December 31, 2018

Baron Growth Fund

Retail Shares (BGRFX) and Institutional Shares (BGRIX)

BAMCO, Inc., Registered Investment Adviser

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

Investment Strategy

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

Portfolio Managers

Ron Baron is Baron Capital's founder, CEO, and CIO, and he has 49 years of research and investment experience.

Neal Rosenberg joined Baron in 2006 as a research analyst and was named co-portfolio manager in 2018. He has 16 years of research experience.

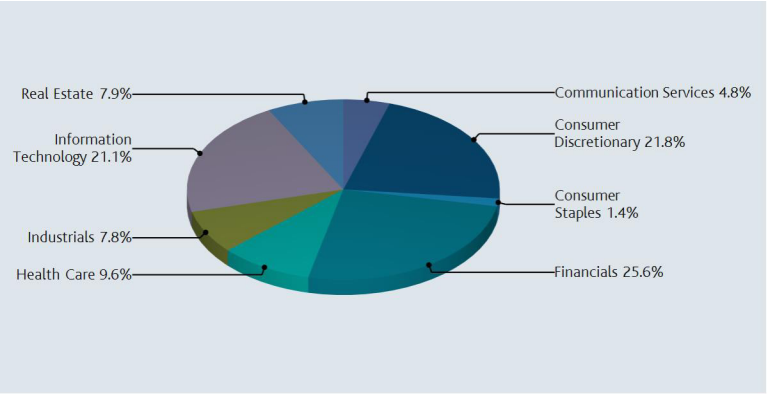
Please visit our website for details on their experience and education.

Portfolio Facts and Characteristics

Inception Date	December 31, 1994
Net Assets	$5.40 billion
# of Equity Securities / % of Net Assets	59 / 101.4%
Turnover (3 Year Average)	3.33%
Active Share	97.1%
Median Market Cap†	$3.35 billion
Weighted Average Market Cap†	$7.52 billion
Retail Shares	
CUSIP	068278209
Expense Ratio[4]	1.29%
Institutional Shares	
CUSIP	068278704
Expense Ratio[4]	1.03%

†Source: FactSet PA and BAMCO.
R6 Shares are also available for this Fund.

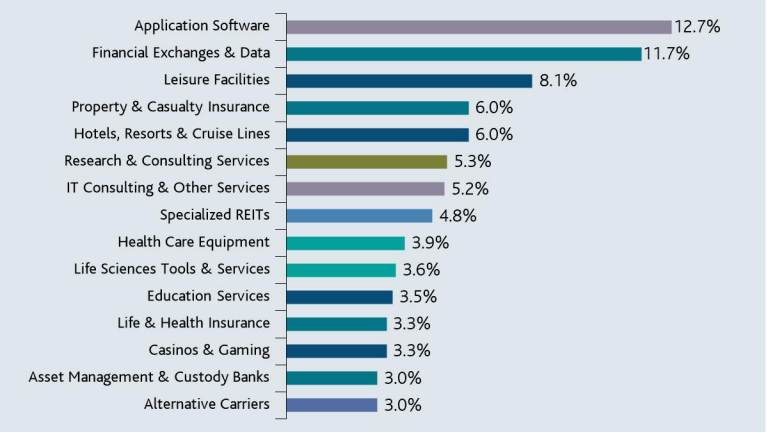
GICS Sector Breakdown[1,2]



Performance Based Characteristics - Retail Shares[3]

	3 Years	5 Years	10 Years	Since Inception
Std. Dev. (%) - Annualized	14.81	13.61	15.41	17.22
Sharpe Ratio	0.56	0.36	0.85	0.58
Alpha (%) - Annualized	3.28	1.44	2.64	6.78
Beta	0.81	0.76	0.78	0.69
R-Squared (%)	83.92	83.86	89.24	79.12
Tracking Error (%)	6.71	6.68	6.51	10.55
Information Ratio	0.31	0.05	0.00	0.47
Upside Capture (%)	94.05	82.39	82.56	82.86
Downside Capture (%)	80.72	76.82	72.40	62.52

Top GICS Sub-Industry Breakdown[1,2]



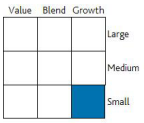
Colors of Sub-Industry bars correspond to sector chart above.

Top 10 Holdings[2] — % of Total Investments

Vail Resorts, Inc.	8.1
CoStar Group, Inc.	5.3
Gartner, Inc.	5.2
Arch Capital Group Ltd.	5.1
MSCI, Inc.	4.9
FactSet Research Systems, Inc.	4.6
Choice Hotels International, Inc.	3.9
ANSYS, Inc.	3.9
IDEXX Laboratories, Inc.	3.9
Bright Horizons Family Solutions, Inc.	3.5
Total	**48.4**
Long Equity Exposure (% of Net Assets)	101.4
Cash & Equivalents (% of Net Assets)	-1.4

Risks

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 - 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.

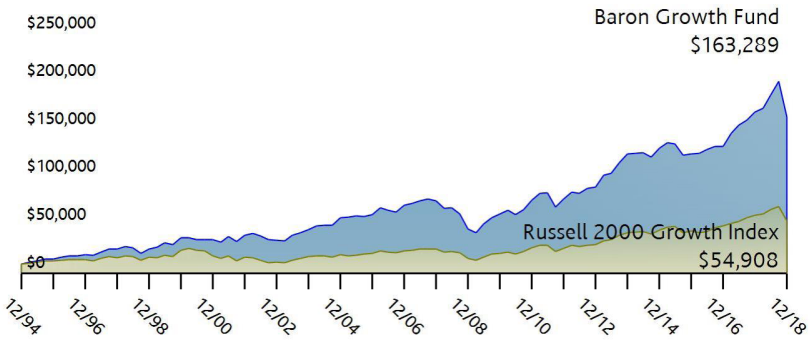
3 - Source: FactSet SPAR. Except for Standard Deviation and Sharpe Ratio, the performance based characteristics above were calculated relative to the Fund's benchmark.

4 - As of FYE 9/30/2018

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.

BARON FUNDS

Comparison of Change in Value of $10,000 Investment in Baron Growth Fund - Retail Shares vs. the Russell 2000 Growth Index as of December 31, 2018



Historical Performance(Calendar Year %)

Year	BGRFX	Russell 2000 Growth Index	S&P 500 Index
2004	26.61	14.31	10.88
2005	5.71	4.15	4.91
2006	15.50	13.35	15.79
2007	6.59	7.05	5.49
2008	-39.18	-38.54	-37.00
2009	34.24	34.47	26.46
2010	24.01	29.09	15.06
2011	1.24	-2.91	2.11
2012	16.43	14.59	16.00
2013	38.32	43.30	32.39
2014	4.40	5.60	13.69
2015	-4.31	-1.38	1.38
2016	6.04	11.32	11.96
2017	27.04	22.17	21.83
2018	-2.92	-9.31	-4.38

Performance as of December 31, 2018

	Total Return (%)				Annualized Returns (%)					Cumulative Returns (%)
	4th Q 2018	3rd Q 2018	2nd Q 2018	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 12/31/1994	Since Inception 12/31/1994
BGRFX-Retail Shares	-18.58	7.86	7.94	-2.92	-2.92	9.35	5.49	13.49	12.34	1532.89
BGRIX-Institutional Shares	-18.53	7.94	8.01	-2.67	-2.67	9.63	5.76	13.77	12.46	1573.57
Russell 2000 Growth Index	-21.65	5.52	7.23	-9.31	-9.31	7.24	5.13	13.52	7.35	449.08
S&P 500 Index	-13.52	7.71	3.43	-4.38	-4.38	9.26	8.49	13.12	9.41	765.76
Morningstar Mid-Cap Growth Category Average	-17.57	6.48	4.16	-6.65	-6.65	7.27	5.61	13.16	N/A	N/A
Morningstar Small Growth Category Average	-20.82	7.00	8.53	-5.76	-5.76	8.47	5.12	13.36	N/A	N/A

Top Contributors/Detractors to Performance for the Quarter Ended December 31 2018[5]

BY SUB-INDUSTRIES[1]

Top Contributors	Average Weight(%)	Contribution(%)
Household Products	0.80	0.07
Diversified REITs	0.30	0.02

Top Detractors	Average Weight(%)	Contribution(%)
Application Software	12.28	-2.49
Leisure Facilities	8.49	-1.85
Casinos & Gaming	3.68	-1.54
Financial Exchanges & Data	11.23	-1.49
Hotels, Resorts & Cruise Lines	5.90	-1.36

BY HOLDINGS

Top Contributors	Average Weight(%)	Contribution(%)
Benefitfocus, Inc.	1.52	0.16
Church & Dwight Co., Inc.	0.80	0.07
American Assets Trust, Inc.	0.30	0.02

Top Detractors	Average Weight(%)	Contribution(%)
Vail Resorts, Inc.	8.49	-1.85
Gartner, Inc.	5.31	-1.07
IDEXX Laboratories, Inc.	3.99	-1.07
Penn National Gaming, Inc.	1.95	-1.05
CoStar Group, Inc.	5.20	-1.05

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.

Footnotes continued from prior page.
5 - Source: FactSet PA.

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.

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. Morningstar calculates the **Morningstar US Fund Small Growth Category Average** using its Fractional Weighting methodology. Morningstar moved Baron Growth Fund from the **Small Growth Category** effective 5/31/2011 to the **Mid-Cap Growth Category**. The Fund's investment mandate has been, and continues to be, to invest in small-cap growth stocks for the long term. 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 a result, we provide comparative performance data for the Fund against the Morningstar Small Growth and Morningstar Mid-Cap Growth Categories. Morningstar calculates the **Morningstar US Fund Mid-Cap Growth Category Average** using its Fractional Weighting methodology. © 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.