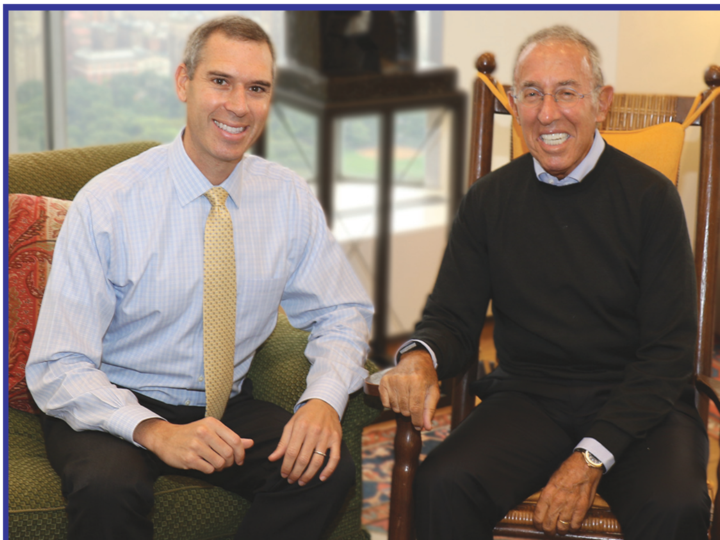
DEAR BARON GROWTH FUND SHAREHOLDER:

PERFORMANCE

We are writing this letter from home as we practice the social distancing presently required to moderate the spread of COVID-19. We hope that all of our investors, and their families and friends, are safe, healthy, and well supplied. We are looking forward to returning to the office and to resuming in-person interactions as soon as is practical.

Baron Growth Fund (the "Fund") declined 22.30% (Institutional Shares) during the quarter ended March 31, 2020. COVID-19 became a pandemic, forcing significant parts of the global economy to come to a self-induced halt and causing equity markets to decline precipitously. The Fund's primary benchmark, the Russell 2000 Growth Index (the "Benchmark"), declined 25.76%. The S&P 500 Index, which measures the performance of publicly traded large-cap U.S. companies, declined 19.60%.

The Fund once again performed better than its Benchmark, which we view as the silver lining in a quarter full of thunderstorms. The Fund's outperformance continued to be driven by favorable stock selection, which is the goal of our fundamentally driven investment strategy. As we detail below, we believe that the investment criteria that we seek out are even more valuable in tumultuous times than in serene ones.



NEAL ROSENBERG
CO-PORTFOLIO MANAGER

RONALD BARON
CEO AND LEAD PORTFOLIO MANAGER

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

Table I.
Performance
Annualized for periods ended March 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]	(22.36)%	(22.30)%	(25.76)%	(19.60)%
One Year	(10.51)%	(10.27)%	(18.58)%	(6.98)%
Three Years	6.74%	7.02%	0.10%	5.10%
Five Years	5.40%	5.67%	1.70%	6.73%
Ten Years	10.43%	10.71%	8.89%	10.53%
Fifteen Years	7.63%	7.83%	7.17%	7.58%
Since Inception (December 31, 1994)	12.07%	12.19%	6.78%	9.16%

The world has changed dramatically since our last update. COVID-19 has swept the globe, causing countries to implement an array of social distancing measures in order to minimize the human impact of the virus. As of this writing, we are seeing early indications that such measures are successfully "flattening the curve." Social distancing has brought most economic activity to a sudden halt, forcing federal governments and central banks to step in and ensure the orderly functioning of capital markets and financially backstop individuals and businesses.

We do not have any proprietary insight into how the situation will develop over the short term, but we are optimistic about the long term. We are confident that human ingenuity will prevail, and that ultimately medical science will identify the right combination of diagnostics, therapeutics, and vaccines to allow daily life to restart safely and efficiently. We expect this to occur gradually.

We expect to see variegated changes emerge from this crisis. Pre-existing secular trends such as e-commerce, telecommuting, and virtual health care are likely to be accelerated. Progress in biotechnology and pharmaceutical development will accelerate meaningfully, and spawn unprecedented improvements in health care akin to the way that research for the Manhattan Project created advances in nuclear energy and computing. Changes to consumer travel habits, public health screening, and corporate supply chains are likely to materialize and represent completely new dynamics. Many other changes are inevitable but will only be clear with hindsight. We strongly believe that such changes will create meaningful investment opportunities, and we are working closely with our team of analysts to identify and assess the beneficiaries.

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, 2019 was 1.29% 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 indexes are unmanaged. The index performance is not Fund performance; one cannot invest directly into an index. 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.

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.

As we reflect on prior downturns, we find that the best managed, best capitalized, and most competitively advantaged businesses are generally well positioned to navigate such shocks. We exclusively invest in such businesses, which tend to boast attributes such as large addressable markets, favorable secular trends, recurring revenue streams, high margins, robust free cash flow generation, and appropriate capital structures. We seek out management teams that we consider to be best-in-class, and we speak regularly with them, their competitors, and broader ecosystems in order to enhance our understanding of these end markets. We define "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 our opinion and is not based on a third-party ranking.

We also believe that dramatic short-term disruptions, such as the one we are currently enduring, create multi-year growth opportunities for well managed, competitively advantaged businesses. When times are challenging, such companies may grow revenue and earnings slower than expected, or perhaps experience a short period of contraction. However, they 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. Valuations for assets are being reset, and many sub-scale or over-leveraged businesses now need capital. We think that strategic acquirers with robust balance sheets can be highly attractive buyers. We have already had several conversations with management teams boasting robust balance sheets that have been fielding large numbers of inbound M&A calls. We expect this to take time to play out, but strategic M&A represents a compelling use of capital for many of our portfolio companies.

Finally, equity valuations are particularly compelling. We think this is particularly true given the unprecedented fiscal and monetary stimulus that governments are undertaking. Interest rates are at or around zero, and we believe they are unlikely to rise meaningfully for some time. This gives us the opportunity to invest in stocks that meet our investment criteria at prices that are particularly attractive relative to their intermediate- and long-term growth prospects.

The Fund successfully executed this strategy during the Global Financial Crisis of 2008. We made meaningful investments in stocks such as **IDEXX Laboratories, Inc.**, **ANSYS, Inc.**, **Mettler-Toledo International, Inc.**, **Gartner, Inc.**, and **BioTechne Corporation**. All boasted compelling business models, robust growth prospects, and best-in-class management teams, which we were able to purchase at extremely attractive valuations. Over the subsequent decade, all have generated robust compounded returns that meaningfully exceeded our Benchmark. We are continuing to execute the strategy, and we are optimistic that the results will be similar.

Table II.
Performance Based Characteristics as of March 31, 2020

	Millennium Internet Bubble to Financial Panic 12/31/1999 to 12/31/2008	Millennium Internet Bubble to Present 12/31/1999 to 3/31/2020	Inception 12/31/1994 to 3/31/2020
Alpha (%)	5.05	5.16	6.95
Beta	0.58	0.68	0.70

Table III.
Performance.
Millennium to Present. The Impact of Not Losing Money.

	Millennium Internet Bubble to Financial Panic 12/31/1999 to 12/31/2008		Millennium Internet Bubble to Present 12/31/1999 to 3/31/2020		Inception 12/31/1994 to 3/31/2020	
	Value $10,000	Cumulative	Value $10,000	Cumulative	Value $10,000	Cumulative
Baron Growth Fund (Institutional Shares)	$12,448	24.48%	$49,392	393.92%	$182,703	1,727.03%
Russell 2000 Growth Index	$ 6,476	(35.24)%	$21,955	119.55%	$ 52,371	423.71%
S&P 500 Index	$ 7,188	(28.12)%	$26,067	160.67%	$ 91,526	815.26%

The Fund has significantly outperformed its Benchmark over the long term. This is principally the result of not losing money during the nine years ending December 2008, when most others did… as well as outstanding performance of our growth stock investments. A hypothetical investment of $10,000 in the Fund at its inception on December 31, 1994 would be worth $182,703 at March 31, 2020. This is 3.5 times greater than the $52,371 value of a hypothetical $10,000 investment made in the Fund's Benchmark. Hypothetically, our returns were achieved with approximately 30% less volatility than the Benchmark, as represented by its beta. (Please see Tables II and III.)

While the Fund didn't 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 cumulative return of 24.48%. Hypothetically, if you had invested in the Fund's Benchmark, your portfolio would have declined 35.24% in value. The large-cap S&P 500 Index declined 28.12%. (Please see Table III – Millennium Internet Bubble to Financial Panic)

The effects of compounding over the long term illustrate the difference between making money and losing it. A hypothetical investment of $10,000 in the Fund on December 31, 1999 was worth $49,392 on March 31, 2020. That is more than double a hypothetical investment in the Benchmark (Please see Table III – Millennium Internet Bubble to Present). 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 March 31, 2020

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Total Return	Percent Impact
MSCI, Inc.	2007	$1.8	$24.6	12.15%	0.94%
Schrodinger, Inc.	2020	0.3	2.7	193.65	0.29
Neogen Corp.	2009	0.5	3.5	2.65	0.05
Houlihan Lokey, Inc.	2017	2.8	3.4	7.28	0.02
West Pharmaceutical Services, Inc.	2013	2.3	11.2	1.36	0.02

Shares of **MSCI, Inc.**, a leading provider of investment decision support tools, contributed to performance. The company reported solid fourth quarter earnings at the end of January. Despite the COVID-19 market disruption, MSCI appreciated due to investors' belief that MSCI is a durable "all-weather franchise." We retain long-term conviction in MSCI as the company owns strong franchises and remains well positioned to benefit from a number of prominent tailwinds in the investment community.

Schrodinger, Inc. was a successful IPO. Shares rose as investors recognized it as a unique and competitively advantaged business. Schrodinger has developed a software platform that enables users to discover high-quality, novel molecules more rapidly, at lower cost, and with a higher likelihood of success compared with traditional drug discovery methods.

Shares of **Neogen Corp.**, a leading provider of food and animal safety products, contributed to performance. Neogen is relatively well positioned to manage through the COVID-19 crisis. Neogen is an "essential" business, has a strong balance sheet, and its mission to protect the food supply chain is more critical than ever. We believe that Neogen is a good company with solid industry tailwinds (increasing global protein consumption and more emphasis on food safety).

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

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Total Return	Percent Impact
Vail Resorts, Inc.	1997	$0.2	$ 5.9	-37.64%	-2.51%
Arch Capital Group Ltd.	2002	0.4	11.6	-33.65	-2.29
Choice Hotels International, Inc.	1996	0.4	3.4	-40.78	-1.80
Marriott Vacations Worldwide Corp.	2013	1.5	2.3	-56.62	-1.59
Bright Horizons Family Solutions, Inc.	2013	1.8	5.9	-33.15	-1.41

Shares of global ski operator **Vail Resorts, Inc.** declined in the quarter as the company closed all its resorts in mid-March for the remainder of the ski season due to the COVID-19 outbreak. Despite the significant decline in earnings, we believe Vail will be able to navigate the disruption given its strong balance sheet and free cash flow profile and manageable debt maturities over the coming years.

Arch Capital Group Ltd. is a specialty insurance company based in Bermuda. Despite reporting strong quarterly earnings, with book value per share up 23%, the stock declined in the quarter due to concerns over the COVID-19 pandemic's negative impact on business interruption and event cancellation insurance policies. Although a recession could also cause higher losses for the economically sensitive mortgage insurance business, we continue to own the stock due to Arch's strong management team and underwriting discipline.

Shares of global hotel franchisor **Choice Hotels International, Inc.** decreased in the first quarter as investors worried over COVID-19's impact on consumer travel. The company should have a smaller decline in business than lodging peers given 80% of its business is leisure travel and almost all of its hotels are in drive to markets. Choice continues to have a strong balance sheet, and we believe the business is in a good position to mitigate the effects of this downturn given its asset light, fee-based business model.

Recent Purchases

This quarter we participated in the initial public offering of **Schrodinger, Inc.** after making a modest private investment in the company in 2018. We have used the intervening period to meet regularly with CEO Ramy Farid and refine our understanding of Schrodinger's competitive advantages and addressable opportunity.

Schrodinger has developed a physics-based computational software platform for drug discovery based on a method called free energy perturbation. Schrodinger's platform, which has been developed over a 30-year period, is able to predict the binding affinity of a drug molecule with a high degree of accuracy. The binding affinity of a drug molecule to a target protein is the key driver of a drug's efficacy. We believe that the Schrodinger platform enables scientists to discover high-quality, novel molecules more rapidly, at lower cost, and with a higher likelihood of success compared with traditional drug discovery methods. While the end markets are different, we view Schrodinger's impact on the drug discovery process as analogous to the simulation-driven efficiencies that ANSYS and Altair have brought to product development lifecycles.

Schrodinger has traditionally monetized its platform by selling licenses to access its software. Schrodinger's software license business represents a recurring revenue base of almost $70 million that we believe can compound at a mid-teens rate as the company signs more customers and as customers increase the intensity with which they use the software. Ultimately, we believe that Schrodinger's software serves a $400 million to $800 million addressable market for small molecules only, which will more than double as the company expands to address biologics, academic labs, and potentially non-life science users.

Schrodinger's software license business is complimented by its portfolio of development activities. These include partnerships with leading biopharmaceutical companies and equity stakes in several biotechnology startups. Schrodinger provides the software, expertise, and target selection in exchange for significant milestone payments, royalty revenue, and other future economic benefits. As Schrodinger's reputation and success rate have improved, it has been consistently garnering more favorable economic terms from its development partners.

More recently, the company has begun to develop a pipeline of internal, wholly owned drug discovery programs. While the risk and costs of wholly owned development are relatively higher, the rewards are as well. We view this as a logical business model iteration as Schrodinger's experience, expertise, and accuracy have matured.

While the Fund has not traditionally invested in biotechnology stocks, we view Schrodinger as a unique asset. We believe that the company's competitive advantage stems from 30 years of industry expertise, and that the fidelity of its simulations are a function of the cumulative work done on the platform by the entire ecosystem. We also believe that its unique monetization model, where Schrodinger has a sticky and recurring software business complemented by a portfolio of 25 to 30 rolling targets, removes the binary outcomes that plague most biotechnology businesses. Finally, we believe the company boasts a best-in-class management team.

Portfolio Structure and Investment Strategy

The Fund seeks to invest in businesses that we believe have attractive and sustainable fundamental characteristics. We search for businesses that are investing to grow and enhance their competitive advantages. 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.

We seek to invest at reasonable prices relative to businesses' long-term potential. We expect these investments to generate attractive long-term performance as these businesses' revenues and earnings compound. This often occurs when management teams take actions that are detrimental to short-term financial performance in pursuit of longer-term growth opportunities, or when the broader market declines due to macroeconomic concerns. Our focus on longer-term results allows us to look past short-term uncertainties.

The Fund holds investments for the long term. As of March 31, 2020, 31 of the Fund's investments, representing 92% of the portfolio's net assets, had been held for more than five years, and 21 investments, representing 8% of the portfolio's net assets, had been held for less than five 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, which enables us to uncover high-quality businesses that can compound at faster rates for far longer. For example, the portfolio's 10 largest positions have been owned for an average of 15 years. As a group, they have returned 17.4% annually based on weighted average assets since their initial purchase and have 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	1,583.1%
CoStar Group, Inc.	2004	1,366.6
Choice Hotels International, Inc.	1996	1,172.4
MSCI, Inc.	2007	1,138.3
Arch Capital Group Ltd.	2002	895.5
Mettler-Toledo International, Inc.	2008	857.2
Vail Resorts, Inc.	1997	800.0
ANSYS, Inc.	2009	794.5

Baron Growth Fund's investments in the 31 businesses that have been held for more than five years and that represent 92% of the Fund's net assets have earned an annualized rate of return of 16.4% based on weighted average assets since they were first purchased. This exceeds the performance of the Fund's Benchmark by 8.9% per year, annualized. In addition, 8 of the 31 investments have achieved annualized returns that exceed their Benchmark by more than 10%. Most Fund investments that have been held for more than five years have realized approximately 3- to 10-fold appreciation so far, and 8 have achieved returns in excess of 8-fold since their initial purchase.

Table VII.
Top performing stocks owned less than five years

	Year of First Purchase	Cumulative Total Return Since First Date of Purchase
Schrodinger, Inc.	2018	294.0%
Kinsale Capital Group, Inc.	2016	291.0
Wix.com Ltd.	2016	115.0

We exclusively purchase small-cap companies that we think can double in size in a five- or six-year period. Investments held for less than five years include 21 stocks that account for 8.1% of the Fund's net assets. As a group, they have returned 26.7% annually based on weighted average assets since their initial purchase and exceeded the Benchmark by 29.2% annualized. Eight of these investments have achieved annualized returns that exceeded the Benchmark by more than 10%, and three have achieved annualized returns that exceeded our Benchmark by more than 25%.

Portfolio Holdings

As of March 31, 2020, Baron Growth Fund held 53 investments. The Top 10 holdings represented 55.3% of the Fund's net assets. All top 10 investments have grown dramatically since they were purchased. All were small-cap businesses at their time of purchase. We believe they all continue to offer significant further appreciation potential, although we cannot guarantee that will be the case. We believe the Fund's diversified portfolio offers investors 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 $3.4 billion and its weighted geometric average market cap is $8.1 billion. The Morningstar U.S. market breakpoints for small- and mid-cap funds were $3.3 billion and $19.5 billion, respectively, as of March 31, 2020.

Table VIII.
Top 10 holdings as of March 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	$24.6	$517.2	9.5%
CoStar Group, Inc.	2004	0.7	21.5	434.5	8.0
ANSYS, Inc.	2009	2.3	19.9	348.7	6.4
FactSet Research Systems, Inc.	2006	2.5	9.9	325.9	6.0
Vail Resorts, Inc.	1997	0.2	5.9	301.3	5.5
Arch Capital Group Ltd.	2002	0.4	11.6	272.9	5.0
IDEXX Laboratories, Inc.	2005	1.9	20.6	242.2	4.5
Iridium Communications Inc.	2014	0.6	3.0	197.9	3.6
Gartner, Inc.	2007	2.3	8.9	185.3	3.4
Choice Hotels International, Inc.	1996	0.4	3.4	183.8	3.4

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

Respectfully,

Ronald Baron

Neal Rosenberg

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.

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.

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