Dear Baron Partners Fund Shareholder:

Performance

After a solid first half of the year, Baron Partners Fund® (the Fund) declined in the most recent quarter. The Fund fell 7.17% (Institutional Shares) and trailed both the Russell Midcap Growth Index, its primary benchmark (the Benchmark) and the S&P 500 Index during the quarter. Those two indexes declined 5.22% and 3.27%, respectively. The Morningstar Large Growth Category average (the Peer Group) declined 3.59%.*

The Fund remains considerably ahead of the Benchmark, the S&P 500 Index, and the Peer Group since the start of the year. Year-to-date, the Fund has appreciated 32.36%. The Benchmark and S&P 500 Index have appreciated 9.88% and 13.07%, respectively over the first nine months of 2023, with the Peer Group increasing 19.80% over this same period.

The Fund also maintains an exceptional long-term record. Its 3-, 5- and 10-year annualized returns are 12.78%, 24.82%, and 19.31%, respectively. These figures compare to the Benchmark's returns of 2.61%, 6.97%, and 9.94%, respectively. The Fund's over 20-year annualized return since its conversion to a mutual fund in 2003 is 16.69%.

MICHAEL BARON
PORTFOLIO MANAGER

RON BARON
CEO AND PORTFOLIO MANAGER

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

Table I.
Performance
Annualized for periods ended September 30, 2023

	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]	(7.23)%	(7.17)%	(5.22)%	(3.27)%
Nine Months[5]	32.09%	32.36%	9.88%	13.07%
One Year	5.69%	5.96%	17.47%	21.62%
Three Years	12.49%	12.78%	2.61%	10.15%
Five Years	24.49%	24.82%	6.97%	9.92%
Ten Years	18.99%	19.31%	9.94%	11.91%
Fifteen Years	16.27%	16.57%	11.25%	11.28%
Since Conversion (April 30, 2003)	16.48%	16.69%	10.79%	10.00%
Since Inception (January 31, 1992)	14.86%	15.00%	9.52%	9.86%

In the most recent quarter, there has been significant market volatility. Investors continue to speculate if interest rate hikes will persist and how long rates will remain at current levels. There has been mixed data about domestic employment, inflation, and major foreign economies. These macroeconomic factors have particularly weighed on traditional growth businesses. While such companies dominate the Fund's portfolio, we have had pockets of good performance in often overlooked growth segments.

We continue to achieve diversification in this focused Fund by investing in different types of growth businesses. We believe that while all Fund holdings exhibit growth characteristics, the various segments should perform differently in distinct market environments. In the current economic conditions, the Fund's holdings in the **Financials** category performed considerably better than other areas. If we include **Guidewire Software, Inc.**, which provides software solutions to the financial industry's insurance

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares as of December 31, 2022 was 1.69% (comprised of operating expenses of 1.30% and interest expense of 0.39%) and Institutional Shares was 1.44% (comprised of operating expenses of 1.04% and interest expense of 0.40%). 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 Fund expenses pursuant to a contract expiring on August 29, 2034, 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 baronfunds.com or call 1-800-99-BARON.

*** As of 9/30/2023, the annualized returns of the Morningstar Large Growth Category average were 23.46%, 4.26%, 9.04%, and 11.63% for the 1-, 3-, 5-, and 10-year periods, respectively.**

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. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. All rights in the FTSE Russell Index (the "Index") vest in the relevant LSE Group company which owns the Index. Russell® is a trade mark 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 Midcap® Growth Index and S&P 500 Index include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts 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.

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brokerages, the Fund's five Financials-related holdings have an ending portfolio weight of 20.6% and appreciated 5.9% in the period. Higher interest rates and improved insurance prices should boost the earnings of traditional financial companies like **The Charles Schwab Corp.** and **Arch Capital Group Ltd.** for years to come. (Schwab declined modestly in the current period because clients' idle cash moved from the firm's lucrative balance sheet into higher yielding money market funds. We believe the negative impact of cash sorting is temporary.) The Fund's holdings in technology companies servicing financial end-markets also performed particularly well in the period. This group includes **FactSet Research Systems Inc.**, **MSCI Inc.**, and Guidewire. These end-markets are highly regulated, competitively advantaged, and vital to their customers, which generally insulates them from a tough macroeconomic environment. The businesses we own in the Fund continued to execute on their growth opportunities. There was an overblown perception that FactSet's and MSCI's clients were under significant pressure. While client spending has moderated slightly, retention has remained high for both companies. FactSet has expanded its product offering, added different types of users, and managed expense growth appropriately. We expect FactSet to maintain steady growth in various channels, while also expanding margins. MSCI's business has also been more resilient than many anticipated, and new offerings in private assets information should expand its addressable market. And finally, Guidewire is nearing the end of its costly technological cloud migration. New deals are improving meaningfully, and research and development and infrastructure costs are being reallocated towards product development. We believe margins should increase over time.

While these holdings helped blunt some of the market pressures, they were not able to offset the downdraft in the rest of the portfolio. The vast majority of the other 20 holdings declined in the period. **Real/Irreplaceable Assets** and **Core Growth** businesses fell because of a perceived impact on their customer bases. Consumers, feeling the pressure from a slowing job market and higher inflation, may pause future discretionary purchases. **Disruptive Growth** businesses suffered significant valuation contraction, specifically when there was not a clear catalyst to revitalize growth. **Iridium Communications Inc.**'s stock price decline was particularly pronounced. The satellite company's future growth is moderating. Tailwinds for its more mature Voice and Data service, which requires expensive hardware, is abating. *Internet of Things* services, while still exhibiting solid growth, had declining average revenue per user. A shift towards individual customers rather than industrial use cases is pressuring average fees. Government services have been contracted for the next few years. We had anticipated growth being reinvigorated by its direct-to-device offering. However, Apple entered a deal with a competitor and, while Iridium partnered with Qualcomm, this service has yet to be implemented by major device manufacturers. It is unclear when these deals will be announced or if consumers are willing to pay for the service. The uncertainty has given some investors pause. We remain confident that the service will eventually be widely available and become a standard offering in future personal devices. However, the timeline for a potentially ubiquitous offering is uncertain.

While disappointed with the absolute return of the Fund in the most recent period, we are pleased that diversification across types of businesses has helped blunt some of the macroeconomic impacts. This portfolio construction approach has been successful over the history of the Fund, and we remain optimistic it will continue to help achieve good absolute and relative returns over the long term.

Table II.
Total returns by category for the three months ended September 30, 2023

	% of Net Assets (as of 9/30/2023)	Total Return (%)	Contribution to Return (%)
Financials	**19.4**	**5.19**	**0.56**
MSCI Inc.	2.0	9.58	0.11
FactSet Research Systems Inc.	4.9	9.39	0.36
Arch Capital Group Ltd.	8.0	6.49	0.35
The Charles Schwab Corp.	4.4	–2.77	–0.26
Russell Midcap Growth Index		**–5.22**	
Disruptive Growth	**62.2**	**–6.50**	**–3.53**
NVIDIA Corporation	0.3	3.26	0.01
X Holding Corp.	0.7	2.70	0.02
Spotify Technology S.A.	0.6	–3.61	0.00
Tesla, Inc.	47.0	–4.41	–1.57
Moderna, Inc.	0.7	–5.38	–0.04
Northvolt AB	0.1	–5.38	–0.01
Space Exploration Technologies Corp.	9.3	–7.37	–0.78
Iridium Communications Inc.	2.9	–26.57	–0.90
FIGS, Inc.	0.6	–28.66	–0.26
Real/Irreplaceable Assets	**12.8**	**–9.83**	**–1.31**
Gaming and Leisure Properties, Inc.	1.3	–4.57	–0.06
Hyatt Hotels Corporation	5.5	–7.29	–0.42
Red Rock Resorts, Inc.	1.1	–11.82	–0.13
Vail Resorts, Inc.	3.8	–11.86	–0.47
Marriott Vacations Worldwide Corporation	1.2	–17.41	–0.23
Core Growth	**20.3**	**–10.98**	**–2.45**
StubHub Holdings, Inc.	0.6	41.13	0.15
Guidewire Software, Inc.	1.3	18.32	0.18
Gartner, Inc.	3.7	–1.91	–0.05
HEICO Corporation	0.5	–8.32	–0.05
IDEXX Laboratories, Inc.	5.4	–12.93	–0.79
CoStar Group, Inc.	8.7	–13.61	–1.21
Adyen N.V.	–	–43.38	–0.67
Cash	**–14.6**	**–**	**0.00**
Fees	**–**	**–0.50**	**–0.50**
Total	**100.0***	**–7.20****	**–7.20****

Sources: FactSet PA, BAMCO, and FTSE Russell.

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

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

Table III.
Top contributors to performance for the quarter ended September 30, 2023

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Total Return	Percent Impact
FactSet Research Systems Inc.	2007	$ 2.7	$16.7	9.39%	0.36%
Arch Capital Group Ltd.	2002	0.6	29.7	6.49	0.35
Guidewire Software, Inc.	2017	6.0	7.3	18.32	0.18
StubHub Holdings, Inc.	2021	–	–	41.13	0.15
MSCI Inc.	2018	12.5	40.6	9.58	0.11

Shares of **FactSet Research Systems Inc.**, a leading provider of investment management tools, contributed positively to performance. Despite macro-related volatility including challenges in the banking sector, lengthening sales cycles, and constrained client budgets, the company reported quarterly earnings that beat consensus estimates and provided a solid outlook for fiscal year 2024. While there is some near-term uncertainty, we retain long-term conviction in FactSet due to the company's large addressable market, consistent execution on both new product development and financial results, and robust free-cash-flow generation.

Diversified specialty insurer **Arch Capital Group Ltd.** contributed positively after reporting results that beat consensus amid favorable industry conditions. During the second quarter, net premiums written grew 28%, underwriting margins remained strong, and net investment income more than doubled. The operating ROE exceeded 20%, and book value per share grew 18%. Pricing trends in the P&C insurance market remain favorable, and stronger interest rates are driving higher investment yields. We expect continued significant growth in earnings and book value in this unique business.

Shares of P&C insurance software vendor **Guidewire Software, Inc.** rose after the company announced robust quarterly results. Sales results included 17 cloud deals, 11 of which were with Tier 1 carriers including AllState Canada, Progressive, and Insurance Australia Group, the largest insurer in Australia. We expect the company's consistent annual recurring revenue growth to accelerate next year as sales momentum continues and ramped deals distribute revenue. We are also encouraged by Guidewire's gross margin expansion, which improved by almost 10% during the quarter. We believe Guidewire will be the critical software vendor for the global P&C insurance industry, capturing 30% to 50% of its $15 billion to $30 billion total addressable market and generating margins above 40%.

Table IV.
Top detractors from performance for the quarter ended September 30, 2023

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Total Return	Percent Impact
Tesla, Inc.	2014	$21.9	$794.2	–4.41%	–1.57%
CoStar Group, Inc.	2005	0.7	31.4	–13.61	–1.21
Iridium Communications Inc.	2019	3.0	5.7	–26.57	–0.90
IDEXX Laboratories, Inc.	2013	4.7	36.3	–12.93	–0.79
Space Exploration Technologies Corp.	2017	–	–	–7.37	–0.78

Tesla, Inc. makes electric vehicles, related software and components, and energy storage products. Shares fell due to softness in the core automotive segment given a complex macroeconomic environment, higher interest rates, factory shutdowns, and Tesla's price reductions throughout the year. These factors pressured the business' near-term margin profile. Tesla continues to generate sufficient gross profit to support an attractive product development plan that can propel the automotive segment higher over time. Initial deliveries of the Cybertruck are imminent, and its next platform could represent a material increase in revenues and profits across Tesla's automotive segment while further differentiating it from competitors. The refreshed Model 3 has generated strong demand indications while also improving unit-level economics. Lastly, while early, we expect Tesla to benefit from its investment in supercomputer Dojo, which specializes in AI for full self-driving.

CoStar Group, Inc. provides marketing and data analytics to the commercial and residential real estate industries. Shares detracted from performance since its quarterly financial results were negatively impacted by lower non-subscription revenue caused by a significant drop in commercial real estate sales. We are optimistic that volumes will recover. More importantly, we believe trends in the company's core subscription offerings remain excellent and are encouraged by growing traction in CoStar's nascent residential offering. We estimate CoStar invested around $230 million in this initiative in 2022 and is targeting a total investment approaching $500 million in 2023. While this is a significant upfront commitment, we believe residential represents a transformative opportunity. We believe the company's proprietary data, broker-oriented approach, and best-in-class management position it to succeed in this endeavor.

Iridium Communications Inc. is a leading mobile voice and data communications services vendor offering global coverage via satellite. Shares fell when second quarter earnings growth was less than anticipated. A potential slowdown in Iridium's voice and data segment, following several years when the segment benefited from a price increase and competition displacement, also likely contributed to the stock's decline. The earnings shortfall was due largely to a one-time write off of a spare satellite that we believe does not impact Iridium's long-term prospects. Iridium recently announced a collaboration with Qualcomm to integrate its satellite communication technology into Qualcomm's Snapdragon chip, allowing devices to seamlessly connect to both cellular and satellite networks. While Iridium has suggested the realization of the direct-to-device opportunity might take longer than some investors had hoped, we believe the collaboration will yield substantial revenue for the company over time. We also remain excited about the company's capital allocation program, which should benefit shareholders in the years ahead.

Investment Strategy and Portfolio Structure

We seek to invest in businesses we believe can double in value within five or six years. We 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. These businesses are identified by our analysts and portfolio managers using our proprietary research. We think these well-managed businesses have durable competitive advantages and strong, long-term growth opportunities. We use leverage to enhance returns, which increases the Fund's volatility.

Baron Partners Fund

As of September 30, 2023, we held 24 investments. The median market capitalization of these growth companies was $23.4 billion. The top 10 positions represented 88.0% of total investments. Leverage was 14.6%.

The long-term absolute and relative performance of the Fund has been very good. The Fund has returned 15.00% annualized since inception as a private partnership on January 31, 1992, exceeding its Benchmark by 5.48% per year.

The Fund's performance has also exceeded its Benchmark over the prior 3-, 5-, 10-, 15-, and 20-year periods. In addition to viewing the Fund's returns over these various trailing annual periods, we believe it is helpful to understand how the Fund has performed over economic and market cycles.

The Fund has appreciated considerably in good times…

There have been two distinct periods over the life of the Fund with significant economic growth. The nearly 8-year period from the Fund's inception through the Internet Bubble (1/31/1992 to 12/31/1999) and the more recent 11-year period Post-Great Recession to the start of the COVID-19 Pandemic (12/31/2008 to 12/31/2019). During both periods, the Index had strong returns; however, the Fund's returns were even better. The Fund's annualized return during the most recent robust economic period was 17.44% compared to the Benchmark's 16.84%.

Table V.
Performance in Good Times: Outpacing the Index

	Fund's Inception to Internet Bubble 1/31/1992 to 12/31/1999		Post-Great Recession to COVID Pandemic 12/31/2008 to 12/31/2019	
	Value $10,000	Annualized Return	Value $10,000	Annualized Return
Baron Partners Fund (Institutional Shares)	$49,685	22.45%	$58,586	17.44%
Russell Midcap Growth Index	$40,316	19.26%	$55,380	16.84%
S&P 500 Index	$42,945	20.21%	$45,104	14.68%

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

The Fund has retained value in challenging times…

We believe what sets the Fund apart from other growth funds is its historic ability to outperform in more challenging economic periods. The nine-year period from the Internet Bubble collapse through the Great Recession (12/31/1999 to 12/31/2008) saw lower returns for the Fund. It had annualized returns of 1.54%. However, the Benchmark 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 Benchmark would be worth only $6,488, more than a 35% cumulative decline. The Fund preserved (and slightly grew) capital during this difficult economic time because its investments in a diverse set of high-quality growth businesses were able to weather the environment and enhance their competitive positioning.

The COVID-19 Pandemic and its lingering macroeconomic issues have caused excessive market volatility. Over the course of three years, there have been two sizable market corrections, each with an approximate 33% decline in major indexes. But the Fund has performed admirably in both protecting and growing shareholders' capital. During the COVID-19 Pandemic and its aftermath (12/31/2019 to 12/31/2022), the Fund had an annualized return of 23.65%. The Benchmark's annualized return was only 3.85%.

Table VI.
Performance in Challenging Times: The Impact of Not Losing Money

	Internet Bubble to Financial Panic 12/31/1999 to 12/31/2008		COVID Pandemic and Macro-Downturn 12/31/2019 to 12/31/2022	
	Value $10,000	Annualized Return	Value $10,000	Annualized Return
Baron Partners Fund (Institutional Shares)	$11,479	1.54%	$18,903	23.65%
Russell Midcap Growth Index	$ 6,488	(4.69)%	$11,200	3.85%
S&P 500 Index	$ 7,188	(3.60)%	$12,479	7.66%

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

The Fund has performed well in the current uncertain environment...

We do not yet know if the challenges caused by the COVID-19 Pandemic will persist. Volatility has remained high, but we are hopeful that interest rate increases, varying policy measures, and COVID hangovers are nearing an end. We are optimistic that companies will again be valued on their fundamentals rather than on macroeconomic concerns. The well-managed, appropriately capitalized, and competitively advantaged businesses owned in the Fund have weathered a difficult few years and their stock prices are starting to reflect it. As discussed earlier, the Fund has performed well on both an absolute and relative basis in 2023.

During periods of strong economic expansion, investors often disregard these more challenging periods. Losing capital during those periods, we believe, makes it nearly impossible to have exceptionally strong returns over the long term. The Fund has shown a prior ability to grow capital during challenging periods. We believe the competitively advantaged growth portfolio should perform well in future difficult economic periods, although there is no guarantee that will be the case.

Over the longer term, this combination has been rewarding for clients. A $10,000 hypothetical investment at the inception of the Fund on January 31, 1992, would have been worth $836,006 on September 30, 2023. That same $10,000 hypothetical investment in a fund designed to track the Benchmark would now be worth $178,269, *a $657,737 difference!*

Portfolio Holdings

Table VII.
Top 10 holdings as of September 30, 2023

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Quarter End Investment Value (millions)	Percent of Total Investments
Tesla, Inc.	2014	$21.9	$794.2	$3,040.2	41.0%
Space Exploration Technologies Corp.	2017	–	–	603.4	8.1
CoStar Group, Inc.	2005	0.7	31.4	565.1	7.6
Arch Capital Group Ltd.	2002	0.6	29.7	518.1	7.0
Hyatt Hotels Corporation	2009	4.2	11.0	352.7	4.8
IDEXX Laboratories, Inc.	2013	4.7	36.3	349.8	4.7
FactSet Research Systems Inc.	2007	2.7	16.7	319.2	4.3
The Charles Schwab Corp.	1992	1.0	100.0	285.5	3.9
Vail Resorts, Inc.	2008	1.6	8.5	245.2	3.3
Gartner, Inc.	2013	5.7	27.1	240.5	3.2

Thank you for joining us as fellow shareholders in the Fund. We continue to work hard to justify your confidence and trust in our stewardship of your hard-earned savings. We remain dedicated to providing 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 Portfolio Manager

Michael Baron
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 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 most recent quarter-end, about 41% 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.

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

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).