DEAR BARON PARTNERS FUND SHAREHOLDER:

PERFORMANCE

After a challenging 2018, equity markets in the U.S. and abroad rebounded strongly in the first quarter of 2019. Baron Partners Fund (the "Fund") increased in value 16.80% (Institutional Shares) per share during the first three months of 2019. Despite what were exceptional results for such a short period, Baron Partners Fund's performance *trailed* that of its primary benchmark, the Russell Midcap Growth Index ("RMCG"). The RMCG gained 19.62%. Morningstar's US Fund Mid-Cap Growth Category Average ("Morningstar Category Average"), reflecting very strong quarterly performance of mutual funds that invest in mid-sized growth companies, increased in value 18.19%. The S&P 500 Index ("S&P 500"), an index that includes approximately 80% of U.S. equities and has a weighted average market capitalization of $230.2 billion, gained 13.65%. Baron Partners Fund's portfolio has a weighted average market capitalization of $18.6 billion compared to $17.4 billion for the RMCG.

Table I.
Performance
Annualized for periods ended March 31, 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]	16.73%	16.80%	19.62%	13.65%
One Year	10.59%	10.88%	11.51%	9.50%
Three Years	17.19%	17.49%	15.06%	13.51%
Five Years	9.77%	10.06%	10.89%	10.91%
Ten Years	17.85%	18.15%	17.60%	15.92%
Fifteen Years	11.00%	11.19%	9.94%	8.57%
Since Conversion (April 30, 2003)	13.32%	13.50%	11.69%	9.57%
Twenty Years	8.50%	8.64%	7.98%	6.04%
Since Inception (January 31, 1992)	12.77%	12.87%	9.84%	9.59%

MICHAEL BARON
CO-PORTFOLIO MANAGER

RON BARON
CEO AND LEAD PORTFOLIO MANAGER

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

In 2018, Baron Partners Fund fell 1.75% per share (Institutional Shares), outperforming its benchmarks by losing a little less than they did. The benchmark RMCG declined 4.75% last year and the S&P 500 Index fell 4.38%. According to Morningstar, the Morningstar Category Average fell 6.65% per share last year.

Baron Partners Fund has outperformed from its inception in 1992 to present

Baron Partners Fund is a focused, growth mutual fund seeking exceptional long-term performance. It has achieved outstanding results since its founding in 1992, although not every quarter. ***From Baron Partners Fund's inception on January 31, 1992 through March 31, 2019, the Fund earned an annualized return of 12.87%.*** This compares to 9.84% for its primary benchmark the RMCG, and 9.59% for the S&P 500.

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 with an 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 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 FUNDS 1987

Baron Partners Fund

Baron Partners Fund has outperformed during the last ten years

During the **most recent 10-year period** ended March 31, 2019, Baron Partners Fund (Institutional Shares) increased in value **18.15% per year compared to 17.60% for the RMCG and 15.92% for the S&P 500.** This was the recovery period immediately following the Financial Panic of 2008-09 when the market rebounded from depressed levels following a 16-month, unrelenting stock market "crash."

Baron Partners Fund outperformed from its Inception in 1992 to December 31, 1999 (Internet Bubble)

From Baron Partner Fund's **inception on January 31, 1992,** soon after the 1990 recession ended, **through December 31, 1999,** just before the Internet Bubble burst, Baron Partners Fund earned an annualized rate of return of **22.45%. This compares to 19.26% for the RMCG and 20.21% for the S&P 500.**

MOST IMPRESSIVELY…Baron Partners Fund outperformed from December 31, 1999 (Internet Bubble Top) to December 31, 2008 (Financial Panic Bottom)

Although the Fund outperformed in "good times," ***the most important reason $10,000 invested in Baron Partners Fund on January 31, 1992 is now worth $268,445 compared to $127,903 if it had been invested in the RMCG and $120,342 if it had been invested in the S&P 500, is Baron Partners Fund's performance from December 31, 1999 through December 31, 2008, the "bad times."*** That period was one of the most difficult in the history of the United States. It encompassed the market TOP before the Internet Bubble burst in 2000 to immediately before the market BOTTOM after the '08-'09 Financial Panic. We didn't make much money then but we did make some…and were careful throughout to follow Warren Buffett's Rule Number One "not to lose money" and Rule Number Two, "not to forget Rule Number One." **The benchmark indexes during those nine years *fell* 35.1% (RMCG) and 28.1% (S&P 500), on a cumulative basis. Baron Partners Fund *increased* 14.8%.**

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 3/31/2019		Millennium Internet Bubble to Present 12/31/1999 to 3/31/2019		Inception 1/31/1992 to 3/31/2019	
	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%	$47,069	16.31%	$54,029	9.16%	$268,445	12.87%
Russell Midcap Growth Index	$ 6,488	(4.69)%	$48,901	16.75%	$31,725	6.18%	$127,903	9.84%
S&P 500 Index	$ 7,188	(3.60)%	$38,985	14.20%	$28,022	5.50%	$120,342	9.59%

How did we accomplish that?

By investing for the long term in what we believe are fast growing, well-managed, competitively advantaged businesses. For example. Baron Partners Fund's average annual turnover for the past three years has been 15.85%. This means the Fund holds its investments on average for more than six years. Many for much longer than that. The average mid-cap growth mutual fund sells and replaces its entire portfolio every 21 months! Further, Baron Partners Fund invests a significant portion of its total investments, presently **40.5%**, in fast growing, competitively advantaged, well-managed**, "disruptive"** businesses. These businesses are "earlier stage," in instances sharing characteristics with "venture." These businesses are certainly not stairstep, "predictable" quarter-by-quarter growth companies…yet. Early in my career in the 1970s, a well-known market strategist termed businesses he had recommended, "*Ruler Companies*." This meant every quarter those businesses reported consistent, unvarying growth. His two favorite recommendations were General Electric and IBM, illustrious members of what were then called "The Nifty Fifty." That strategist was obviously a great storyteller since he became well known…even if he was not exactly a great analyst or investor…which you can tell by looking up what has happened to both those companies in following decades. Over the long term we expect our investments in "disruptive" businesses to continue to contribute significantly to the outperformance of Baron Partners Fund. However, there is no guarantee that this objective will be met.

The remaining **59.5%** of the Fund's total investments are invested principally in three additional categories**: Core Growth (13.9%), Financials (19.8%) and Real/Irreplaceable Assets (25.8%).** Those investments over the long term have provided our portfolios with steady growth (not hyper growth) and, in certain cases, undervalued assets. Baron Partners Fund's portfolio company mix has allowed the Fund to make significant investments in faster growing, potentially higher return but riskier "disruptive" businesses, and reduce the "volatility" that would be present if our portfolio consisted of only higher growth, "disruptive" businesses.

In the first quarter, the Fund's "Core Growth" holdings achieved 20.6% returns; its Financials 17.6% returns; its "Real/Irreplaceable Assets" gained 11.2%; and its "Disruptive Growth" businesses, net of a penalty from its **Tesla, Inc.** investment, gained 10.4%. Many investments that we considered "disruptive" when we first invested have since morphed into other categories but continue to grow faster but not geometrically faster than the market. Like **The Charles Schwab Corp.**, which in 1992 disrupted traditional brokerage and mutual fund distribution; **Vail Resorts, Inc.**, whose acquisitions of a network of ski mountains enabled it to create a network and an ability to sell half its ski passes before it even snows; and **Hyatt Hotels Corp.**, which built hotels with interesting architecture and meeting rooms at airports to attract guests and saved business people travel time to city centers.

Table III.
Total returns by category

	% of Net Assets	Total Return (%)	Contribution to Return (%)
Core Growth	**17.8**	**20.56**	**3.38**
NVIDIA Corporation	0.4	31.31	0.08
HEICO Corporation	1.0	27.30	0.23
Fastenal Co.	1.7	23.91	0.39
IDEXX Laboratories, Inc.	8.9	20.20	1.71
Gartner, Inc.	5.7	18.65	0.98
Activision Blizzard, Inc.	0.1	–2.76	–
Russell Midcap Growth Index		**19.62**	
Financials	**25.5**	**17.55**	**4.52**
MSCI, Inc.	0.5	35.32	0.14
FactSet Research Systems, Inc.	8.4	24.40	1.83
Arch Capital Group Ltd.	10.0	20.94	1.97
Air Lease Corp.	1.1	13.91	0.24
Windy City Investments Holdings, L.L.C.	–	3.85	–
The Charles Schwab Corp.	5.5	3.34	0.34
Interactive Brokers Group, Inc.	–	–8.99	–0.01
Real/Irreplaceable Assets	**33.1**	**11.21**	**3.86**
Marriott Vacations Worldwide Corp.	3.5	33.23	1.08
Norwegian Cruise Line Holdings, Ltd.	1.2	29.65	0.33
Red Rock Resorts, Inc.	0.9	27.76	0.27
MGM Growth Properties LLC	0.6	23.91	0.13
Gaming and Leisure Properties, Inc.	3.4	21.65	0.74
Douglas Emmett, Inc.	1.8	19.19	0.33
Hyatt Hotels Corp.	8.3	7.63	0.63
Vail Resorts, Inc.	8.9	3.94	0.25
Manchester United plc	4.5	1.26	0.10
Disruptive Growth	**52.0**	**10.41**	**5.58**
CoStar Group, Inc.	18.0	38.26	5.53
Align Technology, Inc.	2.5	34.62	0.65
Guidewire Software, Inc.	5.2	21.09	1.05
Zillow Group, Inc.	3.3	8.73	0.28
Space Exploration Technologies Corp.	6.2	8.41	0.63
Benefitfocus, Inc.	1.7	8.31	0.23
Spotify Technology S.A.	1.4	7.81	0.04
Tesla, Inc.	13.7	–15.91	–2.82
Cash	**–28.4**	**–**	**–**
Fees	**–**	**-0.53**	**-0.57**
Total	**100.0**	**16.77**	**16.77**

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

The 15.9% decline in the price of Tesla's stock in the first quarter penalized the Fund's performance by 2.82%. Tesla is Baron Partners Fund's second largest holding and represents 10.7% of its total investments. We believe Tesla's recent share price decline will be short lived but we cannot guarantee that will be the case. Tesla shares fell principally due to concerns about: near-term demand for its mass market Model 3 cars; concerns about Tesla's manufacturing capabilities; and the complicated logistics of beginning to deliver its Model 3 cars to Europe from California. Tesla's Model 3 cars are experiencing extraordinary demand throughout Europe; the "gating" factor that limits its car sales continues to be insufficient battery production to meet demand for its cars and commercial applications which is being addressed; and more than 10,000 cars on the water at quarter end not delivered to its customers…and therefore not yet recorded as sales…Tesla's car "pipeline" is being filled. Tesla is making progress contracting for additional battery production; its new car factory in China will open in 2019 and add production capacity; and demand does not seem an issue for this business that will likely produce 360,000-400,000 high-quality, *affordable* electric cars in 2019. About 90 million cars per year are sold across the globe. Tesla's newly inaugurated leasing program is creating additional demand. About 60% of cars sold by others are leased. Until April, Model 3 had no such program. Lower priced Model 3 variants are also increasing order rates although few additional orders are for the stripped-down model. Tesla is revolutionizing the automotive industry (in addition to the transportation and energy industries). Its electric car at an affordable price with low ongoing maintenance costs is the safest vehicle available according to NHTSA. We continue to believe Tesla's opportunity is large and the company can accomplish its mission to produce an electric vehicle that competitors cannot match on quality or price. We do not believe quarterly results are necessarily indicative of Tesla's long-term success. We purchased Tesla's stock five years ago. Tesla's sales have since increased from $3.7 billion per year to $21 billion in 2018 and could reach an estimated $28 billion-$30 billion this year. Tesla's share price has increased from $208 per share to $280 per share, far less than the growth of Tesla's business. We do not expect Tesla's share price to continue to lag the performance of its business.

We're doing our part. In addition to raffling a Tesla Model 3 as a door prize at our annual fall Baron Investment Conference for the past two years (at our expense, not at yours or Tesla's), last week, my family purchased its first Model 3 (we already own one Model S and two Model Xs). It was a red one with all wheel drive and an extended battery life. Just to make sure I didn't make any mistakes ordering – it's very easy to order online – I spoke to a young woman in charge of Tesla's sales in the Northeast. She used to work for Porsche and then owned a Panamera. She described to me her awful experience repairing Bluetooth in that expensive car…which she has since traded for a Tesla. It took five days! If there were such a problem with a Tesla, it would be fixed in five minutes over the air!

She also told me she considered Elon not only an engineering genius but a marketing genius as well. While other automobile manufacturers spend significantly on purchased media, i.e. advertising, Tesla spends exactly nothing!!!! Elon's genius is in remaining relevant through his Twitter commentary about his cars and being transparent about his company in dialogues with Tesla's customers and employees. This individual also mentioned that her husband "borrows" her Model 3 regularly and has sold three in the past month! "I'm considering hiring him," she joked with me. One accountant who works with me lives in New Jersey. Her family recently bought a Model 3 and parked it in her driveway. She told me all her neighbors stop to look and ask her about it. She also told me how excited her husband and children are with their new Tesla. When they took their daughter for her first ride, she stood up behind her father "'ccelerate, Daddy, 'ccelerate!!!!" she implored him. I hear similar stories from a number of the 166 individuals with whom I work seemingly daily.

While Tesla detracted significantly from recent performance on an absolute basis, other quality growth businesses detracted on a relative basis despite their businesses' growth. Three of the top 10 holdings, Vail, Hyatt, and Schwab, appreciated by *only* single-digit percentages. While such gains would normally be considered good during a three-month period, they lagged on a relative basis during the quarter. Vail was penalized by a slightly lower growth rate in visitations and perceived increased competition. We regard Vail's continued growth of Epic season pass sales as impressive considering its large skier base. This has been enhanced by its acquisitions, which we think offer further opportunity. When we visited Vail last month and walked around that town and Beaver Creek in the evening, I was struck again by the substantial development that has taken place in that mountain town during the past five years that inures to Vail's benefit. Hyatt expanded its revenue per room, improved its operating margins and announced steady growth projections for its room count. It also continued to buy back a lot of its stock for much less than we think it's worth, a positive to Baron as shareholders. Hyatt's progress integrating its acquisition of Miraval Spas has improved service level for guests and repeat visits. However, many businesses valued on tangible or irreplaceable assets were not rewarded substantially during this period. Finally, Schwab's share price increased modestly as investors were concerned that lower interest rates and price reductions would impact margins. We believe Schwab offers a superior product; continues to attract significant asset flows and new customers; and has achieved extraordinary profitability despite its continued growth.

Of the Fund's top 10 holdings, which represent 93.6% of net assets, only Tesla fell in value. 74.7% of the Fund's net assets had double-digit returns over the three months ended 2019. And the Fund's largest investment, **CoStar Group, Inc**., increased in value 38.3% in the period. Talk about "disruptive" businesses. That company continues to exceed expectations and introduce new services that are highly coveted by their customer base and a crucial input to their clients' decision-making process. They still have a sizable addressable market and are making investments to capture incremental clients and sustain revenue growth all while expanding margins. The stock was highly rewarded. CoStar remains entrenched with its customers as a provider of outsourced services. We believe the company can continue to improve its operating margin.

Table IV.
Top contributors to performance for the quarter ended March 31, 2019

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap or Market Cap When Sold (billions)	Total Return	Percent Impact
CoStar Group, Inc.	2005	$0.7	$17.0	38.26%	5.53%
Arch Capital Group Ltd.	2002	0.6	13.0	20.94	1.97
FactSet Research Systems, Inc.	2007	2.5	9.4	24.40	1.83
IDEXX Laboratories, Inc.	2013	4.7	19.2	20.20	1.71
Marriott Vacations Worldwide Corp.	2018	3.2	4.2	33.23	1.08

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.

Arch Capital Group Ltd. contributed to performance after the company reported solid quarterly results despite elevated catastrophe losses from Hurricane Michael and the California wildfires. Underwriting income exceeded investor expectations due to strong underlying margins in the Mortgage segment and favorable reserve development. Market conditions are stable to slightly improving, with attractive returns in Mortgage and slightly better pricing in the property & casualty market after recent catastrophe losses.

Shares of **FactSet Research Systems, Inc.**, a leading provider of investment management tools, increased on solid earnings driven by steady growth in annual subscription value, meaningful margin expansion, and mid-teens adjusted EPS growth. While strong recent performance has been relatively broad-based, the company's Analytics, CTS, and Wealth segments were the primary growth drivers. We retain conviction due to FactSet's large addressable market, consistent execution on new product development and financial results, and robust free cash flow generation.

Shares of veterinary diagnostics leader **IDEXX Laboratories, Inc.** increased after the company reported robust financial results. In the core companion animal business, competitive trends are outstanding, highlighted by instrument installed base growth of 21%, domestic lab growth more than twice that of competitor VCA, and improving sales productivity. We think new proprietary innovations and field sales force expansion should be meaningful contributors to growth. Margins are moving significantly higher, and we believe they can approach 30% over the next several years.

Shares of **Marriott Vacations Worldwide Corp.**, a global developer and seller of timeshare units, increased in the quarter as the company continued to integrate its Interval Leisure acquisition and detailed significant revenue and cost opportunities ahead. Marriott continues to generate strong timeshare sales growth while producing robust free cash flow as the company naturally deleverages. We estimate the company should be able to use its cash flow to repurchase 7% of its shares per year while increasing its dividend.

Table V.
Top detractors from performance for the quarter ended March 31, 2019

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap or Market Cap When Sold (billions)	Total Return	Percent Impact
Tesla, Inc.	2014	$21.9	$48.3	–15.91%	–2.82%
Interactive Brokers Group, Inc.	2018	24.0	21.3	–8.99	–0.01

Tesla, Inc. designs, manufactures, and sells fully electric vehicles, solar products, and energy storage solutions. Shares declined due to recent news surrounding complexities in new geographies, price changes, changes in Tesla's go-to-market approach, and additional headcount reduction. We believe the company is trying to maximize profitability and the $35,000 Model 3 and the new Model Y are attractive product offerings that can support significant growth for Tesla over the coming years.

Shares of global electronic broker **Interactive Brokers Group, Inc.** declined due to slowing customer account growth and a lower interest rate outlook. Founder Thomas Peterffy's announcement that he will step down as CEO in the third quarter of 2019 and gradually sell down his ownership stake also impacted performance. We sold our shares.

Investment Strategy And Portfolio Structure

The goal 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 fast growing, appropriately capitalized, well-managed businesses with sustainable competitive advantages and strong, long-term growth opportunities at attractive prices across all market capitalizations. We have created a highly focused investment portfolio of less than thirty securities diversified by GICS sectors, business strategies and fundamental attributes. The Fund uses leverage, when appropriate, to maintain concentration requirements. The businesses held in the Fund are identified by our Firm's proprietary research.

As of March 31, 2019, Baron Partners Fund held 29 investments. The top 10 positions represent 72.9% of total investments, or 93.6% of net assets. Leverage was 28.4% of net assets.

Despite its concentrated portfolio, Baron Partners Fund has diversity in the type of investments held. Approximately 40.5% of the Fund's total investments are "Disruptive" in their industries and will likely significantly alter the competitive dynamics of those industries. Two examples are **Space Exploration Technologies Corp.** (SpaceX) and **Spotify Technology S.A.** SpaceX, we believe, will have the most reliable and lowest cost access to space through the reusability of much of its launch vehicle hardware. By creating more listener data, Spotify can better predict geographic demand for music. Spotify can provide significant data services to labels and artists that will enable them to improve revenues, lower costs and improve profitability. Spotify is already a very important contributor to label profits. Spotify also has a significant opportunity to gain listener share with its podcasts.

"Real/Irreplaceable Asset" businesses (predominantly competitively advantaged real estate and entertainment companies) represent 25.8% of total investments. These companies have tangible properties that we believe are well positioned and become increasingly more valuable. They tend to return excess free cash flow to shareholders through dividends and buyback. It comprises companies like **Red Rock Resorts, Inc.**, which appreciated 27.8% in the quarter. Red Rock has invested heavily in its gaming properties that appeal to the booming locals Las Vegas community. Red Rock is the largest owner of off the Strip "locals' casino" sites. Those sites' values have been enhanced by legislation limiting additional site development.

"Financial" firms are approximately 19.8% of the Fund's total investments and include companies like The Charles Schwab Corp., **FactSet Research Systems, Inc.**, **MSCI, Inc.**, **and Arch Capital Group Ltd.** All have persistent clients and large market opportunities.

And finally, competitively advantaged "Core Growth" businesses, like **IDEXX Laboratories, Inc.** and **Gartner, Inc.**, were once "Disruptive" and morphed into larger businesses that can compound their gains significantly over the long term (i.e., they can become the "Ruler Companies" we discussed previously).

We expect several "Disruptive" businesses today to become "Real/Irreplaceable Assets," "Financial" businesses and "Core Growth" companies in the future. In the meantime, our long-term investments in these more mature, growth categories allow Baron Partners Fund to have significant investments in faster growing "Disruptive" businesses with acceptable portfolio volatility.

Baron Partners Fund

Portfolio Holdings

Table VI.
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 Total Investments
CoStar Group, Inc.	2005	$ 0.7	$17.0	$408.1	14.0%
Tesla, Inc.	2014	21.9	48.3	310.6	10.7
Arch Capital Group Ltd.	2002	0.6	13.0	226.2	7.8
IDEXX Laboratories, Inc.	2013	4.7	19.2	201.2	6.9
Vail Resorts, Inc.	2008	1.6	8.7	201.2	6.9
FactSet Research Systems, Inc.	2007	2.5	9.4	191.2	6.6
Hyatt Hotels Corp.	2009	4.2	7.7	188.7	6.5
Space Exploration Technologies Corp.	2017	—	—	139.7	4.8
Gartner, Inc.	2013	5.7	13.6	128.9	4.4
The Charles Schwab Corp.	1992	1.0	57.1	124.0	4.3

Thank you for investing in Baron Partners Fund

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 will also 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 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 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.