DEAR BARON GROWTH FUND SHAREHOLDER:

PERFORMANCE

Baron Growth Fund® (the Fund) gained 5.02% (Institutional Shares) for the year ended December 31, 2024. This trailed the return of the Fund's benchmark, the Russell 2000 Growth Index (the Benchmark), which gained 15.15% for the year. The Russell 3000 Index, which measures the performance of the 3,000 largest publicly traded U.S. companies, gained 23.81% for the year.

We attribute approximately 25% of our underperformance to short-term cyclical headwinds or temporary growth investments that negatively impacted the performance of several high-conviction positions. We attribute the remainder of our underperformance to our focus on high-quality compounding growth businesses, which were out of favor during the year. We believe that all our holdings offer compelling and durable growth opportunities, which positions the Fund to deliver superior returns over time across market cycles.

Table I.
Performance
Annualized for periods ended December 31, 2024

	Baron Growth Fund Retail Shares[1,2]	Baron Growth Fund Institutional Shares[1,2,3]	Russell 2000 Growth Index[1]	Russell 3000 Index[1]
Three Months[4]	(2.48)%	(2.42)%	1.70%	2.63%
One Year	4.76%	5.02%	15.15%	23.81%
Three Years	(2.39)%	(2.14)%	0.21%	8.01%
Five Years	8.14%	8.42%	6.86%	13.86%
Ten Years	10.00%	10.28%	8.09%	12.55%
Fifteen Years	12.00%	12.29%	10.92%	13.56%
Since Inception (December 31, 1994)	12.46%	12.61%	7.92%	10.81%

NEAL ROSENBERG
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RONALD BARON
CEO AND
PORTFOLIO MANAGER

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

While the Fund generated reasonable absolute returns for the year, it failed to keep pace with the performance of the Benchmark. We attribute approximately 50% of our relative underperformance to our exclusive focus on high-quality durable growth assets, which were out of favor during the year. Instead, investors bid up stocks that are relatively lower-quality, more volatile, and riskier. Frequently, they sold shares of relatively higher quality businesses to fund these investments.

We attribute approximately 25% of our relative underperformance to the disproportionate impact of Super Micro Computer, Inc. (Supermicro) and MicroStrategy Incorporated on the Benchmark. These stocks gained 188% and 118%, respectively, during the first half of the year, after which they were removed from the Benchmark. We believe that shares of Supermicro

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, 2023 was 1.30% and 1.05%, respectively (comprised of operating expenses of 1.29% and 1.04%, respectively, and interest expense of 0.01% and 0.01%, 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 BaronCapitalGroup.com or call 1-800-99-BARON.

1 The **Russell 2000® Growth Index** measures the performance of small-sized U.S. companies that are classified as growth. The **Russell 3000® Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market, as of the most recent reconstitution. All rights in the FTSE Russell Index (the "Index") vest in the relevant LSE Group company which owns the Index. Russell® is a trademark of the relevant LSE Group company and is used by any other LSE Group company under license. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. The Fund includes reinvestment of dividends, net of withholding taxes, while the Russell 2000® Growth and Russell 3000® Indexes include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in 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.

BARON FUNDS 1987

were driven by a blind frenzy for AI-related investments, while shares of MicroStrategy were a levered play on the price of Bitcoin. Given their unusually large weighting and exceptional (but for Supermicro, short-lived) performance, they contributed almost 19% of the Benchmark's full year return. We estimate that the impact of these two stocks was over 2.5 times greater than the average largest detrimental effect measured over the last 25 years, which is a remarkable three-plus standard deviations away from the norm.

Finally, we attribute approximately 25% of our underperformance to several high conviction positions that were temporarily impacted by short-term cyclical headwinds or elevated growth investments. We believe that the long-term earnings power of these companies remains intact and expect each to generate compelling compound returns for the portfolio going forward.

IDEXX Laboratories, Inc., the global leader in veterinary diagnostics, has seen modest declines in pet owner visits to U.S. veterinary clinics temper its short-term growth rate. We attribute foot traffic headwinds to a temporary mix shift in pet age following the "pandemic puppy" boom, a modest reduction in service hours at U.S. veterinarians, and some macroeconomic headwinds in discrete markets. We believe IDEXX is entering a compelling new product cycle, underpinned by two new in clinic instruments and a breakthrough cancer screening panel, which should drive annual earnings growth of 20% over the long term. We expect foot traffic headwinds to ultimately revert to tailwinds, helping to accelerate growth and catalyze multiple expansion.

CoStar Group, Inc., a leader in real estate information, analytics, and marketplaces, also detracted from the Fund's results. CoStar has spent three years building its Homes.com residential real estate marketplace. We estimate that CoStar's residential products will serve a total addressable market (TAM) that exceeds $15 billion, with international markets increasing that TAM by a factor of four. CoStar is investing heavily to pursue this opportunity, spending almost $1 billion in 2024 and signaling a similar level of spend for 2025. The significant upfront investment is consistent with the scale of the opportunity, but weighed on the stock given that costs are incurred before the company can begin to generate revenue. We are excited by metrics such as growing site traffic, improving unaided brand awareness, and favorable sales activity from early cohorts of salespeople. We are also encouraged by ongoing regulatory developments, which have the potential to reshape the residential purchase process to the benefit of consumers and CoStar. We believe that residential presents a transformative growth opportunity for the company and see attractive future returns in the stock as the Homes.com investment cycle abates and the segment begins to contribute revenue with high incremental margins.

Shares of **Vail Resorts, Inc.** detracted from performance as adverse weather conditions reduced financial results. Vail has succeeded in converting a sizeable portion of its customer base to season passes, which dampens but does not eliminate the impact of weather. We believe that Vail boasts an irreplaceable network of ski resorts. We expect the company to grow at attractive rates by adding more customers on season passes, raising prices consistently, and upselling customers to higher priced offerings. We are also excited by the launch of Vail's innovative My Epic Gear membership program, which offers visitors a technology-driven gear rental experience with attractive economics. Finally, we believe that growth can be amplified by acquisitions, particularly as the company makes headway in the vast European market.

Despite these performance headwinds, we have not changed our process or strategy, nor compromised on our criteria, to pursue trends that we think are short term or speculative. Instead, we exclusively seek to invest in businesses with sustainable competitive advantages, that sell highly differentiated products or services, have sticky customer bases, and are run by management teams that optimize for long-term growth. We seek to invest in those businesses at attractive prices, and endeavor to hold our investments for the long term.

Adherence to this investment strategy has delivered strong annualized returns during the Fund's 30-year life. We note that our periods of best performance frequently follow periods of relative underperformance. Over the last 10 years, the Fund has experienced four such periods of underperformance. On average, these periods of underperformance lasted for about year, with the average shortfall being 11.5% cumulatively or 10.1% annualized. The Fund followed these periods of underperformance with much longer and more robust periods of outperformance. On average, the periods of outperformance lasted for approximately two years, and on average the Fund outperformed by 27.2% cumulatively or 14.4% annualized during these periods.

Encouragingly, some of our best performance occurred during the first Trump administration. From Inauguration Day in January 2017 through the beginning of the pandemic, which we date to 2/19/2020, the Fund returned 91.6%, or 23.4% annualized. This exceeded our Benchmark's return by 9.5% annually, or a remarkable 41.8% cumulatively. This outstanding performance followed a period of relative underperformance for the Fund, akin to our experience in 2024. This comparison, coupled with attractive fundamental outlooks and reasonable valuations for the businesses with which we have invested make us optimistic about the Fund's future performance.

Table II groups our portfolio based on our assessment of the attributes that best characterize each investment. While this does not perfectly correlate to the Global Industry Classification Standard, the industry standard nomenclature, we believe it provides added transparency into our thought process.

Table II.
Total returns by category for the quarter ended December 31, 2024

	% of Total Investments (%)	Total Return (%)	Contribution to Return (%)
Real-Irreplaceable Assets	**17.8**	**2.94**	**0.46**
Vail Resorts, Inc.	5.3	10.22	0.46
Choice Hotels International, Inc.	6.0	9.20	0.46
Douglas Emmett, Inc.	1.0	6.73	0.05
Gaming and Leisure Properties, Inc.	3.5	–4.98	–0.18
Red Rock Resorts, Inc.	1.5	–14.63	–0.22
Alexandria Real Estate Equities, Inc.	0.5	–16.55	–0.12
Russell 2000 Growth Index		**1.70**	
Disruptive Growth	**8.3**	**0.80**	**0.06**
Altair Engineering Inc.	0.5	14.57	0.11
ANSYS, Inc.	4.0	5.89	0.22
Farmers Business Network, Inc.	0.0	0.00	0.00

Table II. (continued)

	% of Total Investments (%)	Total Return (%)	Contribution to Return (%)
Disruptive Growth (continued)			
Iridium Communications Inc.	2.8	–4.26	–0.13
FIGS, Inc.	1.1	–9.58	–0.10
Northvolt AB	0.0	–100.00	–0.05
Financials	**50.0**	**–1.02**	**–0.58**
The Carlyle Group Inc.	1.1	18.07	0.16
Houlihan Lokey, Inc.	1.1	10.23	0.10
Clearwater Analytics Holdings, Inc.	0.1	8.99	0.01
Moelis & Company	0.4	8.81	0.03
Morningstar, Inc.	4.4	5.66	0.20
FactSet Research Systems Inc.	7.1	4.65	0.31
MSCI Inc.	11.4	3.18	0.28
Primerica, Inc.	4.9	2.65	0.14
Kinsale Capital Group, Inc.	6.0	–0.06	–0.05
Cohen & Steers, Inc.	2.2	–3.19	–0.08
Arch Capital Group Ltd.	11.4	–13.20	–1.67
Core Growth	**23.9**	**–8.39**	**–2.08**
Trex Company, Inc.	0.6	3.73	0.03
Gartner, Inc.	9.2	–4.41	–0.40
CoStar Group, Inc.	4.9	–5.09	–0.24
Krispy Kreme, Inc.	0.8	–7.39	–0.06
Guidewire Software, Inc.	2.0	–7.85	–0.15
Bio-Techne Corporation	2.2	–9.77	–0.23

Table II. (continued)

	% of Total Investments (%)	Total Return (%)	Contribution to Return (%)
Core Growth (continued)			
IDEXX Laboratories, Inc.	2.0	–18.26	–0.49
Mettler-Toledo International Inc.	1.0	–18.41	–0.21
Bright Horizons Family Solutions, Inc.	0.9	–20.93	–0.25
Neogen Corp.	0.2	–27.78	–0.08
Fees		**–0.29**	**–0.29**
Total	**100.0***	**–2.43****	**–2.43****

* *Individual weights may not sum to displayed total due to rounding.*

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

Sources: Baron Capital, FTSE Russell, and FactSet PA.

Our investments in **Real/Irreplaceable Assets**, **Core Growth**, and **Financials** represent between 17.8% and 50.0% of the Fund's total investments, and aggregate to 91.7%. Another 8.3% of total investments are invested in businesses that we consider to be **Disruptive Growth** businesses, which we believe offer greater growth potential, albeit with more risk relative to other investments. We believe this balance appropriately reflects our goal to generate superior returns over time with less risk than the Benchmark. As shown in the table above, our investments in Real/Irreplaceable Assets outperformed the Benchmark, while our investments in Disruptive Growth, Financials, and Core Growth trailed the Benchmark in the quarter.

Table III.
Performance Characteristics
Millennium Internet Bubble to Present

	Millennium Internet Bubble to Financial Panic 12/31/1999 to 12/31/2008	Financial Panic to Present 12/31/2008 to 12/31/2024	Millennium Internet Bubble to Present 12/31/1999 to 12/31/2024	Inception 12/31/1994 to 12/31/2024
Alpha (%)	5.05	3.37	4.97	6.44
Beta	0.58	0.81	0.70	0.72

Table IV.
Performance
Millennium Internet Bubble to Present. The Impact of Not Losing Money.

	Millennium Internet Bubble to Financial Panic 12/31/1999 to 12/31/2008		Financial Panic to Present 12/31/2008 to 12/31/2024		Millennium Internet Bubble to Present 12/31/1999 to 12/31/2024		Inception 12/31/1994 to 12/31/2024	
	Value $10,000	Annualized Return (%)	Value $10,000	Annualized Return (%)	Value $10,000	Annualized Return (%)	Value $10,000	Annualized Return (%)
Baron Growth Fund	12,448	2.46	76,496	13.56	95,226	9.43	352,247	12.61
Russell 2000 Growth Index	6,476	–4.71	63,628	12.26	41,203	5.83	98,284	7.92
Russell 3000 Index	7,634	–2.95	86,500	14.44	66,038	7.84	217,671	10.81

Performance data quoted represents past performance. Past performance is no guarantee of future results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

The Fund has meaningfully outperformed its Benchmark over the long term. The Fund has gained 12.61% on an annualized basis since its inception on December 31, 1994, which exceeds that of the Benchmark by 4.69% and the Russell 3000 Index by 1.80%, annualized. This represents robust absolute and relative returns across a variety of market environments, driven primarily by favorable stock selection. We attribute this result to not losing money during periods of significant market drawdowns, such as the nine years ended December 2008, as well as robust absolute and relative performance versus the Benchmark during the most recent five-year period, which featured two significant market corrections.

While the Fund did not make much money from December 31, 1999 through December 31, 2008, a period which includes the highs of the Internet Bubble and the lows of the Financial Panic, 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. Similarly, a hypothetical investment in a fund designed to track the Russell 3000 Index would have declined 2.95% annualized. (Please see Table IV–Millennium Internet Bubble to Financial Panic). From the Financial Panic to present, the Fund generated an annualized return of 13.56%, which has exceeded that of its Benchmark by 1.30% annualized.

We believe that the power of compounding is better demonstrated by viewing these returns in dollar terms. A hypothetical investment of $10,000 in the Fund at its inception on December 31,1994 would be worth $352,247 on December 31, 2024. This is approximately 3.6 times greater than the $98,284 the same hypothetical investment made in a fund designed to track the Benchmark would be worth, and over 60% more than a hypothetical investment in the Russell 3000 Index. Hypothetically, our returns were achieved with approximately 28% less volatility than the Benchmark, as represented by its beta. (Please see Tables III and IV.) Importantly, we believe that the returns in the portfolio have come primarily through the compounded growth in the revenue and cash flow of the businesses in which we have invested rather than increases in valuation multiples. We are pleased that our long-term investments in what we believe are competitively advantaged companies with attractive growth prospects and exceptional management teams have generated attractive returns in good markets and have helped to protect capital during more challenging ones.

Table V.

Top contributors to performance for the quarter ended December 31, 2024

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Total Return (%)	Contribution to Return (%)
Choice Hotels International, Inc.	1996	0.4	6.7	9.20	0.46
Vail Resorts, Inc.	1997	0.2	7.0	10.22	0.46
FactSet Research Systems Inc.	2006	2.5	18.2	4.65	0.31
MSCI Inc.	2007	1.8	47.0	3.18	0.28
ANSYS, Inc.	2009	2.3	29.5	5.89	0.22

Choice Hotels International, Inc., a global franchisor of hotels under 10 brands, contributed to performance due to accelerating revenue per available room across its portfolio. Combined with an expected increase in the number of units, this revenue growth should produce solid earnings results in 2025. Choice Hotels has a healthy balance sheet in line with long-term targets, which will enable it to use any excess cash flow generated by earnings toward share buybacks and dividends. The stock continues to trade at a discount to its long-term average multiple, and we still compelling upside despite recent strong performance.

Shares of global ski resort company **Vail Resorts, Inc.** contributed to performance after reporting a 7% increase in revenue as skiers bought passes despite poor snow conditions over the previous two ski seasons. The current ski season launched with more favorable conditions, leading to bookings in line with last year's levels. We believe that robust 2025 earnings and free cash flow growth will generate attractive returns for investors. The company has a healthy balance sheet with a well-covered 5% dividend and continues to trade at a discount to its long-term average multiple.

Shares of **FactSet Research Systems Inc.**, a leading provider of investment management tools, contributed to performance. The company held an upbeat Investor Day in November and expressed optimism on its fiscal first quarter of 2025 earnings call in December regarding prospects for the second half of fiscal 2025. While we still see some near-term uncertainty, we retain long-term 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.

Table VI.

Top detractors from performance for the quarter ended December 31, 2024

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Total Return (%)	Contribution to Return (%)
Arch Capital Group Ltd.	2002	0.4	34.7	–13.20	–1.67
IDEXX Laboratories, Inc.	2005	1.9	33.9	–18.26	–0.49
Gartner, Inc.	2007	2.3	37.4	–4.41	–0.40
Bright Horizons Family Solutions, Inc.	2013	1.8	6.4	–20.93	–0.25
CoStar Group, Inc.	2004	0.7	29.3	–5.09	–0.24

Shares of specialty insurer **Arch Capital Group Ltd.** fell due to concerns about a cyclical slowdown following several years of favorable market conditions. The market presently forecasts a decline in property catastrophe reinsurance pricing during the January 1 renewal period, defying earlier hopes for stable pricing. Despite solid third quarter earnings, underwriting margins worsened due to a recent acquisition, business mix shifts, and normal quarterly volatility. Additionally, shares were pressured by an unexpected CEO transition. We continue to own the stock due to Arch's strong management team and our expectation of significant growth in earnings and book value.

Shares of veterinary diagnostics leader **IDEXX Laboratories, Inc.** detracted as foot traffic to veterinary clinics remained under pressure, which has continued to hamper aggregate revenue growth. We remain investors. Despite macro challenges, IDEXX's excellent execution enabled the company to deliver robust financial results. We believe competitive trends are outstanding, and we expect new proprietary innovations and field sales force expansion to be meaningful contributors to growth in 2025. We see increasing evidence that secular trends around pet ownership and pet care spending have been structurally accelerated, which should help support IDEXX's long-term growth rate.

Shares of **Gartner, Inc.**, a provider of syndicated research, detracted from performance as core subscription growth remained stable rather than inflecting higher. We believe trends are poised to accelerate over the next several quarters as comparisons ease and business conditions improve. In our view, Gartner will emerge as a critical decision support resource for every company evaluating the opportunities and risks of AI on its business, which should provide a tailwind to volume growth and pricing realization over time. We expect Gartner's sustained revenue growth and focus on cost control to drive continued margin expansion and enhanced free cash flow generation. The company's balance sheet is in excellent shape and can support aggressive repurchases and bolt-on acquisitions.

Portfolio Structure and Investment Strategy

We seek to invest in businesses with attractive fundamental characteristics and long-term growth prospects. These attributes include high barriers to entry, sustainable competitive advantages, large and growing addressable markets, and durable secular tailwinds. We invest in business models that have recurring or predictable revenue, generate attractive incremental margins, are cash generative, and are not dependent on third-party financing. We invest with management teams that seek to consistently reinvest into their businesses to raise barriers to entry and pursue long-term profitable growth. We work with our growing team of analysts to conduct iterative and holistic due diligence by interacting with representatives of all company stakeholders. In addition to visiting regularly with a company's management team, we join our analysts in speaking with a company's existing and potential customers, key suppliers, and large competitors. We use such findings to refine our understanding of a business and its industry, assess its growth trajectory, test the durability of its competitive advantages, and ultimately reinforce or refute our investment thesis. We do this in an iterative manner and ultimately spend as much time researching long-held positions as we do when researching new potential investments.

We hold investments for the long term. As of December 31, 2024, our weighted average holding period was 17.5 years. This is dramatically longer than most other small-cap growth funds, which, according to Morningstar, turn over about 67% of their portfolios annually based on an average for the last three years. The portfolio's 10 largest positions have a weighted average holding period of 19.3 years, ranging from an 8.1-year investment in **Kinsale Capital Group, Inc.** to investments in **Choice Hotels International, Inc.** and **Vail Resorts, Inc.** of approximately 28 years. We have held 23 investments, representing 88.6% of the Fund's total investments, for more than 10 years. We have held 10 investments, representing 11.4% of the Fund's total investments, for fewer than 10 years. We believe that Table VII and Table VIII quantify the merits of our long-term holding philosophy.

Table VII.
Top performing stocks owned more than 10 years

	Year Acquired	Cumulative Total Return Since Date Acquired (%)	Annualized Return Since Date Acquired (%)
Choice Hotels International, Inc.	1996	3,962.5	14.1
Arch Capital Group Ltd.	2002	3,296.8	16.8
IDEXX Laboratories, Inc.	2005	2,772.6	18.4
MSCI Inc.	2007	2,589.3	21.2
Gartner, Inc.	2007	2,088.2	19.5
Morningstar, Inc.	2005	1,772.2	16.1
CoStar Group, Inc.	2004	1,688.0	15.4
Cohen & Steers, Inc.	2004	1,664.4	15.1
Mettler-Toledo International Inc.	2008	1,596.3	19.3
Primerica, Inc.	2010	1,522.5	20.8
ANSYS, Inc.	2009	1,197.9	17.4

The cohort of investments that we have held for more than 10 years earned a weighted average annualized rate of return of 16.3% since we first purchased them. This exceeded the performance of the Fund's Benchmark by 7.4% annualized. Four of these investments have achieved annualized returns that exceeded the Benchmark by more than 10% per year.

Table VIII.
Top performing stocks owned less than 10 years

	Year Acquired	Cumulative Total Return Since Date Acquired (%)	Annualized Return Since Date Acquired (%)
Kinsale Capital Group, Inc.	2016	1,655.4	42.5
Altair Engineering Inc.	2017	495.9	28.3
Moelis & Company	2015	437.8	19.1
Houlihan Lokey, Inc.	2017	389.9	24.7
Red Rock Resorts, Inc.	2016	212.7	14.0

The cohort of investments that we have held for fewer than 10 years has returned 25.3% annually on a weighted average basis since our initial purchase, exceeding the Benchmark by 15.6% annualized. Five of these investments have achieved annualized returns that exceeded the Benchmark by more than 10% per year, including three that have achieved annualized returns that exceeded the Benchmark by more than 20% per year.

Portfolio Holdings

As of December 31, 2024, we owned 33 investments. The top 10 holdings represented 70.5% of the Fund's total investments, all of which have been held for a minimum of eight years. All were small-cap businesses at the time of purchase and have become top 10 positions through stock appreciation. Our holdings in these stocks have returned 19.2% annually based on weighted average assets since our initial investment, exceeding the Benchmark by an average of 10.7% annually. We attribute much of this relative outperformance to the superior growth rates and quality exhibited by these businesses relative to the Benchmark average. We believe all our 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 as measured by beta. Note that diversification cannot guarantee a profit or protect against loss.

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Table IX.
Top 10 holdings as of December 31, 2024

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Total Investments (%)
Arch Capital Group Ltd.	2002	0.4	34.7	814.1	11.4
MSCI Inc.	2007	1.8	47.0	810.0	11.4
Gartner, Inc.	2007	2.3	37.4	658.9	9.2
FactSet Research Systems Inc.	2006	2.5	18.2	504.3	7.1
Kinsale Capital Group, Inc.	2016	0.6	10.8	427.9	6.0
Choice Hotels International, Inc.	1996	0.4	6.7	425.9	6.0
Vail Resorts, Inc.	1997	0.2	7.0	374.9	5.3
Primerica, Inc.	2010	1.0	9.1	350.1	4.9
CoStar Group, Inc.	2004	0.7	29.3	347.2	4.9
Morningstar, Inc.	2005	0.8	14.4	311.5	4.4

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 Portfolio Manager

Neal Rosenberg
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 the Funds' distributor, Baron Capital, Inc., by calling 1-800-99-BARON or visiting BaronCapitalGroup.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. **Free Cash flow (FCF)** represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets.

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