DEAR BARON FOCUSED GROWTH FUND SHAREHOLDER:

PERFORMANCE

After substantial equity market declines in the fourth quarter of 2018, both in the U.S. and abroad, stocks rebounded significantly in the first quarter of 2019. Baron Focused Growth Fund (the "Fund") participated in this recovery, but materially trailed the gains in the broad market. The Fund increased 12.14% (Institutional Shares) in the first quarter. The Russell 2500 Growth Index, the Fund's primary benchmark, increased 18.99% and the S&P 500 Index, which includes about 80% of the market capitalization of domestic large-cap companies, rose 13.65%.

Table I.
Performance
Annualized for periods ended March 31, 2019

	Baron Focused Growth Fund Retail Shares[1,2,3]	Baron Focused Growth Fund Institutional Shares[1,2,3,4]	Russell 2500 Growth Index[2]	S&P 500 Index[2]
Three Months[5]	12.14%	12.14%	18.99%	13.65%
One Year	15.23%	15.45%	7.54%	9.50%
Three Years	14.31%	14.58%	15.60%	13.51%
Five Years	8.23%	8.50%	9.72%	10.91%
Ten Years	14.36%	14.63%	17.50%	15.92%
Fifteen Years	10.36%	10.54%	9.66%	8.57%
Since Inception (May 31, 1996)	11.04%	11.16%	8.04%	8.56%

The Fund's relative underperformance vs. its benchmark indexes in the period was caused principally by the underperformance of **Tesla, Inc.**, **Vail Resorts, Inc.**, and **Hyatt Hotels Corp**. Those three businesses represented approximately 35% of the Fund's net assets. Tesla is the largest and fastest growing business in which the Fund has invested. Tesla represents 11.2% of the Fund's net assets. Tesla is *disrupting* automobile, energy, utility, and car dealer businesses. We continue to believe Tesla will perform exceptionally well over the long term. This is despite its 15.9% share price decline in the quarter. We believe Tesla's share price in the period was negatively impacted by transitory factors that will soon reverse. We expect Tesla's share price to soon begin to reflect the five-fold increase of its revenues from $3.2 billion in 2014 to $21 billion in 2018...and anticipated strong growth in coming years...although we cannot guarantee that will be the case. Despite Tesla's extraordinary business growth since 2014, its share price has increased only about 25%.

DAVID BARON
CO-PORTFOLIO MANAGER

RONALD BARON
CEO AND LEAD PORTFOLIO MANAGER

Retail Shares: BFGFX
Institutional Shares: BFGIX
R6 Shares: BFGUX

Vail is the Fund's second largest investment. Vail's share price increased 3.9% in the quarter after the company announced slightly slower-than-expected destination visitation pre-holiday season. That caused Vail to lower earnings guidance by 4.5% for the fiscal year. Vail's business improved during the holidays, although international visitation at its Whistler Blackcomb resort was lower. Amazingly, visitation at its Tahoe resort was negatively impacted by weather on Presidents' Weekend. It snowed so much skiers couldn't get to that resort!!! Vail presently owns and operates 14 ski resorts and is well diversified against weather. Vail's Epic season pass sales increased 10% based on revenue and 8% based on units in the fiscal year

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares as of December 31, 2018 was 1.39%, but the net annual expense ratio was 1.35% (net of the Adviser's fee waivers) and Institutional Shares was 1.09%. *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 Adviser reimburses certain Baron Fund expenses pursuant to a contract expiring on August 29, 2030, unless renewed for another 11-year term and 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.*

1 Reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 15% performance fee through 2003 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 performance is only for the periods before the Fund's registration statement was effective, which was June 30, 2008. 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.

2 The indexes are unmanaged. The Russell 2500™ Growth Index measures are classified as growth and the S&P 500 Index of 500 widely the performance of small to medium-sized U.S. companies that 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.

3 The performance data does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

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

5 Not annualized.

ending July 2019. Initial season pass sales for the season beginning August 1 are favorable. We think Vail's ability to sell almost half its season lift tickets before it snows is very important.

Hyatt increased 7.6% in the quarter, but at a slower rate than the market as investors remain concerned that the 10-year upcycle in lodging will soon end. Given that half the company's earnings are from owned properties, investors worry about the impact of a recession on earnings. However, Hyatt's management team continues to execute on its strategy of becoming a capital-light, fee-based business. Hyatt is continuing to sell owned real estate and execute management contracts instead, and use the proceeds from asset sales to repurchase its shares. Management is committed to this strategy with an additional $1.5 billion asset sales expected to take place over the next three years, bringing its expected pipeline of sales to $1.9 billion. This should transform the company, increasing its fee income from 53% of earnings today to 66% in 2022. Fee income is less volatile, and therefore more valuable, than operating income derived from hotel ownership.

We categorize Vail and Hyatt as steadily growing businesses that own "real/irreplaceable assets." We expect both companies' stocks to significantly outperform the broad market over the long term…but not by as much as our investments in "disruptive" businesses. However, we believe that investments in these and other growth companies, which are valued based on the increasing private market value of their assets, reduce the volatility of Baron Focused Growth Fund's portfolio. These investments, which represent 33.8% of the Fund's net assets, when coupled with 17.8% of the Fund's net assets in "core growth" businesses, allow us to make significant investments in faster growing but riskier and more volatile "disruptive" businesses. Such "real/irreplaceable assets" companies, include professional sports team **Manchester United plc**, Las Vegas "locals" casino operator **Red Rock Resorts, Inc.,** and the owner and lessor of single-family homes to millennials, **American Homes 4 Rent**.

During the three-month period, seven of the Fund's portfolio holdings, representing 40.5% of its average net assets, significantly outperformed the Russell 2500 Growth Index and increased more than 20%.

This includes an exceptional 43.0% gain by satellite communications, Aerion, "Internet of things" and DoD service provider **Iridium Communications Inc.** This price appreciation followed successful Iridium satellite launches by SpaceX, which completed Iridium's 75 satellite NEXT constellation. We believe Iridium's revenues will soon accelerate significantly. Only modest additional capital expenditures will be required during the next 10 years. Iridium's share price had changed little over the nearly four years since we invested in this business. This was while its satellites were being built and launched. Iridium's shares more than doubled in value during the past year.

CoStar Group, Inc. is the leading digital provider of data, analytics, and marketing services for the real estate industry. CoStar is the Fund's largest holding and gained 38.3% in the quarter as its businesses continued their rapid growth. The Fund purchased CoStar shares in 2014 when it was consolidating several real estate services businesses and disrupting newspaper residential apartment listings. Expenses CoStar was incurring in both its residential and commercial real estate listings businesses masked its strong growth. As a result, its share price changed little between 2014 and 2016. In the last two years, the rate of CoStar's investment spending to boost its business has grown less than its revenues and its margins have increased. CoStar's share price has since about doubled.

Las Vegas "locals" casino resort Red Rock achieved 27.8% price appreciation in the quarter as disruption from renovations of its hotel rooms, restaurants, and casino floor dissipated. The company's $700 million expansion and renovation had negatively impacted visitation to its Palms property. We believe its property improvements will produce attractive mid-teens returns on its investments. Red Rock's 350 acres of developable land in the Las Vegas "locals" market offers further opportunity. Red Rock owns the most important entitled properties that can still be developed in the Las Vegas market. Additional developer activity in the Las Vegas "locals" market has been materially restricted by legislation.

Financial services/technology provider **FactSet Research Systems, Inc.**'s shares gained 24.4% in the quarter after it reported winning a large service contract to provide services to Merrill Lynch. The company's reported earnings returned to strong margin expansion after two years of intensive investment to integrate acquisitions.

Table II.
Performance
Periods Baron Focused Growth Fund underperformed

	Internet Bubble	Baron Growth Stocks Underperform 2014-2016
	Annualized Returns	
	10/8/1998 to 3/9/2000	12/31/2013 to 12/31/2016
Baron Focused Growth Fund (Institutional Shares)	41.77%	0.45%
Russell 2500 Growth Index	126.53%	5.45%
S&P 500 Index	32.29%	8.87%

From 2014 through 2016, we invested in several businesses whose stocks underperformed when they were investing in themselves to grow. CoStar, **Benefitfocus, Inc.,** and **Guidewire Software, Inc**. are all examples of this strategy. These companies outperformed in 2018 and YTD in 2019 as investments they made are beginning to generate returns. While the Fund's 5- and 10-year performance continues to lag that of the index, most of this was due to the 2014 through 2016 results.

We believe the Fund's underperformance from 2014 through 2016 is analogous to instances when after brief periods of underperformance, the Fund subsequently outperformed for an extended period. For example, in the 18-month period from October 1998 through March 2000, at the height of the Internet Bubble, the Fund, which owned no internet stocks, increased 41.77% annualized while the benchmark increased 126.53% annualized…just prior to the Internet Bubble bursting and the index falling materially over the next eight years. Please see Table II and III.

Similar to the Fund's relatively strong performance in the post-Internet Bubble period, we expect the Fund to perform well over the next few years. This is despite our expectation that there will be periods when value stocks outperform the growth stocks in which we have invested. However, we can certainly make no guarantee this will be the case.

Since its inception on May 31, 1996, the Fund's 11.16% annualized performance has exceeded that of its benchmark by an average of approximately 310 basis points per year. This means that a $10,000 investment in Baron Focused Growth Fund almost 23 years ago would now be worth approximately $111,900! If an investor had instead invested $10,000 in a passive index fund that mirrored the Russell 2500 Growth Index, it would be worth approximately $58,400. Please see Tables I and III.

Baron Focused Growth Fund's beta has averaged .77 since inception. This means the Fund's performance has been 77% as volatile as the benchmark's. As a result of the Fund's strong absolute and relative returns and lower risk, the Fund has achieved 5.04% annualized alpha, a measure of risk-adjusted performance, since inception.

Table III.
Performance
Millennium to Present. The Impact of Not Losing Money.

	Millennium Internet Bubble to Financial Panic 12/31/1999 to 12/31/2008		Financial Panic to Present 12/31/2008 to 3/31/2019		Millennium Internet Bubble to Present 12/31/1999 to 3/31/2019		Inception 5/31/1996 to 3/31/2019	
	Value $10,000	Cumulative	Value $10,000	Cumulative	Value $10,000	Cumulative	Value $10,000	Cumulative
Baron Focused Growth Fund (Institutional Shares)	$12,732	27.32%	$36,423	264.23%	$46,374	363.74%	$111,902	1,019.02%
Russell 2500 Growth Index	$ 6,931	(30.69)%	$47,149	371.49%	$32,679	226.79%	$ 58,423	484.23%
S&P 500 Index	$ 7,188	(28.12)%	$38,985	289.85%	$28,022	180.22%	$ 65,207	552.07%

Baron Focused Growth Fund didn't make much money from the peak of the Internet Bubble on December 31, 1999 through the trough of the Financial Crisis on December 31, 2008. But…we did make something…which gave you a much better outcome than if you had invested in a passive index fund mirroring either the Russell 2500 Growth Index, our benchmark, or the S&P 500 Index. Both indexes lost money during that period.

Due to the "magic" of compounding and of not losing money during the Millennium Internet Bubble to Financial Panic period, $10,000 invested in Baron Focused Growth Fund on December 31, 1999 is worth 4.6 times that amount or $46,374 on March 31, 2019 (please see Table III). That is 41.9% more than an investment in a passive Russell 2500 Growth Index fund.

Table IV.
Top contributors to performance for the quarter ended March 31, 2019

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Total Return	Percent Impact
CoStar Group, Inc.	2014	$6.2	$17.0	38.26%	4.36%
Iridium Communications Inc.	2014	0.6	3.0	43.00	2.82
FactSet Research Systems, Inc.	2008	2.5	9.4	24.40	1.76
Guidewire Software, Inc.	2013	2.7	7.9	21.10	0.86
Hyatt Hotels Corp.	2009	4.2	7.7	7.63	0.83

Shares of **CoStar Group, Inc.**, a real estate information and marketing services company, increased on 2019 guidance that beat market expectations. Business trends are excellent, with bookings improving by roughly 15% year-over-year. We are excited about the integration of ForRent into Apartments.com, and we see sustained growth of 20% or more in the multi-family market. We expect the company to begin to raise prices given its unique competitive position in commercial real estate data. We believe CoStar has an exceptionally large opportunity to optimize its Premium Lister product.

Iridium Communications Inc. is a leading provider of mobile voice and data communications services via satellite. It is the only commercial provider offering true global coverage. Shares increased in the quarter. After years of investment, Iridium successfully launched its NEXT satellites into orbit, significantly reducing execution, growth, and liquidity risks. We expect Iridium to leverage the new platform to offer new services, expand its addressable market, and capture market share. Significant growth in its hosted payloads should also generate substantial dividends over time.

Shares of **FactSet Research Systems, Inc.**, a leading provider of investment management tools, increased on solid earnings driven by steady growth in annual subscription value, meaningful margin expansion, and mid-teens adjusted EPS growth. While strong recent performance has been relatively broad-based, the company's Analytics, CTS, and Wealth segments were the primary growth drivers. We retain conviction due to FactSet's large addressable market, consistent execution on new product development and financial results, and robust free cash flow generation.

Shares of P&C insurance software vendor **Guidewire Software, Inc.** contributed to performance in the quarter. Guidewire has broken out as the leader of core systems vendors. The company is early in its core system replacement cycle and has tripled its addressable market through new products and cloud delivery. Over time, we believe Guidewire will be the key software vendor for the global P&C insurance industry, capturing 30% to 50% of its $15 billion to $30 billion total addressable market and generating margins in excess of 40%.

Shares of global hotelier **Hyatt Hotels Corp.** increased in the quarter as the company continued to execute on its strategy of shifting to a more fee-based business through sales of its real estate assets. Management expects to oversee an additional $1.5 billion of asset sales over the next three years, bringing total sales to $1.9 billion. We believe the sales should result in an increase of Hyatt's fee-based income from 53% today to 66% in 2022, which we think will generate a more stable base for earnings.

Table V.
Top detractors from performance for the quarter ended March 31, 2019

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Total Return	Percent Impact
Tesla, Inc.	2014	$31.2	$48.3	–15.91%	–2.33%

Tesla, Inc.'s share price was negatively impacted due to concerns that lower government tax incentives for electric vehicle purchasers would reduce demand for Tesla's cars. Tesla's modest price reductions to offset lower incentives on its cars increased investor concerns. Tesla's sales in Europe, notably in Switzerland, Sweden, Norway, and Germany, were very strong. However, due to complicated delivery logistics, those sales were not fully reflected in the quarter's revenues. We believe Tesla's deliveries to consumers in April may have been at record levels. Management indicated that it expects car production to be more of a gating factor than demand, which is robust. In most markets, including the U.S., Tesla's Model 3 is the leading premium-priced sedan, not just the leading electric car. Tesla is making an effort to increase its battery cell production substantially.

Investment Strategy & Portfolio Structure

The strategy of Baron Focused Growth Fund is to invest for the long term in a focused portfolio of what we believe are appropriately capitalized, well-managed, small- and mid-cap growth businesses at attractive prices. We attempt to create a portfolio of less than 20 securities diversified by GICS sectors that will be approximately 80% as volatile (beta) as the market. These businesses are identified by our Firm's proprietary research and time-tested investment approach.

As of March 31, 2019, we held 14 investments. The Fund's average portfolio turnover for the past three years was 8.5%. This means the Fund has an average holding period for its investments of almost 12 years. This contrasts sharply with the average mid-cap growth mutual fund which typically "turns over" its portfolio every 21 months. From a quality standpoint, the Fund's investments have higher earnings growth than the benchmark, are more conservatively financed (as evidenced by lower debt-to-market capitalization ratio), and have a lower portfolio beta. We believe these metrics are important to help limit risk for this concentrated portfolio.

While focused, the Fund is diversified by sector. The Fund's sector weightings are significantly different than those of the Russell 2500 Growth Index. For example, the Fund is heavily weighted in Consumer Discretionary businesses with about 43% of its net assets in this sector vs. just 15% for the Index. The Fund is further diversified by investments in businesses at different stages of growth and development. For example, we classify the holdings of the Fund as one of three types: "disruptive," early stage growth businesses; companies with "real/irreplaceable assets" that have pricing power and represent a hedge against inflation; and finally, "core growth" businesses, long-term holdings that continue to steadily grow sales and earnings while using excess free cash to return value to shareholders.

Table VI.
Total returns by category

	% of Net Assets	Total Return (%)	Contribution to Return (%)
Russell 2500 Growth Index		**18.99**	
Core Growth	**17.8**	**18.55**	**3.08**
FactSet Research Systems, Inc.	8.3	24.40	1.76
Arch Capital Group Ltd.	4.3	20.96	0.83
Choice Hotels International, Inc.	5.2	8.61	0.50
Disruptive Growth	**48.3**	**14.49**	**6.87**
Iridium Communications Inc.	8.9	43.00	2.82
CoStar Group, Inc.	14.0	38.26	4.36
Bloom Energy Corporation	–	27.87	0.14
Guidewire Software, Inc.	4.4	21.10	0.86
Space Exploration Technologies Corp.	4.9	8.41	0.46
Benefitfocus, Inc.	4.9	8.31	0.55
Tesla, Inc.	11.2	–15.91	–2.33
Real/Irreplaceable Assets	**33.8**	**7.11**	**2.49**
Red Rock Resorts, Inc.	2.9	27.76	0.77
American Homes 4 Rent	2.3	14.71	0.34
Hyatt Hotels Corp.	11.0	7.63	0.83
Vail Resorts, Inc.	12.9	3.94	0.47
Manchester United plc	4.7	1.26	0.08
Cash	**0.1**	**0.08**	**0.00**
[Fees]	**–**	**–0.29**	**–0.30**
Total	**100.0**	**12.14**	**12.14**

Sources: FactSet PA, BAMCO, and Russell, Inc.

Table VII.
Disruptive Growth Companies

	Percent of Net Assets	Year Acquired	Cumulative Return Since Initial Purchase
CoStar Group, Inc.	14.0%	2014	124.6%
Tesla, Inc.	11.2	2014	8.3
Iridium Communications Inc.	8.9	2014	284.4
Benefitfocus, Inc.	4.9	2014	45.1
Space Exploration Technologies Corp.	4.9	2017	47.7
Guidewire Software, Inc.	4.4	2013	120.8

Rapidly growing, early stage, innovative, "disruptive" businesses account for 48.3% of Baron Focused Growth Fund's net assets. On current metrics, these businesses often appear expensive. Regardless, we think those businesses are competitively advantaged and well managed and are addressing huge business opportunities. We expect our "disruptive" businesses to continue to grow substantially and have the potential to generate exceptional returns for our shareholders over the long term. One reason is that the businesses they are attempting to "disrupt," are slow growing, high-cost, profitable businesses that are often not paying attention to the threat of a new competitor. Or even worse, are aware of the threat and ignore it because it would be costly to respond to the threat. Early in my career as an analyst in the 1970s, Robert Wilson, a highly regarded, hedged investor and one of my clients, suggested that I "buy the predator and sell the prey." Good advice then, and nearly fifty years later is perhaps even more relevant.

A few examples of businesses we regard as "disruptive" follow.

Guidewire Software, Inc. is replacing legacy on-premise insurance core systems with modern, cloud-delivered applications. Guidewire's software helps insurers to reduce costs, grow revenue, and improve its customer service. Insurers use Guidewire to undertake digital transformation, resulting in more agile, customer-centric organizations that can rapidly adapt to market opportunities. Guidewire's software also helps insurers to aggregate, manage, and analyze proprietary and third-party data to drive faster and more informed decisions.

Benefitfocus, Inc. is disrupting the benefits selection and enrollment process. Benefitfocus' platform replaces traditional in-person benefit selection information sessions with a modern, real-time online communications portal. It also replaces error-prone manual enrollment with an Amazon-like benefits shopping experience that securely synchronizes critical personal data between the employee, her benefits carriers, and the payroll platform. The company's recent launch of BenefitsPlace will similarly modernize the business of selecting and purchasing voluntary benefits and other insurance products.

CoStar Group, Inc. has created the commercial real estate (CRE) information and analytics industry. The company spent decades collecting a proprietary data set encompassing the domestic CRE installed base, and building web-based tools, analytics, and visualizations to help CRE ecosystem participants forecast, analyze, advertise, and transact on commercial properties. CoStar is similarly modernizing the traditional apartment rental experience by moving apartment advertising and search online to its Apartments.com platform from traditional offline channels like newspapers. CoStar's experience is far superior to offline search, offering real-time unit availability complete with rich information, images, and video. We expect the company to further improve the rental experience by moving more of the transaction, such as applying, credit scoring, and signing documents, onto its digital platform.

Table VIII.
Investments with Real/Irreplaceable Assets

	Percent of Net Assets	Year Acquired	Cumulative Return Since Initial Purchase
Vail Resorts, Inc.	12.9%	2013	279.9%
Hyatt Hotels Corp.	11.0	2009	177.0
Manchester United plc	4.7	2012	49.5
Red Rock Resorts, Inc.	2.9	2017	31.9
American Homes 4 Rent	2.3	2018	11.6

Companies that own what we believe are "real/irreplaceable assets" represented 33.8% of net assets. **Vail Resorts, Inc.**, owner of the premier ski resort portfolio in the world, upscale lodging brand **Hyatt Hotels Corp.**, and storied English Premier League sports franchise **Manchester United plc** are all examples of companies we believe possess meaningful brand equity and barriers to entry in their businesses that equate to pricing power over time.

Table IX.
Core Growth Investments: Growth, Dividends, and Share Repurchases

	Percent of Net Assets	Year Acquired	Cumulative Return Since Initial Purchase
FactSet Research Systems, Inc.	8.3%	2008	469.8%
Choice Hotels International, Inc.	5.2	2010	292.5
Arch Capital Group Ltd.	4.3	2003	795.9

Steady growers that continually return excess free cash to shareholders represent 17.8% of net assets. For example, **Choice Hotels International, Inc.** employs a capital-light franchise model for its economy hotel brands. This allows the company to return cash to shareholders through buybacks and dividends while still achieving strong revenue and earnings growth no matter the stage of the lodging cycle.

As one of the leading financial intelligence systems for the asset management industry, **FactSet Research Systems, Inc.** continues to grow into new areas via fixed income, risk management, and, most recently, wealth management with the recent win from Merrill Lynch's wealth management business. This should enable the company to grow while generating a steady stream of recurring cash flow that it uses for acquisitions and share buybacks.

Portfolio Holdings

For the quarter ended March 31, 2019, the Fund's top 10 holdings represented 86.0% of net assets. A number of these investments have been successful and were purchased when they were smaller businesses. We believe they continue to offer significant further appreciation potential, although we cannot guarantee that will be the case.

The top five positions in the portfolio, **CoStar Group, Inc.**, **Vail Resorts, Inc.**, **Tesla, Inc.**, **Hyatt Hotels Corp.,** and **Iridium Communications Inc.**, all have, in our view, significant competitive advantages due to "real/irreplaceable assets," strong brand awareness, technologically superior know-how or exclusive data that is integral to their operations. We think these businesses cannot be easily duplicated, which enhances their potential for superior earnings growth.

Baron Focused Growth Fund

Table X.
Top 10 holdings as of March 31, 2019

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Quarter End Investment Value (millions)	Percent of Net Assets
CoStar Group, Inc.	2014	$ 6.2	$17.0	$31.5	14.0%
Vail Resorts, Inc.	2013	2.3	8.7	29.1	12.9
Tesla, Inc.	2014	31.2	48.3	25.2	11.2
Hyatt Hotels Corp.	2009	4.2	7.7	24.7	11.0
Iridium Communications Inc.	2014	0.6	3.0	20.1	8.9
FactSet Research Systems, Inc.	2008	2.5	9.4	18.6	8.3
Choice Hotels International, Inc.	2010	1.9	4.3	11.7	5.2
Benefitfocus, Inc.	2014	0.7	1.6	11.1	4.9
Space Exploration Technologies Corp.	2017	–	–	11.0	4.9
Manchester United plc	2012	2.3	3.2	10.6	4.7

Thank you for investing in Baron Focused Growth Fund.

We continue to work hard to justify your confidence and trust in our stewardship of your family's hard-earned savings. We also continue to try to provide you with information we would like to have if our roles were reversed. This is so you can make an informed judgment about whether Baron Focused Growth Fund remains an appropriate investment for your family.

Respectfully,

Ronald Baron
CEO and Lead Portfolio Manager

David Baron
Co-Portfolio Manager

Investors should consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The prospectus and summary prospectus contains this and other information about the Funds. You may obtain them from its distributor, Baron Capital, Inc., by calling 1-800-99BARON or visiting www.BaronFunds.com. Please read them carefully before investing.

Risks: The Adviser believes that there is more potential for capital appreciation in small and medium-sized companies and using non-diversification, but there also may be more risk. Specific risks associated with non-diversification include increased volatility of the Fund's returns and exposure of the Fund to greater risk of loss in any given period. Securities of small and medium-sized companies may be thinly traded and they may be more difficult to sell during market downturns. The Fund may not achieve its objectives. Portfolio holdings are subject to change. Current and future holdings are subject to risk.

The discussions of the companies herein are not intended as advice to any person regarding the advisability of investing in any particular security. The views expressed in this report reflect those of the respective portfolio managers only through the end of the period stated in this report. The portfolio manager's views are not intended as recommendations or investment advice to any person reading this report and are subject to change at any time based on market and other conditions and Baron has no obligation to update them.

This report does not constitute an offer to sell or a solicitation of any offer to buy securities of Baron Focused Growth Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

Beta: measures a fund's sensitivity to market movements. The beta of the market (Russell 2500 Growth Index) is 1.00 by definition.

Alpha: measures the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta.