Dear Baron Partners Fund Shareholder:

Performance

Baron Partners Fund (the "Fund") increased 4.83% (Institutional Shares) in the second quarter of 2021. However, it trailed its primary benchmark, the Russell Midcap Growth Index (the "Index"), which increased 11.07%. The S&P 500 Index and the Morningstar Large Growth Category (the "Peer Group") Average rose 8.55% and 10.28%, respectively.

The Fund's trailing 12-month performance remains outstanding. During that period, the Fund advanced 119.55%. This result compares very favorably to its benchmarks and Peer Group. The Index gained 43.77%, while the S&P 500 Index and Peer Group increased 40.79% and 41.70%, respectively, over the prior year.

Table I.
Performance
Annualized for periods ended June 30, 2021

	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]	4.76%	4.83%	11.07%	8.55%
Six Months[5]	4.29%	4.43%	10.44%	15.25%
One Year	118.98%	119.55%	43.77%	40.79%
Three Years	47.25%	47.64%	22.39%	18.67%
Five Years	38.09%	38.45%	20.52%	17.65%
Ten Years	23.55%	23.88%	15.13%	14.84%
Fifteen Years	16.36%	16.61%	12.10%	10.73%
Since Conversion (April 30, 2003)	18.99%	19.20%	13.42%	11.10%
Since Inception (January 31, 1992)	16.27%	16.39%	11.03%	10.53%

MICHAEL BARON
CO-PORTFOLIO MANAGER

RON BARON
CEO AND LEAD PORTFOLIO MANAGER

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

But it is not only the prior year when the Fund had strong performance. For over 18 years since Baron Partners Fund converted from a private partnership into a mutual fund, it has an annualized return of 19.20%. Since its conversion, it is ranked 3rd among all U.S. equity funds (2,205 share classes) through June 30, 2021.*

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares as of December 31, 2020 was 1.56% (comprised of operating expenses of 1.31% and interest expense of 0.25%) and Institutional Shares was 1.30% (comprised of operating expenses of 1.05% and interest expense of 0.25%). The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser reimburses certain Baron Fund expenses pursuant to a contract expiring on August 29, 2031, unless renewed for another 11-year term and the Fund's transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, visit www.BaronFunds.com or call 1-800-99BARON.

1 Reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 20% performance fee after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fees the returns would be higher. The Fund's shareholders will not be charged a performance fee. The predecessor partnership's performance is only for periods before the Fund's registration statement was effective, which was April 30, 2003. During those periods, the predecessor partnership was not registered under the Investment Company Act of 1940 and was not subject to its requirements or the requirements of the Internal Revenue Code relating to registered investment companies, which, if it were, might have adversely affected its performance.

2 The **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. 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 and the Fund include reinvestment of dividends, net of withholding taxes, which positively impact the performance results. The indexes are unmanaged. Index performance is not Fund performance; one cannot invest directly into an index.

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.

* **This is a hypothetical ranking created by Baron Capital using Morningstar data and is as of 6/30/2021. Note, the peer group used for this analysis includes all U.S. equity share classes in Morningstar Direct domiciled in the U.S., including obsolete funds, index funds, and ETFs. The individual Morningstar Categories used for this analysis are the Morningstar Large Blend, Large Growth, Large Value, Mid-Cap Blend, Mid-Cap Growth, Mid-Cap Value, Small Blend, Small Growth, and Small Value Categories. There are 2,205 share classes in these nine Morningstar Categories for the period from 4/30/2003 to 6/30/2021.**
The Morningstar Large Growth Category consisted of 1,239, 1,024, and 761 share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Partners Fund – Retail Share Class in the 1st, 2nd, 1st, and 1st percentiles for the 1-, 5-, 10-year, and since conversion periods, respectively. The Fund converted into a mutual Fund 4/30/2003, and the category consisted of 422 share classes.

Baron Partners Fund is a non-diversified portfolio, yet it is still diversified among different types of businesses. In our analysis, we segment the Fund's portfolio into four business categories (**Core Growth**, **Disruptive Growth**, **Financials**, and **Real/Irreplaceable Assets**).

The Fund's **Core Growth** and **Financials** investments achieved returns similar to the broader market. The vast majority of companies in these segments appreciated over the quarter, although for different reasons.

Core Growth companies were largely able to continue to execute their business plans despite the interruptions caused by the economic restart. Supply chain issues and employment concerns largely did not impact these operations. **Gartner, Inc.** and **IDEXX Laboratories, Inc.** are good examples. Both companies' stocks appreciated approximately 30% in the quarter. Gartner's high-margin research business had accelerating growth. Its retention of clients also improved. And its necessary pivot to digital conferences spurred by the pandemic has resulted in improved profitability. The company provided a favorable outlook and reinforced that optimism through the repurchase of its stock. Likewise, IDEXX is benefiting from a return of veterinary visits. This favorable backdrop allows its enhanced sales team to sell its new proprietary innovations. Some aspects of the business are already at pre-pandemic levels. Improved volume and growth in consumables led to improved margins. And again, the company used its cash flow to repurchase its own shares.

The Fund's **Financials** investments also approximated the market's return. Improved asset values and increasing rates were a positive backdrop for many of these businesses. More importantly, the long-term outlook for these businesses remains favorable. **MSCI, Inc.** is one example. The company should be able to increase its data and analytics sales in growing financial categories. Its product should enable the continued increased use of factor, passive, and environmental, social and governance ("ESG") investing. MSCI has a significant leadership position in ESG data and the category's increased importance to investors should enable substantial growth in the coming years.

Our investments in **Real/Irreplaceable Assets** and **Disruptive Growth** companies had more dispersed returns. Investors continued to evaluate the speed at which customers will return to properties or if the pandemic's conclusion will cause a tough comparison for these innovative businesses.

Hyatt Hotels Corp., **Marriot Vacations Worldwide Corp.**, and **Manchester United plc** declined in the period as new COVID variants delayed the reopening of some global properties and caused some hesitation in travel. Businesses that were more insulated from these concerns, like the outdoor-oriented **Vail Resorts, Inc.** and casino-related businesses like **Red Rock Resorts, Inc.** and **Gaming and Leisure Properties, Inc.**, performed better.

Similarly, certain disruptive businesses like **Moderna, Inc.**, **BioNTech SE**, and **Shopify Inc.**, with unusually favorable growth prospects as the pandemic concludes, continued to outperform. Moderna and BioNTech should continue to discover novel therapies using mRNA technology, and Shopify should continue to enable more brands direct e-commerce efforts. Stocks of other disruptive growth companies like **Zillow Group, Inc.**, **Iridium Communications Inc.**, **Spotify Technology S.A.**, and **Tesla, Inc.** struggled as interest in cyclical reopening stocks increased. Investors also had concerns if customers would return to prior habits. We do not think this is likely. In our opinion, the far superior offerings of these businesses compared to the competition should sustain and grow their usage. We anticipate high retention rates for the new clients who were exposed to these offerings during the pandemic.

COVID-19 vaccination rates steadily improved throughout the quarter. Industries are returning to pre-pandemic operations, but it has not been a seamless process. Investors continue to assess global economic and health data points and extrapolate their implications. This combination has created a volatile environment for the markets and the Fund. While the Fund's absolute return for the three-month period was good, it was not steady. April's return was up 5.52%. In May, the Fund declined 5.22%. And then in June, it rose 4.82%. Yet the fundamentals and prospects of the Fund's investments changed little from month to month. We do not try to predict macroeconomic occurrences or their near-term impact on market valuations. Rather, we continually assess the health and prospects of our investments. We believe volatility has created investment opportunities for the Fund.

The volatility in the market enabled us to make new investments at what we believe are attractive prices. The two largest new purchases were **RingCentral, Inc.** and **Cohen & Steers, Inc.** RingCentral is the cloud-based communication systems leader, with 3 million users and capabilities in over 40 countries. But the company's stock is down approximately 23% over the prior six months because of fears of competition from Microsoft and Zoom Communications. The market rotation to cyclical companies also lowered RingCentral's valuation. Regardless, we believe the fundamentals of RingCentral remain intact. A dispersed workforce has made corporations understand that global cloud communications and collaboration solutions are essential. But yet, RingCentral only services a small portion of the 400 million users of on-premise telephone systems. We expect this to change. Over the past 18 months, RingCentral has signed distribution agreements with legacy providers including Avaya, Atos, and Alcatel. We believe a high portion of these users will seamlessly migrate to the RingCentral offering without the need to invest in new hardware. These connections allow for transferring customer data, configurations, and carrier plans. Its expansive geographic reach will be vital for many clients' global footprints and ambitions. The highly scalable service should also enable RingCentral to lower prices while growing margins. The competition's reliability is not sufficient, and their systems were designed for intra-company communications (not external communication). Additionally, RingCentral's exclusive carrier relationships make it difficult for competitors to replace them.

The diversity of holdings across business types enabled the Fund to have good absolute returns in the quarter. We believe this variety of investments should enable it to continue to perform well despite the market's near-term rotations. And the market volatility and Fund's flexibility have enabled us to make interesting new investments at what we believe are attractive prices to our assessment of their future value. We believe this combination positions the Fund well for long-term results.

Table II.
Total returns by category for the three months ended June 30, 2021

	% of Net Assets (as of 6/30/2021)	Total Return (%)	Contribution to Return (%)
Core Growth	**23.5**	**12.17**	**2.81**
Gartner, Inc.	2.5	32.68	0.62
IDEXX Laboratories, Inc.	7.3	29.07	1.75
HEICO Corporation	0.5	10.21	0.04
Adyen N.V.	2.1	9.90	0.20
Activision Blizzard, Inc.	1.1	3.12	0.04
CoStar Group, Inc.	8.8	0.77	0.17
GDS Holdings Limited	1.1	–3.27	–0.04
Applovin Corporation	0.1	–9.45	0.02
Russell Midcap Growth Index		**11.07**	
Financials	**13.5**	**9.77**	**1.19**
MSCI, Inc.	1.2	27.36	0.25
Cohen & Steers, Inc.	0.4	18.38	0.06
Brookfield Asset Management Inc.	0.7	15.62	0.11
The Charles Schwab Corp.	4.1	12.00	0.46
FactSet Research Systems, Inc.	3.4	9.03	0.26
Arch Capital Group Ltd.	3.7	1.49	0.04
Brookfield Asset Management Reinsurance Partners Ltd.	0.0	–1.86	–0.00
Real/Irreplaceable Assets	**12.9**	**1.51**	**0.19**
Red Rock Resorts, Inc.	0.4	30.41	0.09
Gaming and Leisure Properties, Inc.	1.2	10.72	0.12
Vail Resorts, Inc.	4.6	8.52	0.36
Douglas Emmett, Inc.	0.5	7.96	0.05
Manchester United plc	1.3	–3.50	–0.07
Hyatt Hotels Corp.	3.3	–6.12	–0.20
Marriott Vacations Worldwide Corp.	1.6	–8.54	–0.16
Disruptive Growth	**58.1**	**1.35**	**0.92**
Moderna, Inc.	0.2	78.35	0.07
Shopify Inc.	1.4	32.04	0.40
Zymergen Inc.	0.4	28.26	0.08
RingCentral, Inc.	1.3	11.00	0.14
Guidewire Software, Inc.	1.5	10.91	0.17
BioNTech SE	0.2	8.34	0.01
Spotify Technology S.A.	1.3	2.08	0.10
Tesla, Inc.	41.2	1.76	0.58
Iridium Communications Inc.	0.9	–3.05	–0.02
American Well Corporation	–	–3.14	–0.00
Space Exploration Technologies Corp.	4.7	–5.17	–0.25
Zillow Group, Inc.	4.9	–6.74	–0.34
Northvolt AB	0.1	–6.86	–0.01
Airbnb, Inc.	0.0	–18.52	–0.01
Virgin Galactic Holdings, Inc.	–	–19.57	–0.01
Cash	**–8.1**	**0.11**	**–0.00**
Fees	**–**	**–0.31**	**–0.32**
Total[1]	100.0	4.79*	4.79*

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

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

1 – Includes the weight and performance of SPAC Atlas Crest Investment Corp., which is not shown in the table.

Table III.
Top contributors to performance for the quarter ended June 30, 2021

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Total Return	Percent Impact
IDEXX Laboratories, Inc.	2013	$ 4.7	$ 53.9	29.07%	1.75%
Gartner, Inc.	2013	5.7	20.8	32.68	0.62
Tesla, Inc.	2014	22.0	654.8	1.76	0.58
The Charles Schwab Corp.	1992	1.0	137.3	12.00	0.46
Shopify Inc.	2020	83.7	182.1	32.04	0.40

Shares of veterinary diagnostics leader **IDEXX Laboratories, Inc.** contributed to performance in the quarter. Veterinary visits continue to recover from pandemic lows, with practice revenue growing at double-digit rates. IDEXX's competitive trends are outstanding, and we expect new proprietary innovations and field sales force expansion to be meaningful contributors to growth. Margins are moving significantly higher, and we believe they could exceed 30% over time.

Shares of **Gartner, Inc.**, a provider of syndicated research, rose in the quarter after the company reported financial results that were significantly better than investors' estimates. Growth in the company's research business has reaccelerated. The Global Business Sales segment, which is benefiting from a multi-year investment cycle, led the growth. We expect improved revenue growth and renewed focus on cost controls to drive margin expansion and enhanced free cash flow generation. The company's balance sheet is also in excellent condition, and we expect share repurchases to accelerate.

Tesla, Inc. designs, manufactures, and sells fully electric vehicles, solar products, energy storage solutions, and battery cells. Shares increased following strong execution in a complex supply chain environment. And despite recent negative headlines in Chinese media, execution in that country has improved. Demand has remained robust, the refreshed Model S received positive reviews, and new production facilities are expected to support more profitable growth. We expect supply chain headwinds to be resolved, and we remain optimistic about existing and new product programs.

The Charles Schwab Corp., an online brokerage firm, contributed for the quarter. Schwab has continued to attract new customers to its platform and offer them a wider array of services. This engagement should result in a stickier and more valuable client over time. Additionally, the company continues to successfully integrate its acquisition of TD Ameritrade, which should yield cost savings. Finally, the business now has over $400 billion of interest-earning assets. Anticipated rising rates should lead to improved earnings in the coming years.

Shopify Inc. is a cloud-based software provider offering an operating system for multi-channel commerce. The company has over 1.7 million merchants that processed nearly $120 billion of gross merchandise value in 2020, making Shopify the second largest e-commerce player in the U.S. Shares increased on the strength of the company's continued strong execution as it deepens its platform for merchants while expanding its competitive moats. We believe Shopify has a long runway for growth as it continues to reduce hurdles for its merchants.

Table IV.
Top detractors from performance for the quarter ended June 30, 2021

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Total Return	Percent Impact
Zillow Group, Inc.	2014	$0.4	$30.3	–6.74%	–0.34%
Space Exploration Technologies Corp.	2017	–	–	–5.17	–0.25
Hyatt Hotels Corp.	2009	4.2	7.9	–6.12	–0.20
Marriott Vacations Worldwide Corp.	2018	3.2	6.8	–8.54	–0.16
Manchester United plc	2014	2.8	2.5	–3.50	–0.07

Zillow Group, Inc. operates leading U.S. real estate sites, a mortgage marketplace, and the Zillow Offers home buying business. Shares were down due to rising mortgage rates and the potential knock-on effects to the housing environment. Zillow also issued second quarter revenue guidance that was slightly below Street expectations. Despite this intra-quarter volatility, we continue to believe that Zillow has substantial upside in mortgages and Offers, which could grow its addressable market not only in houses bought/sold but also in leads provided to Zillow Premier Agents.

Space Exploration Technologies Corp. ("SpaceX") designs, manufactures, and launches rockets, satellites, and spacecrafts. Its mission, ultimately, is to enable people to live on other planets. SpaceX is commercializing its broadband offering by rapidly deploying user terminals and its satellite constellation. It continues to reliably provide reusable launch capabilities, including crewed flights, and advancing the development of its newest and larger rocket, Starship. We value SpaceX using prices of recent transactions and a proprietary valuation model.

Shares of **Hyatt Hotels Corp.**, a global hotelier, declined in the quarter due to investor concerns around a new, more contagious variant of COVID-19 and a reopening of Asia and Europe that was slower than market forecasts. While the slowed reopening is a disappointment, Hyatt's domestic business and group bookings are starting to return, and we think conditions will normalize by 2022, at least domestically. The company remains on track with its asset sale program as the hotel transaction market returns to pre-pandemic valuations, which should make Hyatt a more valuable, fee-based business.

Marriott Vacations Worldwide Corp., a developer and seller of timeshares, detracted in the quarter on investor concerns about the impact on travel of a new, more contagious variant of COVID-19. Shares were also pressured by the possibility of higher mortgage rates. While both developments are concerns, Marriott Vacations has seen no impact from either as its business is recovering quickly, and the securitization market is at its best levels ever. Marriott Vacations remains a strong free cash flow business.

Manchester United plc is the best-known team in the English Premier League, generating revenue primarily from broadcasting, sponsorship, and licensing. Shares fell on continued pandemic-related impact to commercial and matchday revenues. Investors were also disappointed by the failed attempt to form a new Super League that would have replaced the Champions League and allowed Manchester United to participate each year as a founding member. Despite these setbacks, we view Manchester United as a unique media company with 1.1 billion fans globally and broad appeal that should compound value.

Investment Strategy And Portfolio Structure

Baron Partners Fund seeks to invest in businesses that we believe could double in value within five or six years. The Fund seeks to invest for the long term in a focused portfolio of appropriately capitalized, well-managed growth businesses at attractive prices across market capitalizations. We attempt to create a portfolio of approximately 30 securities diversified by GICS sectors, but with the top 10 positions representing a significant portion of net assets. The Fund uses modest leverage to enhance returns, although this does increase its volatility. These businesses are identified by our analysts and portfolio managers using our Firm's proprietary research. We think these well-managed businesses have sustainable competitive advantages and strong, long-term growth opportunities.

As of June 30, 2021, Baron Partners Fund held 36 investments. The median market capitalization of these growth companies was $23.6 billion. The top 10 positions represented 86.0% of net assets. Leverage was 8.1%.

Portfolio leverage has increased slightly but is still significantly below historical levels. We have traditionally managed the portfolio with 20% to 30% leverage (the average leverage over the prior five years was 23.0%). A year ago, leverage was 22.2%. However, due to a combination of a rapidly rising market, higher market volatility and increased concentration in top holdings, we managed risk by reducing the amount of leverage used by the Fund. Leverage is currently only 8.1%. This increased 480 bps since the previous quarter end. Market volatility enabled us to make a few new investments in companies, which we have long followed, at what we believe are attractive prices. While the legacy positions will continue to be the main contributors of performance in the near term, these new investments should be a factor in the future.

The long-term absolute and relative performance of the Fund has been very good. The Fund has returned 16.39% annualized since inception as a private partnership on January 31, 1992, beating its benchmark Index by 5.36% per year. Additionally, the Fund's performance has exceeded its Index over the prior 1-, 3-, 5-, 10-, 15-, and 20-year periods. In addition to viewing the Fund's returns over various trailing periods, we believe it is helpful to understand how the Fund has performed over an economic cycle. (Please see Table V.)

The Fund has appreciated considerably in good times…

The Fund performed very well during the current economic expansion that followed the Financial Panic. For over 12 years, there has been sizable growth in the economy and stock market appreciation. While the market had strong returns, the Fund's returns were significantly better. Baron Partners Fund's annualized return during this period was 24.35%. Had you hypothetically invested $10,000 in the Fund on 12/31/2008, it would have been worth $152,453 on 6/30/2021. Had you only tried to mimic the Index's returns by investing in a Fund designed to track the Index, that $10,000 hypothetical investment would be worth $82,931.

The Fund has retained value in difficult times…

We believe it is equally important to examine the Fund's performance during more challenging economic times. The nine-year period from the Internet Bubble collapse through the Financial Panic (12/31/1999–12/31/2008) saw lower returns for the Fund. It had annualized returns of 1.54%. However, the Index declined substantially. $10,000 hypothetically invested in the Fund at the start of this period would have been worth $11,479 after those nine years. A $10,000 hypothetical investment in funds designed to track the Index would be worth only $6,488. The Fund preserved (and slightly grew) capital during this difficult economic time because its investments in high-quality growth businesses were able to weather the environment and enhance their competitive positioning.

The strong relative returns during difficult times are what we believe sets the Fund apart and makes its returns over an entire cycle exceptional. A $10,000 hypothetical investment at the start of the cycle on 12/31/1999 would have been worth $174,995 at 6/30/2021. That same $10,000 hypothetical investment would be worth 69% less had it been invested in a fund designed to track the Russell Midcap Growth Index. That investment would be worth only $53,802.

During periods of strong economic expansion, investors often disregard more challenging periods. Losing capital during those periods, we believe, makes it nearly impossible to have exceptionally strong returns over the long term. Baron Partners Fund has shown a prior ability to modestly grow capital during those tough times. We believe the high-quality growth portfolio should be able to perform well again in future difficult economic stretches, although there is no guarantee that will be the case.

Table V.
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 Present 12/31/2008 to 6/30/2021		Millennium Internet Bubble to Present 12/31/1999 to 6/30/2021		Inception 1/31/1992 to 6/30/2021	
	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%	$152,453	24.35%	$174,995	14.24%	$869,465	16.39%
Russell Midcap Growth Index	$ 6,488	(4.69)%	$ 82,931	18.44%	$ 53,802	8.14%	$216,908	11.03%
S&P 500 Index	$ 7,188	(3.60)%	$ 61,548	15.65%	$ 44,240	7.16%	$189,991	10.53%

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

Portfolio Holdings

Table VI.
Top 10 holdings as of June 30, 2021

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Quarter End Investment Value (millions)	Percent of Total Investments
Tesla, Inc.	2014	$22.0	$654.8	$2,837.7	38.1%
CoStar Group, Inc.	2005	0.7	32.7	608.7	8.2
IDEXX Laboratories, Inc.	2013	4.7	53.9	505.2	6.8
Zillow Group, Inc.	2014	0.4	30.3	337.0	4.5
Space Exploration Technologies Corp.	2017	–	–	320.9	4.3
Vail Resorts, Inc.	2008	1.6	12.7	316.5	4.2
The Charles Schwab Corp.	1992	1.0	137.3	284.0	3.8
Arch Capital Group Ltd.	2002	0.6	15.7	255.1	3.4
FactSet Research Systems, Inc.	2007	2.7	12.7	234.9	3.2
Hyatt Hotels Corp.	2009	4.2	7.9	225.2	3.0

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

Respectfully,

Ronald Baron
CEO and Lead Portfolio Manager

Michael Baron
Co-Portfolio Manager

Baron Partners Fund

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 Fund is non-diversified which means, in addition to increased volatility of the Fund's returns, it will likely have a greater percentage of its assets in a single issuer or a small number of issuers, including in a particular industry than a diversified fund. Single issuer risk is the possibility that factors specific to an issuer to which the Fund is exposed will affect the market prices of the issuer's securities and therefore the net asset value of the Fund. As of the date of the latest prospectus supplement, about 40% of the Fund's assets are invested in Tesla stock. Therefore, the Fund is exposed to the risk that were Tesla stock to lose significant value, which could happen rapidly, the Fund's performance would be adversely affected. Specific risks associated with leverage include increased volatility of the Fund's returns and exposure of the Fund to greater risk of loss in any given period. The Fund may not achieve its objectives. Portfolio holdings are subject to change. Current and future portfolio holdings are subject to risk.

The discussions of the companies herein are not intended as advice to any person regarding the advisability of investing in any particular security. The views expressed in this report reflect those of the respective portfolio managers only through the end of the period stated in this report. The portfolio manager's views are not intended as recommendations or investment advice to any person reading this report and are subject to change at any time based on market and other conditions and Baron has no obligation to update them.

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