

September 30, 2018
Institutional Shares (BSFIX)

Baron Small Cap Fund Fact Sheet

BAMCO, Inc., Registered Investment Adviser



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

Definitions (provided by BAMCO, Inc.): The indexes are unmanaged. The **Russell 2000® Growth Index** measures the performance of small-sized U.S. companies that are classified as growth and the **S&P 500 Index** of 500 widely held large-cap U.S. companies. The indexes and the Fund are with dividends, which positively impact the performance results. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell is a trademark of Russell Investment Group. Morningstar calculates the **Morningstar US Fund Small Growth Category Average** using its Fractional Weighting methodology. The Fund's Institutional Shares have been included in the category since May 29, 2009 and the Fund's 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 2000 Growth Index
# of Equity Securities / % of Net Assets	70 / 98.6%	-
Turnover (3 Year Average)	17.80%	-
Active Share	93.3%	-
Median Market Cap†	\$4.21 billion	\$1.04 billion
Weighted Average Market Cap†	\$7.71 billion	\$2.69 billion
EPS Growth (3-5 year forecast)†	22.3%	18.2%
Price/Earnings Ratio (trailing 12-month)*†	28.1	22.2
Price/Book Ratio*†	4.8	4.1
Price/Sales Ratio*†	2.7	1.7

* 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	10.75	11.95	16.88
Sharpe Ratio	1.81	0.99	0.74
Alpha (%) - Annualized	6.42	2.51	1.96
Beta	0.74	0.79	0.83
R-Squared (%)	84.87	87.08	93.76
Tracking Error (%)	5.44	5.23	5.33
Information Ratio	0.43	0.03	0.03
Upside Capture (%)	91.46	87.24	86.72
Downside Capture (%)	58.67	76.78	79.29

Top 10 Holdings

% of Net Assets

Gartner, Inc.	4.7
Guidewire Software, Inc.	3.8
IDEXX Laboratories, Inc.	3.1
Teladoc Health, Inc.	3.0
Waste Connections, Inc.	2.8
TransDigm Group, Inc.	2.8
ASGN Incorporated	2.8
The Ultimate Software Group, Inc.	2.8
The Trade Desk	2.7
ICON plc	2.5
Total	31.0

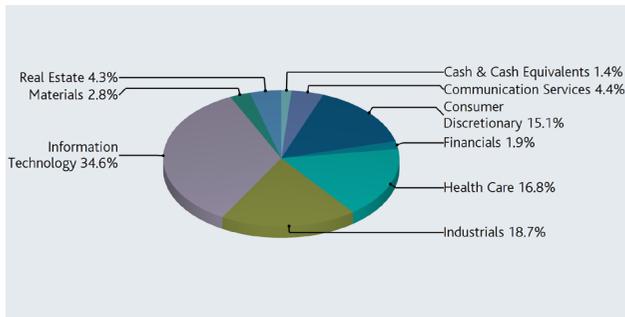
Specific risks associated with investing in smaller companies include that the securities may be thinly traded and more difficult to sell during market downturns. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase 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.

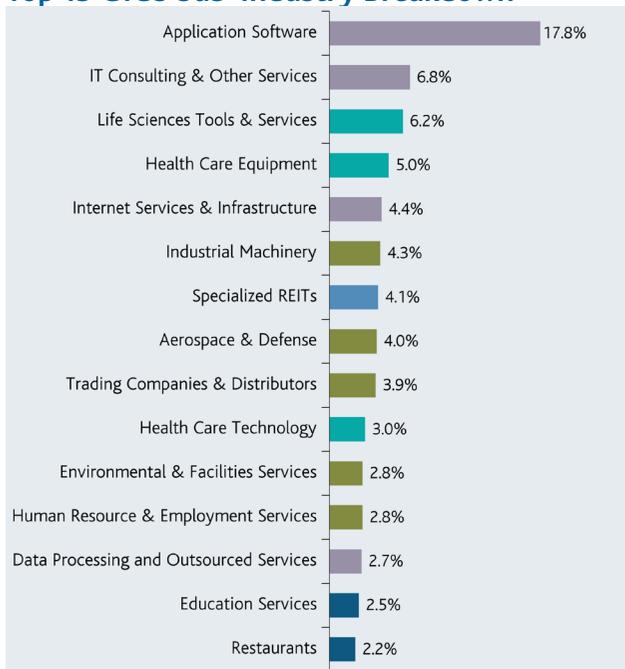
2 - Source: FactSet SPAR. Except for Standard Deviation and Sharpe Ratio, the performance based characteristics above were calculated relative to the Fund's benchmark.

3 - As of FYE 9/30/2017

GICS Sector Breakdown¹



Top 15 GICS Sub-Industry Breakdown¹



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

Investment Strategy

The Fund invests in small-sized U.S. companies with significant growth potential. Investments include fallen angels with strong long-term franchises that have disappointed investors, and special situations where lack of investor awareness creates opportunities. Diversified.

Portfolio Manager

Cliff Greenberg joined Baron in 1997 and has 34 years of research experience. From 1984 to 1996, Cliff worked at HPB Associates, as a securities analyst and fund manager, and was named general partner in 1991. Cliff graduated from Cornell University with a B.A. in 1981 and from Columbia Law School with a J.D. in 1984.

Investment Principles

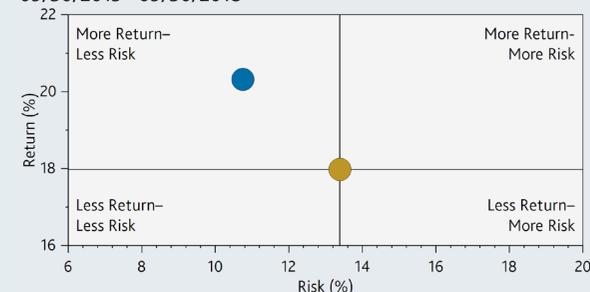
- Long-term perspective allows us to think like an owner of a business
- Independent and exhaustive research is essential to understanding the long-term fundamental growth prospects of a business
- We seek appropriately capitalized open-ended growth opportunities, exceptional leadership, and sustainable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

Fund Facts

Inception Date	September 30, 1997
Net Assets	\$4.68 billion
Institutional Shares	
CUSIP	068278803
Expense Ratio ³	1.05%

Risk/Return Comparison²

09/30/2015 - 09/30/2018

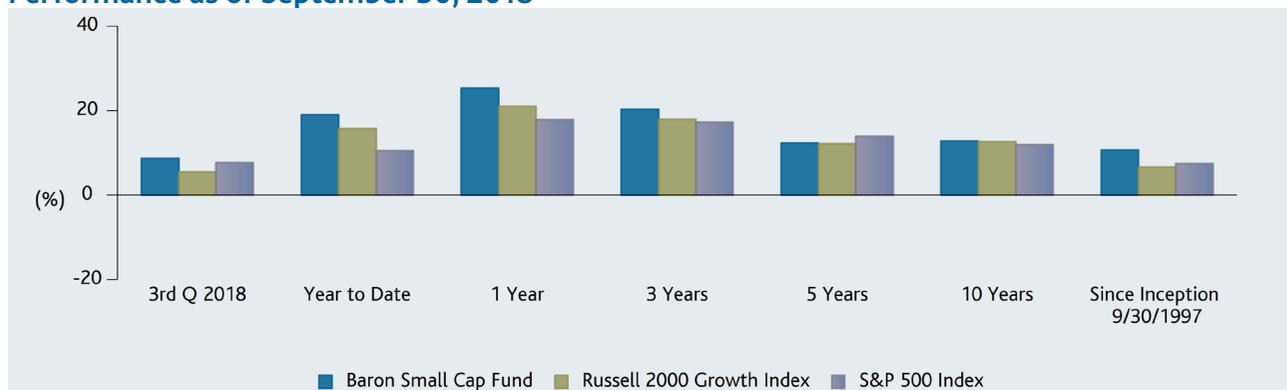


• Baron Small Cap Fund - I

• Russell 2000 Growth Index



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 9/30/1997	
	Return	+ -	Return	+ -	Return	+ -	Return	+ -	Return	+ -	Return	+ -	Return	+ -
BSFIX - Institutional Shares	8.71		19.08		25.33		20.32		12.28		12.80		10.71	
Russell 2000 Growth Index	5.52	3.19	15.76	3.32	21.06	4.27	17.98	2.34	12.14	0.14	12.65	0.15	6.70	4.01
S&P 500 Index	7.71	1.00	10.56	8.52	17.91	7.42	17.31	3.01	13.95	-1.67	11.97	0.83	7.50	3.21
Morningstar Small Growth Category Average	7.00	1.71	18.94	0.14	24.44	0.89	18.39	1.93	11.75	0.53	12.57	0.23	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
BSFIX - Institutional Shares	11.83	11.69	-40.24	35.47	23.79	-1.37	18.30	38.10	1.95	-5.01	10.26	27.45
Russell 2000 Growth Index	13.35	7.05	-38.54	34.47	29.09	-2.91	14.59	43.30	5.60	-1.38	11.32	22.17
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

The market had its best quarter of the year, made new highs, and was consistently strong until late September. Economic growth accelerated. Corporate earnings continue to grow rapidly. Inflation remained in check, and bond yields have risen just modestly. Though trade tensions continue, and the tough rhetoric escalated with China, new agreements were signed with Mexico and Canada. These concerns, and the tense political atmosphere, took a back seat to the strong economy and corporate performances.

Baron Small Cap Fund increased in the quarter. Information Technology (IT), Health Care, and Industrials holdings added the most to performance. With four of the top five contributors and 12 holdings with double-digit gains, IT had a strong quarter. Performance was led by The Trade Desk and Acxiom Corporation, respectively the top and third largest contributors to performance. Eight out of nine Health Care holdings advanced, led by second largest contributor Teladoc Health, Inc. Industrials benefited from double-digit increases in six investments, including John Bean Technologies Corporation and Mercury Systems, Inc. Shares of John Bean, a leading global technology solutions provider to the food processing and air transportation industries, rallied after strong second quarter financial results convinced investors that the company can achieve full-year guidance. Shares of Mercury, a provider of complex electronic subsystems to major defense contractors, rebounded from the negative impact of a short sale report issued in the prior quarter.

Consumer Discretionary, Materials, and Financials investments detracted the most. Consumer Discretionary was weighed down by double-digit declines in six holdings, including the three largest detractors in the quarter, Floor & Decor Holdings, Inc., Shutterfly, Inc., and Installed Building Products, Inc. Weak performance in Materials was led by Summit Materials, Inc., after second quarter results of this construction aggregates manufacturer missed Street estimates. Financials fell on declines in three out of the portfolio's four holdings in the sector.

Since the end of the quarter, interest rates have risen, and stocks have fallen. The correction has been sudden and dramatic. Tech and growth stocks, which have been the market leaders are now acting the weakest, as the best become the worst, which is often the case in big selloffs. Small cap, which has been strong all year because these businesses are more domestic focused and benefiting from strong growth in the U.S., are now out of favor. Value is favored over growth, reversing the trends of the last few years.

Our sense is that economic growth will likely moderate. If economic growth does slow, it would take some of the pressure off rising rates and help the market. We view the economy to be in good shape, and not so strong to stoke negative consequences. We believe the modest increase in rates and inflation that we anticipate can easily be absorbed by the economy and our portfolio companies. We expect continued growth in the future and don't see a recession in the offing.

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

Contributors

- **The Trade Desk** is the leading internet advertising demand-side platform. After growing more than 50% year-over-year in 2017, the company is on track to grow at a similar rate in 2018. Shares have performed exceptionally well this year, driven by the strong revenue growth forecast the company provided. Additionally, CEO Jeff Green is spending significant time in China developing relationships to incubate the company's next stage of growth. We remain positive on shares of The Trade Desk, as the company only has an estimated 10% share in the \$10 billion programmatic advertising market.
- Shares of **Teladoc Health, Inc.**, the largest telehealth company in the U.S., rose sharply in the quarter on a strong revenue and earnings beat. Membership increased 48% and utilization rose to 8%, a nice improvement, but still offering significant upside. The integration of recently acquired Advanced Medical, the ex-U.S. leader in virtual care, is on pace and the company completed an oversubscribed \$5 million share follow-on equity offering in late July. We continue to be excited about our investment in Teladoc.
- **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.

Detractors

- Shares of **Floor & Decor Holdings, Inc.**, a hard-surface flooring retailer, fell sharply after the company reported same-store sales growth that missed investor expectations. The institution of U.S. tariffs in mid-September also weighed on the stock price as the company sources 47% of its product from China and several flooring categories are on the tariff list. We still believe that Floor & Decor is a differentiated retail concept and see long-term opportunity for store growth.
- Shares of **Shutterfly, Inc.**, an online provider of consumer photo prints and related products, detracted from performance. While earnings beat Street expectations, the company downgraded its growth expectations for the fourth quarter, and the market responded negatively. As long-term investors, we look through brief fluctuations in growth, and we retain conviction due to our optimism surrounding the synergies and cross-selling opportunities presented by Shutterfly's acquisition of Lifetouch, which we expect will increasingly come to fruition over the next three years.
- Shares of **Installed Building Products, Inc.**, a distributor and installer of fiberglass insulation and complementary products serving residential and non-residential construction markets, detracted from performance. Concerns that the U.S. residential construction sector is slowing as well as company-specific margin headwinds from input inflation and new locations that have not yet stabilized drove weak performance. We retain conviction based on the company's differentiated business model and growth strategy and a valuation we perceive as inexpensive.

Contribution to Return¹ By Sub-Industry



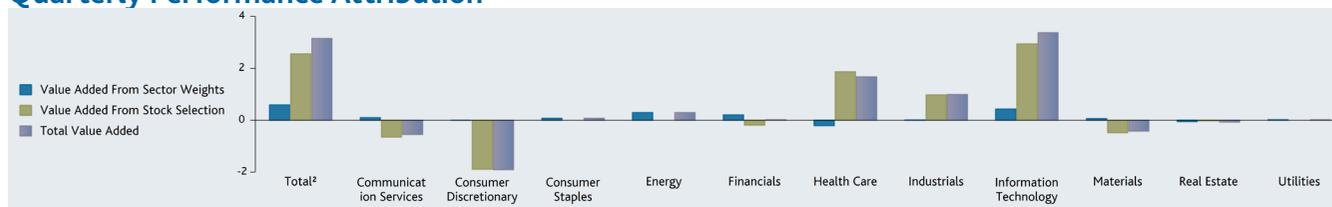
By Holdings

Top Contributors	Average Weight(%)	Contribution(%)
The Trade Desk	2.15	1.09
Teladoc Health, Inc.	2.61	1.08
Acxiom Corporation	1.81	0.86
Gartner, Inc.	4.39	0.80
The Ultimate Software Group, Inc.	2.56	0.58

Top Detractors	Average Weight(%)	Contribution(%)
Floor & Decor Holdings, Inc.	1.40	-0.67
Shutterfly, Inc.	1.82	-0.57
Installed Building Products, Inc.	1.32	-0.48
Summit Materials, Inc.	1.23	-0.47
Red Rock Resorts, Inc.	1.74	-0.36

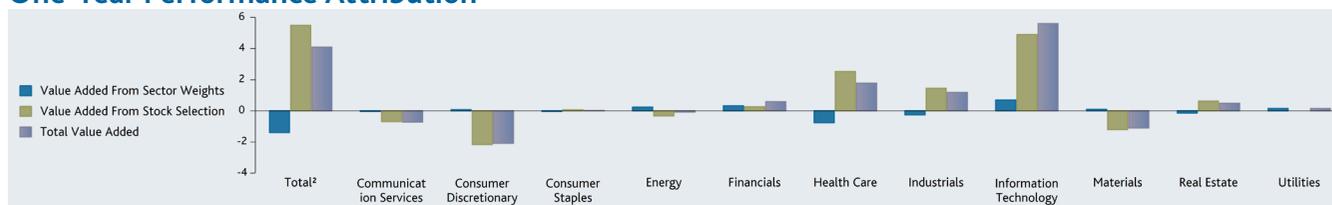
1 - Source: FactSet PA.

Quarterly Performance Attribution¹



Sector Average Weights(%)	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities
Baron Small Cap Fund	4.44	15.88	-	-	2.07	16.37	19.22	33.20	3.26	4.00	-
Russell 2000 Growth Index	3.29	14.90	2.78	2.30	7.52	26.56	18.31	17.32	4.13	2.48	0.41
Over/Underweight	1.16	0.98	-2.78	-2.30	-5.45	-10.20	0.91	15.87	-0.87	1.52	-0.41
Total Return(%)											
Baron Small Cap Fund	-0.44	-6.60	-	-	-7.19	20.34	9.45	17.74	-12.48	1.37	-
Russell 2000 Growth Index	14.55	4.94	3.12	-6.12	1.90	7.64	4.00	8.17	0.83	1.75	4.48
Relative Return	-14.99	-11.54	-3.12	6.12	-9.09	12.70	5.44	9.57	-13.32	-0.39	-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 Small Cap Fund	4.60	14.77	0.14	0.80	2.41	15.10	20.86	30.97	4.04	4.08	-
Russell 2000 Growth Index	2.89	13.95	2.63	1.56	6.52	25.06	17.96	21.40	4.41	3.03	0.61
Over/Underweight	1.71	0.82	-2.48	-0.76	-4.11	-9.96	2.90	9.57	-0.37	1.05	-0.61
Total Return(%)											
Baron Small Cap Fund	7.03	11.76	10.72	-20.26	17.12	51.33	16.97	47.05	-21.24	17.55	-
Russell 2000 Growth Index	22.69	26.13	25.06	-2.03	14.42	30.03	9.77	27.63	5.24	4.17	5.67
Relative Return	-15.66	-14.37	-14.34	-18.23	2.70	21.30	7.20	19.42	-26.48	13.38	-5.67

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 Small Cap Fund increased 8.71% in the third quarter, outperforming the Russell 2000 Growth Index by 319 basis points due to stock selection. Style biases also added value, led by greater exposure to larger-cap stocks, which outperformed smaller caps in the quarter, and underexposure to the poor-performing volatility and earnings variation factors.

Investments in Information Technology (IT), Health Care, and Industrials contributed the most to relative performance. Stock selection in IT added almost 300 basis points to relative results, driven by the outperformance of The Trade Desk, The Ultimate Software Group, Inc. and other application software holdings. Trade Desk was the largest contributor on an absolute basis. Shares of payroll and human capital management software vendor Ultimate rose after the company reported solid Q2 financial results and increased recurring revenue guidance. Ultimate also announced its largest acquisition to date, which provides the company with a cross-sell opportunity and platform for international expansion. Meaningfully higher exposure to application software stocks, which were up more than 14% in the index, also lifted relative results. Sector performance was also bolstered by share price gains from Acxiom Corporation and syndicated research provider Gartner, Inc. Acxiom was the third largest contributor to absolute performance. Gartner demonstrated traction in its integration of CEB with solid seat-based sales, especially with new customers. Within Health Care, outperformance of Teladoc Health, Inc. and HSA custodian HealthEquity, Inc. added value. Teladoc was the second largest contributor to absolute results. HealthEquity's shares climbed on strong financial results boosted by solid account growth. Strength in Industrials was attributable to the outperformance of John Bean Technologies Corporation and Mercury Systems, Inc. Shares of John Bean, a leading global technology solutions provider to the food processing and air transportation industries, rallied after strong Q2 financial results convinced investors that the company can achieve full-year guidance. Shares of Mercury, a provider of complex electronic subsystems to major defense contractors, rebounded from the negative impact of a short sale report issued in the prior quarter. Our conviction that the report's claims were erroneous paid off as Mercury reported strong quarterly results and guided above the Street for fiscal 2019.

Consumer Discretionary investments detracted the most from relative results, driven by Floor & Decor Holdings, Inc., Shutterfly, Inc., and Installed Building Products, Inc., which were the three largest detractors on an absolute basis. Weakness in the sector was also due to the underperformance of Red Rock Resorts, Inc., a casino operator in the Las Vegas locals market. Strip operators like MGM Resorts International and Wynn Resorts missed numbers during the quarter, and Red Rock's stock price was down in sympathy.



Top 10 Holdings as of September 30, 2018

Company	Investment Premise	Company	Investment Premise
<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>TransDigm Group, Inc. (TDG), through its subsidiaries, designs, produces, and supplies engineered aerospace components for commercial and military aircraft customers in the United States.</p>	<p>TransDigm's parts are custom designed at the preproduction stage and are specifically approved by the Federal Aviation Administration and aircraft manufacturers. It is typically the sole supplier of 75% of the parts that it manufactures. While the company earns a modest return on original equipment parts, it earns large margins on after-market replacement parts on airframes that stay in service for decades, creating recurring cash flow used for acquisitions and shareholder dividends.</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>ASGN Incorporated (ASGN) is the second largest staffing firm in the U.S., providing in-demand skilled professionals. 85% of revenues are in the technology and digital/creative verticals with the balance in life sciences.</p>	<p>ASGN participates in segments of the professional staffing industry (scientific, IT/engineering, advertising, digital, creative, and marketing) that are experiencing robust secular growth. Focus on the non-commoditized high end of the market should allow the company to maintain industry-high organic growth rates and gross margins. We think it should benefit from increased U.S. outsourcing penetration and the shortage of skilled workers in its verticals as well. Its business model is characterized by robust operating margins and substantial free cash flow generation.</p>
<p>IDEXX Laboratories, Inc. (IDXX) is the leading provider of diagnostics to the veterinary industry.</p>	<p>IDEXX has continued to benefit from secular growth spending on pets, due to a growing human-animal bond, favorable demographics, increased use of diagnostics, and enhanced focus on preventative care. We think IDEXX has the best menu of diagnostics, which it has continuously improved by spending six times more on R&D annually than all its competitors combined. The company's products are sold via a razor/razorblade model, which creates high retention rates and incremental margins. IDEXX generates strong cash flow, which it has returned to shareholders via repurchases.</p>	<p>The Ultimate Software Group, Inc. (ULTI) is a leading provider of cloud-based payroll and human resources software.</p>	<p>Ultimate Software operates in a multi-billion dollar market with high barriers to entry created by employers having to comply with over 13,000 local tax codes and other complex employee-related regulations. Its unique cloud-based software gives clients more control over their payroll and human resources functions. We believe Ultimate Software will continue to gain market share. As recurring revenue grows, we expect profit margins to expand and earnings to increase. We think the company should benefit from employment growth and increases in short-term interest rates.</p>
<p>Teladoc Health, Inc. (TDOC) is the U.S.'s first and largest tele-health company, providing on-demand remote medical care using telephone and videoconferencing in both U.S. and international markets.</p>	<p>Tele-health's low cost, convenience, and broad accessibility are a powerful secular growth story, and the increasing number of insurers and large employers add to that narrative. Penetration of the \$30 billion addressable tele-health market is only about 1%. Teladoc is building on its highly scalable platform and commanding 75% market share, driving over 30% top-line growth. We expect growth to come from new customers, higher utilization, additional services such as behavioral health, and a shift to more per-member-per-month contracts.</p>	<p>The Trade Desk (TTD) is a software company that enables advertising agencies to purchase advertising more efficiently and effectively. It provides the leading self-serve platform to enable data-driven digital advertising.</p>	<p>The Trade Desk benefits from a visionary founder and CEO Jeff Green, who has built a unique culture of excellence and customer focus. As advertising becomes increasingly more digital and automated, we expect The Trade Desk to remain the key vendor to advertising agencies engaged in such efforts. We estimate the company has 10% market share in what the advertising industry calls programmatic buying. Programmatic buying today represents only \$10 billion out of \$640 billion in global advertising.</p>
<p>Waste Connections, Inc. (WCN) is an integrated solid-waste services company that provides solid-waste collection, transfer, disposal, and recycling services in mostly secondary markets in western and southern areas of the United States as well as Canada.</p>	<p>Due to high barriers to entry in the solid-waste industry and the company's avoidance of competitive urban markets, Waste Connections has been able to establish a monopoly in the majority of the areas in which it operates. More than half of its revenue comes from these long-term, exclusive agreements. The company has achieved best-in-class organic growth in its existing markets, along with leading margins. The acquisition of Progressive Waste brings new growth opportunities and significant synergies, in our view.</p>	<p>ICON plc (ICLR) is a leading global Contract Research Organization (CRO) providing outsourced drug development services to its pharmaceutical and biotech clients. ICON has expertise in multiple therapeutic areas.</p>	<p>As drug trials become increasingly complex and biopharma companies consolidate their vendor lists among top-tier providers and seek to establish stickier strategic relationships, large global CROs like ICON are the primary beneficiaries. The outsourcing trend is accelerating, driven by biopharma's need for a lower more variable cost structure in the face of patent expirations and the inherent lack of biotech infrastructure.</p>



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