

BARON PARTNERS FUND

March 31, 2020

Institutional Shares (BPTIX)



Portfolio Managers

Ron Baron is Baron Capital's founder, chairman, and CEO. He has 50 years of research and investment experience.

Michael Baron joined Baron in 2004 as a research analyst and was named co-portfolio manager of Baron Partners Fund in 2018 and assistant portfolio manager of Baron WealthBuilder Fund in 2017. He has 17 years of research experience.

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

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

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

| Value | Blend | Growth | |
|-------|-------|--------|--------|
| | | | Large |
| | | | Medium |
| | | | Small |

Portfolio Facts and Characteristics

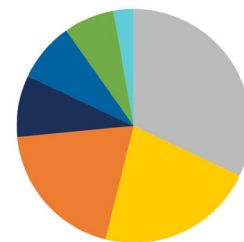
| | |
|--|-----------------------------|
| Inception Date | January 31, 1992 |
| Net Assets | \$2.22 billion |
| # of Equity Securities / % of Net Assets | 28 / 127.3% |
| Turnover (3 Year Average) | 14.95% |
| Active Share | 95.8% |
| Median Market Cap ⁴ | \$9.03 billion |
| Weighted Average Market Cap ⁴ | \$32.52 billion |
| As of FYE 12/31/2019 | Institutional Shares |
| CUSIP | 06828M405 |
| Expense Ratio* | 1.96% |

*The Expense Ratio includes 0.90% of interest expense. Retail and R6 Shares are also available for this Fund.

Top 10 Holdings²

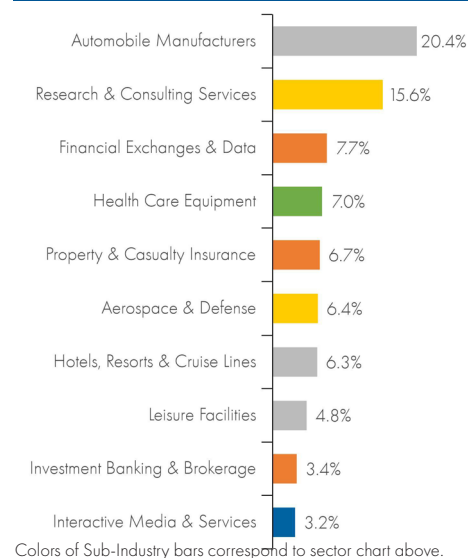
| | % of Total Investments |
|--|------------------------|
| Tesla, Inc. | 20.4 |
| CoStar Group, Inc. | 15.6 |
| IDEXX Laboratories, Inc. | 7.0 |
| Arch Capital Group Ltd. | 6.7 |
| FactSet Research Systems, Inc. | 6.4 |
| Space Exploration Technologies Corp. | 5.7 |
| Vail Resorts, Inc. | 4.8 |
| Hyatt Hotels Corp. | 4.7 |
| The Charles Schwab Corp. | 3.4 |
| Zillow Group, Inc. | 3.2 |
| Total | 77.9 |
| Long Equity Exposure (% of Net Assets) | 127.3 |
| Cash & Equivalents (% of Net Assets) | -27.3 |

GICS Sector Breakdown^{1,2}



| | |
|------------------------|-------|
| Consumer Discretionary | 32.0% |
| Industrials | 21.9% |
| Financials | 19.6% |
| Information Technology | 8.5% |
| Communication Services | 8.2% |
| Health Care | 7.0% |
| Real Estate | 2.8% |

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



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

Risks

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



Historical Performance(Calendar Year %)

| Year | BPTIX | Russell Midcap Growth Index | S&P 500 Index |
|------|-------|-----------------------------|---------------|
| 2011 | -5.52 | -1.65 | 2.11 |
| 2012 | 16.70 | 15.81 | 16.00 |
| 2013 | 48.02 | 35.74 | 32.39 |
| 2014 | 10.56 | 11.90 | 13.69 |
| 2015 | -2.43 | -0.20 | 1.38 |
| 2016 | 4.29 | 7.33 | 11.96 |
| 2017 | 31.91 | 25.27 | 21.83 |
| 2018 | -1.75 | -4.75 | -4.38 |
| 2019 | 45.38 | 35.47 | 31.49 |

Performance Based Characteristics³

| | 3 Years | 5 Years | 10 Years | Since Inception |
|----------------------------|---------|---------|----------|-----------------|
| Std. Dev. (%) - Annualized | 24.11 | 21.80 | 19.87 | 24.37 |
| Sharpe Ratio | 0.34 | 0.32 | 0.61 | 0.40 |
| Alpha (%) - Annualized | 3.13 | 2.05 | 0.45 | 3.63 |
| Beta | 1.22 | 1.25 | 1.17 | 1.05 |
| R-Squared (%) | 77.40 | 78.81 | 82.23 | 70.40 |
| Tracking Error (%) | 12.07 | 10.76 | 8.79 | 13.29 |
| Information Ratio | 0.29 | 0.24 | 0.20 | 0.24 |
| Upside Capture (%) | 137.61 | 137.50 | 122.13 | 118.38 |
| Downside Capture (%) | 130.99 | 133.53 | 125.46 | 111.10 |

Performance

| | Total Return (%) | | | | Annualized Returns (%) | | | | | Cumulative Returns (%) |
|---|------------------|------------|------------|--------|------------------------|---------|---------|----------|---------------------------|---------------------------|
| | 1st Q 2020 | 4th Q 2019 | 3rd Q 2019 | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception 1/31/1992 | Since Inception 1/31/1992 |
| BPTIX-Institutional Shares | -20.70 | 17.74 | -1.66 | -20.70 | -1.30 | 10.04 | 8.18 | 12.65 | 12.34 | 2549.62 |
| Russell Midcap Growth Index | -20.04 | 8.17 | -0.67 | -20.04 | -9.45 | 6.53 | 5.61 | 10.89 | 9.09 | 1058.22 |
| S&P 500 Index | -19.60 | 9.07 | 1.70 | -19.60 | -6.98 | 5.10 | 6.73 | 10.53 | 8.95 | 1019.45 |
| Morningstar Mid-Cap Growth Category Average | -20.64 | 8.05 | -1.80 | -20.64 | -11.17 | 4.66 | 4.33 | 9.46 | N/A | N/A |

Top Contributors/Detractors to Performance⁴

BY SUB-INDUSTRIES¹

| Top Contributors | Average Weight(%) | Contribution(%) |
|------------------------------------|-------------------|-----------------|
| Automobile Manufacturers | 23.45 | 2.35 |
| Aerospace & Defense | 6.36 | 0.41 |
| Internet Services & Infrastructure | 1.22 | 0.18 |
| Interactive Home Entertainment | 1.00 | 0.01 |

| Top Detractors | Average Weight(%) | Contribution(%) |
|--------------------------------|-------------------|-----------------|
| Hotels, Resorts & Cruise Lines | 10.81 | -5.56 |
| Property & Casualty Insurance | 9.71 | -3.79 |
| Leisure Facilities | 7.01 | -2.51 |
| Research & Consulting Services | 18.71 | -2.40 |
| IT Consulting & Other Services | 3.85 | -1.13 |

BY HOLDINGS

| Top Contributors | Average Weight(%) | Contribution(%) |
|--------------------------------------|-------------------|-----------------|
| Tesla, Inc. | 23.45 | 2.35 |
| Space Exploration Technologies Corp. | 5.42 | 0.64 |
| MSCI, Inc. | 0.78 | 0.17 |
| GDS Holdings Limited | 1.12 | 0.12 |
| Shopify Inc. | 0.10 | 0.06 |

| Top Detractors | Average Weight(%) | Contribution(%) |
|------------------------------------|-------------------|-----------------|
| Arch Capital Group Ltd. | 9.71 | -3.79 |
| Hyatt Hotels Corp. | 6.95 | -2.90 |
| Vail Resorts, Inc. | 7.01 | -2.51 |
| CoStar Group, Inc. | 18.71 | -2.40 |
| Marriott Vacations Worldwide Corp. | 3.02 | -2.09 |

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. Investors 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.

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 - Source: FactSet PA and BAMCO.

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

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.

Definitions (provided by BAMCO, Inc.): The indexes are unmanaged. The **Russell Midcap® Growth Index** measures the performance of medium-sized U.S. companies that are classified as growth and the **S&P 500 Index** of 500 widely held large-cap U.S. companies. The indexes and the Fund are with dividends, which positively impact the performance results. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell is a trademark of Russell Investment Group. Morningstar calculates the **Morningstar US Fund Mid-Cap Growth Category Average** using its Fractional Weighting methodology. The Fund's Retail Shares have been included in the category since 4/30/03 and the Fund's Institutional Shares since 5/29/2009. © 2020 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.

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