Dear Baron Growth Fund Shareholder:

Performance

Baron Growth Fund (the "Fund") returned 33.06% (Institutional Shares) during the year ended December 31, 2020. This is robust absolute performance and is comparable to the Fund's primary benchmark, the Russell 2000 Growth Index (the "Benchmark"), which gained 34.63%. The Fund's performance compares favorably to the S&P 500 Index, which measures the performance of publicly traded large-cap U.S. companies. That index gained 18.40% during the year.

While the Fund slightly trailed the benchmark during 2020, our performance continued to exhibit favorable stock selection. Stock selection has contributed approximately 685 basis points to the Fund's annualized excess returns over the last four years, including 570 basis points in 2020. This is the goal of our fundamentally driven investment strategy, and where we devote the preponderance of our time and attention. Our favorable stock selection was offset by a market rotation that occurred during the fourth quarter. Cyclical stocks surged after underperforming for much of the year, and shares of biotechnology stocks also outperformed. The Fund has minimal exposure to both categories. While such cycles ebb and flow, we remain optimistic that our portfolio of durable growth businesses led by best-in-class management teams will generate compelling investment returns across market cycles.

Table I.
Performance
Annualized for periods ended December 31, 2020

	Baron Growth Fund Retail Shares[1,2]	Baron Growth Fund Institutional Shares[1,2,3]	Russell 2000 Growth Index[1]	S&P 500 Index[1]
Three Months[4]	21.02%	21.10%	29.61%	12.15%
One Year	32.72%	33.06%	34.63%	18.40%
Three Years	21.77%	22.08%	16.20%	14.18%
Five Years	19.45%	19.76%	16.36%	15.22%
Ten Years	14.76%	15.06%	13.48%	13.88%
Fifteen Years	11.23%	11.46%	10.69%	9.88%
Since Inception (December 31, 1994)	14.03%	14.16%	9.04%	10.52%

NEAL ROSENBERG
CO-PORTFOLIO MANAGER

RONALD BARON
CEO AND LEAD PORTFOLIO MANAGER

Retail Shares: BGRFX
Institutional Shares: BGRIX
R6 Shares: BGRUX

The Fund rose 21.10% in the fourth quarter alone, while the Benchmark rose 29.61% and the S&P 500 Index rose 12.15%. Markets took their cue from the unexpectedly positive results of COVID vaccine trials, which demonstrated safety and efficacy that exceeded most expectations. The Fed reiterated its commitment to keeping borrowing costs at near zero indefinitely, and a Democratic-led government seems likely to pursue aggressive fiscal policy in 2021. Investors extrapolated these developments into an upbeat outlook and bid up stocks, with a particular focus on those that have pro-cyclical attributes, have more risky or volatile business models, and had underperformed earlier in 2020. Biotechnology shares also surged. We tend not to find businesses that meet our investment criteria in many of these sectors, and do not change our process or strategy just because an area of the market is temporarily in vogue.

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail shares and Institutional shares as of September 30, 2020 was 1.30% and 1.04%, respectively. 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.

[1] 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. The indexes are unmanaged. The index performance is not Fund performance; one cannot invest directly into an index.

[2] 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.

[3] 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.

[4] Not annualized.

When we assess this year's performance, we find that the businesses in which we have invested demonstrated operational excellence against an extraordinary backdrop. The Fund has always applied stringent investment criteria to ensure that we invest in the highest-quality companies. These include businesses with large addressable markets, high barriers to entry, positive secular trends, recurring or highly visible revenue, high margins, strong free cash conversion, and best-in-class management teams. Those attributes have been nice to own in good environments but have been critical to own in unprecedented times. Most of the businesses in our portfolio used 2020 to enhance their structural earnings potential by expanding their addressable markets, investing in new products and distribution to pursue long-term growth, and refining operating procedures for a digital-first world. This led to favorable stock returns this year, and we believe will help sustain performance in the years to come.

The portfolio exclusively invests in small capitalization stocks. During 2020, we initiated six new positions with a weighted average initial market capitalization of $2.79 billion (excludes private investments). This quarter, we initiated a new position in **Desktop Metal, Inc.**, an emerging leader in additive manufacturing systems. Additive manufacturing, which is colloquially known as "3D printing," offers the prospect of a single machine that can produce an unlimited number of parts with infinite degrees of complexity using a vast array of materials. Please see the section titled "Recent Purchases" for more details on Desktop Metal.

Desktop Metal is the fourth private investment that we made this year. In total, our private investments represented just 0.5% of our net assets. We expect private investments to remain a very small portion of the portfolio, both individually and in the aggregate, going forward. We think that participating in a limited number of private investments offers several benefits to the Fund. First, being an investor in a company that is still private gives us earlier access to a management team. It allows us to spend more time observing managers shaping a company's strategy and financial model, and more data points to assess the likelihood of long-term success. We expect this extra information to lead to enhanced conviction regarding an investment decision when the company ultimately comes public, potentially enabling the Fund to make a follow-on investment before the company's merits are widely recognized by public markets. Second, we expect our private investments to be limited to emerging industries and disruptive businesses, such as Desktop Metal disrupting manufacturing, or **Farmers Business Network, Inc.** disrupting traditional agricultural markets. Investing privately gives us an entrée into an emerging ecosystem, where we can both search for additional potential investments and assess the impact on incumbents, many of which are public.

Finally, we believe that these investments offer attractive risk-reward profiles in their own right. We apply the same investment criteria to private investments as we have done to public investments, but we hope to find them earlier and at lower valuations. By investing privately at very small scale, we believe we are risking a modest amount of capital with the potential to earn outsized long-term returns. While the risk is higher, it remains extremely low in the context of our high-quality portfolio replete with proven best-in-class businesses. We successfully executed this strategy with **Schrodinger, Inc.**, which has matured from a small private investment made three years ago into public company in which we hold a 0.9% position currently. We are optimistic that we have identified other investments with similar long-term return potential.

We intentionally keep our new investments small as we build confidence in our investment thesis and management's ability to execute. We will seek to add opportunistically to these positions where appropriate. Our preference is to continue to hold stocks for the long term, even as they rise in market capitalization, as long as our thesis remains intact and we see an ability to double our money over the subsequent five-year period. That leads to a portfolio that has a higher-than-average market capitalization relative to other small-cap strategies. We view it as a portfolio that is long tenured and high conviction, with larger position sizes generated through performance rather than investment. For example, our current top 10 positions presently represent 54.7% of the portfolio. Our top 10 positions have increased by an average of 18.0 times since our initial investment, and all have continued to perform at above-market rates. In 2020, the group returned an average of 58.9%, including seven positions rising by more than 25% and six rising by more than 40%.

We remain optimistic about the portfolio's prospects in 2021 and beyond. We believe we have invested in a portfolio of businesses that can compound at faster-than-expected rates for longer-than-expected time periods. We are optimistic that a vaccine will be safe, effective, and well distributed, which will help return economic activity to more normal levels. We also believe there is a lot of pent-up demand for activities that have been deferred or delayed because of COVID. We think a return to normalcy will help all businesses but will be a particular tailwind to our Consumer Discretionary investments, such as **Vail Resorts, Inc.**, **Marriott Vacations Worldwide Corp.**, and **Bright Horizons Family Solutions, Inc.**, which represent a meaningful portion of the Fund.

More generally, we have found that the best-in-class businesses that we own tend to take market share during recessions. During downturns, these businesses continue to invest in critical areas such as R&D, sales, and product development. They accommodate customers, which creates loyalty and goodwill, and enhances lifetime value. Conversely, sub-scale, poorly capitalized, or less well-managed businesses tend to fall away. They may cut costs critical for future growth too deeply, lose focus on servicing their customers, or experience financial distress. When conditions ultimately normalize, we find that the survivors are better positioned than ever to take advantage of their resiliency and aggregate market share.

Additionally, we expect well-capitalized, well-managed businesses to participate in opportunistic M&A. We think that strategic acquirers with robust balance sheets can be attractive buyers. According to Bloomberg, U.S. corporations boasted a record $2.1 trillion of cash on their balance sheets at the end of September, with ample additional equity capital residing with private equity funds. We believe that most of our investments are positioned to be acquirers, but we believe that some may also be targets.

Table II.

Performance Based Characteristics as of December 31, 2020

	Millennium Internet Bubble to Financial Panic 12/31/1999 to 12/31/2008	Financial Panic to COVID-19 Pandemic 12/31/2008 to 12/31/2019	Millennium Internet Bubble to Present 12/31/1999 to 12/31/2020	Inception 12/31/1994 to 12/31/2020
Alpha (%)	5.05	3.98	5.55	7.17
Beta	0.58	0.78	0.69	0.71

Table III.

Performance

Millennium to COVID-19 Pandemic. The Impact of Not Losing Money.

	Millennium Internet Bubble to Financial Panic 12/31/1999 to 12/31/2008		Financial Panic to COVID-19 Pandemic 12/31/2008 to 12/31/2019		COVID-19 Pandemic to Present 12/31/2019 to 12/31/2020		Millennium Internet Bubble to Present 12/31/1999 to 12/31/2020		Inception 12/31/1994 to 12/31/2020	
	Value $10,000	Annualized	Value $10,000	Annualized	Value $10,000	Cumulative	Value $10,000	Annualized	Value $10,000	Annualized
Baron Growth Fund (Institutional Shares)	$12,448	2.46%	$51,065	15.98%	$13,306	33.06%	$84,580	10.70%	$312,868	14.16%
Russell 2000 Growth Index	$ 6,476	–4.71%	$45,672	14.81%	$13,463	34.63%	$39,818	6.80%	$ 94,981	9.04%
S&P 500 Index	$ 7,188	–3.60%	$45,104	14.68%	$11,840	18.40%	$38,386	6.61%	$134,780	10.52%

The indexes are unmanaged. The index performance is not fund performance; one cannot invest directly into an index.

The Fund has meaningfully outperformed its Benchmark over the long term. This is principally the result of not losing money during the nine years ended December 2008, when most others did…as well as outstanding performance of our growth stock investments. The Fund has compounded at 14.16% annually since its inception on December 31, 1994, which exceeds the Benchmark by 5.12% annually. While the Fund did not make much money from the peak of the Internet Bubble on December 31, 1999 through the trough of the Financial Panic on December 31, 2008, it did generate a positive annualized return of 2.46%. Conversely, a hypothetical investment in a fund designed to track the Fund's Benchmark would have declined in value by 4.71% on an annualized basis over the same time, while a hypothetical investment in a fund designed to track the S&P 500 Index would have declined 3.60% annualized. (Please see Table III–Millennium Internet Bubble to Financial Panic). From the Financial Panic to the onset of the COVID Pandemic, the Fund generated compounded returns of 15.98%, which exceeded that of its Benchmark by 1.17% annually. In 2020, the Fund largely kept pace with its Benchmark and returned 33.06% for the full year.

The power of compounding is best demonstrated by viewing this return in dollar terms. A hypothetical investment of $10,000 in the Fund at its inception on December 31, 1994 would be worth $312,868 at December 31, 2020. This is approximately 3.3 times greater than the $94,981 the same hypothetical investment made in a fund designed to track the Benchmark would be worth. Hypothetically, our returns were achieved with approximately 30% less volatility than the Benchmark, as represented by its beta. (Please see Tables II and III.) We are pleased that our long-term investments in what we believe are competitively advantaged growth companies with exceptional management teams have generated attractive returns in good markets and have helped to protect capital during more challenging ones.

Table IV.

Top contributors to performance for the quarter ended December 31, 2020

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Total Return	Percent Impact
MSCI, Inc.	2007	$1.8	$37.0	25.41%	2.19%
Vail Resorts, Inc.	1997	0.2	11.2	30.40	1.90
Iridium Communications Inc.	2014	0.6	5.2	53.73	1.64
IDEXX Laboratories, Inc.	2005	1.9	42.6	27.16	1.33
Morningstar, Inc.	2005	0.8	9.9	44.62	1.14

Shares of **MSCI, Inc.**, a leading provider of investment decision support tools, contributed to performance. The company reported solid third quarter earnings despite the challenging COVID-19 backdrop, and management is continuing to proactively manage its cost base. MSCI's asset-based fee revenue has also positively contributed due to strong underlying market conditions and inflows. We retain long-term conviction as the company owns strong, "all weather" franchises and remains well positioned to benefit from multiple prominent tailwinds in the investment community.

Vail Resorts, Inc., a global operator of ski resorts, contributed to performance. Season pass sales grew 20% despite the pandemic. Robust renewal rates demonstrated the loyalty of Vail's pass base, while strong first-time pass sales have the potential to accelerate future growth. We expect Vail to grow recurring revenue given its strong renewal rates, which, combined with a robust balance sheet, should position the company for continued growth in the years ahead.

Iridium Communications Inc., a leading satellite communications provider, rose after results demonstrated resiliency despite exposure to pandemic-impacted verticals. Iridium is uniquely able to offer commercial customers true global voice and data coverage. Iridium's Certus products have a growing pipeline with Maritime and Department of Defense customers, which should add to growth as installations accelerate. The company also saw strong growth in consumer-facing channels, which are benefiting from attractive secular trends.

Table V.
Top detractors from performance for the quarter ended December 31, 2020

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Total Return	Percent Impact
FactSet Research Systems, Inc.	2006	$2.5	$12.6	−0.46%	−0.05%
American Well Corporation	2020	5.1	6.0	−16.91	−0.05
Wix.com Ltd.	2016	2.0	13.9	−2.71	−0.01
Neogen Corp.	2009	0.5	4.2	1.34	−0.01

Shares of **FactSet Research Systems, Inc.**, a leading provider of investment management tools, detracted from performance. The company reported resilient first fiscal quarter 2021 earnings results, but shares lagged during the quarter after outperforming earlier in the year. We retain conviction in FactSet due to the large addressable market, consistent execution on both new product development and financial results, and robust free cash flow generation.

Shares of **American Well Corporation**, one of the U.S.'s largest telehealth companies for health systems, health plans, employers, and doctors, gave back some of its post-September IPO gains. Financial results exceeded consensus estimates but included some pull forward from the fourth quarter and benefited from nonrecurring service revenues. Full-year 2020 guidance exceeded Street estimates but implied top-line and margin deceleration, which we believe will end up being conservative given the lack of assumed increase in pandemic-driven volumes.

Wix.com Ltd. provides software to help small companies build and maintain websites and operate their businesses. Wix has over 180 million registered users and five million premium users. Shares declined slightly during the quarter after doubling in the first nine months of the year as Wix benefited from accelerating digitization due to COVID-19. Wix's rapid innovation is driving continued growth in its core do-it-yourself market, while its expansion to serve website designers has meaningfully expanded the total addressable market.

Recent Purchases

This quarter the Fund made a private investment in **Desktop Metal, Inc.**, an emerging leader in additive manufacturing systems. Additive manufacturing, which is colloquially known as "3D printing," has long tantalized manufacturers with the idea of a single machine capable of producing an unlimited number of parts with infinite degrees of complexity from a vast array of materials.

Traditional manufacturing techniques frequently rely on expensive equipment known as "tooling." Tooling is limited in the range of parts it can make, and creates high levels of scrap, waste, and pollution. Manufacturers also have to make runs that exceed a minimum size in order to cover the significant upfront cost of the equipment. We believe that additive manufacturing has the potential to improve on many of these shortcomings. A single, flexible additive manufacturing system can reduce the required investment in tooling, eliminate scrap, waste, and inventory, decrease time-to-market, and reduce complexity. Ultimately, additive manufacturing can reduce the total cost to make a part of product.

The additive manufacturing industry already generates around $12 billion of annual revenue, primarily from parts and services, and is growing at a 20% CAGR. However, over 80% of companies restrict their use of additive manufacturing to design and rapid prototyping rather than making end-use parts. To date, most additive systems have limits in their speed, accuracy, material variety, and build volume that have inhibited them from being used to manufacture end-use parts.

We believe that Desktop Metal's breakthrough product portfolio overcomes many of the limitations that have historically constrained additive manufacturing to prototyping. The company's patented single-pass jetting technique is up to 100 times faster than existing metal 3D printing technology. It is designed to work on almost any metal alloy or ceramic material that can be developed with a powdered metallurgy process. Desktop Metal's system is managed by proprietary fabrication and sintering software that automates the entire build while improving part accuracy and reducing waste.

We believe that Desktop Metal's enhancements to speed, throughput, ease of use, and material menu will help additive manufacturing cross the chasm from prototyping to production. As additive manufacturing is adopted for end-use parts, we expect industry growth to accelerate toward 25% annually. The additive manufacturing industry has the potential to approach $145 billion in annual revenue, or more than a 12 times increase from current levels.

Desktop Metals will monetize its technology by selling 3D printers and metal powder consumables, analogous to the way traditional printer companies make money by selling hardware and ink refills. We expect Desktop Metal to eventually manufacture parts for customers on an outsourced basis, further expanding its ability to capture revenue. The company already generates attractive gross margins on its proprietary hardware, and we expect hardware margins to increase with scale. As the company's installed base grows, it will sell an increasing quantity of consumables, which carry relatively higher gross margins and will improve the company's overall profitability. This should grow as the company brings a greater variety of materials to market, increasing its portfolio and broadening the use cases it can serve.

As with all our investments, we believe that Desktop Metal is run by a best-in-class management team. Desktop Metal's binder jetting method traces its roots to MIT, where Dr. Eli Sachs and colleagues invented the technology. Dr. Sachs and colleagues are co-founders of Desktop Metal, along with CEO Ric Fulop and CTO Jonah Myerberg. Management is complemented by a Board of Directors that boasts representatives from the world's largest manufacturers, including Ford, General Electric, and Koch Industries.

Portfolio Structure And Investment Strategy

The Fund seeks to invest in businesses that we believe have attractive fundamental characteristics and are underpinned by durable competitive advantages. We search for businesses that serve large addressable markets and are benefiting from favorable secular trends. We favor business models that have high levels of recurring revenue, generate attractive incremental margins, are cash generative, and are not dependent on third-party financing. We exclusively invest with management teams that we consider exceptional and are investing in their businesses to generate long-term profitable growth.

The Fund holds investments for the long term. As of December 31, 2020, 32 of the Fund's investments, representing 91.6% of the portfolio's net assets, had been held for more than 5 years, and 21 investments, representing 8.4% of the portfolio's net assets, had been held for less than 5 years. Twenty-one investments, representing 72.6% of the portfolio's net assets, had been owned for more than 10 years. This is dramatically longer than most other small-cap growth funds, which, according to Morningstar, turn over about 71% of their portfolios annually.

We view this long-term perspective as a source of our competitive advantage. Most investors focus on short-term results. By concentrating on long-term results, we are researching a less efficient area of the market. We believe this enables us, along with our growing team of analysts, to uncover high-quality businesses that can compound revenue and earnings at faster rates for far longer than others prospectively recognize. Our long-term orientation also allows us to act opportunistically. When companies miss quarterly earnings estimates, or announce investment programs, stocks go down indiscriminately. We can evaluate these situations dispassionately and assess the fundamentals of the opportunity or the expected return of an investment program. Ideally, this allows us to buy a best-in-class business at a more attractive valuation.

We believe the merits of our long-term approach are evident in our historical performance. As of December 31, 2020, the portfolio's 10 largest positions have been owned for an average of 15.7 years, ranging from a 6.7 year investment in Iridium to a 24.2 year investment in Choice Hotels. This group has returned 21.6% annually based on weighted average assets since their initial purchase, which has exceeded the Benchmark by 10.5% annualized.

Table VI.
Top performing stocks owned more than five years

	Year of First Purchase	Cumulative Total Return Since First Date of Purchase
IDEXX Laboratories, Inc.	2005	3,373.1%
CoStar Group, Inc.	2004	2,208.4
Choice Hotels International, Inc.	1997	2,125.8
MSCI, Inc.	2007	1,825.3
Vail Resorts, Inc.	1997	1,599.6
Mettler-Toledo International, Inc.	2008	1,479.8
ANSYS, Inc.	2009	1,299.8
Penn National Gaming, Inc.	2008	1,188.2

The cohort of investments that have been held for more than five years earned an annualized rate of return of 20.7% based on weighted average assets since they were first purchased, which exceeds the performance of the Fund's Benchmark by 8.2% per year annualized. Eight of these investments have achieved annualized returns that exceed the Benchmark by more than 10% per year, including three that have achieved annualized returns that exceed the Benchmark by more than 15% per year.

Table VII.
Top performing stocks owned less than five years

	Year of First Purchase	Cumulative Total Return Since First Date of Purchase
Kinsale Capital Group, Inc.	2016	649.6%
Schrodinger, Inc.	2018	646.9
Wix.com Ltd.	2016	433.0

The cohort of investments that have been held for less than five years has returned 50.4% annually based on weighted average assets since their initial purchase and exceeded the Benchmark by 30.9% annualized. Six of these investments have achieved annualized returns that exceed the Benchmark by more than 10% per year, including five that have achieved annualized returns that exceed the Benchmark by more than 30% per year.

Portfolio Holdings

As of December 31, 2020, Baron Growth Fund held 53 investments. The top 10 holdings represented 54.7% of the Fund's net assets. All were small-cap businesses at the time of purchase and have become Top 10 positions mostly through stock appreciation. Our holdings in these stocks have increased by an average of 18.0 times since our initial investment. We believe all positions offer significant further appreciation potential individually, and that the Fund's diversification offers potentially better-than-market returns with less risk than the market. Note that diversification cannot guarantee a profit or protect against loss.

Baron Growth Fund only purchases small-cap companies. Since the Fund holds its investments for the long term, the Fund has a significant percentage of assets invested in securities that have appreciated beyond their market capitalizations at the time of the Fund's investment. Baron Growth Fund's median market cap is $5.9 billion and its weighted average market cap is $17.4 billion. This compares to Morningstar's U.S. market cap breakpoints for small- and mid-cap funds of $6.7 billion and $34.4 billion, respectively, as of December 31, 2020.

Table VIII.
Top 10 holdings as of December 31, 2020

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Quarter End Investment Value (millions)	Percent of Net Assets
MSCI, Inc.	2007	$1.8	$37.0	$773.6	8.9%
CoStar Group, Inc.	2004	0.7	36.4	570.7	6.6
Vail Resorts, Inc.	1997	0.2	11.2	557.9	6.4
Penn National Gaming, Inc.	2008	2.5	13.4	539.8	6.2
ANSYS, Inc.	2009	2.3	31.2	485.7	5.6
IDEXX Laboratories, Inc.	2005	1.9	42.6	426.1	4.9
FactSet Research Systems, Inc.	2006	2.5	12.6	399.0	4.6
Iridium Communications Inc.	2014	0.6	5.2	347.4	4.0
Arch Capital Group Ltd.	2002	0.4	14.6	332.7	3.8
Choice Hotels International, Inc.	1996	0.4	5.9	320.2	3.7

Thank you for joining us as fellow shareholders in Baron Growth Fund. We are appreciative of the confidence you have shown in us, and we will continue to work hard to justify that confidence.

Respectfully,

Ronald Baron
CEO and Lead Portfolio Manager

Neal Rosenberg
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 in smaller companies, but there also may be more risk. Specific risks associated with investing in smaller companies include that the securities may be thinly traded, and they may be more difficult to sell during market downturns. 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.

This report does not constitute an offer to sell or a solicitation of any offer to buy securities of Baron Growth Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

The portfolio manager defines "**Best-in-class**" as well-managed, competitively advantaged, faster growing companies with higher margins and returns on invested capital and lower leverage that are leaders in their respective markets. Note that this statement represents the manager's opinion and is not based on a third-party ranking.

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 (Russell 2000 Growth Index) is 1.00 by definition.

BAMCO, Inc. is an investment adviser registered with the U.S. Securities and Exchange Commission (SEC). Baron Capital, Inc. is a limited purpose broker-dealer registered with the SEC and member of the Financial Industry Regulatory Authority, Inc. (FINRA).