

September 30, 2018
Institutional Shares (BIOIX)

Baron Opportunity Fund Fact Sheet

BAMCO, Inc., Registered Investment Adviser



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

The Fund's historical performance was impacted by gains from IPOs and/or secondary offerings, and there is no guarantee that these results can be repeated or that the Fund's level of participation in IPOs and secondary offerings will be the same in the future.

Definitions (provided by BAMCO, Inc.): The indexes are unmanaged. The **Russell 3000® Growth Index** measures the performance of the broad growth segment of the U.S. equity universe comprised of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market 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 Institutional Shares have been included in the category since 5/29/09 and the Retail Shares since inception. © 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.

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



Portfolio Facts and Characteristics

	Fund	Russell 3000 Growth Index
# of Equity Securities / % of Net Assets	59 / 94.0%	-
Turnover (3 Year Average)	29.66%	-
Active Share	67.7%	-
Median Market Cap†	\$15.74 billion	\$1.82 billion
Weighted Average Market Cap†	\$251.81 billion	\$294.79 billion
EPS Growth (3-5 year forecast)†	24.3%	17.4%
Price/Earnings Ratio (trailing 12-month)*†	42.1	25.7
Price/Book Ratio*†	7.1	6.2
Price/Sales Ratio*†	6.8	3.1

* 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 Characteristics²

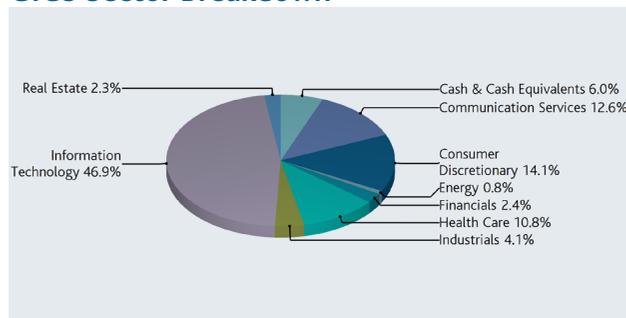
	3 Years	5 Years	10 Years
Std. Dev. (%) - Annualized	14.39	15.38	18.83
Sharpe Ratio	1.57	0.85	0.74
Alpha (%) - Annualized	-1.29	-5.21	-1.58
Beta	1.23	1.23	1.16
R-Squared (%)	75.11	69.37	83.48
Tracking Error (%)	7.54	8.85	8.02
Information Ratio	0.40	-0.30	0.01
Upside Capture (%)	120.52	113.68	114.41
Downside Capture (%)	141.22	167.17	126.86

Top 10 Holdings

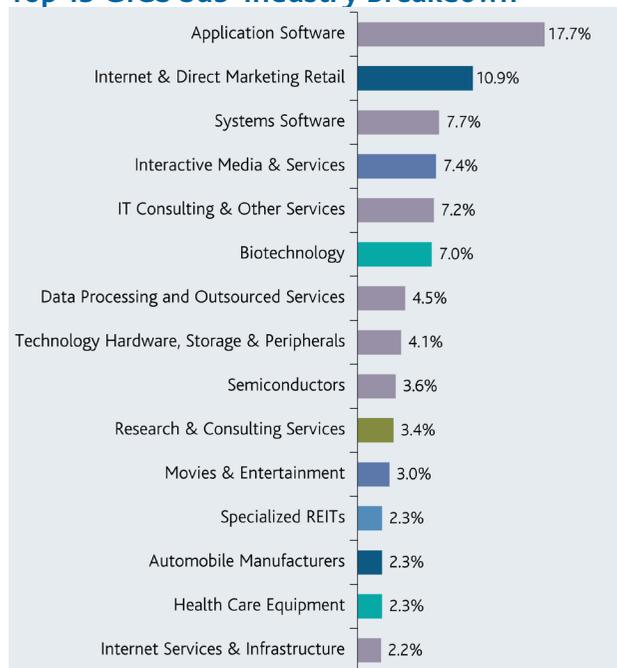
% of Net Assets

Amazon.com, Inc.	6.3
Microsoft Corporation	5.0
Guidewire Software, Inc.	4.9
Alphabet Inc.	4.8
Gartner, Inc.	4.4
Apple, Inc.	4.1
Acxiom Corporation	2.8
CoStar Group, Inc.	2.7
Tesla, Inc.	2.3
Wix.com Ltd.	2.2
Total	39.5

GICS Sector Breakdown¹



Top 15 GICS Sub-Industry Breakdown¹



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

Securities issued by small and medium sized companies may be thinly traded and may be more difficult to sell during market downturns. Companies propelled by innovation, including technology advances and new business models, may present the risk of rapid change and product obsolescence, and their success may be difficult to predict for the long term. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund's returns.

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

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

3 - As of FYE 9/30/2017

Investment Strategy

The Fund invests primarily in high growth businesses of any market capitalization benefiting from innovation through development of pioneering, transformative, or technologically advanced products and services. Diversified.

Portfolio Manager

Michael Lippert joined Baron in 2001 as a research analyst and was named portfolio manager in 2006. He has 17 years of research experience. In 2001, Michael worked at JLF Asset Management as a financial analyst and general counsel. From 1991 to 2001, Michael worked at Baker & Botts L.L.P. as a trial partner. Michael graduated summa cum laude from Tufts University with a B.A. in History in 1988 and from Columbia Law School with a J.D. in 1991.

Investment Principles

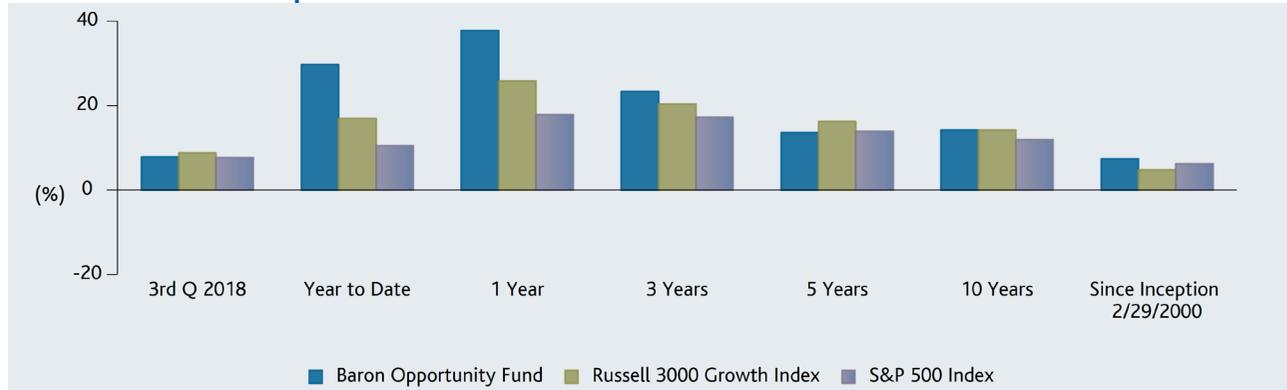
- Long-term perspective allows us to think like an owner of a business
- Independent and exhaustive research is essential to understanding the long-term fundamental growth prospects of a business
- We seek appropriately capitalized open-ended growth opportunities, exceptional leadership, and sustainable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

Fund Facts

Inception Date	February 29, 2000
Net Assets	\$473.97 million
Institutional Shares	
CUSIP	068278886
Expense Ratio ³	1.14%



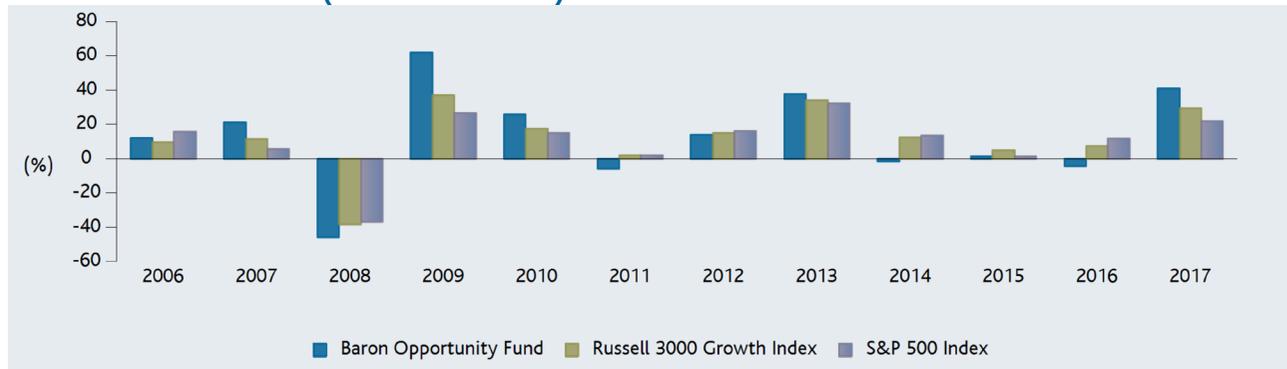
Performance as of September 30 2018



	Total Returns(%)				Annualized Returns(%)									
	3rd Q 2018		Year to Date		1 Year		3 Years		5 Years		10 Years		Since Inception 2/29/2000	
	Return	+ -	Return	+ -	Return	+ -	Return	+ -	Return	+ -	Return	+ -	Return	+ -
BIOIX - Institutional Shares	7.84		29.72		37.73		23.39		13.59		14.23		7.38	
Russell 3000 Growth Index	8.88	-1.04	16.99	12.73	25.89	11.84	20.36	3.03	16.23	-2.64	14.18	0.05	4.81	2.57
S&P 500 Index	7.71	0.13	10.56	19.16	17.91	19.82	17.31	6.08	13.95	-0.36	11.97	2.26	6.20	1.18
Morningstar Mid-Cap Growth Category Average	6.48	1.36	13.42	16.30	20.31	17.42	15.81	7.58	11.68	1.91	11.97	2.26	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
BIOIX - Institutional Shares	12.14	21.10	-46.06	62.08	25.74	-5.93	14.04	37.90	-1.40	1.45	-4.56	40.88
Russell 3000 Growth Index	9.46	11.40	-38.44	37.01	17.64	2.18	15.21	34.23	12.44	5.09	7.39	29.59
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

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.

Unless otherwise noted, all performance and performance related calculations are based on the Institutional Shares. 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.



Review and Outlook

After staging a recovery in the second quarter of 2018, U.S. equities continued their advance in the third quarter. Large-cap stocks outperformed their small-cap counterparts, and growth outpaced value across most size segments. Volatility was subdued as the markets shrugged off trade tensions and ongoing turmoil in Washington and focused on strong corporate earnings and solid economic conditions to push to record highs.

Baron Opportunity Fund increased in the third quarter. Holdings in Information Technology (IT) contributed the majority of the positive performance in the quarter, with Health Care and Industrials top contributing sectors as well. IT had a strong quarter, with 7 of the top 10 contributors within the sector, including Acxiom Corporation and Apple Inc., respectively the top and third largest contributor to performance. Acxiom changed its name to LiveRamp Holdings, Inc. in October. Positive performance of the Health Care sector was led by Illumina, Inc., the leading provider of next generation DNA sequencing instruments and consumables. The stock rose after the company reported financial results that exceeded investor expectations, driven by strong growth of sequencing consumables. Bloom Energy Corporation drove performance of Industrials, after its stock rose 85% following its IPO in late July.

Communication Services and Financials holdings detracted. Second largest detractor Electronic Arts Inc. led weak performance of the new Communication Services sector. Financials gave up ground on declines in the share prices of the portfolio's two investments in the sector.

Toward the end of the quarter and into October, the market pulled back sharply and experienced a substantial increase in volatility. This period of increased volatility could persist for some time. How long is almost impossible to predict. But amidst all this uncertainty, our research and company reports confirm that the growth prospects and secular trends for our investments remain excellent - in fact, as strong as ever, in our view. We believe the economic and market factors and unknowns should have little to no impact on the fundamentals for the industries and businesses we favor given their powerful and sustainable secular and structural growth drivers. We have confidence that our portfolio should be in a relatively strong position to weather and thrive in a variety of economic, market, and political environments. While certainly not every quarter or even every year, our conviction remains that sustainable/secular growth matters and will be the predominant foundation of longer term market leadership for both individual businesses and industry groups.

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

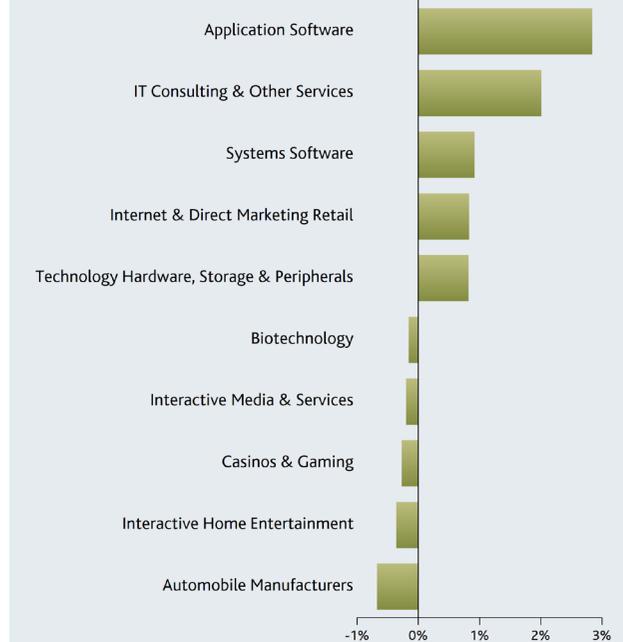
Contributors

- **Acxiom Corporation** is a leader in marketing data services and identity management for enterprises. The company's platform combines a web of data, intelligence, and analysis that empowers brands across several industries. Shares appreciated significantly after Acxiom announced an agreement to sell its legacy marketing services business to Interpublic group. We had long anticipated the sale, but the price markedly exceeded our expectations. We retain conviction, as we believe Acxiom is uniquely positioned to be the identity management player in the marketing and advertising ecosystem.
- **Amazon.com, Inc.**, the world's largest online retailer, contributed to performance as it continued to increase its total addressable market at an unprecedented pace. We believe Amazon can keep gaining share in the \$1 trillion global advertising market, which would not only present a large revenue opportunity, but also substantially improve the company's core margins. Amazon remains one of our highest conviction investment ideas, and we believe it may one day become the most valuable company in the world.
- **Apple, Inc.** creates hardware and software products enjoyed by hundreds of millions of users. Shares contributed to performance in the quarter due to iPhone sales that beat Street expectations, evidence of consumer attraction to high-price phones, and an exciting set of new products that present opportunities for Apple to expand its footprint in health care and augmented reality. We retain conviction given our belief in the strength of Apple's brand and the growth potential for services. We also see margin pressure relaxing in the near term as memory costs moderate.

Detractors

- **Tesla, Inc.** designs, manufactures, and sells fully electric vehicles, solar products, and energy storage solutions. Shares declined on investor concerns around CEO Elon Musk's announcement of potential privatization, which led to lawsuits and investigations. Departures of a few executives and Street expectations for lower third quarter production and deliveries also pressured the stock. We retain conviction. We believe Tesla solved fundamental production issues, and expect it to optimize its production line to meet its margins and profitability targets over time.
- Shares of **Electronic Arts Inc.**, a leading video game publisher, detracted from performance. In late August, the company lowered guidance, citing three issues: a delay in the launch of Battlefield V, a more conservative mobile forecast, and ongoing foreign exchange headwinds. While this near-term execution misstep is unfortunate, we retain long-term conviction due to strong industry tailwinds, including the shift to digital, in-game monetization, mobile gaming, advertising, and eSports.
- **Gemphire Therapeutics Inc.** is a clinical-stage biopharmaceutical company developing treatments for cardiometabolic disorders. Shares decreased sharply on safety issues uncovered during a product trial for pediatric liver disease. Due to our concerns about the company's liquidity and financing and arising clinical uncertainties, we decided to exit our position.

Contribution to Return¹ By Sub-Industry



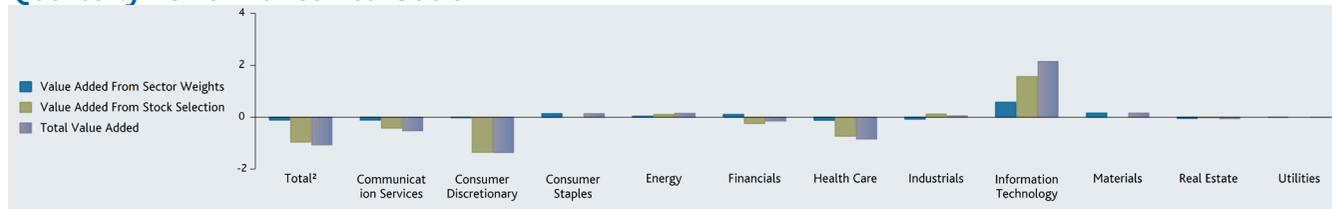
By Holdings

Top Contributors	Average Weight(%)	Contribution(%)
Acxiom Corporation	2.57	1.24
Amazon.com, Inc.	6.24	1.05
Apple, Inc.	3.92	0.82
The Trade Desk	1.67	0.82
Microsoft Corporation	5.00	0.78

Top Detractors	Average Weight(%)	Contribution(%)
Tesla, Inc.	2.79	-0.68
Electronic Arts Inc.	2.31	-0.36
Gemphire Therapeutics Inc.	0.16	-0.33
Tencent Holdings, Ltd.	1.38	-0.28
The Stars Group Inc.	0.59	-0.27

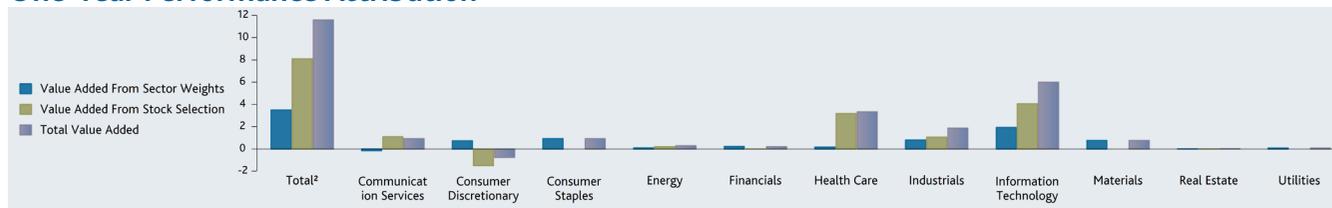
1 - Source: FactSet PA.

Quarterly Performance Attribution¹



Sector Average Weights(%)	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities
Baron Opportunity Fund	12.04	15.94	-	0.78	2.64	11.42	4.06	44.48	-	2.47	-
Russell 3000 Growth Index	10.82	16.22	5.34	1.03	4.60	14.63	12.45	30.87	1.91	2.11	0.03
Over/Underweight	1.21	-0.28	-5.34	-0.25	-1.96	-3.20	-8.39	13.61	-1.91	0.37	-0.03
Total Return(%)											
Baron Opportunity Fund	-3.70	0.13	-	10.41	-5.44	5.64	13.22	17.43	-	0.12	-
Russell 3000 Growth Index	-0.37	8.82	6.19	-4.90	3.05	12.07	9.89	13.54	0.07	0.33	4.48
Relative Return	-3.32	-8.69	-6.19	15.31	-8.49	-6.43	3.33	3.89	-0.07	-0.21	-4.48

One-Year Performance Attribution¹



Sector Average Weights(%)	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities
Baron Opportunity Fund	13.41	18.40	-	0.90	2.91	11.59	2.76	42.82	-	2.49	-
Russell 3000 Growth Index	11.79	15.52	5.86	0.92	3.89	14.00	12.77	29.66	3.18	2.36	0.06
Over/Underweight	1.62	2.88	-5.86	-0.03	-0.98	-2.41	-10.00	13.16	-3.18	0.14	-0.06
Total Return(%)											
Baron Opportunity Fund	14.53	33.29	-	16.38	7.89	46.26	60.08	55.80	-	4.03	-
Russell 3000 Growth Index	9.07	44.20	11.86	3.57	14.87	20.88	17.53	40.45	2.71	7.02	8.89
Relative Return	5.46	-10.91	-11.86	12.81	-6.99	25.39	42.55	15.35	-2.71	-2.99	-8.89

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 Opportunity Fund gained 7.84% in the third quarter, yet underperformed the Russell 3000 Growth Index by 104 basis points due to stock selection, cash exposure in a rising market, and underexposure to larger-cap stocks, which outpaced smaller caps in the period.

Investments in Information Technology (IT), Energy, and Industrials and lack of exposure to the underperforming Materials and Consumer Staples sectors contributed the most to relative results. Stock selection in IT added over 150 basis points to relative results, driven by outperformance of IT consulting & other services holdings Acxiom Corporation and Gartner, Inc. Acxiom was the largest contributor to absolute performance, while shares of syndicated research provider Gartner rose as the company demonstrated traction in its integration of CEB with solid seat-based sales. Outperformance of application software holdings, led by The Trade Desk and Guidewire Software, Inc., and significantly higher exposure to this strong-performing sub-industry also added value. Shares of demand-side advertising platform Trade Desk rose on an earnings report featuring revenue growth of more than 50%. Shares of P&C insurance software vendor Guidewire increased as the company has emerged as the leading core systems vendor for the industry. Strength in Energy and Industrials came from E&P company Concho Resources, Inc. and electricity-generating fuel cells maker Bloom Energy Corporation respectively. Concho's shares outperformed as Permian oil differentials to WTI tightened and investors turned more optimistic about its oil realizations and ability to grow oil volumes. Bloom Energy's stock price increased 85% following its IPO in late July.

Aside from cash, underperformance of investments in Consumer Discretionary, Health Care, and Communication Services detracted the most from relative results. Weakness in Consumer Discretionary was mostly attributable to Tesla, Inc., the largest detractor on an absolute basis, and Canadian online gaming company The Stars Group Inc. We exited our position in Stars Group. Chinese e-commerce giant Alibaba Group Holding Limited also weighed on relative performance after shares declined on trade war fears and margin contraction. Within Health Care, underperformance of Sage Therapeutics, Inc., Gemphire Therapeutics Inc. and other biotechnology holdings hurt relative results. Shares of Sage, which develops novel drugs for central nervous system disorders, relinquished some gains as news flow was quiet in the quarter. Gemphire was the third largest detractor from absolute results before being sold in August. Electronic Arts Inc. and Tencent Holdings, Ltd. drove underperformance of Communication Services. Electronic Arts was the second largest detractor from absolute performance, while shares of Chinese investment holding company Tencent declined due to a change in the regulations governing video games that has effectively frozen new game approvals for the moment.



Top 10 Holdings as of September 30, 2018

Company	Investment Premise	Company	Investment Premise
<p>Amazon.com, Inc. (AMZN) is an e-commerce pioneer, innovator, and market share leader, with relentless focus on providing value and convenience to its customers. It also operates the industry-leading cloud infrastructure business Amazon Web Services.</p>	<p>Amazon's market share of U.S. online retail sales is over 30%, while its share of global online retail sales is less than 5%. Amazon has numerous avenues for new revenue growth opportunities, including consumer staples, apparel, international expansion, digital media offerings, office and industrial supplies, private label, pharmacy services, and advertising. We believe Amazon represents a unique opportunity to invest in the secular growth of both online retail and cloud computing. We estimate that Amazon Web Services will account for over 50% of Amazon's value over time.</p>	<p>Apple, Inc. (AAPL) designs, manufactures, and markets consumer electronics, computer software, and online services. Its products include the iPhone, iPad, Mac personal computer, Apple smartwatch, Apple TV, and HomePod.</p>	<p>As the creator and owner of one of the largest and most popular consumer electronics platforms, Apple is, in our view, well positioned to benefit from the network effect that typically accrues to platform companies. It has a large and growing ecosystem, a trusted brand, and positive optionality due to its effort to push into additional consumer and enterprise services with its large install base. We believe Apple trades at a discount to the market and to our estimate of its intrinsic value.</p>
<p>Microsoft Corporation (MSFT) is a software company traditionally known for its Windows and Office products. Over the last five years it has built a cloud business to a run rate of over \$20bn. This includes its Infrastructure-as-a-service Azure business, Office 365 and Dynamics 365 (Microsoft's CRM offering).</p>	<p>Microsoft is now led by Satya Nadella, who has refocused the company on cloud computing and AI. He has been quite successful thus far, with Microsoft's commercial cloud business now representing about 20% of its revenues and growing at a 50% rate. The company's strong moat is based on the wide reach of its sales channel into enterprises, its hybrid cloud offering, its positioning in the public cloud market, high barriers to entry, and high switching costs. We believe Microsoft can grow by double digits for the next five years.</p>	<p>Acxiom Corp. (ACXM) is a leading provider of identity management, database marketing solutions, and data sales to large enterprise customers.</p>	<p>Management has returned the core business to profitable growth while accelerating growth in the company's newer Identity business. Acxiom is also benefiting from a streamlining of operations. We believe Acxiom's LiveRamp, which provides software that matches offline data to online advertising for targeted ads, has the opportunity to become the standard identifier for all consumer behavior across media channels. Additionally, the company is expected to close on the sale of its legacy Acxiom Marketing Solutions business before year end which could be a catalyst.</p>
<p>Guidewire Software, Inc. (GWRE) is a leading provider of core systems software to the global P&C insurance industry.</p>	<p>Guidewire is a small player in a vast addressable market and has been benefiting from the inevitable need for P&C insurers to upgrade 30-year-old systems. The company offers best-in-class functionality, as evidenced by its growing installed base and 100% retention rates, and we believe it has a significant amount of off-balance sheet revenue. We think the company's launch of data and digital applications meaningfully expand the total addressable market, and growing demand for cloud deployments could increase prices by two to three times.</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>Alphabet Inc. (GOOG) (formerly Google Inc.) is the world's most recognized and dominant online search provider, as well as the owner and operator of YouTube. The company provides a variety of services and tools for advertisers, primarily for search and display advertising.</p>	<p>Alphabet is the largest beneficiary of a secular shift of advertising from all other mediums to online and mobile. Data is becoming increasingly important, and Alphabet has processed and indexed more data than any other company. Alphabet's leadership position in artificial intelligence allows it to leverage its large data sets to quickly improve its products, and subsidiary Waymo provides entry into autonomous driving. We believe Alphabet has the greatest collection of engineering talent of any company we cover, which should allow it to grow and innovate for years to come.</p>	<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 also 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. Tesla has now filled 100,000 out of 450,000 pre-orders for its Model 3 in roughly a year and a half, which we view as a solid reaffirmation of its manufacturing capacity.</p>
<p>Gartner, Inc. (IT) is the leading independent provider of research and analysis on the information technology industry.</p>	<p>Gartner has a vast addressable market, which management estimates exceeds \$70 billion annually, implying a penetration rate of less than 3%. IT is rapidly changing and growing in strategic importance, leading users to turn to third-party providers for insight into trends. The low price of Gartner's research relative to its value has created strong renewal trends, with retention rates running above 100%. We think management can improve results with its recent acquisition of CEB, accelerating growth towards 15%+ over the next three years.</p>	<p>Wix.com Ltd. (WIX) is an internet company providing an operating system to help micro businesses build and maintain websites and operate their businesses. Wix has over 120 million registered users and over three million premium users.</p>	<p>Wix is a leader in the do-it-yourself website construction market, which is large and relatively under-penetrated, as most businesses still use professional website development services. We think Wix has strong competitive advantages based on its layered technological architecture that enables ease of use and design flexibility. Wix's technological edge, supported by about 1,000 R&D personnel, results in faster iteration with first-to-market features and vertical offerings. In our view, Wix also has strong cohort economics with high returns on marketing investments.</p>



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