hotpads.com. The company sells advertising on its sites to real estate brokerages, home builders, lenders, and home service providers.</p>	<p>Zillow Group still represents less than 8% of the \$10 billion-plus real estate advertising market. With the leading brands in each of its relevant categories, we believe Zillow will continue to take share in the online and offline real estate advertising markets for years to come.</p>
<p>IDEXX Laboratories, Inc. (IDXX) is the leading provider of diagnostics to the veterinary industry.</p>	<p>IDEXX has continued to benefit from secular growth spending on pets, due to a growing human-animal bond, favorable demographics, increased use of diagnostics, and enhanced focus on preventative care. We think 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 strong cash flow, which it has returned to shareholders via repurchases.</p>	<p>Space Exploration Technologies Corp. (SPACEX.A) is a private company that designs, manufactures, and launches rockets and spacecrafts into space. SpaceX is aiming to revolutionize space technology, including reusable orbital launch systems.</p>	<p>We believe SpaceX could leverage its unique inventory of reusable rockets to reduce the costs of space launches, capture a growing portion of the available addressable market, and continue to build a track record of success. As launch costs decline, we believe more companies will offer services with space capabilities, increasing the need for rockets. With low launch costs, we expect SpaceX to have an advantage in building its new constellation of satellite-based broadband services.</p>



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