Dear Baron Growth Fund Shareholder:

Performance

The three-month period ended March 31, 2019 was the most successful quarter for U.S. equity markets since 2009. The Fed's increasingly "dovish" monetary policy combined with investor optimism that trade negotiations between the U.S. and China will reach a successful conclusion were the catalysts for the strong performance. Baron Growth Fund (the "Fund") rose 21.67% (Institutional Shares) during the three months. The Fund's results meaningfully exceeded those of its primary benchmark, the Russell 2000 Growth Index, which rose 17.14%. The S&P 500 Index, an index that measures the performance of approximately 80% of publicly traded large-cap companies, increased 13.65%.

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

	Baron Growth Fund Retail Shares[1,2]	Baron Growth Fund Institutional Shares[1,2,3]	Russell 2000 Growth Index[1]	S&P 500 Index[1]
Three Months[4]	21.60%	21.67%	17.14%	13.65%
One Year	15.27%	15.57%	3.85%	9.50%
Three Years	16.62%	16.92%	14.87%	13.51%
Five Years	9.66%	9.94%	8.41%	10.91%
Ten Years	16.63%	16.92%	16.52%	15.92%
Fifteen Years	9.73%	9.92%	8.71%	8.57%
Since Inception (December 31, 1994)	13.12%	13.23%	7.98%	9.89%

The Fund's relative outperformance was driven by favorable stock selection, which is the goal of our fundamentally-driven investment philosophy. The Fund's performance was robust across its entire portfolio. Stock prices of securities representing 63% of the Fund's average net assets appreciated more than 20% and stock prices representing almost 80% of the Fund's average net assets gained more than 10% during the period. What made the Fund's performance in the quarter even more satisfying was that this period was preceded by a difficult 2018. Baron Growth Fund reported only *relative* outperformance last year. In that instance by *losing less* than its benchmark. Baron Growth Fund's portfolio of small- and mid-sized, competitively advantaged growth businesses last year declined 2.67%. The Fund's primary benchmark, the Russell 2000 Growth Index, fell 9.31% in 2018 while the S&P 500 Index fell 4.38%.

NEAL ROSENBERG
CO-PORTFOLIO
MANAGER

RONALD BARON
CEO AND LEAD
PORTFOLIO MANAGER

Retail Shares: BGRFX
Institutional Shares: BGRIX
R6 Shares: BGRUX

While we are aware of political issues…monetary policy…trade… immigration… energy prices…Brexit…credit card use…and satellite pictures of cars in parking lots…and find everything incredibly interesting…we do not base investment decisions for your hard-earned savings on current information and news. We think political developments are largely unpredictable and forecasting the corresponding impact on stock prices is even more capricious. There is no better evidence than market activity over the past several quarters.

Instead of trying to predict the unpredictable, we spend our time doing fundamental due diligence alongside our growing team of tenured and junior analysts. We meet regularly with management teams and their competitors, customers, and suppliers to gain a holistic understanding of a business' long-term growth opportunities. We also seek to understand the costs required to achieve that growth. Our portfolio is an outcome of this research effort, and is constructed from a bottom-up perspective.

Our investments share a set of common characteristics, which include serving large addressable markets, benefiting from favorable secular trends, enjoying high barriers to entry, and being run by, in our view, best-in-class

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail shares and Institutional shares as of September 30, 2018 was 1.29% and 1.03%, respectively. 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.

1 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.

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

3 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.

4 Not annualized.

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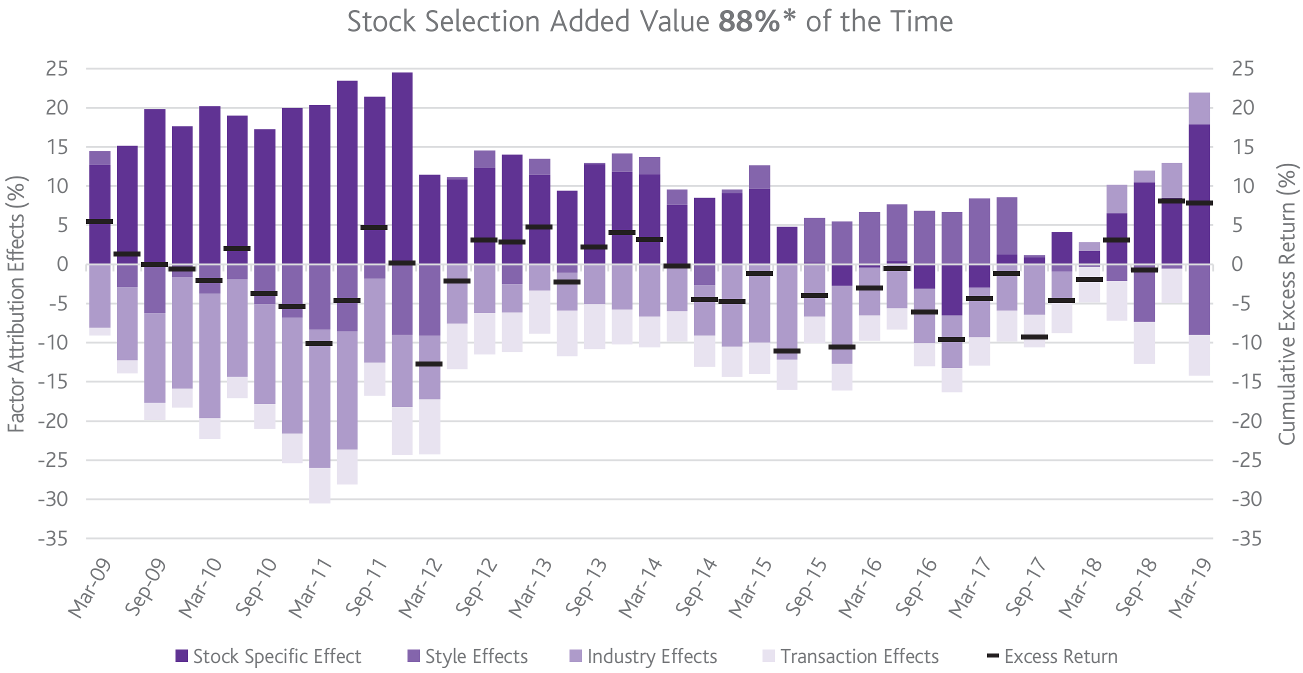
management teams. Many businesses in which we have been long-term shareholders benefit from recurring revenue models; have attractive operating margins; and variable cost structures. That creates predictable earnings and cash flow streams that are less sensitive to the ebbs and flows of geopolitical and macroeconomic cycles. By extension, we believe such investments are inherently less risky. The market agrees, and as such, our portfolio's risk (i.e., volatility as measured by beta) is approximately 30% less than the market (see Table II).

Table II.
Performance Based Characteristics as of March 31, 2019

	Time Interval			
	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 12/31/1994 to 3/31/2019
Alpha (%)	5.05	3.49	5.35	7.08
Beta	0.58	0.79	0.66	0.69

Our fundamental, bottom-up approach again generated attractive returns this quarter. The Fund returned 21.67%, which exceeded the returns of our benchmark by 4.53%. When we parse these returns using standard portfolio analytic techniques, we find that all the excess returns can be attributed to favorable stock selection. This contrasts with allocation effect, which represents the excess returns that a portfolio derives from targeting certain sectors or industries. Over time, we expect stock selection to continue to be the primary driver of our returns, as this is where we devote our attention and resources. As shown in Table III, this has generally been true on a historical basis. We expect the impact of allocation to vary over time, as broader market sentiment ebbs and flows and other investors chase shorter-term trends.

Table III.
Historical Contribution from Stock Selection



** Based on results from quarterly rolling 3-year Barra factor attribution reports for Baron Growth Fund vs. the Russell 2000 Growth Index.*

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

The effects in the chart above were calculated using MSCI Barra's USE3-L factor model. The model attributes a portfolio's excess return to four types of sources: style effects, industry effects, transaction effects, and stock specific effect. Style effects are common market factors that include currency sensitivity, dividend yield, earnings variation, earnings yield, growth, leverage, momentum, non-estimation universe, size, size non-linearity, trading activity, value, and volatility, as defined and calculated by MSCI Barra. Industry factors are common market factors that include 55 industries, as defined and calculated by MSCI Barra (a classification similar to GICS but not exactly GICS). Transaction effects account for the impact of trading activity and management fees. Stock specific effect is the portion of excess return not explained by style factors, industry factors, or transaction effect.

Table IV.
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 12/31/1994 to 3/31/2019	
	Value $10,000	Cumulative	Value $10,000	Cumulative	Value $10,000	Cumulative	Value $10,000	Cumulative
Baron Growth Fund (Institutional Shares)	$12,448	24.48%	$44,220	342.20%	$55,048	450.48%	$203,626	1,936.26%
Russell 2000 Growth Index	$ 6,476	(35.24)%	$41,641	316.41%	$26,966	169.66%	$ 64,322	543.22%
S&P 500 Index	$ 7,188	(28.12)%	$38,985	289.85%	$28,022	180.22%	$ 98,392	883.92%

Baron Growth Fund has significantly outperformed its peers over the long term. A $10,000 investment in Baron Growth Fund at its inception would be worth $203,626 at March 31, 2019. This is more than three times greater than the $64,322 value of the same investment made in a passive fund that tracks the Russell 2000 Growth Index. Those returns were achieved with approximately 30% less volatility than the benchmark. While this lower volatility tends to be underappreciated in strong markets, we view it as a particularly valuable attribute when markets inevitably turn volatile.

Baron Growth Fund didn't make much money from the peak of the Internet Bubble December 31, 1999 through the trough of the Financial Crisis on December 31, 2008, but did generate positive returns...24.48% in total to be precise. This is a much better outcome than if you had invested in a passive fund that tracks the Russell 2000 Growth Index or the S&P 500 Index, both of which declined during that period. (See Table IV-Millennium Internet Bubble to Financial Panic.) The Russell 2000 Growth Index *fell* 35.24% while the large cap S&P 500 Index fell 28.12%!

The effects of compounding illustrate the difference between making money and losing it over the long term. A $10,000 investment in Baron Growth Fund on December 31, 1999 was worth $55,048 on March 31, 2019. That is more than double an investment in a passive Russell 2000 Growth Index mutual fund (See Table IV – Millennium Internet Bubble to Present). We are pleased that our long-term investments in what we believe are competitively advantaged growth companies with exceptional management teams help us to generate attractive returns in good markets, and help to protect on the downside during more challenging ones.

Table V.
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.	2004	$0.7	$17.0	38.26%	1.95%
MSCI, Inc.	2007	1.8	16.8	35.32	1.65
SS&C Technologies Holdings, Inc.	2010	1.0	16.1	41.42	1.24
Iridium Communications Inc.	2014	0.6	3.0	43.26	1.18
ANSYS, Inc.	2009	2.3	15.3	27.82	1.11

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.

Shares of **MSCI, Inc.**, a leading provider of investment decision support tools, contributed to performance due to solid fourth quarter earnings and an upbeat investor day presentation in which management presented an optimistic long-term financial model. We retain conviction in MSCI because we believe the company owns strong franchises and stands to benefit from a number of prominent tailwinds. Among them are strong interest by investors in ETFs and ESG.

Shares of financial technology vendor **SS&C Technologies Holdings, Inc.** contributed to performance after the company reported strong fourth quarter earnings. SS&C also gave encouraging 2019 guidance, demonstrating that the integration of three 2018 acquisitions is moving ahead of schedule. We retain conviction, as we believe the company will generate attractive earnings growth through market share gains, cross-sales of its expanded services portfolio, new product introductions, and synergy-led margin expansion.

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 investments, Iridium successfully launched its 75 NEXT satellites into orbit, significantly reducing execution, growth, and liquidity risks. We expect Iridium to leverage its completed 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.

ANSYS, Inc. is a leading provider of physics-based simulation software. During the quarter, the company contributed to performance due to strong financial results highlighted by solid growth in annual contract value. These results suggest the company's new go-to-market strategy is improving execution across all geographies and driving several large deals, including one worth $59 million, the largest deal closed in ANSYS's history. We believe new product launches and partnerships will support additional growth with new and existing customers.

Table VI.
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
None					

We are pleased that none of the Fund's holdings detracted from absolute performance in the first quarter.

Recent Purchases

The Fund added to its position in **Neogen Corp.** during the quarter. Neogen develops, manufactures, and markets a diverse line of products dedicated to food and animal safety. The Food Safety segment sells diagnostic test kits that detect dangerous or unintended substances in human food and animal feed. The Animal Safety segment sells pharmaceuticals, rodenticides, disinfectants, vaccines, instruments, genetic tests, and diagnostics, primarily to the production animal veterinary market.

We believe that Neogen serves a large addressable market that is benefiting from powerful secular tailwinds. Neogen is benefiting from increasing global food safety standards. According to the U.S. Center for Disease Control, every year 48 million Americans fall ill, 128,000 are hospitalized, and 3,000 die from foodborne disease. These numbers are dwarfed by international statistics, particularly in developing markets. Regulators in the U.S. and EU are continuously expanding and enhancing testing and reporting protocols to reduce these largely preventable illnesses, highlighted by the recent passage of the U.S. Food Safety Modernization Act. Regulation is just one vector of enhanced demand for food safety. High profile food safety issues, such as 2018 issues with romaine lettuce and ground turkey, or Chipotle's multi-month E. coli outbreak are significantly disruptive to brands, companies, or entire industries. From a company's perspective, the financial costs of enhancing food safety pale in comparison to the dramatic financial and reputational consequences of enduring a high-profile food safety issue. Market growth is also robust in the developing world, where population growth and rising standards of living are creating more demand for animal proteins. We expect a robust food safety market to follow in these geographies as standards of living continue to improve.

In aggregate, Neogen addresses a market that is worth at least $4 billion annually and is growing at mid-single-digit rates. We expect the company to outgrow the market as it takes share, launches new products, and expands into new geographies. Around 60% of revenue currently comes from North America, with the majority of its international revenue stemming from the EU. However, the company now has a local presence in Brazil, Mexico, India, and China, all of which have sizeable beef and dairy herds, significantly growing demand for animal protein, and emerging food safety regulations.

We expect organic growth to be supplemented by acquisitions that bring unique food or animal safety assets to Neogen. The company has successfully completed 40 transactions since 2000, which have added novel capabilities, most recently in the rapidly growing animal genomics space. We believe that most deals will be modest in size and scope, adding niche functionality or enhancing the company's scale in a geography or market. There are a handful of relatively larger acquisitions that we believe could be transformational.

Portfolio Structure and Investment Strategy

The Fund seeks to invest in businesses that we believe have attractive and durable fundamental characteristics. We look for companies that we believe have large addressable markets, are driven by positive secular trends, and are benefiting from high and growing barriers to entry. We favor business models that have high levels of recurring revenue, generate attractive incremental margins, and have strong free cash flow conversion. We exclusively invest with management teams that we consider to be best-in-class, who have incentives that are aligned with ours and operate their companies with the goal of driving long-term shareholder value. (Note that this statement represents our opinion and is not based on a third-party ranking.) When we identify businesses that meet our investment criteria, we seek to buy them at reasonable prices relative to their long-term potential. We expect these investments to generate attractive long-term performance as their revenue and earnings compound at above-market rates. Ideally, we will also benefit from multiple expansion, meaning that we have paid a particularly attractive price for our investment. Occasionally this occurs when we have identified an asset whose attributes were underappreciated or unknown by investors. This also occurs when management teams take actions that are detrimental to short-term financial performance in pursuit of longer-term growth opportunities, or when the broader market declines due to macroeconomic concerns. We relish these situations as our focus on longer-term results allows us to see past short-term uncertainties in pursuit of longer-term returns.

The Fund tends to hold investments for the long term. As of March 31, 2019, almost 87% of the portfolio had been held for more than 5 years, and approximately 55% had been held for more than 10 years. This is dramatically longer than most other small-cap growth funds, which turn over about 72% of their portfolios annually, according to Morningstar. We view this long-term perspective as a source of our competitive advantage and a key driver of returns over time.

Table VII.
Top performing stocks owned more than five years

	Year of First Purchase	Cumulative Total Return Since First Date of Purchase
Choice Hotels International, Inc.	1997	1,499.3%
IDEXX Laboratories, Inc.	2005	1,453.6
Vail Resorts, Inc.	1997	1,179.3
CoStar Group, Inc.	2004	1,064.9
Arch Capital Group Ltd.	2002	1,030.5
Mettler-Toledo International, Inc.	2008	902.2
Alexander's, Inc.	1999	877.6
Church & Dwight Co., Inc.	2006	808.9

Baron Growth Fund owns stock in 37 businesses that it has held for more than five years. These investments represent 87% of the Fund's assets and have earned an annualized rate of return of 17.4% based on weighted average assets since they were first purchased. This exceeds the performance of the Fund's benchmark by 7.0% per year. Most Fund investments that have been held for more than five years have realized approximately three- to eight-fold appreciation so far, and eight have achieved returns in excess of nine times since their initial purchase. In addition, 8 of the 37 investments have achieved annualized returns that exceed their benchmark by more than 10%.

Table VIII.
Top performing stocks owned less than five years

	Year of First Purchase	Cumulative Total Return Since First Date of Purchase
Iridium Communications Inc.	2014	265.2%
Wix.com Ltd.	2016	157.6
Kinsale Capital Group, Inc.	2016	155.6
Performance Food Group Company	2015	106.5
Moelis & Company	2015	101.6
Altair Engineering Inc.	2017	101.0

We exclusively purchase small-cap companies that we think can double in size in a four- or five-year period. Investments held for less than five years include 22 stocks that account for 13% of the portfolio. As a group, they have returned 26.3% annually based on weighted average assets since their initial purchase, and exceeded our benchmark by 16.4% annualized. 13 of these investments have achieved annualized returns that exceeded our benchmark by more than 10%, and 8 have achieved annualized returns that exceeded our benchmark by more than 20%.

PORTFOLIO HOLDINGS

As of March 31, 2019, Baron Growth Fund held 60 investments. The top 10 holdings represented 48.6% of the Fund's net assets. All these top 10 investments have grown dramatically since they were purchased when they were smaller businesses. We believe they all continue to offer significant further appreciation potential, although we cannot guarantee that will be the case. We believe the Fund's diversified portfolio offers investors potentially better-than-market returns with less risk than the market. Note that diversification cannot guarantee a profit or protect against loss.

Baron Growth Fund purchases only small-cap companies. Since the Fund holds its investments for the long term, the Fund has a significant percentage of assets invested in securities that have appreciated beyond their market capitalizations at the time of the Fund's investment. Baron Growth Fund's median market cap is $4.2 billion; its weighted geometric average market cap is $7.7 billion. The Morningstar U.S. market breakpoints for small- and mid-cap funds were $3.5 billion and $18.2 billion, respectively, as of March 31, 2019.

Table IX.
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
Vail Resorts, Inc.	1997	$0.2	$ 8.7	$456.3	7.0%
CoStar Group, Inc.	2004	0.7	17.0	396.5	6.1
MSCI, Inc.	2007	1.8	16.8	358.9	5.5
Gartner, Inc.	2007	2.3	13.6	337.5	5.2
Arch Capital Group Ltd.	2002	0.4	13.0	322.4	4.9
FactSet Research Systems, Inc.	2006	2.5	9.4	310.3	4.7
ANSYS, Inc.	2009	2.3	15.3	274.1	4.2
IDEXX Laboratories, Inc.	2005	1.9	19.2	247.1	3.8
SS&C Technologies Holdings, Inc.	2010	1.0	16.1	238.8	3.6
Iridium Communications Inc.	2014	0.6	3.0	235.1	3.6

Thank you for joining us as fellow shareholders in Baron Growth Fund. We are appreciative of the confidence you have shown in us. We will continue to work hard to justify that confidence.

Respectfully,

Ronald Baron
CEO and Lead Portfolio Manager

Neal Rosenberg
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 smaller companies, but there also may be more risk. Specific risks associated with investing in smaller companies include that the securities 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 portfolio 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 Growth Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

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 (Russell 2000 Growth Index) is 1.00 by definition.