Dear Baron Partners Fund Shareholder:

Performance

Baron Partners Fund (the "Fund") fell in value by 1.66% (Institutional Shares) in the three months ended September 30, 2019. The Fund trailed the Russell Midcap Growth Index (the "Index") which fell 0.67%. The Fund's results surpassed the Morningstar US Fund Mid-Cap Growth Category average, which declined 1.80%. The S&P 500 Index gained 1.70% in the quarter.

Less robust economic growth amid a trade war with China caused investors to become more defensive in the September quarter. During the period, investors favored businesses with assets and consistent earning streams instead of rapid growth. This environment enabled us to purchase and increase holdings of high-quality growth businesses at attractive prices. However, the rotation into defensive and yield-oriented sectors caused the Fund to trail its benchmark in the quarter.

The Fund's returns since the start of the year have been strong on an absolute basis. The Fund gained 23.48% in the first nine months of 2019. The Russell Midcap Growth Index increased 25.23%. Year-to-date, the Fund exceeded the returns of the S&P 500 Index and the Morningstar US Fund Mid-Cap Growth Category average, which increased 20.55% and 22.76%, respectively.

MICHAEL BARON
CO-PORTFOLIO MANAGER

RON BARON
CEO AND LEAD PORTFOLIO MANAGER

Retail Shares: BPTRX
Institutional Shares: BPTIX
R6 Shares: BPTUX

Table I.
Performance
Annualized for periods ended September 30, 2019

	Baron Partners Fund Retail Shares[1,2,3]	Baron Partners Fund Institutional Shares[1,2,3,4]	Russell Midcap Growth Index[2]	S&P 500 Index[2]
Three Months[5]	(1.72)%	(1.66)%	(0.67)%	1.70%
Nine Months[5]	23.26%	23.48%	25.23%	20.55%
One Year	2.60%	2.83%	5.20%	4.25%
Three Years	16.68%	16.98%	14.50%	13.39%
Five Years	11.12%	11.40%	11.12%	10.84%
Ten Years	14.78%	15.07%	14.08%	13.24%
Fifteen Years	10.93%	11.13%	10.53%	9.01%
Since Conversion (April 30, 2003)	13.26%	13.45%	11.62%	9.66%
Twenty Years	9.95%	10.10%	7.97%	6.33%
Since Inception (January 31, 1992)	12.74%	12.85%	9.83%	9.64%

As discussed in prior quarterly letters, the Fund has tended to keep up in extremely strong markets, as has been the case so far in 2019. The Fund historically has more often significantly outperformed during challenging times. As Table II indicates, the Fund's returns marginally trailed the Index from the trough of the 2007-08 Financial Panic to the present. Baron Partners Fund achieved exceptionally strong annualized returns of 16.10% from December 31, 2008 through the present, while the Index gained 16.41%. But in the more difficult period from December 31, 1999 before the Internet Bubble burst until the Financial Panic ended in December 2008, the Index lost 4.69% per year. Baron Partners Fund, in comparison, had annualized gains of 1.54%.

Further, the Fund's relative performance has exceeded the Index over the last 3-year, 5-year, 10-year, and since inception periods.

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 2.03% (comprised of operating expenses of 1.32% and interest expense of 0.71%) and Institutional Shares was 1.77% (comprised of operating expenses of 1.06% and interest expense of 0.71%). 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 20% performance fee after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fees the returns would be higher. The Fund's shareholders will not be charged a performance fee. The predecessor partnership's performance is only for periods before the Fund's registration statement was effective, which was April 30, 2003. 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 index performance is not Fund performance; one cannot invest directly into an index. 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 Russell Midcap Growth Index, the S&P 500 Index 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 in the table 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.

Baron Partners Fund

Table II.
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 9/30/2019		Millennium Internet Bubble to Present 12/31/1999 to 9/30/2019		Inception 1/31/1992 to 9/30/2019	
	Value $10,000	Annualized	Value $10,000	Annualized	Value $10,000	Annualized	Value $10,000	Annualized
Baron Partners Fund (Institutional Shares)	$11,479	1.54%	$49,759	16.10%	$57,117	9.22%	$283,787	12.85%
Russell Midcap Growth Index	$ 6,488	(4.69)%	$51,196	16.41%	$33,214	6.27%	$133,905	9.83%
S&P 500 Index	$ 7,188	(3.60)%	$41,354	14.12%	$29,725	5.67%	$127,654	9.64%

Despite the concentrated nature of Baron Partners Fund, where the top 10 positions represent nearly 98% of net assets, the portfolio is diversified among holdings that react differently in varied market environments. We categorize our holdings into one of four segments – **Financials**, **Real/Irreplaceable Assets**, **Disruptive Growth**, and **Core Growth**. Please see Table III.

While we do not attempt to predict changes in investor sentiment, it is not surprising that various investments performed differently as investors became more fearful. **Financials** businesses and businesses owning **Real/Irreplaceable Assets** represent 29.0% and 32.5% of net assets, respectively. The stock prices for these groups were little changed in the period and outperformed. However, faster growing and more expensive **Disruptive Growth** and **Core Growth** businesses, representing 51.0% and 17.4% of net assets, respectively, lagged the Index.

The Fund's **Financials** businesses returned 0.90% this past quarter. Their returns would have been considerably greater had they not been penalized by our long-term investment in **FactSet Research Systems, Inc.** FactSet's business, in many respects, borders on disruptive for the financial services industry. **Arch Capital Group Ltd.** was the standout performer in the period, increasing in value by 13.2%. The company benefited from improving market conditions in property and casualty insurance when competitors underestimated losses, de-risked, and reduced underwriting capacity. Arch is in a good position to capitalize on competitors' problems. It has selectively increased its underwritings while also increasing its prices. Additionally, its well-timed acquisition of a mortgage insurance business in 2016 has proven beneficial. Increased home buying coupled with good credit is driving results in that division. Our Arch investment is a good example of a high-quality growth business expanding in a difficult environment for others. FactSet, however, had an opportunity for future growth and reinvested earnings to offer data on privately owned companies more robustly. The company announced plans to broaden its data set on privately owned businesses to reach a broader swath of financial clients. As is often the case for companies that penalize short-term earnings to grow faster, some investors reacted negatively and FactSet's stock declined. In this instance, FactSet's stock traded similarly to disruptive technology businesses. We believe its moderate near-term profitability hiccup should be offset by higher future earnings and sustained growth.

Businesses with **Real/Irreplaceable Assets** had little change in their stock prices in the period. The group declined 0.35%. Within this group, investors favored companies with slower but more consistent growth. Companies with prime real estate, such as **Douglas Emmett, Inc.**, the largest owner of the most attractive office space in Los Angeles, and **Marriott Vacations Worldwide Corp.**, an important timeshare resort developer, increased in value. Douglas Emmett has maintained high occupancy while increasing lease rates. It has also made strategic acquisitions that we feel will boost its growth trajectory. However, companies that were going through an investment period to enhance their product, like **Hyatt Hotels Corp.** remodeling various properties, or soccer team **Manchester United plc** acquiring players to improve on-field success, saw their stocks decline slightly.

Disruptive Growth saw the biggest divergence of companies' stock prices that were performing well compared to those that faltered. The market continued to reward growth and penalized those businesses that had any slowdown in profitability. **Tesla, Inc.**, the electric vehicle manufacturer, and **CoStar Group, Inc.**, the software provider of data for real estate businesses, saw their stock prices appreciate. Demand for Tesla's Model 3 continues to increase while the company is improving its manufacturing efficiencies. This should lead to higher profit margins. Tesla is also accelerating plans to complete its new factory in China where demand has been strong. Tesla's local manufacturing should significantly improve its ability to lower its production costs of cars sold in that market. Tesla could soon begin construction of a similar manufacturing facility in Europe, which should achieve similar benefits in cars sold there.

Zillow Group, Inc., a business offering data services for real estate purchasing, and **Spotify Technology S.A.**, a company offering subscriptions for streaming on-demand audio, both fell. Zillow declined when it announced its decision to expand newer service offerings for real estate agents. The investment in the rollout of these business lines will impact near-term profitability, but should materially improve the long-term opportunity for Zillow's business. Spotify is growing its subscribers rapidly, but investors are concerned about its ability to continue to increase new users in a more competitive distribution environment.

Companies that we categorize as **Core Growth** fell the most in the period. **Gartner, Inc.** and **HEICO Corporation**, despite their ability to grow their top and bottom lines, were impacted by investor rotation to value-oriented companies. Gartner, the provider of syndicated research, had a slight reduction in top-line growth as it discontinued non-core products. HEICO, a manufacturer of alternative replacement parts for the aerospace industry, continued to show considerable organic growth, profitability improvements, and the ability to acquire niche products. However, analysts have downgraded the business based on its premium valuation (we think such valuation is deserved). This company's recent stock price movement is a good example of how shifts in sentiment can cause a stock price to diverge from the company's fundamentals.

While not all categories will outperform in any quarter, we believe each grouping of companies should perform better than the Index over the long term. We feel this segment diversification provides risk protection for the Fund.

Table III.
Total returns by category for the quarter ended September 30, 2019

	% of Net Assets (as of 9/30/2019)	Total Return (%)	Contribution to Return (%)
Financials	**29.0**	**0.90**	**0.22**
Arch Capital Group Ltd.	12.4	13.21	1.39
Kinsale Capital Group, Inc.	0.1	11.18	0.01
The Charles Schwab Corp.	5.2	4.55	0.20
Air Lease Corp.	1.3	1.35	0.01
Brookfield Asset Management, Inc.	1.6	-0.54	-0.01
Windy City Investments Holdings, L.L.C.	0.0	-5.93	-0.00
MSCI, Inc.	0.5	-8.53	-0.04
FactSet Research Systems, Inc.	8.0	-14.99	-1.34
Real/Irreplaceable Assets	**32.5**	**-0.35**	**-0.16**
Douglas Emmett, Inc.	1.8	8.16	0.14
Marriott Vacations Worldwide Corp.	3.7	7.92	0.26
Vail Resorts, Inc.	9.0	1.96	0.11
Gaming and Leisure Properties, Inc.	3.3	-0.18	0.00
MGM Growth Properties LLC	0.5	-0.43	-0.00
Hyatt Hotels Corp.	8.2	-2.98	-0.25
Norwegian Cruise Line Holdings, Ltd.	1.4	-3.52	-0.02
Red Rock Resorts, Inc.	1.1	-5.29	-0.04
Manchester United plc	3.6	-9.13	-0.35
Cash	**-29.9**	**-0.00**	**0.00**
Fees	**–**	**-0.52**	**-0.50**
Russell Midcap Growth Index		-0.67	
Disruptive Growth	**51.0**	**-0.97**	**-0.57**
Shopify Inc.	0.0	9.50	0.02
Tesla, Inc.	11.3	7.79	0.78
CoStar Group, Inc.	21.8	7.06	1.26
Guidewire Software, Inc.	5.4	3.95	0.17
Space Exploration Technologies Corp.	6.3	-5.63	-0.37
Iridium Communications Inc.	0.9	-8.78	-0.07
Benefitfocus, Inc.	0.8	-12.30	-0.11
Spotify Technology S.A.	1.2	-22.58	-0.54
Align Technology, Inc.	0.0	-29.31	-0.18
Zillow Group, Inc.	3.3	-35.37	-1.54
Core Growth	**17.4**	**-4.64**	**-0.67**
Activision Blizzard, Inc.	0.5	11.38	0.04
NVIDIA Corporation	0.2	-0.72	0.00
IDEXX Laboratories, Inc.	10.4	-1.23	-0.09
Fastenal Co.	0.0	-4.53	-0.01
HEICO Corporation	1.2	-6.33	-0.07
Gartner, Inc.	5.1	-11.23	-0.54
Total	**100.0**	**-1.68***	**-1.68***

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

* Represents the blended return of all share classes of the Fund.

Table IV.
Top contributors to performance for the quarter ended September 30, 2019

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Total Return	Percent Impact
Arch Capital Group Ltd.	2002	$ 0.6	$17.0	13.21%	1.39%
CoStar Group, Inc.	2005	0.7	21.7	7.06	1.26
Tesla, Inc.	2014	21.9	43.1	7.79	0.78
Marriott Vacations Worldwide Corp.	2018	3.2	4.5	7.92	0.26
The Charles Schwab Corp.	1992	1.0	54.7	4.55	0.20

Arch Capital Group Ltd. is a specialty insurance and reinsurance company based in Bermuda. Shares appreciated due to improving market conditions for commercial insurance and continued strength in mortgage insurance. Management is taking advantage of higher rates by selectively writing more business. The company reported strong earnings while book value per share increased, up 19%.

Shares of **CoStar Group, Inc.**, a real estate information and marketing services company, contributed to performance. Business trends are excellent, with the company's bookings improving by approximately 31% year-over-year in its most recently reported quarter to a record $59 million. We see a path for quarterly bookings to improve toward $70 million, driving revenue acceleration toward 20%. The company now has over $1.3 billion of cash, which we expect to be used for opportunistic acquisitions, which should expand CoStar's addressable market.

Shares of **Tesla, Inc.**, which designs, manufactures, and sells fully electric vehicles, solar products, and energy storage solutions, contributed to performance. Tesla's stock stabilized as investors build conviction around Model 3 demand trends and expanding margins. Tesla's China factory is ahead of schedule, and investors anticipate the Model Y will positively impact the company's P&L. We continue to expect significant value creation for Tesla's stakeholders.

Marriott Vacations Worldwide Corp. increased in the quarter after competitor Hilton Grand Vacations indicated it was considering the possible sale of its business to private equity, which helped boost multiples and share prices across the category. An acceleration of the company's Starwood timeshare sales as a result of new sales channels and promising initial results from its digital marketing channels also helped boost its share price. The company accelerated its buybacks in the quarter.

Shares of **The Charles Schwab Corp.**, a brokerage platform, rebounded in the third quarter to contribute to performance. Investors have paid close attention to interest rate changes and their impact on the company's net interest margin. Schwab faced fee pressure on its trading business and investors have speculated on price moves, and the stock has been volatile throughout the year. We remain focused on the business fundamentals and are encouraged that the company continues to attract assets and broaden its services while expanding margins.

Table V.
Top detractors from performance for the quarter ended September 30, 2019

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Total Return	Percent Impact
Zillow Group, Inc.	2015	$ 4.3	$ 6.1	–35.37%	–1.54%
FactSet Research Systems, Inc.	2007	2.5	9.3	–14.99	–1.34
Gartner, Inc.	2013	5.7	12.9	–11.23	–0.54
Spotify Technology S.A.	2019	23.0	20.5	–22.58	–0.54
Space Exploration Technologies Corp.	2017	–	–	–5.63	–0.37

Zillow Group, Inc. operates leading U.S. real estate sites, a mortgage marketplace, and the Zillow Offers home-buying business. Shares declined on lowered revenue and profitability guidance for the second half of 2019, driven by Zillow's expanded testing of success-based "Flex" pricing in select Premier Agent markets and hiring delays in the Mortgages business. We added to our Zillow investment.

Shares of **FactSet Research Systems, Inc.**, a leading provider of investment management tools, detracted during the quarter after the company reported weak guidance for fiscal year 2020 and announced a new three-year investment plan to accelerate revenue growth. This means margins will not increase for two years, so its price fell. We retain conviction in FactSet due to its large addressable market, its consistent execution on both new product development and financial results, and its robust free cash flow generation.

Shares of **Gartner, Inc.,** a provider of syndicated research, detracted from performance after it reduced its full-year guidance. Although forward-looking metrics in Gartner's traditional IT research business decelerated modestly, they remain at a robust low-teens rate. The company also discontinued several non-subscription products that are not core to its long-term strategy, but which will hurt profitability this year. Finally, the company was more successful than expected in filling sales positions, which will reduce earnings this year, but drive faster revenue growth in 2020.

Spotify Technology S.A. is a global digital music service offering on-demand audio streaming via paid premium subscriptions and a free ad-supported model. Its shares detracted from performance this quarter due to a mixed gross margin outlook, but we see potential for near-term margin upside given the company's two-sided marketplace strategy. Over the long term, we view Spotify as a winner in the music streaming space. The company has the potential to gain over 100 million subscribers in the next five years due to its scalable and sticky core product and its growing library of podcasts.

Investment Strategy and Portfolio Structure

The objective of Baron Partners Fund is to double its value per share within five years. Our strategy to accomplish this goal is to invest for the long term in a focused portfolio of what we believe are appropriately capitalized, well-managed businesses at attractive prices across market capitalizations. We attempt to create a portfolio of less than 30 securities diversified by GICS sectors. The Fund uses leverage to enhance returns, although this may increase the volatility of returns. Portfolio businesses are identified by our firm's proprietary research. We think these well-managed businesses have sustainable competitive advantages and strong, long-term growth opportunities.

As of September 30, 2019, Baron Partners Fund held 30 investments. The weighted median market capitalization of these growth companies was $9.2 billion. **The top 10 positions represented 97.9% of net assets**. Leverage was 29.9%

The long-term absolute and relative performance of the Fund has been very good. The Fund has returned 12.85% annualized since inception, and has beaten its primary index, the Russell Midcap Growth Index, by 3.02% per year annualized. Absolute annualized returns over the past three years have surpassed this historical average. The Fund's three-year annualized returns were 16.98%, beating the benchmark by 2.48% per year annualized.

Portfolio Holdings

Table VI.
Top 10 holdings as of September 30, 2019

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Quarter End Investment Value (millions)	Percent of Total Investments
CoStar Group, Inc.	2005	$ 0.7	$21.7	$510.2	16.8%
Arch Capital Group Ltd.	2002	0.6	17.0	289.7	9.5
Tesla, Inc.	2014	21.9	43.1	265.0	8.7
IDEXX Laboratories, Inc.	2013	4.7	23.4	244.7	8.0
Vail Resorts, Inc.	2008	1.6	9.2	210.7	6.9
Hyatt Hotels Corp.	2009	4.2	7.7	191.5	6.3
FactSet Research Systems, Inc.	2007	2.5	9.3	187.1	6.1
Space Exploration Technologies Corp.	2017	–	–	148.1	4.9
Guidewire Software, Inc.	2017	6.0	8.7	127.5	4.2
The Charles Schwab Corp.	1992	1.0	54.7	121.3	4.0

Thank you for joining us as fellow shareholders in Baron Partners Fund. We continue to work hard to justify your confidence and trust in our stewardship of your hard-earned savings. We remain dedicated to continuing to provide you with the information we would like to have if our roles were reversed. This is so you will be able to make an informed decision about whether this Fund remains an appropriate investment for you and your family.

Respectfully,

Ronald Baron
CEO and Lead Portfolio Manager

Michael 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 contain 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 using non-diversification and leverage, but there also is more risk. Specific risks associated with non-diversification and leverage include increased volatility of the Fund's returns and exposure of the Fund to greater 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 made difficult to sell during market downturns. Leverage is the degree to which an investor or business is utilizing borrowed money. 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.

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